Not for General Circulation in the United States

Aldesa Financial Services S.A.

€250,000,000 7.25% Senior Secured Notes due 2021

Aldesa Financial Services S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg (the "Issuer"), is offering €250 million aggregate principal amount of its 7.25% senior secured notes due 2021 (the "Notes") (the "Offering").

Interest on the Notes will be paid semi-annually in arrears on January 15 and July 15 of each year, beginning on July 15, 2014. The Notes will mature on April 1, 2021. The Issuer may redeem the Notes in whole or in part at any time on or after April 1, 2017 at the redemption prices specified herein. Prior to April 1, 2017, the Issuer may redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, plus the applicable "make whole" premium, as described herein. In addition, at any time prior to April 1, 2017, the Issuer may redeem at its option up to 35% of the Notes with the net cash proceeds from certain equity offerings at a price equal to 107.25% of the principal amount of the Notes redeemed plus accrued and unpaid interest, and additional amounts, if any, provided that at least 65% of the original principal amount of the Notes remains outstanding after the redemption.

Further, the Issuer may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain events defined as constituting a change of control, the Issuer may be required to make an offer to purchase the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any.

The Notes will be equal in right of payment with all of the existing and future unsubordinated indebtedness of the Issuer, will be senior to all future indebtedness of the Issuer that is subordinated in right of payment to the Notes and will be effectively senior to all of the existing and future unsecured indebtedness of the Issuer.

The Notes will be the Issuer's senior obligations and will be guaranteed on a senior basis by Grupo Aldesa, S.A., a *sociedad anónima* incorporated under the laws of Spain (the "Parent Guarantor") as well as guarantors incorporated under the laws of Spain (the Parent Guarantor, together with all other guarantors incorporated under the laws of Spain, the "Spanish Guarantors") and, on a senior secured basis, by guarantors incorporated under the laws of Mexico and Poland (together with the Parent Guarantor and the Spanish Guarantors, the "Guarantors"). Certain of the Spanish Guarantors will guarantee the Notes only following their conversion into a Spanish *sociedad anónima* (the "Conversions").

The Notes will be secured by first-ranking security interests over (i) the Proceeds Loan (as defined herein) and (ii) shares of capital stock of the Issuer and the Guarantors (other than the Parent Guarantor) (subject to the Conversions in respect of the pledge of shares of the Issuer and certain Guarantors) (the "Collateral"), as more fully described elsewhere in this offering memorandum. The Collateral will also secure the obligations under our new €100 million revolving credit facility (the "Revolving Credit Facility") and the Revolving Credit Facility will benefit from the proceeds of enforcement on a pro rata and *pari passu* basis with the Notes. The Guarantees and the security interests over the Collateral will be subject to legal and contractual limitations. See "*Risk factors—Risks related to the Notes—The Guarantees, the Notes and Collateral may be subject to release in certain circumstances and are subject to other limitations and provisions by operation of the Agreed Security Principles.*" The Notes, the Guarantees and the security interest over the Collateral will also be subject to restrictions on enforcement. See "*Insolvency laws and limitations on validity and enforceability of the Guarantees and security interests.*" In addition, rights of the holders of the Notes with respect to the Notes and the Guarantees will be subject to the Intercreditor Agreement (as defined herein). See "*Annex A—Intercreditor Agreement*" for an execution copy of the Intercreditor Agreement.

Application has been made to the Luxembourg Stock Exchange in its capacity as market operator of the Euro MTF market (the "Euro MTF") under the Luxembourg act relating to offering circulars for securities to list the Notes on the Official List of the Luxembourg Stock Exchange and for the Notes to be admitted for trading on the Euro MTF market thereof. References in this offering memorandum to Notes being "listed" (and all related references) shall mean that the Notes have been admitted to trading on the Euro MTF market and are listed on the Official List of the Luxembourg Stock Exchange. The Euro MTF market is not a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). This Offering Memorandum constitutes a prospectus for the purpose of Luxembourg law dated July 10, 2005, on Prospectus for Securities, as amended.

The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented by one or more global notes, which will be delivered through Euroclear SA/NV ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream"), on or about April 3, 2014 (the "Issue Date"). See "*Book-entry, delivery and form.*"

Investing in the Notes involves a high degree of risk. See "*Risk factors*" beginning on page 22.

Issue price for the Notes: 100.0% plus accrued interest, if any, from the Issue Date.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any other jurisdiction. Accordingly, the Notes and the Guarantees are being offered and sold inside the United States only to qualified institutional buyers ("QIBs") in accordance with Rule 144A under the U.S. Securities Act ("Rule 144A") and outside the United States to certain persons in offshore transactions in accordance with Regulation S under the U.S. Securities Act. Prospective purchasers that are QIBs are hereby notified that the sellers of the Notes may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see "*Plan of distribution*" and "*Notice to investors*."

Joint Global Coordinators

J.P. Morgan **Santander**

Bookrunners

Banco Sabadell **Bankia** **CaixaBank**

Co-Lead Manager

BBVA

The date of this offering memorandum is April 15, 2014.

You should base your decision to invest in the Notes solely on information contained in this offering memorandum. The "Initial Purchasers" are J.P. Morgan Securities plc, Banco Santander, S.A., Banco de Sabadell, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Bankia, S.A., and CaixaBank, S.A. Neither we nor the Initial Purchasers have authorized any dealer, salesperson or other person to give any information or represent anything to you other than the information contained in this offering memorandum. You must not rely on unauthorized information or representations. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

Table of contents

The Issuer, Aldesa Financial Services S.A., is incorporated as a public limited liability company (*société anonyme*) under the laws of Luxembourg, having its registered office at 9, rue Gabriel Lippman, Parc d'Activités Syrdall 2, L-5365 Munsbach, Grand Duchy of Luxembourg. As of the Issue Date, the Issuer will be a direct wholly owned subsidiary of Aldesa Agrupación. In this offering memorandum, "Issuer" refers only to Aldesa Financial Services S.A.

Important information

This offering memorandum has been prepared by us solely for use in connection with the Offering of the Notes. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, nor may this offering memorandum be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell any Notes or possess or distribute this offering memorandum, and you must obtain all applicable consents and approvals; neither we nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements. See "*Notice to investors.*"

Neither we, the Initial Purchasers, any of our or their respective representatives, nor the Trustee (as defined herein) are making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this offering memorandum as legal, business, tax or other advice. You should consult your own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes. In making an investment decision regarding any of the Notes, you must rely on your own examination of the Issuer and the terms of the Offering, including the merits and risks involved.

This offering memorandum is based on information provided by us and other sources that we believe to be reliable. The Initial Purchasers are not making any representation or warranty that this information is accurate or complete and are not responsible for this information. In this offering memorandum, we have summarized certain documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding.

The information contained in this offering memorandum is correct as of the date hereof. Neither the delivery of this offering memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this offering memorandum or in our business since the date of this offering memorandum.

The information set out in relation to sections of this offering memorandum describing clearing and settlement arrangements, including "*Book-entry, delivery and form,*" is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information.

The Notes will be available initially only in book-entry form. We expect that the Notes offered hereby will be issued in the form of one or more Global Notes, which will be deposited with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream. Beneficial interests in the Global Notes will be shown on, and transfers of beneficial interests in the Global Notes will be effected only through, records maintained by Euroclear and/or Clearstream and their participants, as applicable. See "*Book-entry, delivery and form.*"

The Notes are subject to restrictions on transferability and resale, which are described under the caption "*Notice to investors.*" By possessing this offering memorandum or purchasing any Note, you will be deemed to have represented and agreed to all of the provisions contained in that section of this offering memorandum. You should be aware that you may be required to bear the financial risks of your investment for a long period of time.

We reserve the right to withdraw this offering at any time. We and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes

sought by it. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

Nobody is authorized to give information other than that contained in the Offering Memorandum. Application has been made to the Official List of the Luxembourg Stock Exchange for the Notes to be listed and admitted to trading on the Luxembourg Stock Exchange and the Issuer will submit this offering memorandum to the Luxembourg Stock Exchange in connection with the listing application. In the course of any review by the Luxembourg Stock Exchange, the Issuer may be requested to make changes to the financial and other information included in this offering memorandum in producing listing particulars for such listing. Comments by the Luxembourg Stock Exchange may require significant modification to or reformulation of information contained in this offering memorandum or may require the inclusion of additional information. The Issuer may also be required to update the information in this offering memorandum to reflect changes in its business, financial condition or results of operations and prospects. The Issuer cannot guarantee that its application for admission of the Notes on the Official List of the Luxembourg Stock Exchange will be approved as at the date of issuance of the Notes or any date thereafter, and settlement of the Notes is not conditioned on obtaining this listing. Any investor or potential investor should not base any investment decision relating to the Notes on the information contained in this offering memorandum after publication of the listing particulars and should refer instead to those listing particulars.

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this offering memorandum under the "*Notice to investors*" section of this offering memorandum.

Notice to investors in the United States

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to QIBs as defined in Rule 144A, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. The Notes may be offered and sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Notes, see "*Notice to investors.*"

Neither the U.S. Securities and Exchange Commission, any U.S. state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that this offering memorandum is accurate or complete. Any representation to the contrary is a criminal offence.

Stabilization

IN CONNECTION WITH THE OFFERING J.P. MORGAN SECURITIES PLC (THE "STABILIZATION MANAGER") (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCES THAT THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) WILL UNDERTAKE ANY SUCH STABILIZATION ACTION. SUCH STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES AND MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF THE STABILIZATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Notice to New Hampshire residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to certain European investors

European Economic Area

This offering memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Article 3 of Directive 2003/71/EC (the "Prospectus Directive"), as implemented in Member States of the European Economic Area (the "EEA"), from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for us or any of the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this offering memorandum.

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes, which are the subject of the Offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

(a) to any legal entity that is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the

prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

This offering memorandum is for distribution only to, and is only directed at, persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "Financial Promotion Order"); (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are being offered solely to "qualified investors" as defined in the Prospectus Directive and accordingly the offer of Notes is not subject to the obligation to publish a prospectus within the meaning of the Prospectus Directive.

Spain

The Offering has not been registered with the Comisión Nacional del Mercado de Valores and therefore the Notes may not be offered or sold or distributed in Spain except in circumstances that do not qualify as a public offer of securities in Spain in accordance with article 30 bis of the Securities Market Act ("*Ley 24/1988, de 28 de julio del Mercado de Valores*") as amended and restated, or pursuant to an exemption from registration in accordance with article 41 of the Royal Decree 1310/2005 ("*Real Decreto 1310/2005, de 4 de noviembre por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*").

Mexico

The Notes may not be offered and/or sold inside the United States of Mexico.

France

This offering memorandum has not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the Code Monétaire et Financier and Title I of Book II of the Règlement Général of the Autorité des marchés financiers (the "AMF") and therefore has not been submitted for clearance to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and offers and sales of the Notes will only be made in France to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) and/or

to a closed circle of investors (*cercle restreint d'investisseurs*) acting for their own accounts, as defined in and in accordance with Articles L. 411-2 and D. 411-1 of the Code Monétaire et Financier. Neither this offering memorandum nor any other offering material may be distributed to the public in France.

Germany

The Offering is not a public offering in the Federal Republic of Germany. The Notes may only be offered, sold and acquired in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (the "Securities Prospectus Act," *Wertpapierprospektgesetz, WpPG*), as amended, the Commission Regulation (EC) No. 809/2004 of April 29, 2004 as amended, and any other applicable German law. No application has been made under German law to permit a public offer of Notes in the Federal Republic of Germany. This offering memorandum has not been approved for purposes of a public offer of the Notes and accordingly the Notes may not be, and are not being, offered or advertised publicly or by public promotion in Germany. Therefore, this offering memorandum is strictly for private use and the offer is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. The Notes will only be available to, and this offering memorandum and any other offering material in relation to the Notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2, No. 6 of the Securities Prospectus Act. Any resale of the Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

The Netherlands

In The Netherlands, the Notes may only be offered to qualified investors (*gekwalificeerde beleggers*) within the meaning of section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). This offering memorandum has not been approved by, registered or filed with The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*).

Grand Duchy of Luxembourg

The Notes may not be offered or sold within the territory of the Grand Duchy of Luxembourg unless:

- a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* in accordance with the Law of July 10, 2005 on prospectuses for securities as amended from time to time (the "Prospectus Law") and implementing Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "Prospectus Directive"), as amended by the Law of July 3, 2012 which has implemented in Luxembourg law the 2010 PD Amending Directive; or
- if Luxembourg is not the home member State, the *Commission de Surveillance du Secteur Financier* has been notified by the competent authority in the home member state that the prospectus has been duly approved in accordance with the Prospectus Directive and the 2010 PD Amending Directive; or
- the offer is made to "qualified investors" as described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments, and persons or entities who are, on request, treated as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients; or
- the offer benefits from any other exemption to, or constitutes a transaction otherwise not subject to, the requirement to publish a prospectus.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION, WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

Forward looking statements

This offering memorandum contains "forward looking statements" within the meaning of the securities laws of certain jurisdictions, including statements under the captions "*Summary*," "*Risk factors*," "*Management's discussion and analysis of financial condition and results of operations*," "*Business*" and in other sections. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends," "may," "will," "plans," "continue," "ongoing," "potential," "predict," "project," "target," "seek" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this offering memorandum and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which we operate.

In particular, our Backlog and New Order figures are based on a number of assumptions and estimates and they may not therefore necessarily be indicative of our actual results of operations for future periods. Please see "*Risk factors—General risks relating to our business and industry—Our Backlog and New Order measures are not necessarily indicative of our future net turnover or results of operations*."

By their nature, forward looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. You should not place undue reliance on these forward looking statements.

Any forward looking statements are only made as of the date of this offering memorandum and we do not intend, and do not assume any obligation, to update forward looking statements set forth in this offering memorandum.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industries in which we compete to differ materially from those expressed or implied by the forward looking statements contained in this offering memorandum.

These factors include, among others:

- the deterioration of the global economic situation and especially of our key markets, including Spain;
- our dependence on investment policies of PSEs;
- our inability to raise funds and/or obtain the guarantees and project bids necessary to carry out our activities;
- our exposure to counterparty risks;
- the risk that our Backlog and New Orders will not be indicative of our future net turnover or results of operations;
- the risk of not qualifying for or being disqualified from tendering for certain projects;
- our dependence on subcontractors, suppliers and other third parties for the operation of our businesses;
- our current and future fixed-price (or lump sum) contracts, which may result in significant losses if costs are greater than anticipated;
- events beyond our control, including weather conditions and natural disasters, unexpected geological or physical conditions, or criminal or terrorist attacks, among other things;

- fluctuations in our cash flow, collection of receivables and Net Debt levels;
- our failure to successfully maintain health and safety policies and procedures;
- risks relating to work stoppages and other labor problems;
- our international operations, particularly in emerging markets, which expose us to risks inherent to international business, including difficulties in enforcing our legal rights in certain foreign jurisdictions;
- risks relating to our indebtedness and risks related to the Notes; and
- other factors discussed under "*Risk factors*."

These risks and others described under "*Risk factors*" are not exhaustive. Other sections of this offering memorandum describe additional factors which could adversely affect our results of operations, financial condition, liquidity and the development of the sectors in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward looking statements. Given these risks and uncertainties, you should not rely on forward looking statements as a prediction of actual results.

Industry, market data and statistics

This offering memorandum includes market data and certain economic and industry data and forecasts that we obtained from publicly available information and independent industry publications and reports and internal company sources. In many cases there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analysis and estimates, requiring us to rely on the review of industry publications, including information made available to the public by our competitors.

Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, such as the following sources: Global Construction 2025 report, dated July 2013 and Euroconstruct report, 76th Conference, dated November 2013. However, the accuracy or completeness of such information is not guaranteed. We have not independently verified such data and cannot guarantee its accuracy and completeness. We cannot assure you that any of these statements or estimates are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "*Risk factors*" in this offering memorandum.

Certain numerical figures contained in this offering memorandum, including financial information, market data and certain operating data have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Certain definitions

Set forth below are certain defined terms used in this offering memorandum.

- "*Agreed Security Principles*" refers to the Agreed Security Principles as set forth in the Intercreditor Agreement (or a schedule thereto).
- "*Aldesa Agrupación"* refers to Aldesa Agrupación Empresarial, S.L.U. (formerly known as Aldesa Actividades de Construcción, S.L.U.), the borrower under the Proceeds Loan.
- "*Collateral*" refers to the Original Collateral and the Post Closing Date Collateral.
- "*Contract Value*" refers to the price provided for in the relevant contract as amended or adjusted from time to time.
- "*DSO*" refers to the weighted average "day sales outstanding" of our trade receivables, calculated as the ratio of trade receivables divided by annual net turnover (grossed up for VAT) and multiplied by 365 days. The term DSO refers only to the Restricted Group's activities. See "*Presentation of financial and other information—Non-GAAP financial measures*."
- "*EBITDA margin*" refers to EBITDA divided by net turnover for the period. See "*Presentation of financial and other information—Non-GAAP financial measures*."
- "*EU*" refers to the European Union.
- "*Existing Facilities*" refer to the Syndicated Loan and other credit facilities being repaid on or about the Issue Date in connection with the Offering.
- "*Guarantees*" refer to the guarantees provided by each of the Guarantors.
- "*Guarantors*" refers to the Issue Date Guarantors and the Post-Closing Guarantors.
- "*Indenture*" refers to the indenture pursuant to which the Notes will be issued dated as of the closing date of the issuance of the Notes among, inter alia, the Issuer, the Guarantors, Deutsche Bank Trustee Company Limited, as trustee, Deutsche Bank Luxembourg S.A., as the registrar and Deutsche Bank AG, London Branch, as Security Agent.
- "*Intercreditor Agreement*" refers to the Intercreditor Agreement dated on or about the Issue Date among the Issuer, the Parent Guarantor, the Security Agent and the other parties thereto, as amended, restated, replaced or otherwise modified or varied from time to time in accordance with the terms thereof, and appended to this offering memorandum as Annex A.
- "*Issue Date Guarantors*" refers to the following entities: the Parent Guarantor, Aldesa Construcciones, S.A.; Proacon, S.A.; Aeronaval de Construcciones e Instalaciones, S.A.U.; Construcciones Aldesem, S.A. de C.V.; Ingeniería y Servicios ADM, S.A. de C.V.; Aldesa Nowa Energia, sp. z.o.o.; Concesiones Aldesem, S.A. de C.V.; Proacon Mexico S.A. de C.V.; Coalvi, S.A.; Aldesa Holding, S.A. de C.V.; and Aldesa Polska Services, sp. z.o.o.
- "*Investment Activities*" refers to our renewable energy, concessions and real estate activities which are without recourse. See "*Presentation of financial and other information—Main Activities and Investment Activities information*."
- "*Main Activities*" refers to our construction and industrial activities which are with recourse to parent entities. See "*Presentation of financial and other information—Main Activities and Investment Activities information*."
- "*Net turnover*" consists of the revenue, net of VAT, generated from the performance of our activities and the provision of goods and services.
- "*Offering*" refers to the offering of the Notes hereby.

- "*Original Collateral*" refers to the following Collateral:

  (i) on the Issue Date, a first priority lien over the receivables in respect of the Proceeds Loan by the Issuer to Aldesa Agrupación;

  (ii) within five business days following the Issue Date, first priority liens over 100% of the share capital of Aeronaval de Construcciones e Instalaciones, S.A.U.; 100% of the share capital of Aldesa Agrupación; 38.9% of the share capital of Aldesa Home S.L.; 99.9%% of the share capital of Coalvi S.A. and 8.3% of the share capital of Proacon S.A.;

  (iii) within fifteen business days following the Issue Date, first priority liens over 100% of the share capital of Aldesa Nowa Energia sp. z.o.o.; 98% of the share capital of Aldesa Polska Services sp. z.o.o.; 99.9% of the share capital of Concesiones Aldesem, S.A. de C.V.; 99.9% of the share capital of Construcciones Aldesem, S.A. de C.V.; 100% of the share capital of Proacon Mexico S.A. de C.V.; 75.0% of the share capital of Aldesa Holding S.A. de C.V.; 99.9% of the share capital of Ingeniería y Servicios ADM, S.A. de C.V.

- "*Parent Guarantor*" refers to Grupo Aldesa, S.A.

- "*PSEs*" refers to public sector entities.

- "*Post Closing Date Collateral*" refers to first priority liens over 99.9% of the share capital of Aldesa Construcciones S.A.; 100% of the share capital of the issuer; 24.9% of the share capital of Aldesa Holding S.A. de C.V.; 61.1% of the share capital of Aldesa Home S.A.; 0.02% of the share capital of Coalvi S.A. and 91.7% of the share capital of Proacon S.A.

- "*Post-Closing Guarantors"* refers to the following entities (following their Conversion from Spanish *sociedad limitada* into *sociedad anónima*): Aldesa Agrupación and Aldesa Home, S.L.

- *"Proceeds Loan*" refers to the loan from the Issuer to Aldesa Agrupación, to be made on or about the Issue Date, the principal amount of which shall be equal to the gross proceeds of the Notes issued on the Issue Date.

- "*Project Helios"* refers to two wind farm projects which we purchased and developed from 2007 onwards, and that we sold before the construction phase. After the sale in July 2011, we remained the EPC contractor and operations and maintenance provider for the project. Upon the sale in 2011, we collected a significant amount of receivables in advance, corresponding to construction works, which were taken into account in our cash flow from operating activities in 2011. Our payments to suppliers related to Project Helios were made in subsequent years.

- "*Restricted Group"* refers to the entities described as such under "*Presentation of financial and other information—Restricted Group and Unrestricted Group information*" below.

- "*Restricted Subsidiaries*" refers to all of the subsidiaries of the Parent Guarantor which are subject to the Notes covenants.

- "*Security Agent*" refers Deutsche Bank AG, London Branch, in its capacity as Security Agent under the Indenture, the Intercreditor Agreement, the Revolving Credit Facility and the Security Documents.

- "*Security Documents*" refers to any pledges, agreements and related documents, which will be signed and entered into in connection with the granting of the Collateral to secure the obligations of the Issuer under the Notes in accordance with the terms of the Indenture. See also "*Description of the Notes—Certain definitions*."

- "*Spanish GAAP*" refers to Generally Accepted Accounting Principles in Spain.

- "*Syndicated Loan*" refers to the facility granted by a syndicate of lenders to Aldesa Construcciones, S.A., on July 29, 2010 before the Notary Public of Madrid Ms. Ana López-Monís Gallego, and novated on December 16, 2011, December 20, 2012 and December 10, 2013.
- "*Trustee*" refers to Deutsche Trustee Company Limited, in its capacity as trustee under the Indenture and the Intercreditor Agreement.
- "*Unrestricted Group"* refers to the entities which are described as such under "*Presentation of financial and other information—Restricted Group and Unrestricted Group information*" below.
- "*Unrestricted Subsidiaries*" refers to all of the subsidiaries of the Parent Guarantor which are not subject to the Notes covenants.
- "*UTE*" refers to "*Unión Temporal de Empresas*," a Spanish form of unincorporated temporary joint venture.

Presentation of financial and other information

Financial data

The Issuer

The Issuer is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered office at 9, rue Gabriel Lippman, Parc d'Activités Syrdall 2, L-5365 Munsbach, Grand Duchy of Luxembourg, incorporated on March 17, 2014. The Issuer is a finance subsidiary incorporated for the purposes of the Offering. Consequently, no historical financial information relating to the Issuer is available. The Issuer has not engaged in any activities other than those related to its formation and the transactions contemplated by this Offering. See "*Summary—Our corporate and financing structure*." On our about the Issue Date, the Issuer will make a loan to Aldesa Agupación in a principal amount of €2.0 million, corresponding to the gross amount of the equity contribution to be made by Aldesa Agupación to the Issuer on or about the Issue Date. After completion of the Offering, the Issuer will have no material assets except for an intercompany loan and the Proceeds Loan, and its only material liabilities will be its outstanding indebtedness incurred in connection therewith.

Consolidation methods and eliminations

Consolidation in the Parent Guarantor's special-purpose consolidated financial statements, was performed by fully consolidating all of the entities over which we exert or could exert control, directly or indirectly. Joint ventures and companies over which we hold a non-controlling interest, are consolidated by means of the proportional consolidation method (taking into account our stake in such entities) or by the equity method, in each case according to Spanish GAAP.

The process of consolidation eliminates balances, transactions and results among companies subject to the full consolidation. In the case of proportionally integrated consolidated companies, the balances, transactions and results of operations have been eliminated to the proportion applicable to their consolidation. Finally, results of the year of entities which we consolidated by means of the equity method have been eliminated to the percentage of our stake. For more information concerning our methods of consolidation and eliminations, please see Notes 2 and 5 to our special-purpose consolidated financial statements.

Financial statements

This offering memorandum contains an unaudited opening balance sheet of the Issuer. The Issuer is a finance subsidiary which was incorporated for the purposes of the Offering on March 17, 2014.

This offering memorandum also contains the special-purpose consolidated financial statements of the Parent Guarantor as of and for the years ended December 31, 2013, December 31, 2012 and December 31, 2011, which have been prepared in accordance with Spanish GAAP and audited in accordance with International Standards on Auditing by Deloitte, S.L., as set forth in their auditor's report included elsewhere herein (the "Financial Statements").

Non-GAAP financial measures

The financial information included in this offering memorandum includes some measures which are not accounting measures within the scope of Spanish GAAP, including:

- EBITDA, which we define as operating result before impairment of commodities, raw materials and other supplies, losses, impairment and changes in provisions from trade operations, amortization of fixed assets, impairment and profit/(loss) from disposals of fixed

assets and other results. We use the term EBITDA both for the Restricted Group and for the Unrestricted Group.

- Adjusted EBITDA, which we define as EBITDA, as adjusted for redundancy costs in Spain, overhead costs relating to operations of the Unrestricted Group and EBITDA relating to the Torrejón-Móstoles project. We use the term Adjusted EBITDA only for the Restricted Group.
- EBITDA margin, which we define as EBITDA divided by net turnover for the period. We use the term EBITDA margin both for the Restricted Group and for the Unrestricted Group.
- Backlog, which we define as the amount of receivables, net of VAT, from contracts signed both for works and services pending completion. We include the receivables from a contract in our Backlog only once the corresponding contract has been signed, using the Contract Value in the relevant contract. The term "Backlog" relates only to the Restricted Group's activities. See "*Risk factors—General risks relating to our business and industry—Our Backlog and New Orders measures are not necessarily indicative of our future net turnover or results of operations.*"
- New Orders, which we calculate by adding the net turnover of any given year to the Backlog at the end of such year, and then subtracting the amount corresponding to the backlog at the beginning of such year, and adjusting for currency exchange fluctuations. We use New Orders to show new contracts entered into and changes in the scope of existing contracts (including renewals, extensions and early terminations). The term "New Orders" relates only to the Restricted Group's activities.
- Capital expenditures, which we use both for the Restricted Group and the Unrestricted Group. For the Restricted Group, these consist mainly of investments in property, plant and equipment such as machinery. Our capital expenditures for the Unrestricted Group relate to investments in intangible fixed assets, such as the rights to use assets under concession agreements.
- Restricted Group Net Leverage Ratio, which represents our Restricted Group Net Debt for the periods indicated, divided by Restricted Group EBITDA for the corresponding periods.
- Net Debt, which we define as our total financial indebtedness minus cash and other equivalent liquid assets.
- DSO, which we define as the weighted average "day sales outstanding" of our trade receivables, calculated as the ratio of trade receivables divided by annual net turnover (grossed up for VAT) and multiplied by 365 days. The term DSO only relates to the Restricted Group's activities.

Please see "*Summary financial and operating information,*" "*Selected historical financial data*" and "*Management's discussion and analysis of financial condition and results of operations*" for further information about these measures.

EBITDA, Adjusted EBITDA, EBITDA margin, Backlog, New Orders, Capital Expenditures, Restricted Group Net Leverage Ratio, Net Debt, DSO and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing any of the above measurements as reported by us to corresponding measurements of other companies. The EBITDA measures presented in this offering memorandum differ from the definition of "Consolidated EBITDA" contained in the Indenture. Neither EBITDA, Adjusted EBITDA, EBITDA margin, Backlog, New Orders, Capital Expenditures, Restricted Group Net Leverage Ratio, Net Debt nor DSO are a measurement of performance under Spanish GAAP and you should not consider any of these measurements as an alternative to (a) operating profit or profit for the period (as determined in accordance with Spanish GAAP) as a measure of our operating performance, (b) cash flow from operating, investment and financing activities as a measure of

our ability to meet our cash needs or (c) any other measures of performance or liquidity. EBITDA, Adjusted EBITDA, EBITDA margin, Backlog, New Orders, Capital Expenditures, Restricted Group Net Leverage Ratio, Net Debt and DSO have limitations as analytical tools, and you should not consider them in isolation or as substitutes for an analysis of our results as reported under Spanish GAAP.

The financial information included in this offering memorandum is not intended to comply with the applicable accounting requirements of the U.S. Securities Act and the related rules and regulations of the U.S. Securities Exchange Commission which would apply if the Offering of the Notes was being registered with the SEC.

Segment information

We operate our business on a geographic basis and have the following geographic segments: Spain, Mexico, Poland and Others (that currently includes Peru, Guatemala, India and Romania). Net turnover and costs are allocated to these geographic segments based on the locations where a given activity is carried out and not based on the jurisdiction of incorporation of the entity carrying out the activity.

Restricted Group and Unrestricted Group information

This offering memorandum presents financial information relating to the Restricted Group, financial information relating to the Unrestricted Group, as well as financial information on a consolidated basis.

Consolidated financial information: Consolidated financial information encompasses both the Restricted Group and the Unrestricted Group.

Restricted Group financial information: Restricted Group financial information includes results of operations, assets and liabilities of the Parent Guarantor and our Restricted Subsidiaries (our subsidiaries subject to the Notes covenants). In particular, and except as otherwise provided, Restricted Group financial information includes results of operations, assets and liabilities of our Restricted Subsidiaries in relation to the "Torrejón-Móstoles" project. The "Torrejón-Móstoles" project is a real estate project undertaken by one of our Unrestricted Subsidiaries (Viviendas Torrejón-Móstoles, S.A.U.) on land belonging to the Restricted Group. The project is financed by project finance loans entered into by Viviendas Torrejón-Móstoles, S.A.U., which is secured by the buildings owned by the Restricted Group and the receivables received by the Restricted Group from the project. Separate intercompany loans have been granted by Viviendas Torrejón-Móstoles, S.A.U. to the Restricted Group for the purpose of funding the obligations under the project finance loan. For more information regarding these intercompany loans, see *"Certain relationships and related party transactions—Arrangements between the Unrestricted Group and the Restricted Group."*

Unrestricted Group financial information: Unrestricted Group financial information includes:

i. results of operations, assets and liabilities of our Unrestricted Subsidiaries; and

ii. results of operations, assets and liabilities of certain entities in which we own not more than a 50% stake but that we still consolidate under the proportional or the equity method because we either share or do not have control of these entities, including incorporated joint ventures and other associates.

As of the Issue Date, the following entities will be Unrestricted Subsidiaries: Enersol Solar Santa Lucía S.L.U., Aldesa Eólico Olivillo, S.A.U., Sistemas Energéticos Sierra de Andévalo, S.A. (SESA), Viviendas Torrejón-Móstoles, S.A.U., Colegio Torrevilano, S.L., Edificio Torrevilano, S.L., Colegio Montesclaros, S.L., Edificio Montesclaros, S.L., Gran Canal de Inversiones, S.L., Aldeturismo de México, S.A. de C.V., Aldesa Polska Diamante Plaza, sp. z.o.o. and Concesionaria Autopista del Sureste, S.A. de C.V. and each of their respective subsidiaries.

Main Activities and Investment Activities information

This offering memorandum presents cash flow information, working capital information and capital expenditure information relating to our Main Activities and our Investment Activities, as well as on a consolidated basis.

Consolidated financial information: Consolidated financial information encompasses both our Main Activities and Investment Activities.

Main Activities: Cash flow, working capital and capital expenditure information of our Main Activities relates to construction and industrial activities which are with recourse to parent entities.

Investment Activities: Cash flow, working capital and capital expenditure information of our Investment Activities relates to our renewable energy, concessions and real estate activities which are without recourse.

Subject to the following two adjustments, Restricted Group financial information is identical to financial information for "Main Activities" in our special-purpose consolidated financial statements, and Unrestricted Group financial information is identical to financial information for "Investment Activities" in our special-purpose consolidated financial statements. The two adjustments are the following:

i. cash flow, working capital and capital expenditure information of our Unrestricted Subsidiary, Aldeturismo de México S.A. de C.V. is included in the "Main Activities" financial information in our special-purpose consolidated financial statements, but is excluded from the "Restricted Group" financial information presented in this offering memorandum; and

ii. cash flow, working capital and capital expenditure information of two entities involved in our construction and industrial activities in which we own not more than a 50% stake but that we still consolidate under the proportional or the equity method are included in the "Main Activities" financial information in our consolidated statements but are excluded from the "Restricted Group" financial information presented in this offering memorandum.

These two adjustments are due to the fact that Aldeturismo de México S.A. de C.V. and these entities in which we do not own more than 50% are considered part of the Main Activities for accounting purposes, but are not subject to the Notes covenants. These two adjustments represented, in the aggregate, approximately 0.0% of our consolidated net turnover, approximately 0.8% of our consolidated total assets, and approximately 0.1% of our consolidated total financial indebtedness as of the for the year ended December 31, 2013.

Factors affecting comparability

In September 2013, we sold 100% of our stake in Aldesa Servicios y Mantenimientos, S.A. (operating under the brand "Concentra"), a subsidiary dedicated to the cleaning sector which constituted our "Services" activity, to AB City Service. In 2012, this subsidiary accounted for €46.0 million in net turnover and €1.7 million of EBITDA (representing 6.0% of our consolidated net turnover and 1.7% of our consolidated EBITDA), and €33.5 million of net turnover and €0.4 million of EBITDA for the first nine months in 2013.

Other matters relating to the presentation of financial and other information

Spanish GAAP differs in certain significant respects from IFRS. We have not prepared consolidated financial statements in accordance with nor have we reconciled our special-purpose consolidated financial statements to IFRS.

We have not quantified what impact these accounting standards could have on such special-purpose consolidated financial statements, however, we have included a description of the key

differences between Spanish GAAP and IFRS in this offering memorandum, including a possible difference in the valuation of property, plant and equipment. See "*Summary of significant differences between Spanish GAAP and IFRS*."

In making an investment decision you should rely upon your own examination of the terms of the Offering and the financial information contained in this offering memorandum. You should consult your own professional advisors for an understanding of the differences between Spanish GAAP, IFRS and U.S. GAAP, and how those differences could affect the financial information contained in this offering memorandum.

The financial information included in this offering memorandum is not intended to comply with the applicable accounting requirements of the U.S. Securities Act and the related rules and regulations of the U.S. Securities Exchange Commission which would apply if the Offering of the Notes was being registered with the SEC.

Certain numerical figures contained in this offering memorandum, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Currency presentation

In this offering memorandum, unless otherwise indicated, all references to "U.S. dollars" or "$" are to the lawful currency of the United States of America; and all references to "euro" and "€" are to the single currency of the Member States of the European Union participating in the European Monetary Union.

Exchange rates

The following table sets out, for the periods set forth below, the high, low, average and period-end Bloomberg Composite Rate expressed as U.S. dollar per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the Financial Statements and other financial information appearing in this offering memorandum. None of the Issuers, the Guarantors or the Initial Purchasers represent that the U.S. dollar or euro amounts referred to below could be or could have been converted into euro at any particular rate indicated or any other rate.

The average rate for a year means the average of the Bloomberg Composite Rates on the last day of each month during a year. The average rate for a month, or for a partial month, means the average of the daily Bloomberg Composite Rate during that month, or partial month, as the case may be.

	U.S. dollars per €1.00			
	High	Low	Average[(1)]	Period end
2011	1.4830	1.2907	1.3926	1.2959
2012	1.3458	1.2061	1.2860	1.3193
2013	1.3802	1.2780	1.3285	1.3743

	U.S. dollars per €1.00			
	High	Low	Average[(2)]	Period end
September 2013	1.3530	1.3120	1.3362	1.3527
October 2013	1.3804	1.3520	1.3639	1.3583
November 2013	1.3606	1.3367	1.3497	1.3591
December 2013	1.3803	1.3551	1.3708	1.3789
January 2014	1.3763	1.3486	1.3623	1.3486
February 2014	1.3802	1.3519	1.3670	1.3802
March 2014 through March 26, 2014	1.3934	1.3733	1.3838	1.3781

(1) The average of the exchange rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates on each business day during the relevant period.

Summary

This summary highlights information contained elsewhere in this offering memorandum. It is not complete and may not contain all the information that you should consider before investing in the Notes. The following summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information included in this offering memorandum, including the special-purpose consolidated financial statements of the Parent Guarantor for the years ended December 31, 2011, 2012 and 2013. You should read carefully the entire offering memorandum to understand our business, the nature and terms of the Notes and the tax, regulatory and other considerations that are important to your decision to invest in the Notes. See "Risk factors" for factors that you should consider before investing in the Notes and "Forward looking statements" for information relating to the statements contained in this offering memorandum that are not historical facts.

Overview

We are a specialized infrastructure construction group and rank among the top ten construction groups in Spain and Mexico by net turnover. We are dedicated to the construction of railways, highways, tunnels and landmark buildings. We also undertake industrial activities, which mainly include energy projects, traffic and lighting systems and installations. In addition, we undertake investment activities, mainly involving renewable energy and concessions.

We have over 40 years of experience in the construction industry in Spain. Over the past seven years, we have evolved from a local construction company to a diversified international group, expanding in countries presenting opportunities for the execution of landmark projects. As a result we generated approximately 56% of our net turnover in 2013 outside of Spain. We currently have a significant presence in Mexico and Poland, as well as operations in Peru, Guatemala, India and Romania.

For the year ended December 31, 2013, we generated consolidated net turnover of €704.0 million and consolidated EBITDA of €92.0 million. Our Restricted Group (as defined under *"Presentation of financial and other information"*) generated net turnover of €646.9 million, EBITDA of €52.3 million and Adjusted EBITDA of €56.9 million and, as of December 31, 2013, had a Backlog of €1,557.0 million.

Our activities include the following:

Construction: Our construction activities include the construction of railways, motorways and highways, tunnels and buildings. In our construction activities (and, to a more limited extent, in our industrial activities), we mainly act as an EPC (engineering, procurement and construction) contractor, focusing on value-added and technical activities such as design and engineering, and subcontracting less complex aspects of the work. For highly technical activities such as tunnels we tend to carry out the activities in-house rather than using subcontractors. Our landmark construction projects include the urban expansion of the AVE Atocha high-speed railway in Madrid, the construction of the Durango-Mazatlán highway, several university projects in Poland (including the expansion of Warsaw University to include the chemistry and biology faculties), the construction of the railway lines between Bhaupur and Khurja in India and the construction of the tunnel for the Renace II hydroelectric plant in Guatemala.

Industrial: Our industrial activities include construction, maintenance and operations in energy projects (including generation, transmission and distribution), in traffic and lighting systems and electrical and mechanical installations. We believe that our industrial activities projects typically require a higher degree of technology and know-how than our primary construction activities projects due to the more technical nature of the industrial activities sector, where the client base tends to seek builders that can add significant value to projects. Our landmark industrial projects include the conservation and maintenance of over 37 thousand lighting

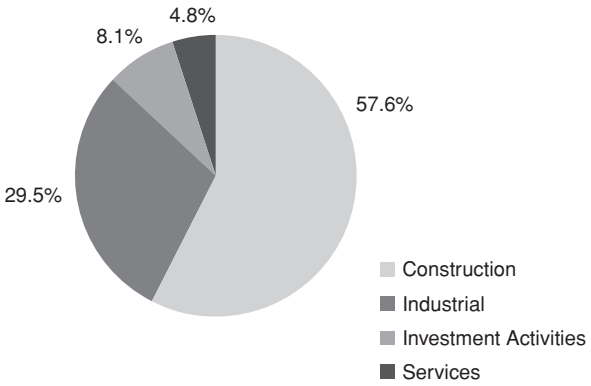
points in the Southern Area of Seville (Spain), the lighting on the Durango-Mazatlán highway in Mexico and the construction of 400KV power lines in Olsztyn and Gdańsk in Poland.

Investment activities: We carry out our investment activities primarily with a view to generate business for our construction and industrial activities. Our investment activities focus on operations in renewable energy, concessions (toll roads and schools) and real estate.

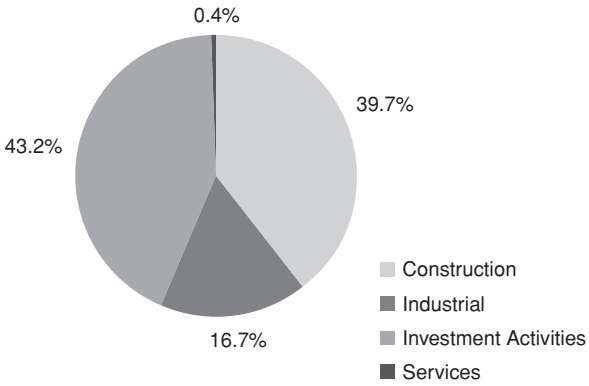
Our construction and industrial activities are generally carried out by the Restricted Group, while our investment activities are generally carried out by the Unrestricted Group. Our services activity included in the charts below was sold in September 2013. See "*Presentation of financial information—Factors affecting comparability*."

The following charts present our activities by net turnover and EBITDA, for the year ended December 31, 2013:

Net turnover



EBITDA



We began our internationalization process in 2007, targeting new markets with a strong demand for infrastructure projects. We have applied a dual approach to our internationalization process: on the one hand we target certain countries where our aim is to have a permanent presence (such as Mexico, Poland and Peru), and on the other hand we employ a project-focused strategy (focusing on railways and tunnels) worldwide, where we look for specific projects that fit well within our capabilities (such as Guatemala, India and Romania).

We operate our business on a geographic basis and have the following geographic segments:

Spain: We began our activities in Spain in 1969. Our net turnover in 2013 from activities in Spain amounted to €306.6 million, or 43.6% of our total net turnover and our consolidated EBITDA generated in Spain amounted to €44.4 million, with an EBITDA margin of 14.5%.

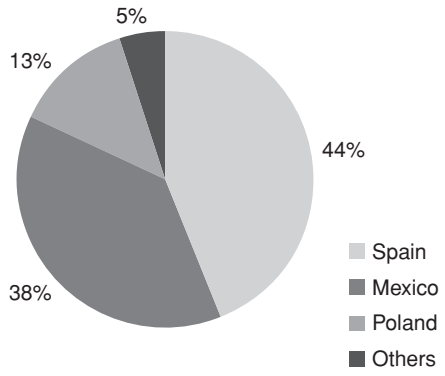
Mexico: We began our activities in Mexico in 2007. Our net turnover in 2013 from activities in Mexico amounted to €269.4 million, or 38.3% of our total net turnover. Our consolidated EBITDA generated in Mexico amounted to €43.0 million, with an EBITDA margin of 16.0%.

Poland: We began our activities in Poland in 2009. Our net turnover in 2013 from activities in Poland amounted to €93.2 million, or 13.2% of our total net turnover. Our consolidated EBITDA generated in Poland amounted to €4.0 million, with an EBITDA margin of 4.3%.

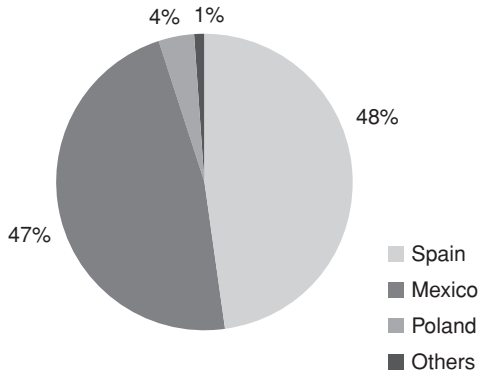
Other: In recent years, we have expanded our activities into other jurisdictions such as Peru, Guatemala, India and Romania. Our net turnover in 2013 from activities in the rest of the jurisdictions where we operate amounted to €34.8 million, or 4.9% of our total net turnover. Our consolidated EBITDA generated in these jurisdictions amounted to €0.7 million, with an EBITDA margin of 2.0%.

The following charts present our net turnover and EBITDA by geographic segment, for the year ended December 31, 2013:

Net turnover



EBITDA



Our competitive strengths

We believe we have the following competitive strengths:

Leading construction company in fragmented markets with focus on highly specialized and complex projects

We are an established market leader in strategic and complex engineering projects. We carry out all three of our activities (construction, industrial and investment activities) in our key markets of Spain, Mexico and Poland and we are also active in growing markets, including Peru, Guatemala, India and Romania, where we see significant upside potential over the coming years. We are among the top ten largest construction companies in Spain and Mexico by net turnover, and we believe that we are among the top five companies in certain specialized areas such as high-speed railway construction projects in Spain. We entered the Polish market in 2009, and have been expanding since then, becoming an important player in that market as well. We believe that our leading position as a top ten player in Spain and Mexico represents a significant competitive advantage, demonstrating that we have the experience and the know-how to bid for, win and execute some of the largest and most coveted tenders around the world and particularly in our key markets. In addition, our established local presence in these markets provides us with close relationships to key market players and local knowledge of new opportunities.

The competitive advantage of our market position is further strengthened by our specialized know-how and established track record in complex projects such as high-speed railways, tunnels, and viaducts. During the bidding phase for these projects, we typically face fewer competitors, since only the most experienced players with the requisite scale and expertise can submit credible tenders. Consequently, these projects tend to provide higher margins and profitability. For example, we have been involved in the development of the Durango-Mazatlán highway since 2008. Our contract for this project includes 23 tunnels and 13 viaducts crossing the Sierra Madre Mountains (with certain viaduct pillars reaching up to 110 meters), and is considered to be one of the most complex road projects in Mexico.

Proven track record of project execution

We believe we have a strong reputation in the construction industry, with a track record of more than 40 years of successfully executing projects of high quality to high standards. Our focus on quality and timely completion of our projects allows us to maintain strong, long-lasting relationships with our customers. For the year ended December 31, 2013, approximately 70% of our total net turnover from our top 20 customers in our construction

and industrial activities were attributable to repeat customers, which we believe demonstrates broad satisfaction among our customers, both public and private.

We have been able to create long-lasting relationships by successfully executing many of the most complex projects in the industry in our key markets. Over the years, we have participated in projects involving: (i) more than 40 kilometers of tunnels in more than 40 projects in three different countries, (ii) more than 200 kilometers of double-track, high-speed railway and two high-speed railway stations and (iii) more than 200 kilometers of motorways and highways.

Our success is also attributable to our focus on finding innovative technological solutions. Our research and development activities are focused on solving issues that arise during the development of projects. Over the last three years, €18.1 million of our project costs (in relation to projects of prior years) have been recognized by the Spanish government as research and development costs. We believe our customers appreciate our technical expertise.

As a result, we have built our track record and reputation among not only customers, but within the industry, allowing us to enter into agreements to jointly develop projects with many leaders in our sector, including Tata Projects Limited, Cofides, and several infrastructure funds, such as Barclays Infrastructure Fund, GBM Infrastructura, NIBC and Ampere Fund.

Resilient business model, increasingly diversified by geography and by business activity

Our business is diversified across jurisdictions and activities, reducing our dependence on any single market or business, providing resilience during downturns and positioning us to exploit opportunities in markets around the world. Our business was historically based in Spain, where in 2009 we generated 96% of our net turnover. However, our internationalization efforts in the last years have resulted in our activities expanding outside of Spain, from 19% of our net turnover for the year ended December 31, 2011 to 56% of our net turnover for the year ended December 31, 2013. Our key international markets, Mexico and Poland, which have been our focus for international expansion due to their fragmented construction industry and due to their strong construction sectors, have grown from 19% and zero respectively, of our net turnover for the year ended December 31, 2011, to 38% and 13%, respectively, of our net turnover for the year ended December 31, 2013. In addition, our activities in other international markets where we were not present in 2011 (including Peru, Guatemala, India and Romania) accounted for 5% of our net turnover for the year ended December 31, 2013. Due to this geographic diversification, we have managed to increase our profitability and to maintain resilient EBITDA levels between 2005 and 2013, despite the economic downturn since 2009. In the medium term, the construction sectors in the international markets where we are present have a positive outlook that we believe will support and strengthen our business. Furthermore, we believe that we are ideally positioned to benefit from an expected economic recovery in Spain.

In addition to our geographic diversification, our three activities (construction, industrial and investment activities) complement each other, providing us with cross-selling opportunities and increasing the diversification of our business activities. For example, although our net turnover from our construction activities has fallen in recent years due primarily to the recession in Spain, net turnover from our industrial activities increased by 41.7% over the last three years, from €146.7 million in 2011 to €207.9 million in 2013. The fact that we can provide 360º solutions to customers (e.g. from the design and construction to the operation of the asset) represents another important competitive advantage.

In our construction activities (and, to a more limited extent, in our industrial activities), we mainly act as an EPC (engineering, procurement and construction) contractor, focusing on value-added and technical activities such as design and engineering, and subcontracting less complex aspects of the work. This business model provides us with significant operational flexibility, allowing us to reduce our cost base in the event of a downturn.

Substantial, diversified Backlog provides for strong net turnover visibility

In our construction and industrial activities, our Backlog (which refers to the amount of receivables, net of VAT, from contracts signed both for works and services pending completion) has increased significantly over the last three years. Our Backlog has grown from €1,150.2 million as of December 31, 2011 to €1,557.0 million as of December 31, 2013 (of which 69% related to our construction activities and 31% related to our industrial activities as of December 31, 2013), representing an increase of approximately 35.4% for the two-year period ended December 31, 2013.

We have historically experienced high rates of conversion of Backlog into net turnover. In addition, we believe that our Backlog provides us with a good visibility over revenues of future years. For example, approximately 90% of the net turnover during the year 2013 was included in our Backlog as of December 31, 2012. We believe that the contracts signed and included in our Backlog as of December 31, 2013 will generate in 2014 an amount of net turnover similar to the net turnover generated in 2013, assuming no unexpected delays or alterations in the contracts. Our Backlog as of December 31, 2013 represented approximately 2.5 times the net turnover achieved by our construction and industrial activities in 2013. We also expect to be able to capture New Orders in 2014 which could generate incremental revenue for 2014 on top of the net turnover to be generated from our Backlog as of December 31, 2013. In addition to the growth in absolute terms, the remaining life of our Backlog increased from 18 months in 2011 to 32 months in 2013 for our construction activities, and from 14 months in 2011 to 28 months in 2013 for our industrial activities. Our Backlog has also become more geographically diversified over time, with 65% representing international activities (i.e. outside of Spain) as of December 31, 2013, up from 18% at the end of 2011. Out of the 65% of our international Backlog as of December 31, 2013, 44% came from Mexico, which we believe will allow us to further strengthen and solidify our presence in the country.

Moreover, no single contract represented more than 9% of our net turnover in 2013 and our Backlog includes both public and private customers across our various jurisdictions. During the last three years, we had more than 50 different contracts with our top 10 customers. Because of our broad and diversified contract and customer base, we believe that we are not dependent on any single customer or type of customer.

We believe the increases in our Backlog in terms of both remaining life and geographical diversification, together with the diversified customer base within our Backlog, are important indicators of the high quality of our Backlog. We therefore believe our Backlog is an important indicator of the strength of our business, the successful expansion of our customer base over the last three years and our ability to generate net turnover in the near to medium term.

High margins with low capital expenditure requirements

Our EBITDA margin in the Restricted Group increased from 7.5% in 2011 to 8.0% in 2012 and increased slightly in 2013 to 8.1% (or 8.5% excluding our Concentra service activity sold in September 2013). In our construction activities, our EBITDA margin was 9.0% in 2013, which we believe is higher than the average construction sector EBITDA margins. Our success in this regard is particularly striking given that it has coincided with the severe economic recession in Spain, which affected the entire country and the construction sector in particular. We have maintained our margins by expanding our international presence, particularly in Mexico (from 19% of our consolidated net turnover in 2011 to 38% in 2013), where we generally have higher margins due to a more fragmented market environment, by successfully leveraging our specialized expertise on highly complex projects, which typically provide greater profitability in our construction activities, and by conducting efficient operational management.

In addition, we have low capital expenditure requirements in the Restricted Group due to our EPC contractor business model in which we subcontract a large portion of the work and equipment. In 2013, our capital expenditures in tangible assets were €5.2 million.

Strong and versatile management team backed by stable and supportive shareholders

Our senior management team has significant experience in the construction industry and has a compelling track record of success, having led the company through a period of significant growth from a small local construction company into a large, international business diversified across sub-sectors and geographies. Even through the most severe recession in decades, our management has shown the ability to effectively plan and successfully implement our international expansion and diversification by activity. Together with our personnel on the ground in our key markets, they have capitalized on our market position, specialized knowledge and experience to allow us to compete at the highest levels for the best tenders.

In addition, our management has maintained a disciplined approach to leverage, maintaining consistent levels of Net Debt in the Restricted Group in the past three years. As of December 31, 2011, 2012 and 2013, our Restricted Group net leverage ratio was 1.19x, 1.40x and 1.34x, respectively.

Furthermore, we believe that our shareholders have demonstrated their support and commitment to the development of our business and our management: our shareholding structure has remained unchanged through a period of both expansion and recession.

Our business strategy

The following constitute our key business strategies:

Be a market leader in our key jurisdictions, while increasing our efficiency and compressing the timeframe between project tender and project conclusion

Our objective is to maintain our position among the top ten construction companies in Spain and Mexico while continuing to build our company into a top ten construction company in Poland. One of the criteria we use in selecting the countries where we plan to have a permanent presence is the fragmentation of the construction market, as we select countries where the construction business is characterized by a few larger players and significant competition among a substantial number of small- and medium-sized players. In these fragmented markets, we believe that as a specialized construction company we benefit from a competitive advantage. We plan to continue pursuing contracts in Spain, Mexico, and Poland in particular, where we believe our established local presence, existing customers and reputation for technological expertise have positioned us for continued success, and where our close relationships with key market players allows us to identify new projects and opportunities early, while also reducing collection times. Building on our local knowledge, we intend to opportunistically enter into carefully selected markets characterized by a significant need for infrastructure development, public investment in infrastructure and market stability.

We have what we believe is a fully integrated approach to the construction cycle, from tender to completion. Our operational strategy focuses on involving all relevant parties in the project planning process at an early stage, including suppliers, specialized workers, sub-contractors and banks. We believe this approach facilitates disciplined, thorough and efficient project preparation and execution, as well as increased profitability. In addition, it allows us to reduce the time between the project tender, project completion and payment. We believe this approach supports our margins, efficient working capital management and liquidity position, while reducing overall risks.

Continue to pursue our successful diversification strategy

Our diversification strategy by geography has helped us maintain our margins despite challenging market conditions. We intend to continue to strengthen our position in our focus markets by expanding our product offering within our core activities, where we believe we already enjoy the competitive advantages of a leading market position and established reputation for quality and technical expertise. We aim to leverage these strengths to benefit

from economies of scale, while exploiting the available synergies from our complementary product offerings. From this position of strength, we will continue to maintain a selective approach when entering new markets, carefully evaluating and ranking potential new markets by various factors indicative of their suitability, including need for infrastructure, public and/or private plans or commitments to invest and market stability.

Focus on our profitability

We aim to maintain our margins above the average for our sector. In our construction activities, we seek to achieve this by continuing to focus on highly specialized and complex projects, where high barriers to entry limit competitive pressure and typically offer the best margins. We also intend to preserve our best-in-class profitability by continuing to be very selective in the bidding process, tendering for projects which can deliver the profitability levels we are aiming for. In our industrial activities, we aim to expand in those areas that have historically offered the best margins and provided a recurring source of income.

Apply a project-focused approach to leverage our know-how and exploit synergies among our activities

We adopt a project-focused approach in countries around the world where we do not currently have a permanent presence and where we do not aim to establish one. In India, we have been awarded three contracts to build sections of a railway line as a member of a consortium. In Romania, we were awarded our first contract in 2013 for the construction of a road as a member of a consortium. In Guatemala, we are currently acting as the underground works subcontractor to another construction company. We are planning on continuing to develop this project-focused approach worldwide and pursue specific projects in which we have significant expertise, such as railway and tunnel projects, on an opportunistic basis.

We will also continue to selectively develop our investment activities to feed our construction and industrial activities and to pursue an asset rotation strategy to monetize some of our more mature concession contracts.

Increase operational efficiency and financial flexibility.

We are committed to maintaining a sound capital structure and a strong liquidity position. We intend to increase our operational efficiency through analysis and optimization of corporate overhead costs and an emphasis on margin and working capital control, particularly in our international projects. Through the Offering, we intend to diversify our sources of financing and increase our financial flexibility.

Refinancing transactions

On the Issue Date, the Issuer will issue €250 million aggregate principal amount of Notes pursuant to the Offering; and the Issuer will apply the gross proceeds of the Offering to make the Proceeds Loan to Aldesa Agrupación. We will apply the gross proceeds of the Proceeds Loan to prepay and discharge all outstanding debt under the Existing Facilities, together with all accrued interest thereon and pay costs and expenses related to the foregoing transactions, in each case as further described in *"Use of proceeds."*

On or about the Issue Date, we will also enter into a Revolving Credit Facility in an amount of €100 million to finance our ongoing working capital needs. This Revolving Credit Facility is not currently expected to be drawn on the Issue Date. See *"—Our corporate and financing structure."*

Our shareholders

The Parent Guarantor's share capital is beneficially held by the Fernández family. See *"Principal shareholders."*

The Issuer and the Parent Guarantor

The Issuer, Aldesa Financial Services S.A., a public limited liability company (*société anonyme*), is a finance subsidiary formed solely for the purposes of issuing Notes. The Issuer has been incorporated under the laws of Luxembourg and has its registered office at 9, rue Gabriel Lippman, Parc d'Activités Syrdall 2, L-5365 Munsbach, Grand Duchy of Luxembourg. The Parent Guarantor, Grupo Aldesa, S.A., is a public limited liability company, validly incorporated and existing under the laws of Spain. Founded in 1969 through the acquisition of the company "Excavaciones Santamaría," we were then purchased by the Fernández family in 1991 and developed into a national construction company in Spain. Grupo Aldesa then began to diversify its activities through both organic growth and acquisitions and, from 2007 onwards, it has conducted a careful process of internationalization expanding to America, Eastern Europe and India.

Recent developments

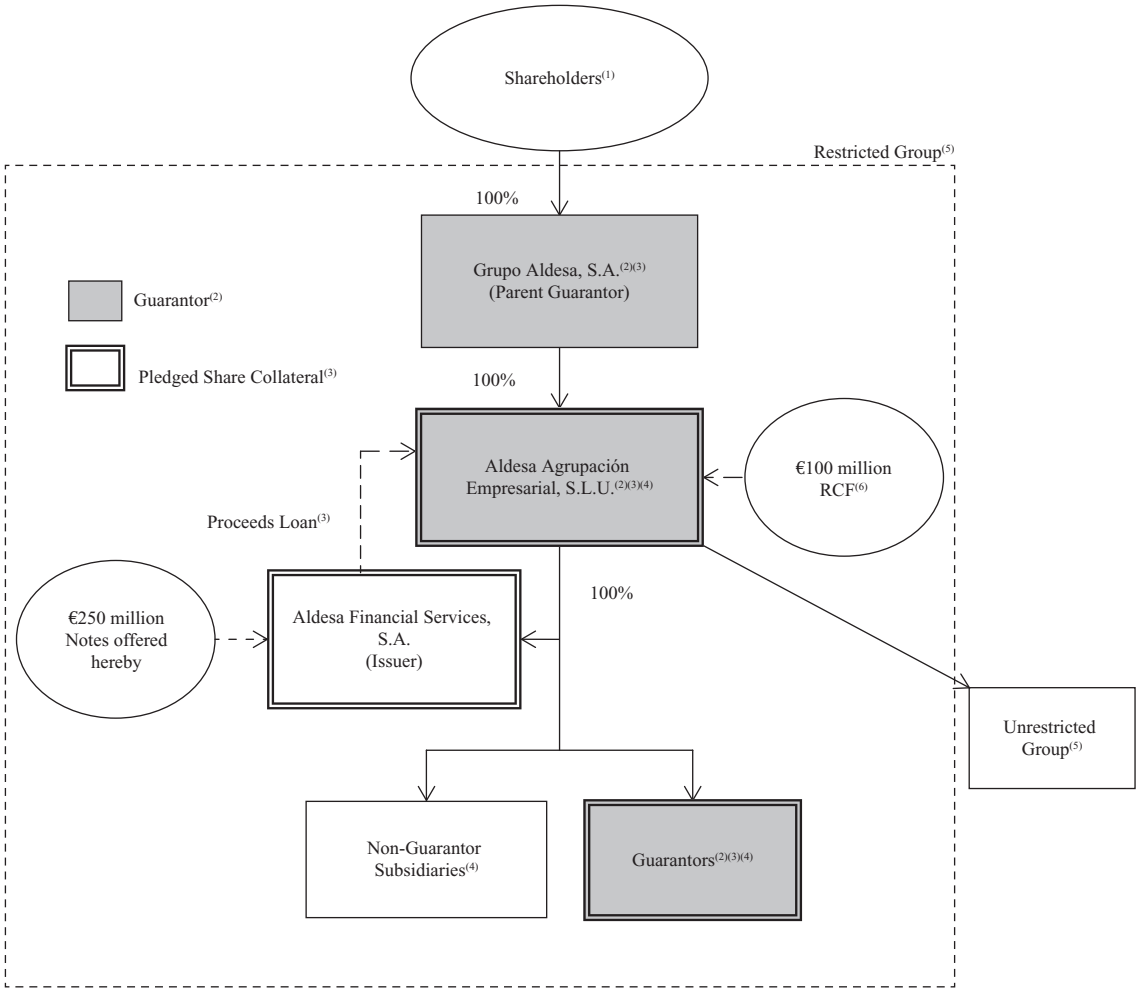
Consistent with usual seasonal patterns, our working capital needs increase during the first months of the financial year because we collect less receivables following the end of the prior financial year. In order to meet these working capital needs, we have drawn €53.7 million from January 1, 2014 to March 7, 2014 on our credit facilities. These drawings are consistent with historical patterns in which during the first quarter of each financial year we have an above-yearly average net debt level and at the end of the year we have a below-yearly average net debt level. Our yearly average Restricted Group Net Debt for 2013 was €132.3 million compared to €70.2 million as of December 31, 2013. For more information regarding the seasonality of our cash flows and Net Debt levels, please see *"Management's discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations."*

As our first quarter ends on March 31, 2014, we do not presently have any final information regarding our results for the first quarter. See "*Forward looking statements*" and "*Risk factors*" for a discussion of the factors that could affect our results of operations.

Our corporate and financing structure

The following diagram summarizes our corporate structure and principal outstanding financing arrangements after giving effect to the Conversions of certain Guarantors from *sociedad limitada* into *sociedad anónima*, the Offering of the Notes and use of proceeds thereof and the entry into the Revolving Credit Facility.

The diagram does not include all of our entities nor does it show all of our debt obligations. See "*Description of the Notes*" and "*Description of certain financing agreements*" for more information.



(1) Grupo Aldesa, S.A. is indirectly wholly-owned by companies affiliated with the Fernández family, including Antonio Fernández Rubio, Matilde Fernández Ruiz, Alejando Fernández Ruiz, Isabel Fernández Ruiz, Antonio Fernández Ruiz, Mercedes Fernández Ruiz as well as their respective spouses and immediate family members. See "*Principal shareholders.*"

(2) On the Issue Date, the Notes will be guaranteed by the Issue Date Guarantors, being: the Parent Guarantor, Aldesa Construcciones, S.A.; Proacon, S.A.; Aeronaval de Construcciones e Instalaciones, S.A.U.; Construcciones Aldesem, S.A. de C.V.; Ingeniería y Servicios ADM, S.A. de C.V.; Aldesa Nowa Energia, sp. z.o.o.; Concesiones Aldesem, S.A. de C.V.; Proacon México S.A. de C.V.; Coalvi, S.A.; Aldesa Holding, S.A. de C.V.; Aldesa Polska Services, sp. z.o.o.

In addition, the Parent Guarantor will use its reasonable best efforts to implement the Conversions and cause the Post-Closing Guarantors to become Guarantors, namely Aldesa Agrupación and Aldesa Home, S.L. The Parent Guarantor currently expects that the Conversions will take place within 180 days from the Issue Date.

The Guarantees will be subject to certain contractual and legal limitations, as described under "*Risk factors—Risks related to the Notes—The Guarantees and security interests in the Collateral may be limited by the operation of the Agreed Security Principles or applicable laws or be subject to certain limitations or defenses.*"

As of and for the year ended December 31, 2013, the Guarantors represented 89.6% of our Restricted Group net turnover, 113.4% of our Restricted Group EBITDA and 79.1% of the total assets of the Restricted Group. As of and for the year ended December 31, 2013, Post-Closing Guarantors represented negative 1.7% of our Restricted Group EBITDA, 0.0% of our Restricted Group net turnover and 3.0% of the total assets of the Restricted Group. As of December 31, 2013, non-Guarantor subsidiaries represented 20.9% of the total assets of the Restricted Group. In the year ended December 31, 2013, non-Guarantor subsidiaries represented a negative percentage of Restricted Group EBITDA.

(3) The Notes will be secured by the Original Collateral and, following the applicable Conversion, the Post-Closing Date Collateral, as described under "*—The Offering.*"

(4) In addition to the Revolving Credit Facility and the Notes offered hereby, following the Issue Date certain entities in the Restricted Group will be parties to other financing arrangements, including (i) a credit line between one of the Guarantors (Aldesa Holding S.A. de C.V.) with Inbursa, which represented an outstanding amount of €1.6 million as of December 31, 2013, (ii) three mortgage loans entered into between Sociedad de Gestión de Activos Procedentes de la Restructuración Bancaria, S.A. and Aldesa Construcciones, S.A. (one of the Guarantors), Aguilas Residencial, S.A. and Aldesa Nuevo Madrid, S.L., as well as a mortgage loan with CaixaBank. These four mortgage loans represented an aggregate outstanding amount of €16.3 million as of December 31, 2013. The Restricted Group will continue to be a party to finance leases (which represented an outstanding amount of €1.4 million as of December 31, 2013) as well as currency hedging and guarantee lines. For more information regarding these financing arrangements, please see "*Description of certain financing agreements*."

(5) Unrestricted Group refers to the entities described as such under "*Presentation of financial and other information—Restricted Group and Unrestricted Group information.*"

In 2013, companies in the Restricted Group generated 91.9% of our consolidated net turnover and 56.9% of our consolidated EBITDA and as of December 31, 2013 companies in the Restricted Group accounted for 54.3% of our consolidated total assets.

As of December 31, 2013, on a pro forma basis after giving effect to the offering of the Notes and the application of the proceeds therefrom, the Restricted Group would have had outstanding indebtedness of €274.6 million, of which €250 million would have been represented by the Notes. As of December 31, 2013, the Unrestricted Group had outstanding indebtedness (including indebtedness of entities which we consolidate by the equity or proportional method) of €559.1 million. The proceeds of the Offering will not be used to repay indebtedness of the Unrestricted Group. As of December 31, 2013 we also had provided off-balance sheet provisional and definitive procurements, guarantees and works tender bonds, down payment bonds, performance bonds and advance payment bonds to PSEs and private entities amounting to €651.8 million. In addition, the Restricted Group has granted certain guarantees for the benefit of the Unrestricted Group, including (i) guarantees provided by Aldesa Construcciones, S.A. in an amount of €3.9 million for the dismantling of certain renewable energy projects of our Unrestricted Group at the end of the relevant project, (ii) several guarantees provided by Aldesa Construcciones, S.A. in an amount of €6.0 million in respect of different school and energy projects, (iii) a guarantee provided by Aldesa Construcciones, S.A. to Autopista de La Mancha Concesionaria Española, S.A. in an amount of up to €1.5 million in connection with our Autopista de la Mancha highway project, and (iv) a guarantee provided by Aldesa Construcciones, S.A. in an amount of €2.5 million for a back-up credit line provided by Banco Santander to Viviendas Torrejón- Móstoles, S.A., with maturity in December 2014.

(6) On or about the Issue Date, we will enter into a Revolving Credit Facility in an amount of €100 million to finance our ongoing working capital needs. The Revolving Credit Facility, which will be guaranteed by the Issuer and the Guarantors of the Notes, is not currently expected to be drawn on the Issue Date. The Collateral securing the Notes will also secure the obligations under our new €100 million Revolving Credit Facility, and the Revolving Credit Facility will benefit from the proceeds of enforcement on a *pro rata* and *pari passu* basis with the Notes.

The Offering

The following is a brief summary of the Offering and contains basic terms of the Notes, the Guarantees, the Collateral and the Intercreditor Agreement. It is not intended to be complete and it is subject to important limitations and exceptions. It may not contain all the information that is important to you. For additional information regarding the Notes, the Guarantees, the Collateral and the Intercreditor Agreement, see "Description of the Notes" and "Description of Certain Financing Agreements—Intercreditor Agreement."

Issuer	Aldesa Financial Services S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered office at 9, rue Gabriel Lippman, Parc d'Activités Syrdall 2, L-5365 Munsbach, Grand Duchy of Luxembourg.
Notes offered	€250 million aggregate principal amount of 7.25% senior secured notes due 2021 (the "Notes"). The Issuer may issue additional Notes in the future, subject to compliance with the covenants in the Indenture.
Issue date	April 3, 2014 (the "Issue Date").
Issue price	The issue price for the Notes is 100.0% (plus accrued and unpaid interest from the Issue Date).
Maturity date	The maturity date for the Notes is April 1, 2021.
Interest rate	The Notes will bear interest at a rate of 7.25% per annum.
Interest payment dates	Interest on the Notes will be payable semi-annually in arrears on each January 15 and July 15 of each year, commencing on July 15, 2014. Interest on the Notes will accrue from the Issue Date.
Denomination	Each Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.
Ranking of the Notes	The Notes will: • be senior obligations of the Issuer; • be secured by first-priority liens over the Collateral. Pursuant to the terms of the Intercreditor Agreement, the holders of the Notes will receive proceeds from enforcement of security over the Collateral on a *pro rata* and *pari passu* basis with the secured creditors under the Revolving Credit Facility. • be equal in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes; • be senior in right of payment to all future indebtedness of the Issuer that is subordinated in right of payment to the Notes; • be structurally subordinated to all indebtedness, other obligations and claims of holders of preferred stock of the Parent Guarantor's subsidiaries that are not Guarantors; and • be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property and assets that do not secure the Notes, to the extent of the value of the assets securing such indebtedness.

The Notes will be subject to the terms of the Intercreditor Agreement. See "*Description of certain financing agreements—Intercreditor Agreement*."

Guarantees

General . . . . . On the Issue Date, the Notes will be guaranteed by the Issue Date Guarantors, being: the Parent Guarantor, Aldesa Construcciones, S.A.; Proacon, S.A.; Aeronaval de Construcciones e Instalaciones, S.A.U.; Construcciones Aldesem, S.A. de C.V.; Ingeniería y Servicios ADM, S.A. de C.V.; Aldesa Nowa Energia, sp. z.o.o.; Concesiones Aldesem, S.A. de C.V.; Proacon México S.A. de C.V.; Coalvi, S.A.; Aldesa Holding, S.A. de C.V.; Aldesa Polska Services, sp. z.o.o.

In addition, the Parent Guarantor will use its reasonable best efforts to implement the Conversions and cause the following entities to become Guarantors: Aldesa Agrupación and Aldesa Home, S.L. (the "Post-Closing Guarantors"). The Parent Guarantor currently expects that the Conversions will take place within 180 days from the Issue Date.

As of and for the year ended December 31, 2013, the Guarantors represented 89.6% of our Restricted Group net turnover, 113.4% of our Restricted Group EBITDA and 79.1% of the total assets of the Restricted Group. As of and for the year ended December 31, 2013, Post-Closing Guarantors represented negative 1.7% of our Restricted Group EBITDA, 0.0% of our Restricted Group net turnover and 3.0% of the total assets of the Restricted Group.

The Guarantees will be subject to certain contractual and legal limitations, as described under "*Risk factors—Risks related to the Notes—The Guarantees and security interests in the Collateral may be limited by the operation of the Agreed Security Principles or applicable laws or be subject to certain limitations or defenses*" and "*Risk factors—Risks related to the Notes—The Guarantees, the Notes and Collateral may be subject to release in certain circumstances and are subject to other limitations and provisions by operation of the Agreed Security Principles.*"

Ranking of the Guarantees . . . . . Each Guarantee granted by a Spanish Guarantor will be an unsecured obligation of the relevant Spanish Guarantor and will:

- be equal in right of payment with all future unsecured indebtedness of such Guarantor;
- be senior in right of payment to any future subordinated indebtedness of such Guarantor that is subordinated in right of payment to that Guarantor's Guarantee; and
- be effectively subordinated to any existing and future indebtedness of such Guarantor that is secured by property and assets to the extent of the value of the assets securing such indebtedness.

Each Guarantee provided by a Guarantor that is not a Spanish Guarantor will be a general senior secured obligation of the relevant Guarantor and will:

- be equal in right of payment with all future unsubordinated indebtedness of such Guarantor;

- be senior in right of payment to any future subordinated indebtedness of such Guarantor; and
- be effectively subordinated to any existing and future indebtedness of such Guarantor that is secured by property and assets that do not secure such Guarantee, to the extent of the value of the assets securing such indebtedness.

The Guarantees will be subject to the terms of the Intercreditor Agreement. See "*Description of certain financing agreements—Intercreditor Agreement.*"

Proceeds Loan . . . . . The Proceeds Loan will be:

- a general unsecured senior obligation of Aldesa Agrupación;
- effectively subordinated to all existing and future secured Indebtedness of Aldesa Agrupación to the extent of the value of the assets so secured; and
- effectively subordinated (in an insolvency proceeding) to any non-related third party Indebtedness of the Parent Guarantor except for such Indebtedness that has been set aside as fraudulent by a court.

Security . . . . . The Notes will be secured by the following Collateral:

- on the Issue Date, a first priority lien over the receivables in respect of the Proceeds Loan by the Issuer to Aldesa Agrupación;
- within five business days following the Issue Date, first priority liens over 100% of the share capital of Aeronaval de Construcciones e Instalaciones, S.A.U.; 100% of the share capital of Aldesa Agrupación; 38.9% of the share capital of Aldesa Home S.L.; 99.9%% of the share capital of Coalvi S.A. and 8.3% of the share capital of Proacon S.A.;
- within fifteen business days following the Issue Date, first priority liens over 100% of the share capital of Aldesa Nowa Energia sp. z.o.o.; 98% of the share capital of Aldesa Polska Services sp. z.o.o.; 99.9% of the share capital of Concesiones Aldesem, S.A. de C.V.; 99.9% of the share capital of Construcciones Aldesem, S.A. de C.V.; 100% of the share capital of Proacon Mexico S.A. de C.V.; 75.0% of the share capital of Aldesa Holding S.A. de C.V.; 99.9% of the share capital of Ingeniería y Servicios ADM, S.A. de C.V.
- following the applicable Conversions, first priority liens over 99.9% of the share capital of Aldesa Construcciones S.A.; 100% of the share capital of the issuer; 24.9% of the share capital of Aldesa Holding S.A. de C.V.; 61.1% of the share capital of Aldesa Home S.A.; 0.02% of the share capital of Coalvi S.A. and 91.7% of the share capital of Proacon S.A.

Following the entry into the security documents in accordance with the timeline set forth above, we will take action to perfect the security interests in the Collateral to the extent reasonably required under the terms of the relevant security document, including the registration of the pledges in Poland. The security interests will be subject to certain contractual and legal limitations, as described under "*Risk factors—Risks related to the Notes—The Guarantees and security interests in the Collateral may be limited by applicable laws or subject to certain limitations or defenses"* and *"Description of the*

	Notes—Security" and *"Risk factors—Risks related to the Notes—The Guarantees, the Notes and Collateral may be subject to release in certain circumstances and are subject to other limitations and provisions by operation of the Agreed Security Principles."*
Additional amounts . . .	Any payments made by or on behalf of the Issuer or any Guarantor under or with respect to the Notes or the Guarantees will be made without withholding or deduction for or on account of taxes unless required by law. If any amounts for or on account of any taxes are required to be withheld or deducted from or with respect to a payment under or with respect to the Notes or the Guarantees, the Issuer or the relevant Guarantor will, subject to certain exceptions, pay the additional amounts necessary so that the net amount received after the withholding or deduction is not less than the amount that would have been received in respect of such payments in the absence of such withholding or deduction. See "*Description of the Notes—Additional Amounts*."
Intercreditor Agreement	The indebtedness and obligations under the Notes, the Revolving Credit Facility and certain other existing and future indebtedness and obligations permitted under the Indenture will be secured by first-priority liens on the Collateral. Pursuant to the terms of the Intercreditor Agreement, the holders of the Notes will receive proceeds from enforcement of security over the Collateral on a *pro rata* and *pari passu* basis with the secured creditors under the Revolving Credit Facility and the other existing and future indebtedness and obligations permitted under the Indenture and the Intercreditor Agreement.
Optional redemption of the Notes	Prior to April 1, 2017, the Issuer will be entitled at its option to redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the applicable "make-whole" premium described in this offering memorandum and accrued and unpaid interest to the redemption date. On or after April 1, 2017, the Issuer will be entitled at its option to redeem all or a portion of the Notes at the redemption prices set forth under the caption "*Description of the Notes—Optional redemption*" plus accrued and unpaid interest to the redemption date. At any time prior to April 1, 2017, the Issuer may, at its option, redeem up to 35% of the aggregate principal amount of the Notes with the proceeds of certain equity offerings at a redemption price equal to 107.25% of the principal amount of such Notes to be redeemed, plus accrued and unpaid interest, if any, provided that at least 65% of the original aggregate principal amount of the Notes remains outstanding immediately after the redemption.
Optional redemption for tax reasons	In the event of certain developments affecting taxation, the Issuer may redeem the Notes in whole, but not in part, at a redemption price of 100% of the outstanding principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "*Description of the Notes—Redemption for changes in Taxes.*"

Change of control	Upon the occurrence of certain change of control events, the Issuer may be required to offer to repurchase the Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. See "*Description of the Notes—Repurchase at the option of holders—Change of Control*" and "*Risk factors—Risks related to the Notes—Although we will be required to offer to repurchase the Notes upon a change of control, we may not have sufficient financial resources to purchase all the Notes that are tendered.*"
Certain covenants	The Indenture, among other things, will restrict the ability of the Issuer and of the subsidiaries in the Restricted Group to: • incur or guarantee additional indebtedness and issue certain preferred stock; • pay dividends or make other distributions or purchase or redeem our stock; • make investments or other restricted payments; • enter into agreements that restrict the ability of our Restricted Subsidiaries to pay dividends; • transfer or sell assets; • engage in certain transactions with affiliates; • create liens on assets to secure indebtedness; • impair security interests; or • merge or consolidate with or into another company. Each of these covenants is subject to significant exceptions and qualifications. See "*Description of the Notes—Certain covenants.*"
Use of proceeds	The proceeds from the sale of the Notes will be primarily used to repay certain of our existing debt. See "*Use of proceeds.*"
Transfer restrictions . . .	We have not registered the Notes or the Guarantees under the U.S. Securities Act. You may only offer or sell Notes in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act. See "*Notice to investors*" and "*Plan of distribution*." We have not agreed to, or otherwise undertaken, to register the Notes under the U.S. Securities Act.
No prior market	The Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, there is no assurance that an active trading market will develop or be maintained for the Notes.
Listing	Application will be made to have the Notes admitted for trading on the Euro MTF market, and to list the Notes on the Official List of the Luxembourg Stock Exchange. There are no assurances that the Notes will be admitted to the Official List of the Luxembourg Stock Exchange.
Governing law for the Notes, Guarantees and the Indenture	New York law.

Governing law for the Intercreditor Agreement	English law.
Governing law for the Security Documents	Spanish law, Luxembourg law, Polish law and Mexican law.
Trustee	Deutsche Trustee Company Limited
Registrar and Luxembourg Listing Agent and Transfer Agent	Deutsche Bank Luxembourg S.A.
Principal Paying Agent	Deutsche Bank AG, London Branch
Security Agent	Deutsche Bank AG, London Branch

Risk factors

Investing in the Notes involves a high degree of risk. See the "*Risk factors*" section for a description of certain of the risks you should carefully consider before investing in the Notes.

Summary financial and operating information

The Issuer was incorporated as a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg. The Issuer is a finance subsidiary formed solely for the purposes of issuing Notes. Consequently, no historical financial information relating to the Issuer is available. The Issuer has not engaged in any activities other than those related to its formation and the transactions contemplated by this Offering. After completion of the Offering, the Issuer will have no material assets and its only material liabilities will be its outstanding indebtedness incurred in connection therewith.

We have included in this offering memorandum the Parent Guarantor's special-purpose consolidated financial statements for the years ended December 31, 2011, 2012 and 2013, and primarily discuss such financial information in this offering memorandum. Accordingly, all references to "we," "us," or "our" in respect of financial information in this offering memorandum are to the Parent Guarantor and its subsidiaries on a consolidated basis, unless otherwise indicated. The special-purpose consolidated financial statements of the Parent Guarantor included herein and the accompanying notes thereto have been prepared in accordance with Spanish GAAP. See "*Description of the Notes*" and "*Summary of significant differences between Spanish GAAP and IFRS.*"

The following tables set forth our financial information and other data as of and for the periods indicated below. Our summary consolidated financial information as of December 31, 2011, December 31, 2012 and December 31, 2013 and for each of the years ended December 31, 2011, 2012 and 2013 have been derived from our special-purpose consolidated financial statements as of December 31, 2011, 2012 and 2013 and for each of the three years ended December 31, 2011, 2012 and 2013.

Some of the measures used in this offering memorandum are not measures of financial performance under Spanish GAAP and should not be considered an alternative to operating profit or consolidated profit or any other performance measures derived in accordance with Spanish GAAP or as alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with Spanish GAAP.

The unaudited *pro forma* financial data in the following tables is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of the Parent Guarantor would have been had the events and activities identified in the relevant footnotes occurred on the dates assumed, nor is it necessarily indicative of future results of operations or financial positions.

Consolidation in our Financial Statements was performed by fully consolidating all of the entities over which we exert or could exert control, directly or indirectly. Joint ventures and companies over which we hold a non-controlling interest, are consolidated by means of the proportional consolidation method (taking into account our stake in such entities) or by the equity method, in each case according to Spanish GAAP.

The process of consolidation eliminates balances, transactions and results among companies subject to the full consolidation. In the case of proportionally integrated consolidated companies, the balances, transactions and results of operations have been eliminated to the proportion applicable to their consolidation. Finally, results of the year of entities which we consolidated by means of the equity method have been eliminated to the percentage of our stake. For more information concerning our methods of consolidation and eliminations, please see Notes 2 and 5 to our special-purpose consolidated financial statements.

For more information on the basis of preparation of this financial information, see "*Presentation of financial and other information,*" and the notes to our special-purpose consolidated financial statements included elsewhere in this offering memorandum. See also "*Summary of significant differences between Spanish GAAP and IFRS*." The following tables show selected financial data as of and for the periods indicated:

(€ in thousands)	Year ended December 31, 2013	2012	2011
Income statement data			
Net turnover	704,039	769,212	839,686
Changes in stocks of finished goods and in the process of manufacture	(514)	1,643	(4,269)
Work performed by the company for its assets	2,646	3,019	955
Supplies	(382,630)	(442,462)	(478,223)
Other operating revenue	8,415	4,919	4,016
Personnel costs	(122,329)	(139,290)	(168,706)
Other operating expenses	(124,605)	(107,892)	(105,880)
Amortization of fixed assets	(35,820)	(40,852)	(38,134)
Registration of non financial fixed assets subsidies and others	743	568	598
Impairment and profit/(loss) from disposals of fixed assets	(48,074)	(8,810)	(4,979)
Other results	41	22	1,013
Operating result	**1,912**	**40,077**	**46,077**
Financial revenue	12,133	11,760	12,288
Financial expenses	(52,161)	(47,042)	(47,932)
Change in fair value in financial instruments	399	(974)	(84)
Exchange rate differences	2,798	(247)	(610)
Impairment and result through disposal of financial instruments	(4,793)	(1,177)	(659)
Financial result	(41,624)	(37,680)	(36,997)
Stake in profit (losses) in equity-method companies	(89)	(54)	(10)
Pre-tax result	**(39,801)**	**2,343**	**9,070**
Profits tax	(1,370)	(1,014)	(506)
Result of the year	**(41,171)**	**1,329**	**8,564**

(€ in thousands)	As of December 31, 2013	2012	2011
Balance sheet data			
Non-current assets	783,518	860,537	846,742
Current assets	603,152	699,100	816,342
of which, cash and other equivalent liquid assets	207,154	306,853	340,099
Total assets	1,386,670	1,559,637	1,663,084
Total liabilities	1,340,552	1,467,356	1,553,111
Equity	88,307	139,716	152,710

(€ in thousands)	Year ended December 31, 2013	2012	2011
Cash flow data			
Cash flow from operating activities	41,861	(18,482)	(13,136)
Cash flow from investments activities	(13,373)	(16,245)	(19,746)
Cash flow from financing activities	(132,808)	10,414	(19,489)

(€ in thousands, except for percentages)	As of and for the year ended December 31, 2013	2012	2011
Consolidated financial data			
Net turnover	704,039	769,212	839,686
EBITDA[1]	92,043	96,030	94,453
EBITDA margin[2]	13.1%	12.5%	11.2%
Capital expenditures[3]	7,536	16,805	20,376
Changes in working capital	22,572	(42,196)	(52,803)
Total financial indebtedness[5]	771,093	923,026	897,063
Total cash and other equivalent liquid assets[6]	207,154	306,853	340,099

(€ in thousands, except for percentages and ratios)	As of and for the year ended December 31, 2013	2012	2011
Restricted Group financial data			
Restricted Group net turnover	646,917	715,358	787,505
Restricted Group EBITDA[1]	52,347	57,324	58,999
Restricted Group EBITDA margin[2]	8.1%	8.0%	7.5%
Restricted Group capital expenditures[3]	7,536	9,079	5,150
Restricted Group changes in working capital[4]	(1,315)	(48,370)	(46,004)
Restricted Group Backlog	1,556,990	1,147,171	1,150,199
Restricted Group New Orders	1,056,823	712,330	790,377
Restricted Group financial result	(17,239)	(13,171)	(13,154)
Restricted Group total financial indebtedness[5]	212,043	331,292	332,802
Restricted Group cash and other equivalent liquid assets[6]	141,886	251,098	262,407
Restricted Group Net Debt[7]	70,156	80,195	70,385
Restricted Group net leverage ratio[8]	1.34x	1.40x	1.19x

(€ in millions except for ratios)	As of and for the year ended December 31, 2013
***Pro forma* financial data of the Restricted Group (*Unaudited*)**	
Adjusted Restricted Group EBITDA[1]	56.9
Pro forma Restricted Group cash and other equivalent liquid assets[9]	204.4
Pro forma Restricted Group Net Debt[10]	70.2
Pro forma Restricted Group financial result[11]	22.2
Ratio of *pro forma* Restricted Group Net Debt to Adjusted Restricted Group EBITDA[12]	1.2x
Ratio of Adjusted Restricted Group EBITDA to *pro forma* Restricted Group financial result[13]	2.6x

(1) We present EBITDA and Adjusted EBITDA as further supplemental measures of our performance. "EBITDA" is defined as operating result before impairment of commodities, raw materials and other supplies, losses, impairment and changes in provisions from trade operations, amortization of fixed assets, impairment and profit/(loss) from disposals of fixed assets and other results. "Adjusted EBITDA," which is a measure we use only for the Restricted Group, is defined as EBITDA, as adjusted for redundancy costs in Spain, overhead costs relating to operations of the Unrestricted Group and EBITDA relating to the Torrejón- Móstoles project. Adjusted EBITDA is presented because we believe it is a relevant measure for assessing performance because it is adjusted for certain exceptional items and thus aids in an understanding of EBITDA in a given period. Accordingly, this information has been disclosed in this offering memorandum to permit a more complete and comprehensive analysis of our operating performance and because management uses such information to measure operating performance, in presentations to our directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of our operating cash flows and liquidity.

Other companies may calculate EBITDA and Adjusted EBITDA differently than we do. EBITDA and Adjusted EBITDA are not audited. EBITDA and Adjusted EBITDA are not measures of financial performance under Spanish GAAP and should not be considered as measures of liquidity or alternatives to operating on net income or any other performance measures derived in accordance with Spanish GAAP. These measures may also be defined differently than the corresponding terms under the

Indenture. See "*Presentation of financial and other information—Non-GAAP Financial Measures*." The reconciliation of EBITDA and Adjusted EBITDA for the periods indicated is as follows:

Reconciliation of EBITDA (€ in thousands)	**Year ended December 31,**		
	2013	**2012**	**2011**
Operating result	**1,912**	**40,077**	**46,077**
Impairment of commodities, raw materials and other supplies	1,038	4,834	—
Losses, impairment and changes in provisions from trade operations	5,240	1,480	6,276
Amortization of fixed assets	35,820	40,852	38,134
Impairment and profit/(loss) from disposals of fixed assets	48,074	8,810	4,979
Other results	(41)	(22)	(1,013)
EBITDA	**92,043**	**96,030**	**94,453**

Reconciliation of Adjusted EBITDA for the Restricted Group (€ in thousands)	**Year ended December 31, 2013**
Restricted Group operating result	**3,072**
Impairment of commodities, raw materials and other supplies	1,038
Losses, impairment and changes in provisions from trade operations	4,695
Amortization of fixed assets	11,275
Impairment and profit/(loss) from disposals of fixed assets	32,308
Other results	(40)
Restricted Group EBITDA	**52,347**
Redundancy costs in Spain	3,804
Overhead costs relating to operations of the Unrestricted Group[(a)]	1,754
EBITDA relating to the Torrejón-Móstoles project	(1,053)
Adjusted Restricted Group EBITDA	**56,852**

(a) Overhead costs relating to operations of the Unrestricted Group mainly include personnel costs of employees employed by the Restricted Group who are managing assets belonging to the Unrestricted Group, as well as certain other expenses (including travel and consulting fees) relating to that activity.

(2) EBITDA margin represents EBITDA divided by net turnover for the period. Restricted Group EBITDA margin represents Restricted Group EBITDA divided by Restricted Group net turnover.

(3) Capital expenditures for the Restricted Group consist mainly of investments in property, plant and equipment such as machinery. Our capital expenditures for the Unrestricted Group relate to investments in intangible fixed assets, such as the rights to use assets under concession agreements. Restricted Group capital expenditures is derived from capital expenditures of our Main Activities (construction and industrial activities) and, in the last three years, was identical to Main Activities capital expenditures. See *"Management's discussion and analysis of financial condition and results of operations—Capital expenditures."*

(4) Excluding the effect of non-recourse factoring and Project Helios, our change in working capital in the Restricted Group would have had an impact on cash flow from operating activities amounting to negative €16.1 million in 2011, negative €2.6 million in 2012 and positive €42.0 million in 2013. Restricted Group changes in working capital is derived from the changes in working capital of our Main Activities (construction and industrial activities) which, subject to an adjustment of positive €0.8 million in 2011, negative €0.2 million in 2012 and negative €0.3 million in 2013, corresponds to changes in working capital of our Restricted Subsidiaries. See *"Management's discussion and analysis of financial condition and results of operations—Working capital in our Main Activities."*

(5) Total financial indebtedness includes mortgage loans, credit lines, finance leases, the Cofides put option and other financial liabilities. Restricted Group total financial indebtedness is the total financial indebtedness of the Restricted Subsidiaries and excludes debt relating to the Torrejón- Móstoles project.

(6) Total cash and other equivalent liquid assets represent our total cash balances, including cash and other equivalent liquid assets in the Restricted Group and the Unrestricted Group. As of December 31, 2013, cash and other equivalent liquid assets in the Unrestricted Group represented approximately €65.3 million.

(7) Restricted Group Net Debt represents Restricted Group total financial indebtedness, minus cash and other equivalent liquid assets in our Restricted Group. Consistent with usual seasonal patterns, our working capital needs increase during the first months of the financial year because we collect less receivables following the end of the prior financial year. In order to meet these working capital needs, we have drawn €53.7 million from January 1, 2014 to March 7, 2014 on our credit facilities. These drawings are consistent with historical patterns in which during the first quarter of each financial year we have an above-yearly average net debt level and at the end of the year we have a below-yearly average net debt level. Our yearly average Restricted Group Net Debt for 2013 was €132.3 million (€127.8 milion in 2012) compared to €70.2 million as of December 31, 2013. Taking into account the effect of seasonality, our levels of Restricted Group Net Debt in the first quarter of 2014 are higher than the amounts presented in this table. For more information regarding the seasonality of our cash flows and Net Debt levels, please see *"Management's discussion and analysis of financial condition and results of operations—Key factors affecting our operations."*

(8) Restricted Group net leverage ratio represents our Restricted Group Net Debt for the periods indicated, divided by Restricted Group EBITDA for the corresponding periods.

(9) *Pro forma* Restricted Group cash and other equivalent liquid assets represents Restricted Group cash and other equivalent liquid assets as of December 31, 2013, as adjusted to give effect to the use of proceeds of the Offering as contemplated in "*Use of proceeds*," as if the Offering occurred on December 31, 2013. *See "Use of proceeds,"* and "*Capitalization.*" Restricted Group cash will be reduced to repay indebtedness incurred during the first quarter to address our working capital needs.

(10) *Pro forma* Restricted Group Net Debt represents Restricted Group Net Debt as of December 31, 2013, as adjusted to give effect to the use of proceeds of the Offering as contemplated in "*Use of proceeds*," as if the Offering occurred on December 31, 2013. See "*Use of proceeds*," and "*Capitalization.*"

(11) *Pro forma* Restricted Group financial result represents Restricted Group financial result for the year ended December 31, 2013, as adjusted to give effect to the use of proceeds of the Offering as contemplated in "*Use of proceeds*," as if the Offering occurred on January 1, 2013. See "*Use of proceeds*" and "*Capitalization.*" We have calculated *pro forma* Restricted Group financial result by deducting from Restricted Group financial result, the interest expense accrued in 2013 associated with the indebtedness being repaid with the proceeds of the Offering as contemplated in "*Use of Proceeds*" and adding the interest expenses that would have been accrued in 2013 if the indebtedness in respect of the Offering had been incurred in January 1, 2013 as contemplated in "*Use of Proceeds*." In addition, the Restricted Group financial result includes the commitment fee for the Revolving Credit Facility and deducts the interest income in 2013 associated with cash of the Restricted Group. *Pro forma* Restricted Group financial result excludes interest expense relating to the Torrejón-Móstoles project.

(12) Ratio of *pro forma* Restricted Group Net Debt to Adjusted Restricted Group EBITDA represents *pro forma* Restricted Group Net Debt divided by Adjusted Restricted Group EBITDA.

(13) Ratio of Adjusted Restricted Group EBITDA to *pro forma* Restricted Group financial result represents Adjusted Restricted Group EBITDA divided by *pro forma* Restricted Group financial result.

Risk factors

You should carefully consider the risk factors set forth below, as well as the other information contained or incorporated by reference in this offering memorandum, before purchasing any Notes. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose all or a part of your original investment.

General risks relating to our business and industry

The deterioration of the global economic situation and especially of our key markets, including Spain, could adversely affect our business, financial conditions and results of operations.

The markets in which we operate, especially the construction market, are materially influenced by the general economic situation and its cycles and volatility, as they depend on investment from the public and private sectors which, in turn depend on general economic conditions. Normally, robust economic growth in those areas where we are located results in greater demand for our services, while slow economic growth or economic contraction adversely affects demand for our services. The global economy has significantly deteriorated in the past few years as a result of an acute financial and liquidity crisis, and the current global economic downturn has reduced and continues to negatively impact our customers' willingness and ability to fund their projects. These conditions may make it difficult for our customers to accurately forecast and plan future business trends and activities, thereby causing our customers to slow or even curb spending on our services, or to seek contract terms more favorable to them. Concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, sovereign debt and the break-up of the euro have contributed to increased volatility and diminished expectations for the global economy going forward.

In 2013, 43.6% of our net turnover came from Spain, where the unemployment rate was reported to be 26.0% during the third quarter of 2013, and the gross domestic product contracted in 2012 and 2013, only picking up slightly at the end of 2013. In 2013, Spain's credit rating from Moody's was Baa3 (stable). Despite aggressive measures taken by governments and central banks, the economic recovery has been extremely slow. A significant risk remains that these measures may not prevent the global or EU economies from falling back into an even deeper and longer-lasting recession or fail to prevent a depression in Spain and several other countries. Further, these measures include austerity measures as a result of which public investments have reached record-lows, including investments in construction and civil engineering projects. In these circumstances, many of the risks we face could intensify, which could have a material adverse effect on our business, results of operations and financial condition.

We are dependent on the investment policies of PSEs and any decrease in investments may harm our business.

Contracts with PSEs represented more than 65% of our net turnover in 2013. As a result, our activities are heavily dependent on governments' and public authorities' programs and funding policies (including funds from the European Union) with respect to investments in transport, civil and social infrastructures. The civil engineering investments included in the annual budget for each of the countries where we are present or targeting depend principally on two inter-related factors: the budgetary policies of the relevant government and the economic and political conditions existing at the time.

A persistent or harsher global economic crisis may result in governments facing significantly reduced tax revenue and budget deficits, which, in turn, could affect their borrowing capacity and/or prevent them from funding capital investment, asset maintenance and infrastructure

construction projects. As a consequence, governments or local public authorities may call off or reconsider potential projects, or exercise their right to terminate contracts or redefine their terms in order to reduce costs or delay the time of payment.

We may start works on a specific government project but, due to the lack or revocation of government funding, the project may subsequently not be completed within the original time frame or the public authorities may even in certain cases request suspension of the project. Our government customers are under no obligation to maintain funding at any specific level and funds for any program may even be eliminated. For example, project SE40, a ring road that we were constructing around Seville was extended in time due to budgetary constraints. Global economic instability and difficult and recessionary economic conditions in certain countries in which we operate, including Spain, have resulted in a severe reduction in public investments for infrastructure. In Spain, the budget for public tenders in the construction sector has been reduced by 83% between 2009 and 2012 according to the Spanish Statistical Office (INE). See "*—The deterioration of the global economic situation and especially of our key markets, including Spain, could adversely affect our business, financial conditions and results of operations.*"

Further, political instability can also impact PSE's investment policies. In Spain, certain autonomous communities, such as Catalonia, are claiming their independence. Should this happen, our ability to bid for tenders in this region could be affected, and it may also generate economic instability throughout Spain.

Future changes and/or reductions by these government customers in their plans or policies of infrastructure development, delay in the awarding of major projects or postponement of previously awarded projects in Spain or in our key markets could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to raise the funds and/or obtain the guarantees and project bonds necessary to carry out our activities as a consequence of the weakness in the global credit markets and the financial services industry or such guarantees or bonds may be called upon by a counterparty.

Our operations and the development of our business depend on, among other things, the ability to fund investments and current business operations as well as on the ability to refinance existing indebtedness. Recently, concerns over the availability and cost of financing have contributed to increased volatility and diminished expectations for the economy and global markets going forward. Continued disruptions, uncertainty or volatility in capital and credit markets may limit our access to additional capital required to operate our business. Such market conditions may limit our ability to replace, in a timely manner, maturing liabilities and to access the capital necessary to operate and grow our business. As a result, we may be forced to delay raising capital, issue shorter-term securities than we prefer or bear an unattractive cost of capital which could decrease our flexibility and significantly reduce our financial flexibility.

We may also be unable to raise the bid bonds and commercial guarantees necessary to bid for and complete our projects. If we are unable to secure new bonds and guarantees or if we renegotiate existing bonds and guarantees on less favorable economic terms, our ability to obtain new projects may be impaired or become significantly more costly. As of December 31, 2013, we had provisional and definitive procurements, guarantees and works tender bonds, down payment bonds, performance bonds and advance payment bonds of €651.8 million outstanding. In the event of cancellation, expiration or non-renewal of bonds and guarantees relating to ongoing projects, or if we are unable to obtain new bonds or guarantees, we may be unable to meet the terms and conditions of such ongoing contract, thereby losing the contract and adversely impacting our business, financial condition and results of operations. These bonds and guarantees are typically issued on a "first demand basis" and, therefore, may be paid on demand without conditions, without prejudice to the possibility of recourse in the event of willful misconduct or fraud. If called upon, we would be required to reimburse the

entity issuing the performance bond immediately or risk default under the relevant agreement. Further, some of our customers require the issuance of guarantees by the parent company of the entity being awarded the relevant contract. These guarantees could be enforced against us, in the event of a contractual breach by the company being awarded the contract. Although bid bonds and commercial guarantees are off balance sheet items, they present an ongoing potential for substantial cash outflows.

Our inability, or the inability of our subsidiaries to fulfill contractual obligations could lead to the enforcement of such bonds and guarantees, which may have a material adverse effect on our business, financial condition and results of operations. See *"—Failure to meet contractual commitments could harm our results of operations."*

Certain of our competitors may have substantially greater financial resources than we do, thereby putting us at a competitive disadvantage. The occurrence of an economic shock not contemplated in our business plan, a rapid deterioration of the economic conditions or a more prolonged recession that that experienced during the global economic crisis could result in the depletion of our cash resources which could adversely affect our business, financial condition and results of operations.

We are exposed to counterparty risks and may incur losses because of such exposure which may adversely affect our business, financial condition and results of operations.

Certain of our customers, either in the private or in the public sector, may become insolvent or default under their contracts, or have or may become significantly late in performing under their payment obligations to us, especially in the context of the current economic downturn. In case of default in payment obligations, we may be unable to collect any receivables, in which case some or all of such outstanding amounts would need to be written off and we would need to seek alternative sources of funding for our working capital requirements. In case of a delay in a customer's payment obligation, we may be exposed to the risk of bearing in advance the costs and amounts necessary to complete the projects. Furthermore, should a counterparty become insolvent or otherwise be unable to meet its obligations in connection with a particular project, we would need to find a replacement to carry out that party's obligations or, alternatively, fulfill the obligations ourselves, which could increase costs and cause delays. In addition, should a financial counterparty default occur under contracts such as bank facilities, we would need to replace such facilities, thereby incurring additional costs.

For example, our PSE customers often agree in the contract to make land available for the execution of the project, including establishing rights of ways in third parties' land. If for any reason our customers are unsuccessful or delayed in making land available, we may not be able to begin or continue any project until such issues have been resolved. We also depend on counterparties, including operators of electric power networks and distribution companies, for the construction and maintenance of electric power networks that permit us to sell the electricity generated in our plants.

The risk of late payment in both the public and private sectors has increased in recent years due to the global financial crisis. The cost of government financing and financing of other public entities, has also increased due to financial stress in Europe, and this may represent an increased risk for our public sector customers. Although we actively manage this credit risk through credit scoring and eventually in certain cases the use of non-recourse factoring contracts, our risk management strategies may not be successful in limiting our exposure to credit risk, which could adversely affect our business, financial condition and results of operations.

Our Backlog and New Orders measures are not necessarily indicative of our future net turnover or results of operations.

Backlog refers to the amount of receivables, net of VAT, from contracts signed both for works and services pending completion, and New Orders include new contracts entered into and changes in the scope of existing contracts (including renewals, extensions and early

terminations) during the relevant period. As of December 31, 2013 our Backlog was €1,557 million and our New Orders was €1,057 million. We use both measures only for the Restricted Group's activities. There can be no assurance that the net turnover projected in our Backlog or in our New Orders will be realized or, if realized, will result in profit.

In particular, with respect to our construction activities, when we include the amount of expected net turnover from a construction contract in our Backlog, we assume that each party will satisfy all of its respective obligations under the construction contract and that payments to us under the contract will be made on a timely basis. Contingencies that could affect the realization of our Backlog include cancellations, scope of work adjustments, force majeure, legal impediments and default. Our customers may have the right, upon payment of certain penalties or reimbursement of certain costs and damages or other consequences, to cancel, reduce or defer firm orders that we have in our Backlog. If our customers cancel, reduce or defer firm orders, we may be protected from certain costs and losses, but our expected net turnover or our results of operations to be derived from our Backlog would nevertheless be adversely affected. Further, we cannot assure you that we will secure contracts equivalent in scope and duration to replace the current Backlog. For example, both the execution of our SE40 project (a ring road which we were constructing around Seville) and the execution of our Los Ahijones project, (a construction project we began developing in Madrid) were extended in time, with construction taking place only when the relevant customer has sufficient funds to pay. Thus, in these two projects we did not realize net turnover according to the original timeframe.

We believe that our Backlog and New Orders are useful indicators of the status of our construction and industrial businesses and provide useful trend information and visibility on our financial results. However, both figures are based on a number of assumptions and estimates. Consequently, as both figures are subject to fluctuations, they are not necessarily indicative of our expected net turnover, cash flows or results of operations. Unforeseen events or circumstances, including, for example, termination, delay, scope reduction or adjustments, increased time requirements to complete the work, delays in commencing work, disruption of work, irrecoverable cost overruns or other unforeseen events may affect projects comprising the Backlog and could have a material adverse effect on our business, financial condition and results of operations.

Our definition of Backlog and New Orders may not necessarily be the same as that used by other companies engaged in activities similar to ours. As a result, the amount of our Backlog and New Orders may not be comparable to the Backlog and New Orders reported by such other companies.

We rely on our partners but have limited control over their activities.

As is customary in our industry, we often operate through partnerships, joint ventures and consortia. We therefore rely on our partners to fulfill their obligations towards us and/or our customers. There may be instances where our partners' interests are not directly aligned with ours, or those of our consortium.

Failure by our partners to carry out their obligations under our agreements, including failure to comply with applicable laws, regulations or customer requirements, could lead to disputes and litigation with our partners, suppliers or customers, all of which could have a material adverse effect on our reputation, business, financial condition and results of operations. In addition, if any such failure arises with respect to government customers, it could result in fines, penalties, suspension or even debarment imposed on us, which could have a material adverse effect on our business, financial condition and results of operations.

In certain jurisdictions, we are dependent on our partners' expertise or relations. For example, certain of our partners control the relationship with customers and it may be difficult for us to establish a direct contact with these customers. We may also be dependent on the expertise of our partners in assessing costs for certain contracts. Should such partners provide inaccurate

advice, we may be unable to perform the obligations under the contract or may be subject to unexpected increased costs. Further, any disagreements as to the terms, procedures or management of any project may determine the inability on our side to complete the development of certain projects on time.

We may not qualify for, or once qualified, be disqualified from tendering for certain projects.
The success of our business and our growth depend in large part on our ability to qualify for and win new tenders. We cannot ensure that we will have the same success in the future that we have had in the past in qualifying and obtaining new contracts with PSEs.

If a contractor fails to comply with the requirements set forth in an agreement entered into with a public authority, it may result in such contractor being disqualified from bidding for new public contracts in the future within a certain jurisdiction. Further, this disqualification can be extended to partners working together on a specific project, regardless of the degree of fault or participation in the project of each partner. Although up to date we have not been disqualified because of breach of contract, should we individually, or should any of the partners we rely on under our contracts, breach the specifications of an agreement resulting in our disqualification to tender for public contracts, our business, financial condition and results of operations could be materially adversely affected. Additionally, we may also suffer from the policies of certain governments or PSEs favoring companies from their respective countries or regions, and may be unable to successfully bid for tenders in these countries or regions as a result.

We may also be disqualified *de facto* from bidding for a contract by not meeting the tender specifications. The technical specifications in public tender processes often include the requirements of track record credentials and continuing expertise and presence in a specific sector. As a result, if we are not active in a specific sector for a certain period of time, we may be disqualified from bidding for specific contracts. Any such disqualification could have a material adverse effect on our business, financial condition and results of operations.

In certain countries where we operate (such as in Peru), inaccurate information contained in submissions to our customers as part of the bidding documentation, if identified by our customers, may disqualify us from entering into new contracts with PSEs, causing material disruption to our business and serious impact on our net turnover. In certain cases, such inaccurate information may be difficult for us to identify as it may be included in documents provided to us by third parties (for example, inaccuracy or false statements in the curriculum vitae of certain key employees that we need to submit as part of the bidding documentation).

Failure to meet contractual commitments could harm our results of operations.
The construction industry is highly schedule-driven, and failure to meet commitments generally (including deadlines), and, in some projects, the contractual quantity and quality benchmarks, may adversely affect our financial success. A substantial number of our contracts are subject to specific completion schedule requirements and/or quantity and quality benchmarks. Failure to meet certain contractual terms and conditions could (i) expose us to additional costs including contractual penalties (secured by performance bonds, generally up to 20% of the Contract Value) and liquidated damages; (ii) an adjustment to the price of the contract and/or (iii) an obligation to return part of the price paid under the contract. Any of these may reduce our profit margins. In cases of material breach, the consequence may be the termination of the contract as well as the calling of performance bonds and associated guarantees of performance and, on certain occasions, indebtedness of the contracting entity which is sometimes guaranteed by the Restricted Group.

For larger projects, the risks associated with agreed milestones for the performance and completion of services are inherently greater. Furthermore, any delays or underperformance in our projects may lead to conflicting demands on resources allocated to be used in other projects. Failure to meet contractual deadlines or quality and quantity benchmarks may have a materially adverse effect on our business, financial condition and results of operations.

In addition, following the completion of our projects, we usually provide our customers with guarantees, which may include commitments related to the maintenance of the completed works (and of all of the associated installations). Unpredictable events during such a guarantee period may cause us to incur additional costs, thereby reducing our margins in respect of such projects.

We depend on subcontractors, suppliers and other third parties for the operations of our businesses.

We subcontract a significant portion of our work in our construction activities (except in our tunneling activities). We also rely on third-party manufacturers and suppliers to provide much of the equipment and raw materials, respectively, used for our projects, although in some occasions we provide the raw materials ourselves. If we are unable to find reliable suppliers or hire qualified subcontractors, our ability to successfully complete our projects could be impaired. This risk is exacerbated in our industrial activities where the pool of technology suppliers (including, for example, supplies of turbines for our energy activities) we can source from is very limited. Furthermore, if a subcontractor fails to provide timely or adequate services, or a supplier fails to provide equipment or raw materials as required under a contract for any reason, we may be required to source such services, equipment or raw materials at a higher price than anticipated, which could negatively impact our profitability, as there can also be no assurance that we will be able to pass on any or all of such increased costs to our customers. We may also have disagreement with subcontractor companies, as has happened in Mexico and Peru in recent years, where certain subcontractor companies blocked certain of our activities in order to pressure us into using them as subcontractors for certain projects or to have other demands met, thereby causing work stoppages for us. See also "*—Work stoppages and other labor problems could negatively impact our future profits.*"

Although contracts with subcontractors and suppliers generally provide for indemnification to cover their failure to perform their obligations satisfactorily, such indemnification may not fully cover our financial losses in attempting to mitigate their failures and fulfill the relevant contract with our customer. Furthermore, delivery by our suppliers of faulty equipment or raw materials could also negatively impact our reputation or our overall project, resulting in claims against us for failure to meet required project specifications and we may be unable to successfully obtain compensation from our suppliers. These risks are compounded during the current economic downturn as our suppliers and subcontractors may experience financial difficulties or find it difficult to obtain sufficient financing to fund their shipments or operations, respectively, and therefore may not be able to provide us with the contracted supplies or services for our projects. Further, we are from time to time required to make advance payments to suppliers, and may lose such payments if the relevant supplier becomes insolvent or bankrupt before it has completed its obligations towards us. In the case of government contracts, a failure by supplier or subcontractor to comply with applicable laws, rules or regulations could result in us facing fines, penalties, suspension or even debarment by the relevant governmental authority. Any such failures by a third-party subcontractor or supplier could have a material adverse effect on our business, financial condition and results of operations.

In addition, during the execution of a project we may also need to execute certain ancillary works (such as provisionally diverting certain preexisting infrastructure, e.g., power lines, telecom lines, and gas, water supply and/or sewage pipes) for which we need the prompt response from certain public entities and from the relevant supplying company to obtain the required permits and authorization to carry out such works. Delays in obtaining such permits and authorizations may cause disruptions in the scheduled timeline of the works causing extra costs and ultimately, in extreme cases, breach of contract for late delivery. See *"—Failure to meet contractual commitments could harm our results of operations.*"

Additionally, as builders, we may be in charge of negotiating the establishment of rights of way, easements and, in certain cases, to acquire proprietary rights (under expropriation

proceedings or otherwise) needed to complete some of our projects. If we suffer delays due to statutory constraints (such as delays in expropriation proceedings) or troubles in reaching an agreement with the relevant landowners (mainly on fair value) for such rights of way/easement rights and/or proprietary rights, we may incur penalties towards our customers, cost increases and ultimately, in extreme cases, breach of contract for late delivery. See "*—Failure to meet contractual commitments could harm our results of operations*."

Our business is exposed to risks deriving from having contracts with a limited number of customers.

Customer concentration is customary in the industry in which we operate (see "*Business—Customers*"). For reference, during the last three years approximately 45% of our net turnover came from top 10 customers. However, any loss of, or a significant reduction in, business from a significant customer, or any variation, termination, delay, scope reduction or adjustment of any given project, could have an adverse effect on our business, financial condition or results of operations.

We are also exposed to the credit risk implied by default on the part of a counterparty (whether customer, provider, partner or financial entity) which is exacerbated by having a limited number of customers. See "*—We are exposed to counterparty risks and may incur losses because of such exposure which may adversely affect our business, financial condition and results of operations.*"

Our current and future fixed-price (or lump sum) contracts may result in significant losses if costs are greater than anticipated.

Certain of our contracts, primarily contracts with private customers, are fixed-price contracts which present inherent risks because we agree to the selling price of the project (or to a fixed price per unit) at the time we enter into the contract. The price is based on estimates and we assume the risks associated with completing the project, as well as the post-completion warranty obligations. Certain of our contracts are fixed-price turnkey projects where we are responsible for all aspects of the work, from engineering through construction, all for a fixed selling price. In addition, we assume a project's technical risk and associated warranty obligations on all of our projects, meaning that we must tailor products and systems to satisfy the technical requirements of a project even though, at the time the project is awarded, we may not have previously produced such a product or system. Warranty obligations can range from the performance of services to modification or replacement of equipment. We also assume the risks related to net turnover, cost and gross profit realized on such contracts that can vary, sometimes substantially, from the original projections due to changes in a variety of other factors, including but not limited to:

- engineering design changes;
- unanticipated technical problems with the equipment being supplied or developed by us, which may require that we spend our own money to remedy the problem;
- changes in the cost of components, materials or labor;
- changes in technology;
- difficulties in obtaining required governmental permits or approvals;
- changes in local laws (including tax laws) and regulations;
- changes in local labor conditions and strikes;
- project modifications creating unanticipated costs;
- changes in currency exchange rates and inflation;

- events beyond our control, such as weather conditions and natural disasters, unexpected geological or physical conditions, or criminal or terrorist attacks;
- project owners', suppliers' or subcontractors' failure to perform; and
- fluctuations in the price and problems with the supply of raw materials and commodities.

These risks may be exacerbated by the length of time between signing a contract and completing the project because most of the projects that we execute are long-term. In addition, we sometimes bear the risk of delays caused by unexpected conditions or events. We may be subject to penalties if portions of the long-term, fixed-priced projects are not completed in accordance with agreed-upon time limits.

During the bidding phase of a contract we analyze and evaluate the risks involved. See "*Business—Risk Management.*" If estimates obtained through such risk management prove to be inaccurate, if there are errors or ambiguities as to contract specifications, or if our costs end up being greater than anticipated, our contractual cost-adjustment provisions may not be sufficient to protect us and, as a consequence, cost overruns may occur and we could experience reduced profits or, in some cases, a loss for that project.

Events beyond our control, including weather conditions and natural disasters, unexpected geological or physical conditions, or criminal or terrorist attacks, among other things, may affect our timing, costs and our ability to complete projects, which could adversely affect our business, financial condition and results of operations.

Our operations can be subject to unfavorable weather conditions, including harsh winters in Poland and heavy rains from May to September in Mexico. Such conditions can sometimes lead to a temporary suspension of works, increased costs in the execution of works as well as delays in the completion of projects. On some occasions, we may be unable to access the construction sites and may have to implement increased safety measures for our workers. We may not always be able to pass any cost increases due to such unfavorable conditions to our customers. Our solar and wind power generation businesses depend on the sun and wind as their sole source of energy. If our estimates on meteorological conditions are incorrect the production of power in our solar and wind plants may be significantly curbed.

In addition, if one or more of our facilities, construction sites or our equipment were to be subject to fire, flood or a natural disaster or other catastrophe, or if unexpected geological or other adverse physical conditions were to develop at any of our plants, facilities or construction sites, we may not be able to carry out our business activities at that location or such operations could be significantly reduced. For example, Mexico is affected by hurricanes and tornados from time to time and we have in the past been obliged to shut down certain of our construction sites to avoid any accident or casualty. Any natural disaster or catastrophe could result in lost net turnover at these sites during the period of disruption and costly remediation, and such cost overruns would generally be unrecoverable.

The spreading of certain diseases (e.g. swine flu, influenza, H1N1) in countries where we have operations may lead to key managers and employees requesting to be repatriated, causing temporary disruption to our day-to-day business in those countries.

The occurrence of a force majeure or other unpredictable event (such as criminal or terrorist attack) that affects a project on which we are working may cause delays, suspensions and cancellations or otherwise prevent us from completing such projects. We may not always be able to include force majeure terms in contracts with our customers or obtain coverage for such events under our insurance policies, and as a result, the occurrence of such an event could have a material effect on our business, financial condition and results of operations.

Our cash flows, collection of receivables and Net Debt levels are subject to significant fluctuations and are sometimes difficult to predict.

Our cash flows and collection of receivables and, subsequently, our working capital needs and Net Debt in our Restricted Group are significantly impacted by the seasonality of our cash collections (mainly due to weather conditions, changes of governments and annual budgetary policies of PSEs). We cannot assure you that the trend in which we have been generating cash flows during the past will be the same in the coming years.

When experiencing difficulties in promptly collecting payments, we have historically financed our working capital needs through bank loans and by selling trade receivables through factoring transactions, which have increased our finance costs. Over the last three years, our DSOs for the Restricted Group, excluding the positive effect of factoring, has been 173 days in 2011, 93 in 2012 and 95 in 2013, and we have noted a slight improvement in our DSOs in Spain in the last three years. Including the positive effect of factoring, our DSOs for the Restricted Group in the last three years has been 128 days in 2011, 55 in 2012 and 67 in 2013. There can be no assurance that our credit facilities or non-recourse factoring facilities which we may use to address liquidity needs would be available and, even if available, that they would be sufficient to mitigate these liquidity constraints or improve our DSOs or that we will be able to engage in factoring on terms acceptable to us or at all, which could have a material adverse effect on our business, financial condition and results of operations.

Some of our projects subject to milestones may be subject to negative cash peaks which are difficult to predict and therefore to foresee in the initial cash flow estimations for such projects. If we are unable to cover for such negative cash peaks with additional cash contributions, we may incur liabilities and in extreme cases enter into a material breach of contract. Such material breach can give rise to an early termination as well as penalties and other claims from our customers. See "*—Failure to meet contractual commitments could harm our results of operations.*"

Our insurance coverage may not be adequate to cover all possible losses that we could suffer and our insurance costs may increase.

Our insurance policies are subject to limits and exclusions. There can be no assurance that our insurance program would be sufficient to cover all potential losses (including, without limitation, those resulting from earthquakes, floods, hurricanes, environmental hazards or terrorist acts), that we will be able to obtain sufficient levels of insurance coverage in the future or that such coverage will be available on terms acceptable to us. In addition, recent turmoil and volatility in the global financial markets may adversely affect the insurance market. This may result in some of the insurers in our insurance portfolio failing and being unable to pay their share of claims.

In addition, there may be no protection against the risk that customers will fail to pay in full or on time. If we suffer an uninsured or underinsured loss, our business, financial condition and results of operations could be materially affected.

We operate in a competitive industry, and pressure on pricing and/or our inability to compete could have a material adverse effect on our business, financial condition and results of operations.

We operate in highly competitive markets. In each of our markets, we compete with various groups and companies, including large construction groups or engineering companies that may have more experience, resources or local awareness than we do. We compete primarily on the basis of product reliability, technological proficiency, ease of system configuration, applications expertise, adoption of international standards, engineering support and local presence and price. This competition could intensify because of new companies entering the market and the consolidation of the industries in which we operate. If our competitors are better able to meet these competitive challenges or to react to changes in the factors that affect competition in

our industry, we may experience a loss of market share which could have a material adverse effect on our business, financial condition and results of operations.

Our ability to successfully compete in these markets depends on our foreseeing and reacting to various factors that affect competition in the industry, including those resulting from economic conditions. These factors include the identification of competitors as well as their strategies and their ability to conduct business, prevailing market conditions at a given time, rules applicable to new market participants and us and the efficacy of our efforts to prepare for and confront competition. If we are not able to react to changes in the factors that affect competition in our industries, we may be unable to win tenders for PSE contracts or concession projects or may be forced to accept projects under less favorable financial conditions than in the past, which could have a material adverse effect on our business, results of operations and financial conditions.

Furthermore, due to the economic downturn, which resulted in a significant reduction in the commissioning of privately funded work, a number of contractors operating in the private sector are turning to public sector work in order to improve their backlog. In these increasingly competitive markets, if our competitors were to offer more favorable pricing, payment or other contractual terms, warranties or functionality not currently provided by us, we may need to lower prices or offer other favorable terms in order to compete successfully, thereby reducing our profitability.

In relation to our renewable energy activities, we must be able to compete on a non-subsidized basis with conventional and other renewable energy sources. As generation or production costs decrease, the level of government support is likely to be gradually phased out, and we may have to reduce prices to remain competitive against other alternatives.

We face significant competition from other renewable energy providers. With regard to the photovoltaic industry, we believe it may see significantly increased competition, as a result of new market entrants and/or substitute renewable energy sources due to increased demand for renewable energy sources. Other contributing factors to this increased competition are lower barriers to entry in these markets due to the increased standardization of technologies, improved funding opportunities and increased governmental support. Although we endeavor to maintain our competitiveness, no assurance can be given that we will succeed. Our failure to compete successfully would negatively impact our ability to grow our business and generate net turnover, which could have a material adverse effect on our business, financial condition and results of operations.

Our failure to successfully maintain health and safety policies and procedures could have a material adverse effect on our reputation and otherwise on our business, results of operations and financial condition.

We are involved in significant and complex projects that are often inherently dangerous, and require constant monitoring and management of health and safety risks, both during the construction and the operational phases. While we have adopted health and safety policies and procedures in order to minimize such risks, there can be no assurance that a failure in such policies and procedures will not occur. Any failure in health and safety may result in serious harm to employees, subcontractors, the public or the environment. For example, in the last three years we have suffered five fatalities, three involving employees that worked for subcontractors and two involving our own workers (including one fatality which took place on March 25, 2014 and one fatality as a result of a heart attack in Spain). Any such failure or accident could expose us to investigations, prosecutions and/or civil litigation, each of which could determine an increase in costs for fines, settlements and management time. Such a failure could also adversely affect our reputation and ability to obtain new business. If any of the foregoing circumstances were to occur, this could have a material adverse effect on our business, financial condition and results of operations.

Our competitive position could be adversely affected by changes in technology, prices and industry standards, and if we fail to stay current with such developments our business, our operations could be harmed and our ability to compete effectively could be diminished.

The markets in which we operate change rapidly because of technological improvements and other systems, including systems for the efficient collection and management of net turnover, industry standards, customer requirements and the economic environment. Our information technology and other systems must be refined, updated or replaced with more advanced systems on a regular basis. Developing and maintaining our systems may require significant capital. If we are unable to replace or introduce information technology and other systems as quickly as our competitors or within budgeted costs or schedules when these systems become outdated or need replacing, or if we are unable to achieve the intended benefits of any new information technology or other systems, our operations could be harmed and our ability to compete effectively could be diminished, which could have a material adverse effect on our business, financial condition, results of operations or prospects. Further, if we fail to keep up with technological advances in our industry that maintain or improve our cost-effectiveness or add value to the services we can offer to customers, we may not be eligible to participate in or win competitive public tenders.

Work stoppages and other labor problems could negatively impact our future profits.

Some of our employees are, or may in the future be, represented by labor unions. The impact of this union activity is undetermined and could negatively impact our profits. When one or more of the collective bargaining agreements to which a material number of our employees are subject becomes subject to renegotiation, we may disagree with the union on important issues that, in turn, could lead to a strike, work slowdown or other industrial action. There can be no assurance that we will be able to renew existing labor union contracts on acceptable terms. Renegotiation of an existing collective bargaining agreement could result in a substantial increase in labor costs that we may be unable to recover through our existing contractual arrangements. A strike, work slowdown or other action could in some cases result in the effective closure of our facilities, or disrupt us from providing services, which would result in increased costs and/or reduced net turnover. See also "*—We depend on subcontractors, suppliers and other third parties for the operations of our businesses".* Additionally, we may incur expenses in resolving disputes and complying with local laws relating to overtime, social security and pension contributions, occupational risk matters and other labor related issues. We may also incur increased labor costs due to competition, increased minimum wage, employee benefit costs, medical benefits costs or otherwise could adversely impact our business, results of operations, financial condition or prospects. Finally, we may be, and have in the past been, involved in legal proceedings following collective dismissals although none of these proceedings are currently pending.

We are subject to extensive legal, administrative and regulatory requirements and to changes in regulations.

In each of the jurisdictions in which we operate we are subject to a number of specific, demanding and evolving legal, administrative and regulatory requirements with respect to, among other matters, public tenders, planning, building construction, land use, fire, health and safety, environment and employment. National and local laws and regulations governing such matters are often complex and fragmentary and we generally use local counsel and consultants to develop and improve our understanding of the legal system of the countries in which we operate. The application of such laws and regulations and their interpretation by the relevant authorities is sometimes unpredictable and inconsistent. Any failure by us to comply with, or any changes of, applicable laws, regulations and rules or any interpretation thereof, could result in delays or may increase the cost of ongoing projects or expose us to penalties, fines, criminal prosecutions, civil claims or other unforeseen costs. Difficulties and uncertainties in the application of such laws and regulations may give rise to litigation, and changes in laws and regulations may, have an impact on our financial and operations planning which may have a material adverse effect on our business, financial condition and results of operations.

We are exposed to the risk of violations of anti-corruption laws, sanctions or other similar regulations applicable in the countries in which we operate or intend to operate.

We, our employees, our partners and competitors must comply with certain anti-corruption laws, sanctions or other similar regulations. However, some of the jurisdictions in which we operate or intend to operate lack a developed legal system and therefore, may have relatively higher levels of corruption. Moreover, our continued expansion, development of joint venture relationships with local contractors and the use of local agents increases the risk of being exposed to violations of such anti-corruption regulations. If any violations of anti-corruption, sanctions or similar regulations take place, we may be liable for civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment. In addition, such violations could also negatively impact our reputation and consequently, our ability to win future business. On the other hand, any such violation by our competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences that we may suffer due to the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to stringent environmental regulation.

We are subject to significant environmental regulation, which, among other things, requires us to perform environmental impact studies on future projects or changes to projects, obtain regulatory licenses, permits and other approvals and comply with the requirements of such licenses, permits and other approvals. There can be no assurance that:

- governmental authorities will approve these environmental impact studies;
- public opposition will not result in delays, modifications to or cancellation of any proposed project or license; or
- laws or regulations will not change or be interpreted in a manner that increases our costs of compliance or materially or adversely affects our operations or plants or our plans for the companies in which we have an investment or to which we provide our services.

We believe that we are currently in material compliance with all applicable regulations, including those governing the environment. While we employ robust policies with regard to environmental regulation compliance, there are occasions where regulations are breached. On occasion, we have been found not to be in compliance with certain environmental regulations, and have incurred fines and penalties associated with such violations which to date have not been material in amount. We can give no assurance, however, that we will continue to be in compliance or avoid material fines, penalties, sanctions and expenses associated with compliance issues in the future. Violation of such regulations may give rise to significant liability, including fines, damages, fees and expenses, and site closures. Generally, relevant governmental authorities are empowered to clean up and remediate releases of environmental damage and to charge the costs of such remediation and cleanup to the owners or occupiers of the property, the persons responsible for the release and environmental damage, the producer of the contaminant and other parties, or to direct the responsible parties to take such action. These governmental authorities may also impose a tax or other liens on the responsible parties to secure the parties' reimbursement obligations. Environmental legislation may also require any environmental damage, regardless of whether it is as a result of a breach of regulation or not, to be remediated by the damaging party. The nature of our activities implies that we may cause environmental damage even if we abide by applicable laws and regulations, and, as a result, may have to remediate any damage we have caused, which may result in unforeseen additional costs with the consequent impact on our margins and results of operations.

Environmental regulation has changed rapidly in recent years, and it is possible that we will be subject to even more stringent environmental standards in the future. For example, our activities are likely to be covered by increasingly strict national and international standards

relating to climate change and related costs, and may be subject to potential risks associated with climate change, which may have a material adverse effect on our business, financial condition or results of operations. We cannot predict the amounts of any increased capital expenditures or any increases in operating costs or other expenses that we may incur to comply with applicable environmental, or other regulatory, requirements, or whether these costs can be passed on to customers through product price increases.

The nature of our activities and operations may expose us to liability and reputational risks.
We provide professional design and construction services for large-scale and complex projects. If a catastrophic event, such as the collapse of a bridge, tunnel or building, or a derailment, occurred at one of our projects, we may be held liable if such an event is found to be caused by our professional negligence or that of our partners (see "*—General risks relating to our business and industry—We rely on our partners but have limited control over their activities*"). We may have increased liability if such negligence results in the personal injury or death or where there is an environmental harm, and/or extensive damage to third-party property. Such catastrophic incidents could expose us to claims for personal injury, wrongful death, property damage or claims by customers, subcontractors, governments, employees or members of the public, which could lead to the payment of extensive damages, and result in significant adverse publicity and reputational harm, which could lead to a loss of business and could have a material adverse effect on our financial condition and results of operations.

In addition, some of our current projects might provoke public debate, protests or opposition to their completion, which could cause delays, suspension, postponement or cancellation of the project. This could have a material adverse effect on our financial condition and results of operations and our association with any such project could harm our reputation.

Our international operations, particularly in emerging markets, expose us to risks inherent to international business (including difficulties in enforcing our legal rights in certain foreign jurisdictions), any of which could affect our results of operations.
In 2013, almost 56% of our net turnover was generated overseas, including in Mexico, Poland, Guatemala and India. Our operations are therefore subject to many of the risks inherent in conducting business in numerous jurisdictions, particularly in emerging markets, including, among others:

- recessionary trends, inflation or instability of financial markets;
- differences and unexpected changes in regulatory environments, including with respect to, among other matters, public tenders, planning, building construction, land use, fire, health and safety, environment and employment;
- legal uncertainty, including lack of judicial or administrative guidance in interpreting local rules and regulations; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, nullification, modification or renegotiation of contracts; lack of developed legal systems to enforce contractual rights and ineffective legal redress in the courts or arbitration tribunals of such jurisdictions and reversal of current policies (including favorable tax and lending policies) encouraging foreign investment or foreign trade by the governments in countries in which we operate as well as a higher degree of discretion on the part of government authorities;
- exposure to different legal and regulatory standards (including standards of care and the prospect of damages under tort rules with which we are not familiar), enforcement mechanisms and the cost of compliance with those standards. This includes, for example, specific regulation in Mexico that entitles public authorities to inspect projects and claim return of compensation paid if specific criteria (including measurements, quantity and quality of products used) have not been met;

- longer payment terms for debtors on our accounts receivable and difficulties of collecting our accounts receivable;
- tariffs, duties, export controls, import restrictions and other trade barriers;
- changes in immigration policies and regulations;
- labor unrest;
- litigation, regulatory and administrative proceedings, including proceedings that could take years to be resolved;
- higher interest rates and local inflation affecting our cost base;
- currency devaluation and changes in currency exchange rates;
- the seizure of property by nationalization or expropriation without fair compensation;
- significant devaluation of financial assets;
- foreign exchange controls and restrictions on repatriation of funds;
- increased risk of public sector corruption;
- embargoes;
- acts of war, civil unrest, *force majeure* and terrorism; and
- political and social instability.

In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial systems to abide by legal requirements and negotiated agreements may be uncertain, creating particular concerns with respect to licenses and agreements for our business. These licenses and agreements may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

Furthermore, distance from our principal locations can make it more difficult to implement and impress upon local workforces our policies on matters such as health and safety and prevention of corruption, and can present challenges in the supervision of our sub-contractors. Failure to deliver consistently high standards across all of our fields of operations could create risks for us, including reputational risk, and may have a material adverse effect on our business, financial position and results of operations. Further, our local partners or our local contractual counterparties will often have better knowledge of their local legal system (including of the judicial and arbitration system) than we do, and may have the ability to exert more influence over proceedings in local jurisdictions than we do, which may place us at a disadvantage compared to them.

The occurrence or the deterioration of any of the foregoing circumstances or situations, could have a material adverse effect on our business, financial condition and results of operations.

We have international operations, and as a result, face complex tax issues and risks associated with fluctuations in currency exchange rates.

We are subject to tax laws, tax rates and their application and interpretation in the markets in which we operate, and we may be subject to significant claims related to future tax disputes and audits. Applicable taxes, including VAT and social security taxes for which we make provisions, could increase significantly as a result of changes in applicable tax laws in the countries in which we operate and the interpretation of these rules by local tax authorities or as a result of tax audits performed by local tax authorities. The impact of these factors is dependent on the types of net turnover and mix of profit we generate in such countries.

As of December 31, 2013, our activities in countries outside the Eurozone accounted for approximately 56% of our net turnover. Our activities are therefore exposed to foreign currency exchange risks (such as the Polish zloty or Mexican peso). See "*Management's discussion and analysis of financial condition and results of operations*." Although we seek to mitigate such exposure by trying to match the currency of our costs to the currency of our revenue, sharp fluctuations in exchange rates in the short to medium-term may cause an increase in costs.

As we continue expanding our business into new markets and existing markets such as Mexico, Poland and Peru, we expect that an increasing percentage of our revenue and cost of sales will be denominated in currencies other than our reporting currency, the euro. As a result, we will become subject to increasing currency transaction and translation risks. If we are not successful in limiting our exposure to changes in foreign currency exchange rates, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to tax investigations and audits from time to time.

We are subject to tax audits from time to time; mainly in Spain and Mexico in respect of corporate income tax, value added tax and certain employment related withholding taxes. These tax audits are ongoing and have no indication as to their outcome. In addition, we have recently been notified of two provisional claims against one of our Unrestricted Subsidiaries regarding value added tax by the Spanish authorities for an aggregate amount of €13.2 million. Should any of these proceedings be determined adversely to the any of the audited companies, any taxes and fines associated therewith could have an adverse effect on our business, financial condition and results of operations.

We may face risks with respect to any divestment we undertake.

We face risks in relation to any divestments we have undertaken or may undertake. Among the risks associated with such divestments, which could materially adversely affect our business, results of operations and financial condition, are the following:

- divestments could result in losses or lower margins;
- divestments could result in impairments on goodwill and other intangible assets;
- divestments may result in the loss of qualified personnel;
- we may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties;
- we may be found liable if certain warranties or promises made to purchasers in sale and purchase agreements are not fulfilled or are breached;
- the purchaser of the divested company or asset may bring claims against us in the future exposing us to liability; and
- we may be found liable if certain warranties or promises made to purchasers in sale and purchase agreements are not fulfilled or are breached, or, in the case of additional commitments made by the vendor and referring to future contingent events, if the relevant future contingent event occurs.

An unfavorable outcome of legal proceedings could have a material adverse effect on our business, results of operations and financial condition.

We are involved in certain legal, regulatory and arbitration proceedings (including tax audits) involving claims by and against us in the ordinary course of business. Since we engage in engineering and construction activities for large facilities and projects where design, construction or systems failures can result in substantial injury or damage to employees or others, we are exposed to the risk of substantial claims and litigation if there is a failure at any

such project. Such claims could relate to, among other things, personal injury, loss of life, business interruption, property damage, pollution and environmental damage, and be brought by our customers or third parties, such as those who use or reside near our customers' projects. We can also be exposed to claims if we agreed that a project will achieve certain performance standards or satisfy certain technical requirements and those standards or requirements are not met.

We occasionally bring claims against our customers for additional costs exceeding the contract price or for amounts not included in the original contract price. From time to time, these claims can be the subject of lengthy and costly arbitration or litigation proceedings, and it is often difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we may incur financial charges pending the resolution of the relevant claims. Although any favorable court decision would also likely lead to the full or partial reimbursement of interest as financial charges, a failure to promptly recover on these types of claims or to recover the full amount expected could have a material adverse effect on our business, financial condition and results of operations.

While it is not feasible to predict or determine the ultimate outcome of these proceedings, whenever there are circumstances that give rise to well-founded expectations by third parties that we are responsible for or have to take on responsibility vis-à-vis the fulfillment of any obligation, we have made consistent allocations to risk provisions, recognized in liabilities in our Financial Statements. However, our estimates are based on expectations, beliefs and assumptions on future developments that are subject to inherent uncertainties. The results of pending or future legal proceedings are inherently difficult to predict, and we can provide no assurance that we will not incur losses in connection with current or future legal or regulatory proceedings (including tax audits) or actions that exceed any provision we may set aside in respect of such proceedings or actions or that exceed any insurance coverage available. Accordingly, in the event that the provisions relating to litigation are inadequate, any losses or expenditures exceeding such limited coverage could have a material adverse effect on our business, financial condition and results of operations.

For more information on our legal proceedings, see "*Business—Legal proceedings, environmental proceedings and tax investigations*."

Our business depends on certain key persons and the loss of such persons may impact our business and our ability to implement current and future strategies.

We rely on an experienced and qualified management and technical team. Any inability to attract and hire new qualified personnel or to retain experienced management and technical staff could limit or delay our business development efforts. In addition, if certain key members of our senior management or technical staff were to terminate their relationships with us and we were not able to find a suitable replacement in a timely manner, our business, financial condition and results of operations could be adversely affected.

Additionally, under certain market conditions in the countries where we operate, it may be difficult to recruit highly qualified professionals and key managers and directors to run our business.

To secure new contracts on which our future business performance depends, we must dedicate time and financial resources, which may be unrecoverable, to complex competitive bidding procedures with uncertain outcomes.

Most of our projects are subject to competitive bidding. Therefore, our business largely depends on our ability to secure key projects, and the competition to secure relevant contracts can be intense. To secure these contracts, we must make a significant commitment of resources, in terms of workforce, management time and operational and financial resources, as well as commit to bidding in a complex and competitive bidding process with lengthy award procedures. It is generally very difficult to predict whether and when we will be awarded such

contracts, due to the complexity of the bidding and selection process and to the fact that such process is affected by a number of factors, such as market conditions, financing, commodity prices, environmental conditions and government policies. If at the end of the bidding process we decide not to submit a bid or if having submitted a bid we do not succeed in winning a contract for a new project, the costs incurred during the process would not be recoverable and we could fail to increase or even maintain our volume of order intake, net sales and net income, which may have a material adverse effect on our business, financial condition and results of operations. See "*—We may not be able to raise the funds and/or the guarantees necessary to carry out our activities as a consequence of the weakness in the global credit markets and the financial services industry.*"

We are subject to risks associated with intellectual property and proprietary technology.

We rely across our business on a combination of trade secret and intellectual property laws, non-disclosure and other contractual agreements and technical measures to protect our know-how. The need to protect our know-how is particularly strong in areas where we have developed a specific expertise, such as our experience in intelligent traffic systems for example. The measures we take may not be sufficient to protect our technology and know-how from third-party infringement (or in certain cases from infringement by employees or other team members) and, notwithstanding any remedies available, could subject us to increased competition or cause us to lose market share. We also face risks with respect to the protection of our proprietary technology and know-how because the markets where we operate include jurisdictions that provide less protection for intellectual property than is provided under the laws of Spain. Unauthorized use of our intellectual property could weaken our competitive position and could reduce the value of our products, services and brand.

A breach of cyber/data security measures and/or any extreme event (such as our Data Process Center being destroyed), forcing us to follow a disaster recovery process for certain critical information and data that impairs our information technology infrastructure, could disrupt normal business operations and affect our ability to control facilities, access customer information and communicate with third parties. Any loss of confidential or proprietary data through a breach could materially and adversely affect our reputation and expose us to legal claims.

Finally, we may also infringe on the intellectual property rights of others, which may subject us to adverse claims and protracted and costly litigation, may subject us to liability if we are found to have infringed upon third parties' intellectual property rights, and, regardless of the merits or ultimate outcome, may divert management's attention from the operation of our business. A negative result in any litigation or proceeding in which we are a party could make us liable to third parties and require us to obtain licenses (including nonexclusive licenses) from third parties that may not be available on reasonable terms or at all or to pay royalties. Any of the above scenarios could have a material adverse effect on our business, results of operations and financial condition.

As part of our business, in the building-up of our proprietary technology, we are also exposed to risks derived from the obsolescence of such technology (including technical changes to software and languages used for the development and use of such technology). Our inability to update and to innovate may have a negative impact on our competitive position and market share.

We face risks associated with public opposition or loss of support to our projects.

There can be no assurances that local residents and/or associations will not oppose and dispute the realization of large infrastructure, transportation improvement schemes (including, without limitation, new roads, railways, power plants, bridges, motorways) or the construction of renewable energy facilities. The claimed reasons against the development of these projects are varied and may include environmental and noise pollution, the loss of residential property value or the related expropriation risk, additional costs to be borne by the local residents, or

the disfigurement of the surrounding landscape. In certain jurisdictions, if a significant portion of the local population were to mobilize against the construction of a renewable energy plant or infrastructure, it may become difficult, or impossible, for us to obtain or retain the required building permits and authorizations. Moreover, such challenges could result in the cancellation of existing building permits, delays, or cause works paralysis which may affect the agreed timeline for the works completion and involve significant cost overruns, or even cause the dismantling of, or the retroactive imposition of changes in the design of, existing infrastructure.

In the context of our activities, we are typically required to obtain, among other things, environmental impact permits before beginning to operate a plant, which in turn require environmental impact studies to be undertaken and public hearings and comment periods to be held during which any person, association or group may oppose a project. Any such opposition may be taken into account by government officials responsible for granting the relevant permits, which could result in the permits being delayed or not being granted or being granted solely on the condition that we carry out certain corrective measures to the proposed project. Further, public authorities may also decide to limit the level of permitted energy production at certain facilities. As a result, we cannot guarantee that all of the renewable energy plants or infrastructure that we currently plan to develop or, to the extent applicable, are developing will ultimately be authorized or accepted by the local authorities or the local population, or that once they are developed they will be working at full capacity.

A decrease in acceptance of renewable energy plants or infrastructure by local residents, an increase in the number of legal challenges, or an unfavorable outcome of such legal challenges could have a material adverse effect on our business, financial condition and results of operations.

We are required to obtain and maintain permits, licenses and authorizations.

We may often be the party required to obtain, maintain and comply with the required licenses, permits and authorizations for the construction, operation and maintenance of any project. Delays in or failure to obtain, renew or maintain required permits, licenses and authorizations, or the revocation of or any challenge relating to any license, permit and authorization may have an adverse effect on our business, financial condition and results of operations.

Further, this risk may be exacerbated for concessions where we are required to operate and maintain the facility in compliance quality and quantity requirements set forth by the concession agreement. For example, the concessionaire is usually required to obtain, maintain and comply with the required licenses, permits, authorizations for the construction, operation and maintenance of project. If we fail to comply with such pre-established conditions, the awarding entity may reduce the tariffs or fees payable to us, impose contractual penalties or, in the extreme cases, terminate the concession. The costs and losses that we may incur in case of any such event may have a material adverse effect on our business, financial condition and results of operations.

Risks specific to our Investment Activities

Changes in the legal framework applicable to our renewable energy activities, including the new electricity law in Spain, may have a significant impact on our business.

Our renewable energy activities are subject to a regulatory framework that imposes significant actual, day-to-day compliance burdens, costs and risks on us. Changes in existing energy and administrative laws and regulations, (including tax laws and regulations), may materially and adversely affect our business, products, services, margins and investments.

The Spanish Government has adopted certain changes in the legal framework applicable to our renewable energy activities in recent years including, among others:

- The amount of energy we are now allowed to sell has been statutorily capped;

- New tax on electricity production was enacted, imposing a 7% levy on net turnover received from power generation;
- A temporary freeze of the economic incentives for renewable energy installations was established;
- A new law was enacted providing that remuneration, tariffs and premiums received by the parties to the electric system whose update is linked to the consumer price index (CPI) would be updated using as a reference the CPI at a constant tax rate, excluding both unprocessed foods and energy products from the CPI calculation;
- More recently, certain reforms have changed the framework governing the electricity industry with a view to guaranteeing the financial stability of the electricity system, and in particular has repealed the remuneration scheme in force, determining the end of the "special regime," which is now substituted by a specific remuneration for renewable energy, co-generation and waste installations, establishing a new scheme which applies both to existing and new installations. This new scheme introduces the concept of "fair return" which will be based, before taxes, on the average yield on the secondary market of ten-year government debt securities plus a suitable spread. See "*Regulation—Spain*." As a result of this reform, we expect a decrease in our returns from generation activities and we have had to make an impairment charge of €47.6 million in our Financial Statements for 2013, and an additional €6.7 million as tax regularization. These changes still need to be further developed by the Spanish Government, but, once developed, will be applicable as from July 15, 2013. Depending on the exact scope of such development, the impairment charge described above might be subject to further adjustments.

We cannot exclude new changes with potential impact on our business and revenues taking place in the future. Additionally, in other countries where we have renewable energy activities, similar legislative changes may have the effect of impacting the returns from our projects.

Adjustment provisions in agreements may not be sufficient to reduce the impact of changing laws and regulations, including changes in the structure of fees and tariffs.

As the fees that we generate from our concession and renewable energy projects are dependent, among other factors, on regulated tariffs, we have limited or no possibility to independently raise tariffs beyond the established rates. The fees we are allowed to charge pursuant to such tariffs may not match our expenses at any given time and may not always result in rates that will enable us to fully recover our costs and enable us to earn a reasonable return on our invested capital. We may also be unable to adjust our tariffs or rates as a result of fluctuations in prices of raw materials (including energy and gas), exchange rates, labor and subcontractor costs or other costs during the construction phase and the operating phase of these projects.

In certain cases, our role in concession projects can be as operator and/or maintenance provider of the infrastructure under a long-term contract, in which case we may agree to fixed prices with the customer granting us the relevant contracts. Our margins from such operation or maintenance contracts may be affected if the costs associated with the maintenance of the concession are higher than we had originally anticipated.

The proposed law that is currently being debated in Parliament on the de-indexation of the Spanish economy ("*Proyecto de Ley de Desindexación de la Economía Española*") proposes to prohibit formulas that link the review of tariffs to inflation levels. Review of tariffs will be limited to increases in the cost of the underlying goods and services, such as energy costs, that are necessary in providing the services under the concession agreement. Although this is still a draft law, should it be enacted, it may significantly affect the tariffs to be charged under new or renewed concessions.

In the case of significant regulatory changes (including tax amendments) affecting the concessionaires in which we hold a stake, there may be, in certain circumstances, a right to adjust the terms of the concession or to negotiate changes with the competent administration in order to re-establish the economic and financial balance between the parties. We cannot guarantee that an adjustment will be possible in all cases, that any such adjustment would be satisfactory for the concessionaires or that it would be carried out in a reasonable time period. If these adjustments are not possible, do not provide sufficient income or are delayed, our business, financial condition and results of operations may be materially adversely affected.

In many of the countries in which we operate, the granting authority responsible for overseeing our activities could impose penalties or intervene in our concessions if we breach the obligations in our concession agreements.

Our concession projects are all subject to oversight by regulatory agencies. If we breach our obligations under the agreements that govern these projects, the respective regulatory agencies could impose penalties. Among other things, the concession agreements entered into by electric power transmission and highway concession companies, including ourselves, that regulate the concession of public services in the industries in which we operate establish standards, which are constantly being improved upon, that must be observed during the provision of the services. Depending on the seriousness of the breach, these penalties could include:

- warnings;
- fines for violation of respective concession agreements;
- orders to stop the construction of new facilities or equipment;
- our being prohibited from recovering our costs;
- restrictions on the operation of existing facilities and equipment;
- intervention;
- our temporary suspension from participation in public bids for new concessions; and
- forfeiture of the concession.

The imposition of penalties, intervention in our concession agreements and early termination of our concession agreements could have a material adverse effect on our business, results of operations and financial condition.

Our concession projects have significant investment requirements and we may be subject to significant limitations and delays when recovering our investments in concession projects.

Under concession agreements, we have committed to certain future investments, both in the form of shareholder loans and of capital injection commitments into special-purpose vehicles used in our concession activities. Following any such capital injection, we will be granted equity participations in such special-purpose vehicles pro-rata to our interests, which will not allow us to control such companies or the flow of dividends or other distributions therefrom. For such concession projects in which we hold an interest, any recovery of our investments will occur over a substantial period of time and will be proportional to our equity participation in each project. The development of our concession projects involves regulatory, construction, financing risks and that the project may ultimately prove unprofitable. We cannot assure you that we will be able to recoup our investments in these projects due to delays, cost overruns and general timing issues as to when net turnover can be derived from these projects.

We are subject to construction risks and market risks when acting as concessionaire.

The development and construction of concession infrastructures can be time-consuming and highly complex. When acting as concessionaire, we bear the construction risks relating to the relevant infrastructure or asset. We must also finance the construction phase of the concession project through our own equity, bank loans and other forms of project financing. Furthermore, for those projects for which we do not have minimum guaranteed fees, we also bear the risk that, unlike in construction agreements where the contract price is set, in concession agreements, our net turnover instead derive from regulated user fees from the infrastructure

or asset. We bear the market risk relating to net turnover generated by the project, which may be lower than the expected for factors beyond our control (e.g., the amount of users of a highway from which we obtain a toll revenue is lower than expected, or competing infrastructures). In certain instances, public entities may enter the market as direct competitors and set up alternative schools or roads to those we have constructed and are operating under a concession, which can materially adverse our returns from any such project. The costs and losses that we may incur in case of any such event may not be recoverable, which may have an adverse effect on our business, financial condition and results of operations.

Our concessions are granted for a limited period of time and are subject to termination by the granting authority on public interest grounds under circumstances stipulated under public law or under the terms and conditions contractually agreed to.

Under applicable public laws, the relevant awarding authorities may terminate or recover concessions prior to their expiration on public interest grounds or under certain other circumstances stipulated under applicable public law, subject to judicial review of the grounds for termination. Although concessions are generally long-term arrangements, most of our concessions will be subject to a public tender process at the end of their term. The loss of, or the renewal on less commercially favorable terms of, a significant number of our existing concessions, or one or more of our largest concessions, could materially adversely affect our business, financial condition and results of operations.

Generally, in the event of early termination of the concession not due to fault of the concessionaire, the concessionaire will be entitled to compensation from the public authority for the amount of the investments it has made in carrying out the terms of the concession based on the degree to which the investments have been amortized. We may also seek compensation to the extent permitted by law or contract to cover our anticipated profits for the remaining duration of the concession agreements if the awarding authority terminates the concession, although there can be no assurance that we will be successful. If we are unsuccessful in seeking compensation from the awarding authority, our only recourse may be litigation, which may involve additional expenses and an extended period of time to reach a resolution. Even if successful, due to the recent economic crisis in Spain, the public authorities may not have the resources available to satisfy any claim by us for compensation for lost investment or profit on a timely basis.

Risks relating to our Indebtedness

Our significant leverage could affect our financial health and our ability to operate our business and raise additional capital to fund our operations.

We have outstanding indebtedness with significant debt service requirements. As of December 31, 2013, our total financial indebtedness was €771.1 million of which €212.0 million was total financial indebtedness of the Restricted Group. In addition, as of December 31, 2013, after giving effect to the issuance of the Notes offered hereby and the application of the proceeds thereof as set out in "*Use of proceeds*" below, we expect our total financial indebtedness to increase by €62.5 million, all of which would be attributable to the Restricted Group. See "*Capitalization*."

Our indebtedness may increase from time to time in the future for various reasons, including fluctuations in operating results, capital expenditures and potential acquisitions or joint ventures.

Our significant leverage could have negative consequences, including:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other indebtedness and significantly limiting or impairing our ability to refinance such indebtedness;

- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or economic or industry conditions;
- exposing us to interest rate increases;
- placing us at a competitive disadvantage compared to competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- restricting us from exploiting certain business opportunities or making acquisitions or investments; and
- limiting, among other things, our ability to borrow additional funds, sell assets or raise equity capital in the future, and increasing the costs of such additional financings if interest rates increase;

any of which could have a material adverse effect on our business, financial condition and results of operations. See also "*Description of certain financing agreements*."

Despite our high level of indebtedness, we and our subsidiaries will still be able to and may incur significant additional amounts of debt (including on a secured basis over the Collateral or otherwise). If we decide to incur significant additional debt, this could further exacerbate the risks associated with our substantial indebtedness.

Although our debt instruments contain restrictions on our ability to incur additional indebtedness, these restrictions are subject to, in certain cases, qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial and such indebtedness could be secured by the Collateral. If we decide to add new debt to our and our subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, our debt instruments, including the indenture governing the Notes and the agreement governing our Revolving Credit Facility, do not prevent us from incurring obligations that do not constitute indebtedness under those agreements.

Our subsidiaries may also be able to incur substantial additional indebtedness in the future, further increasing the risks associated with our substantial leverage. If any of our subsidiaries that do not guarantee the Notes incur additional indebtedness, the holders of that debt will be entitled to share ahead of the holders of the Notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of such subsidiaries. See "*—Risks related to the Notes—The Notes will be structurally subordinated to the indebtedness and other obligations of non-guarantor subsidiaries of the Parent Guarantor, and will be effectively subordinated to existing and future obligations of the Issuer that are secured by assets that do not secure the Notes, to the extent of the value of the assets securing such obligations.*"

Restrictive covenants in our debt instruments may restrict our ability to operate our business, and our failure to comply with these covenants could constitute events of default under those agreements that could materially and adversely affect our financial condition and results of operations.

Our debt instruments, including the Notes and our Revolving Credit Facility, contain covenants that impose restrictions on the way we can operate, including restrictions on our ability to:

- make investments or acquisitions;

- incur indebtedness or issue guarantees or preferred stock;
- pay dividends and make other restricted payments;
- sell, lease, transfer or dispose of assets;
- transfer all or substantially all our assets or merge or consolidate with other companies;
- create or incur liens or undertake to create liens in favor of our creditors;
- agree to limitations on the ability of our subsidiaries to pay dividends or make other distributions; and
- enter into transactions with affiliates.

Certain of our debt instruments also require us to comply with certain affirmative covenants and certain specified financial covenants and ratios. Please see "*Description of certain financing agreements*" and "*Management's discussion and analysis of financial condition and results of operations*." In addition, certain of our project financing loan agreements provide that certain of our rights under the relevant concession agreement and the project contracts (e.g., operation and maintenance contracts) can only be exercised subject to the consent of the lenders. Certain of our other debt instruments also require us to obtain consent of the lenders to carry out certain actions.

The above restrictions could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs. Our covenants may be breached in various circumstances including, for example, in the case where we re-organize our corporate structure or when, as a result of a downward adjustment of the value of certain assets, specific financial ratios (such as a loan to value ratio) are breached. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control such as, inter alia, prevailing economic, financial, regulatory and industry conditions. If we breach any of these covenants (including financial covenants or ratios) or restrictions, we could be in default under one or more of our debt instruments, which, if not cured or waived, could result in acceleration of the indebtedness under such agreements and cross defaults under our other debt instruments. Any such actions could result in the enforcement of our lenders' security interests and/or force us into bankruptcy or liquidation, which could have a material adverse effect on our business, financial condition and results of operations.

Our ability to generate cash depends on many factors beyond our control, and we may not be able to generate cash required to service our debt.

Our ability to make scheduled payments on the Notes and to meet our other debt service obligations or refinance our debt depends on our future operating and financial performance and ability to generate cash. This will be affected by our ability to successfully implement our business strategy, as well as general economic, financial, competitive, legislative, regulatory, technical and other factors beyond our control. If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, including the Notes, obtain additional financing, delay planned acquisitions or capital expenditures or sell assets. We cannot assure the holders of the Notes that we will be able to generate sufficient cash through any of the foregoing. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our obligations with respect to our debt, including the Notes. Please see "*Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources*."

Our debt payment obligations are subject to fluctuations in interest rates.

Most of our indebtedness bears interest at floating interest rate, based on EURIBOR. We estimate interest rate performance and debt structure objectives to reduce these risks, including a sensitivity analysis. In the past, we have also entered into hedging arrangements to cover interest rate fluctuations, and we currently expect that these interest rate hedging arrangements will be cancelled in connection with the Offering. There can be no assurance that any current (or future, if any) hedging contracts will adequately protect our operating results from the effects of interest rate fluctuations or will not result in losses or that our risk management procedures will operate successfully. If significant fluctuations of interest rates occur and cannot be adequately covered through hedging transactions, our interest obligations could become greater, which could adversely affect our business, financial condition and results of operations.

Risks related to the Notes

The Notes will be structurally subordinated to the indebtedness and other obligations of non-guarantor subsidiaries of the Parent Guarantor, and will be effectively subordinated to existing and future obligations of the Issuer that are secured by assets that do not secure the Notes, to the extent of the value of the assets securing such obligations.

The Notes will be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property and assets that do not secure the Notes (to the extent of the value of the assets securing such indebtedness). In addition, the Notes will be structurally subordinated to any indebtedness of the subsidiaries of the Parent Guarantor that do not guarantee the Notes. As of December 31, 2013, after giving pro forma effect to the financing transactions described under "*Capitalization*," including the issuance of the Notes and the use of proceeds therefrom, the subsidiaries of the Parent Guarantor that will not guarantee the Notes and that are part of the Restricted Group had €20.2 million of indebtedness outstanding and represented 7.3% of total financial indebtedness of the Restricted Group and the Guarantors would have had outstanding €7.5 million of indebtedness that is secured by assets other than the Collateral.

In the event of a liquidation, winding-up, dissolution or a bankruptcy, administration, reorganization, insolvency, receivership, or similar proceeding, of any of these non-guarantor subsidiaries, creditors of the Issuer (including the holders of the Notes) will have no right to proceed directly against the assets of these non-guarantor subsidiaries and the non-guarantor subsidiaries will pay the holders of their own debt, their trade creditors and any preferred shareholders before they would be able to distribute any of their assets to the Issuer or any of the Guarantors.

A number of our present and future subsidiaries as well as joint ventures and associates, including Qualifying Joint Ventures, which constitute our Unrestricted Group will not be subject to restrictive covenants and may incur additional indebtedness without limitation in the future and all such indebtedness will be structurally senior to the Notes and may also benefit from Project Support (as defined in the Indenture) from the Restricted Group.

As of the Issue Date, a number of subsidiaries will be Unrestricted Subsidiaries and a number of investments will constitute Qualifying Joint Ventures for purposes of the Indenture and we may in the future designate additional subsidiaries as Unrestricted Subsidiaries or make investments in new Qualifying Joint Ventures in compliance with the terms of the Indenture. Pursuant to the Indenture, the Restricted Group may provide Project Support (as defined therein), including performance bonds, indemnities and other guarantees or reimbursement arrangements (including in respect of contract penalties and liquidated damages) in respect of Unrestricted Subsidiaries and Qualifying Joint Ventures. The restrictive covenants contained in the Indenture governing the Notes will not apply to the Unrestricted Group. Accordingly, our Unrestricted Group, among other things, may, to the extent expressly permitted under any other relevant financing agreement entered into by a company of the Unrestricted Group, incur unlimited

debt, will not be limited in their ability to pay dividends or make other distributions to third parties and may sell their assets without any restriction of the use of proceeds therefrom. The claims of holders of the Notes are structurally subordinated to claims made by creditors of the Unrestricted Group. We have not included in this offering memorandum, and are not obligated under the terms of the Indenture to provide, separate stand-alone historical financial information for the Unrestricted Subsidiaries. See "*Presentation of financial and other information—Financial statements*" and "*Description of the Notes—Reports*."

The Issuer is a finance subsidiary that has no turnover-generating operations of its own and depends on cash received from the Proceeds Loan to be able to make payments on the Notes.

The Issuer is a finance subsidiary, conducts no business operations of its own, and has not engaged in, and will not be permitted to engage in, any material activities other than the issuance of Notes, the on-lending of the proceeds from any such issuance to Aldesa Agrupación under the Proceeds Loan and the servicing of its obligations under the Notes and associated activities related thereto and other activities related to future permitted debt issuances. The Issuer has no subsidiaries and its only material assets and only sources of net turnover are its rights to receive payments pursuant to the Proceeds Loan and any other loans made in connection with the financing transactions or the capitalization of the Issuer. The ability of the Issuer to make payments on the Notes is, therefore, dependent on the payments received from other companies, including pursuant to the Proceeds Loan. If the payments are not made, for whatever reason, the Issuer may not have any other sources of funds available to it that would permit it to make payments on the Notes. In such event, holders of the Notes would have to rely upon claims for payment under the Guarantees, which are subject to the risks and limitations described herein.

The issuance of the indebtedness contemplated under the Notes and the Revolving Credit Facility may not be permitted under certain of our financing agreements as of the Issue Date.

The issuance of the indebtedness contemplated under the Notes and the Revolving Credit Facility may not be permitted by certain of our financing agreements as of the Issue Date. Although we intend to repay the Existing Facilities in full on the Issue Date, without the cooperation of the lenders under the Existing Facilities we may only be able to discharge the Existing Facilities after the Issue Date upon the expiration of the relevant prepayment notice periods. To the extent that the Existing Facilities are not discharged on the Issue Date, the incurrence of the indebtedness under the Notes and the borrowings under the Revolving Credit Facility may not be permitted under the Existing Facilities. As a result, the refinancing, including this Offering, may trigger a breach under the Revolving Credit Facility and the Indenture during the period between the Issue Date and the date of discharging the Existing Facilities.

Existing and potential future defaults by subsidiaries, joint ventures or associates, including Qualifying Joint Ventures, pursuant to project debt or failure to perform under applicable contracts could adversely affect us.

We attempt to finance certain of our projects and significant investments, including capital expenditures typically relating to concessions, primarily under loan agreements and related documents which, except as noted below, typically require the loans to be repaid solely from the revenue of the project being financed thereby, and provide that the repayment of the loans (and interest thereon) is typically secured solely by the shares, physical assets, contracts and cash flow of that project company. This type of financing is referred to herein as "project debt" or "project" financing and constitutes substantially all of the indebtedness of our Unrestricted Group. As of December 31, 2013, our Unrestricted Group indebtedness amounted to €559.1 million.

While the lenders of our project debt typically do not have direct recourse to the Parent Guarantor or its Restricted Subsidiaries, defaults by subsidiaries, joint ventures, including

Qualifying Joint Ventures and associates can still have important consequences for the Restricted Group, including, without limitation:

- reducing the Restricted Group's receipt of distributions, fees, interest payments and loans since the project company will typically be prohibited from distributing cash to the Parent Guarantor and its Restricted Subsidiaries during the pendency of any default;
- causing the Parent Guarantor to record a loss in the event the lender forecloses on the assets; and
- the loss or impairment of investor confidence in our group.

In addition, as of the Issue Date, the Restricted Group had guaranteed indebtedness of the Unrestricted Group, and had granted performance bonds and similar off-balance sheet guarantees, which, if called upon by the applicable counterparty would require us to immediately reimburse the financial institution providing the performance bond. For more information regarding these guarantees and performance bonds, please see "*Management's discussion and analysis of financial condition and results of operations—Off-balance sheet arrangements and contingent obligations.*" As of December 31, 2013, we had provisional and definitive procurements, guarantees and works tender bonds, down payment bonds, performance bonds and advance payment bonds of €651.8 million outstanding. The failure of Unrestricted Subsidiaries, Qualifying Joint Ventures (as defined in the Indenture) or other entities to comply with their obligations under such indebtedness or project contracts could therefore materially and adversely affect the Restricted Group. Moreover, the Indenture governing the Notes provides us with significant flexibility to incur debt in respect of performance bonds, to guarantee debt of Unrestricted Subsidiaries as well as Qualifying Joint Ventures, as well as to provide project support, including in the form of performance bonds, in respect of such Unrestricted Subsidiaries and Qualifying Joint Ventures. Accordingly, the risks associated with such obligations, may, in the future, increase.

Although we will be required to offer to repurchase the Notes upon a change of control, we may not have sufficient financial resources to purchase all the Notes that are tendered.

Upon the occurrence of specific kinds of change of control events, including the sale, lease or transfer of "all or substantially" all of our and our subsidiaries' assets, taken as a whole, we will be required to offer to repurchase all outstanding Notes at 101% of their principal amount, plus accrued and unpaid interest. However, we may not have sufficient financial resources to purchase all of the Notes that are tendered upon a change of control offer. Any such failure to repurchase the Notes could constitute a default under the indenture governing the Notes.

Aldesa Agrupación's ability to pay amounts due on the Proceeds Loan or its Guarante and the Parent Guarantor's ability to pay amounts due on its Guarantee will depend on dividends and other payments received from their subsidiaries.

Aldesa Agrupación conducts its operations through, and derives its net turnover principally from, its subsidiaries, joint ventures and associates. The ability of Aldesa Agrupación to make payments on its indebtedness, including the Proceeds Loan, and its other obligations is dependent not only on the ability of its subsidiaries, joint ventures and associates to generate cash, but also on the ability of its subsidiaries, joint ventures and associates to distribute cash to it in the form of dividends, fees, interest, loans or otherwise.

The subsidiaries, joint ventures and associates of the Parent Guarantor face various restrictions in their ability to distribute cash to Aldesa Agrupación and the Parent Guarantor, and the Indenture governing the Notes may permit the Restricted Group to make significant investments in Unrestricted Subsidiaries, Qualifying Joint Ventures and associates in the future over which we may exert limited or no control.

Many of the subsidiaries, joint ventures and associates are obliged, pursuant to financing agreements, to satisfy certain restricted payment covenants or other conditions before they

may make distributions to Aldesa Agrupación, the Parent Guarantor or entities in the Restricted Group. In addition, the payment of dividends or the making of loans, advances or other payments to the Parent Guarantor or entities in the Restricted Group may be subject to other contractual, legal or regulatory restrictions. Business performance and local accounting and tax rules may limit the amount of retained earnings that may be distributed to the Parent Guarantor or entities in the Restricted Group as a dividend. Subsidiaries in certain jurisdictions may also be prevented from distributing funds to the Parent Guarantor or entities in the Restricted Group as a result of relevant regulation restricting the repatriation of funds or the conversion of currencies. Any right that the Parent Guarantor has to receive any assets of any of its subsidiaries, joint ventures and associates upon any liquidation, dissolution, winding-up, receivership, reorganization, bankruptcy, insolvency or similar proceedings will be effectively subordinated to the claims of any such subsidiary's, joint venture's or associates' creditors (including trade creditors and holders of debt issued by such subsidiary, joint venture or associate).

As of December 31, 2013, pro forma for the issuance of the Notes, the Restricted Group would have had €204.4 million of cash and other equivalent liquid assets on its balance sheet (subject to adjustments associated with the increase of indebtedness through March 7, 2014 disclosed elsewhere herein). See "*Capitalization*". The Restricted Group will be permitted by the Indenture to make significant investments in Unrestricted Subsidiaries, qualifying joint ventures (including companies in which we hold as little as 5% of their capital stock) and associates in the future over which we may exert limited or no control, including unlimited investments in such entities so long as *pro forma* for the investment our average net leverage ratio calculated when tendering for such investment is no greater than 3.0x. Accordingly, and particularly in light of the significant amount of cash and other equivalent liquid assets which the Restricted Group will have at its disposal subsequent to the issuance of the Notes which may be used to make such investments, these and other risks associated with such investments may in the future increase.

The Guarantees and security interests in the Collateral may be limited by the operation of the Agreed Security Principles or applicable laws or be subject to certain limitations or defenses.

The Guarantees provide the noteholders with a direct claim against the assets of the Guarantors. However, the Guarantees will be limited to the maximum amount that can be guaranteed by the particular Guarantor without rendering the Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective under applicable laws, and enforcement of any of these Guarantees against any Guarantor would be subject to certain defenses available to debtors generally under local insolvency laws as well as relevant to Guarantors or, in some cases, to limitations designed to ensure full compliance with statutory requirements applicable to the relevant Guarantors. These laws and defenses include those that relate to fraudulent conveyance or transfer, voidable preference, unfair consideration, financial assistance, corporate purpose, capital maintenance or similar laws and regulations or defenses affecting the rights of creditors generally. As a result, a Guarantor's liability under its Guarantee could be materially reduced or eliminated, depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in the company's corporate interests, or the burden of which exceeds the benefit to the guarantor, may not be valid and enforceable. It is possible that a Guarantor, a creditor of a Guarantor or the bankruptcy trustee, in the case of a insolvency of a Guarantor, may contest the validity and enforceability of the Guarantee, and that the applicable court may determine that the Guarantee should be limited or voided. In the event that any Guarantees are invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the Guarantee obligations apply, the Notes would not be guaranteed by such Guarantee and would be effectively subordinated to all liabilities of the applicable Guarantor, including trade payables of such Guarantee.

In particular, Spanish law imposes a restriction on the granting of guarantees or security by Spanish guarantors stock companies (*sociedades anónimas*) such that guarantees or security in respect of obligations under such guarantee or security documents shall not include nor extend to any obligations or amounts that would place such guarantees or security in contravention of section 150 of the Spanish Capital Companies Act (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*). In particular, no guarantee or security granted by a Spanish Guarantor may secure any payment, prepayment, repayment or reimbursement obligations derived from any finance document used, or that may be used, for the purposes of payment of acquisition debt (for the purposes of section 150 of the Spanish Capital Companies Act) or the payment of any costs or transaction expenses related to, or paying the purchase price for, such acquisition.

The interpretations of the laws of Spain by the Courts may limit the ability of the Guarantors to guarantee the Notes or grant security on the Collateral. Although the law does not establish any limit, recent first instance Spanish case laws indicates, and certain scholars understand that, the risk associated with a guarantee or the value of a security interest provided by a Spanish Guarantor to secure the indebtedness held by other companies within its corporate group must be reasonable and economically and operationally justified from the guarantor's or grantor's own perspective and justified under the corporate interest of such guarantor or grantor.

Furthermore, the interpretations of the laws of Spain of certain scholars about the specialty principle (*principio de especialidad*), conclude that a security interest can only secure one primary obligation, together with its ancillary obligations (e.g., interest costs). Therefore, when there are multiple primary obligations with respect to different creditors, such as the secured creditors under the Revolving Credit Facility Agreement and the holders of the Notes, there must be at least one security interest for each primary obligation to be secured. Additionally, although multiple mortgages over the same asset securing different obligations are recognized, Spanish law does not expressly recognize the existence of two or more pledges over the same asset. However, the existence of two or more pledges over the same shares has become a market practice in Spain and is accepted by the majority of legal scholars although no case law has supported the enforceability of such pledges and it cannot be disregarded that a court could take a different view and consider such pledges inefficient and not admissible in Spain.

In relation to any Guarantor incorporated in Poland, there are also certain restrictions that may apply. In particular under Polish law, obligations of such Guarantor shall not include any liability to the extent that it would result in a reduction of the assets of such Guarantor necessary to cover in full its share capital pursuant to Article 189 §2 of the Polish Commercial Companies Code of 15 September 2000 (Journal of Laws No. 94, item 1037), and may be limited to the extent that they do not result in its insolvency within the meaning of Article 11 § 2 of the Polish Bankruptcy and Restructuring Law dated February 28, 2003 (Journal of Laws No. 60, item 535, as amended) ("Polish Bankruptcy and Restructuring Law"). As a general principle and from an enforceability perspective, in relation to judgments rendered in other jurisdictions, the obligations of the Guarantors should also be limited to obligations which are not contrary to the general principles of legal order of the Republic of Poland within the meaning of Article 1146 § 1 point 7 of the Polish Code of Civil Procedure of November 17, 1964 (Journal of Law No 43, item 296 with changes).

In addition to the Guarantee limitations described above, other than in respect of the Guarantees and the Collateral to be provided as of the Issue Date and following the Conversions, the granting of additional Guarantees will be limited by Agreed Security Principles, including the principle according to which no Restricted Subsidiary outside of Spain, Mexico, Peru or Poland will need to provide any guarantee, and the principle according to which guarantees will not be required from entities of which less than 90% of the capital stock is held by the Parent Guarantor.

Enforcement of the Notes and the Guarantees across multiple jurisdictions may be difficult.

The Notes will be issued by the Issuer, a public limited liability company (*société anonyme*) which is incorporated under the laws of Luxembourg. Each of the original Guarantors is incorporated under the laws of Spain, Mexico and Poland. In addition, future Guarantors may be incorporated or organized under the laws of other jurisdictions.

In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions. The rights of noteholders under the Guarantees will thus be subject to the laws of a number of jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multijurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the Issuer's jurisdiction of organization and the jurisdiction of organization of the Guarantors may be materially different from, or in conflict with, one another, including creditors' rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect the ability to realize any recovery under the Notes and the Guarantees.

Holders of the Notes will not control certain decisions regarding the Collateral.

The Notes will be secured by the same Collateral securing the obligations under the Revolving Credit Facility. In addition, under the terms of the Indenture and the Intercreditor Agreement, we will be permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral.

The Intercreditor Agreement provides that a common security agent will serve as the Security Agent for the secured parties under the Revolving Credit Facility and the Notes with respect to the shared Collateral. Subject to certain limited exceptions, the Security Agent will act with respect to such Collateral only at the direction of an "Instructing Group," which means those creditors whose outstanding senior secured credit participations at that time aggregate to more than 50% of the total outstanding senior secured credit participations. The senior secured credit participations include among others, the aggregate liabilities owed to the lenders under the Revolving Credit Facility and the aggregate outstanding principal amounts held by the holders of the Notes, with each creditor class voting all outstanding amounts collectively if the underlying threshold to take a certain action provided in the relevant financing contract is satisfied. Subject to limited exceptions, under the Intercreditor Agreement, before giving any enforcement instructions to the Security Agent, the creditor representatives are required to consult with each other for a period of not more than 15 business days with a view to making a collective determination as to the method of enforcement they wish to instruct the Security Agent to pursue, if any. See "*Annex A—Intercreditor Agreement*" and "*Description of certain financing agreements*."

The security interests in the Collateral are not directly granted to the holders of the Notes.

The security interests in the Collateral that secure, among other obligations, the obligations of the Issuer under the Notes are not granted directly to the holders of the Notes but are granted only in favor of the Security Agent on behalf of itself, the Trustee and the holders of the Notes in accordance with the Indenture, the Intercreditor Agreement and the Security Documents. The holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, who will (subject to the provisions of the Indenture and the Intercreditor Agreement) provide instructions to the Security Agent in respect of the Collateral.

If enforcement of any security interest in Spain was to be carried out by the Security Agent in Spain, it may be necessary to prove that the Security Agent is duly and expressly empowered for such purpose by means of duly notarized powers of attorney granted in favor of the

Security Agent by each of the actual or future creditors, if necessary, with the Apostille of The Hague Convention dated October 5, 1961. Therefore, there could be a delay in the enforcement of the Collateral in Spain while the Security Agent obtains such powers.

In relation to Polish Guarantors, Polish law does not generally recognize the concept of "security agent" as such. However, there are certain exceptions and under certain regulations entities with similar functions and capabilities may be effectively appointed. Under Polish Act on the Registered Pledge and Pledge Register, dated December 6, 1996 (Journal of Laws (Dz.U. 2009).569), a registered pledge may be established to secure receivables of unspecified holders of notes, under the condition that the Issuer will enter into an agreement with the entity that will be acting on behalf and for the benefit of the noteholders when establishing the pledges and enforcing them. This entity is so called the "pledge administrator." In order to be recognized by the registration court, such agreement should be executed under Polish law. Under Polish law there is also a certain level of uncertainty on how the pledge administrator would be recognized in the event of insolvency of the Polish Guarantor. Please see the following section: "*Insolvency laws and limitations on validity and enforceability of the guarantees and security interests—Polish insolvency laws*."

In relation to the Mexican Guarantors, it is common practice in syndicated loan transactions to grant the guarantees in favor of the security agent, who acts on behalf of and for the benefit of the lenders. However, this may limit the enforceability of the guarantees, as certain provisions of Mexican law can be interpreted as giving the right of enforcement to lenders, rather than to the security agent.

A portion of the Collateral and the Guarantees will not be in place as of Issue Date.

On the Issue Date, the Notes will not be guaranteed by the Guarantors that are incorporated as a private limited company (*sociedad limitada*) under Spanish law, namely Aldesa Agrupación and Aldesa Home, S.L. We have agreed to use our reasonable best efforts to convert each Spanish Guarantor described above into a stock company (*sociedad anónima*) under Spanish law as soon as practicable following the Issue Date. Each of the Spanish Guarantors referred to above will become a party to, among others, the Indenture and guarantee the Notes only following its Conversion. The Parent Guarantor currently expects that the Conversions will take place within 180 days from the Issue Date. We cannot assure you that we will be able to effect the change of corporate form or that we will successfully procure such additional Guarantees within the specified time period and, accordingly, the Notes may not have the benefit of a guarantee from these additional Guarantors.

Furthermore, the Notes will be secured by a pledge over the shares of the Guarantors (except for shares of the Parent Guarantor). However the Collateral to be created by the Spanish private limited companies (*sociedades limitadas*) mentioned above under Spanish law will only be granted after Aldesa Agrupación and Aldesa Home, S.L. (together with any other private limited shareholder of any of the Guarantors) have been converted each into a *sociedad anónima*. While we have agreed to use our reasonable best efforts to implement the conversion as soon as practicable following the Issue Date, we cannot assure you that we will be able to effect the change of corporate form or that we will successfully procure such Collateral within the specified time period, and, accordingly, the Notes may not have the benefit of all the Collateral. In addition, the Collateral may be subject to certain perfection requirements in order to be enforced. See "*—The enforcement of the Collateral may be restricted by Spanish law or laws of other applicable jurisdictions*."

In relation to Polish Guarantors, pursuant to Article 2 of the Polish Act on the Registered Pledge and Pledge Register, dated December 6, 1996 (Journal of Laws (Dz.U. 2009).569), the registered pledge comes into force upon registration of the pledge in the pledge registry maintained by the competent court. Although we will undertake to file appropriate motions to the competent courts as soon as practicable, the procedure before the court may take several weeks, before decision on entry of the pledge is issued.

The Guarantees, the Notes and Collateral may be subject to release in certain circumstances and are subject to other limitations and provisions by operation of the Agreed Security Principles.

Certain of the Guarantees and Collateral are subject to release under certain circumstances, including in connection with a sale of the capital stock of a Guarantor to a person outside the Restricted Group. In addition, the Issuer's obligations in respect of the Notes are subject to release under certain circumstances, including but not limited to the sale of Aldesa Agrupación and its subsidiaries pursuant to an enforcement of security over the shares of Aldesa Agrupación taken by the Security Agent acting at the direction of the senior secured creditors under the Intercreditor Agreement. Such releases may in some circumstances occur even if no recovery under the Guarantees and Collateral would be made. See "*Description of the Notes—Release of Note Guarantees*" and "*Description of the Notes—Release of the Security Interests*." and "*Description of certain indebtedness—Intercreditor Agreement*".

In addition, the Guarantees and the Collateral will be subject to the operation of the Agreed Security Principles. In particular, no guarantees or security will be required to be provided by any of our entities in which less than 90% of the share capital is held by us. See "*Description of the Notes—The Note Guarantees" and "Description of the Notes—Security*."

As a result of these provisions and other limitations in the Guarantees and Security Documents as well as the Agreed Security Principles, you may not be able to recover the full value of the Collateral or any amounts from the Guarantors under the Guarantees in the event of a default on the Notes.

The Notes will be secured only to the extent of the value of the Collateral that has been granted as security for the Notes, and such security may not be sufficient to satisfy the obligations under the Notes and the Guarantees.

If there is an event of default on the Notes, the holders of the Notes will be secured only to the extent of the value of the Collateral granted as security for the Notes. Not all our assets secure the Notes. In the future, the obligations to provide additional guarantees and grant additional security over assets, or a particular type or class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of an entity that was previously in the Unrestricted Group as an entity of the Restricted Group or otherwise, is subject to the Indenture, the Agreed Security Principles and the Intercreditor Agreement. The Agreed Security Principles (as set out in the Intercreditor Agreement) set out a number of limitations on the rights of the holders of the Notes to require granting of, or payment or enforcement under, a guarantee or security in certain circumstances. Accordingly, the Agreed Security Principles may affect the value of the guarantees and security to be provided by us and our subsidiaries. The terms of the security documents securing obligations under the Notes and applicable guarantee limitations may result in, among other things, the amount recoverable under any guarantee or security provided by any subsidiary being limited or security not being granted over a particular type or class of assets.

The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including whether or not our business is sold as a going concern, the jurisdiction in which the enforcement action or sale is completed, the ability to sell the Collateral in an orderly sale, economic conditions where operations are located and the availability of buyers. Further, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy the Collateral in the event of an enforcement action. The Collateral may be illiquid and may have no readily ascertainable market value. By its nature, some or all the Collateral may not have a readily ascertainable market value or may not be saleable or, if saleable, there may be substantial delays in its disposal. To the extent that other first-priority security interests, pre-existing liens, liens permitted under the Indenture or the Revolving Credit Facility and other rights encumber the other assets owned by the Issuer and/or the Guarantors, those parties may have or may exercise rights and remedies with

respect to the Collateral that could adversely affect the value of the Collateral and the ability of the Security Agent to realize or foreclose on the Collateral.

There may also be other practical problems generally associated with the realization of security interests in the Collateral. For example, the enforcement of the registered pledges under Polish law generally takes place in the form of court enforcement proceedings during which the subject of the pledge is auctioned and granted to the highest bidder. The proceeds from such auction are, with certain exceptions, used only to pay secured creditors. Under Mexican law, the enforcement of a share pledge may be through the Courts which might extend the time for the Collateral to become liquid. Under Luxembourg and Spanish law, the enforcement of share pledges, whether by means of a sale or an appropriation, is also subject to certain specific requirements. In certain cases, the Security Agent may also need to obtain the consent of a third party to enforce a security interest and we cannot assure you that the Security Agent will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a sale of, or foreclosure on, such assets. Accordingly, the Security Agent may not have the ability to sell or foreclose upon those assets, and the value of the Collateral may significantly decrease.

Each security interest granted over the Collateral will be limited in scope to the value of the relevant assets expressed to be subject to that security interest, and enforcement of each Security Document may be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate interest, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. See "*Insolvency laws and limitations on validity and enforceability of the Guarantees and Security Interests*."

If the proceeds of the sales of all Collateral are not sufficient to repay all amounts due on the Notes, holders of the Notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the Issuer's and the Guarantors' remaining assets. Each of these factors or any challenge to the validity of the Collateral or the intercreditor arrangements governing our creditors' rights could reduce the proceeds realized upon enforcement of the Collateral. In addition, there can be no assurance that the Collateral could be sold in a timely manner, if at all. Proceeds from enforcement sales of the Collateral must be applied towards application to repay on a *pari passu* basis the obligations of the borrower and the guarantors under the Revolving Credit Facility, the obligations of the Issuer and the Guarantor under the Notes and any other indebtedness that is secured by the Collateral on a *pari passu* basis with the Revolving Credit Facility and the Notes. In addition, the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement will allow the incurrence of certain additional permitted debt in the future that is secured by the Collateral on a *pari passu* basis.

It may be difficult to realize the value of the Collateral.

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and/or the Intercreditor Agreement and accepted by other creditors that have the benefit of security interests in the Collateral from time to time. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes, as well as the ability of the Security Agent to realize such Collateral. Furthermore, the first-priority ranking of security interests with respect to the Notes can be affected by a variety of factors including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterization under applicable law.

The Issuer and the Guarantors will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security and Guarantee Documents will allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of

any income from the Collateral securing the Notes in a manner which does not materially adversely affect the validity or enforceability of the Collateral or cause an event of default to occur under the Revolving Credit Facility or the Notes. Subject to certain restrictions in the Indenture and the Revolving Credit Facility Agreement, so long as no default or event of default under the Indenture or the Revolving Credit Facility would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, or otherwise disposing of the Collateral.

The Security Agent may not be able to enforce a portion of the Collateral if certain actions are not taken to register and perfect the security interests in the Collateral.

Not all of the security interests to be granted in respect of the Collateral will be perfected on the Issue Date. Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the grantor of the security. The liens on certain of the Collateral securing the Notes may not be enforceable with respect to the claims of the Notes if we fail or are unable to take certain actions to register, record, execute necessary documents or otherwise cause the recognition of these liens.

Under Spanish law, perfection of security interests over shares of capital stock requires the transfer of possession (*desplazamiento posesorio*) of the collateral to the secured party and the formalization of those security interests in public deeds (*documento público*). According to many legal scholars, the beneficiaries of the security interests created must expressly accept the security interest to perfect the security interest. Generally, under Polish law, in order to establish the registered pledge it is necessary to record such pledge in the register kept by the competent registration court. See below and in the following section: "*Insolvency laws and limitations on validity and enforceability of the Guarantees and security interests—Polish insolvency laws—Enforcement of securities and statute of limitation and enforceability of potential claims of noteholders under Polish law*." Under Mexican law, perfection of security interests over shares of capital stock requires the security endorsement of the shares to the secured party (*endoso en garantía*) and the registration of the pledge in the Company's share registry book.

Failure or inability to take actions to register, record or execute necessary documents or otherwise cause the recognition of liens on certain of the Collateral securing the Notes could impair the Security Agent's ability to enforce that Collateral. Absent perfection, the holders of the Notes may have difficulty enforcing their rights in the Collateral with respect to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the Collateral. In addition, a debtor may discharge its obligation by paying the security provider until, but not after, the debtor receives a notification of the existence of the security interest granted by the security provider in favor of the secured party over the claims the secured party, as creditor, has against the debtor. Finally, since the ranking of pledges is generally determined by the date on which they became enforceable against third parties, a security interest created on a later date over the same asset constituting the Collateral, but which come into force for third parties earlier, by way of registration in the appropriate register or by notification, may have priority. Neither the Trustee nor the Security Agent has any obligation to monitor the acquisition of additional assets that constitute the Collateral or the perfection of, or to take steps to perfect, any security interest in the Notes against third parties.

Fraudulent conveyance laws may limit your rights as a holder of Notes.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance laws, a court could subordinate or void a Guarantee if it found that:

- the Guarantee was incurred with an actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor;

- the Guarantee was granted within two years prior to the insolvency declaration of the Guarantor and it is detrimental for the Guarantor's state; or
- the Guarantor did not receive fair consideration or reasonably equivalent value for the Guarantee and the Guarantor;
- was insolvent or was rendered insolvent because of the Guarantee;
- was undercapitalized or became undercapitalized because of the Guarantee; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay at maturity.

The measure of insolvency for purposes of fraudulent conveyance laws varies depending on the law applied. Generally, however, a Guarantor would be considered insolvent if it could not pay its debts as they become due. If a court decided that any Guarantee was a fraudulent conveyance and voided such Guarantee, or held it unenforceable for any other reason, you would cease to have any claim in respect of the Guarantor of such Guarantee and would be a creditor solely of the Issuer and the remaining Guarantors.

In an insolvency proceeding, it is possible that creditors of the Guarantors or the appointed insolvency administrator may challenge the Guarantees, and intercompany obligations generally, as fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to: (i) avoid or invalidate all or a portion of a Guarantor's obligations under its Guarantee; (ii) direct that holders of the notes return any amounts paid under a Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors; and (iii) take other action that is detrimental to you. See "*Insolvency laws and limitations on validity and enforceability of the Guarantees and security interests*."

If the Spanish tax authorities determine that income derived from the Notes or the Guarantees should be treated as Spanish source income, tax at a 21.0% rate could apply.

If the Spanish tax authorities determine that income derived from the Notes or the Guarantees should be treated as Spanish source income, Spanish nonresident income tax could apply currently at the rate of 21.0%. In specific circumstances this tax could be reduced depending on the tax residency of the beneficiary. Such tax might be collected by withholding or by payment by holders of the Notes. In certain situations, we could be required to gross-up any such payments for the amount of any tax imposed and this could materially affect our financial position. We have been advised that, under applicable Spanish tax rules, payments of principal and interest made with respect to the Notes should not be subject to such tax, but there is no clear precedent to support this position.

If such tax were imposed by withholding any payments on the Notes or the Guarantees, the Indenture requires us, in certain situations, to gross-up any such payments to cover the full amount of the taxes required to be withheld. The amounts we would be required to gross-up could be substantial and could materially adversely affect our financial condition and results of operations.

Luxembourg, Spanish, Polish and Mexican insolvency laws may not be as favorable to the holders of the Notes as bankruptcy laws in the jurisdictions with which the holders of the Notes are familiar and may preclude holders of the Notes from recovering payments due on the Notes or the Guarantees, as the case may be.

The Issuer is incorporated, has its corporate seat and conducts the administration of its business in Luxembourg, and as a result any insolvency proceedings against the Issuer are likely to be commenced in Luxembourg based on Luxembourg insolvency laws (although Spanish insolvency law cannot be ruled out). As the Parent Guarantor is established under the laws of Spain, any insolvency proceedings against the Parent Guarantor and/or any Guarantor incorporated under the laws of Spain is likely to be based on Spanish insolvency laws. In addition insolvency

proceedings against Guarantors incorporated in Mexico or Poland can be based, respectively, on Mexican and Polish insolvency laws.

The insolvency laws of Luxembourg, Spain, Poland or Mexico and other relevant jurisdictions may not be as favorable to the interests of the holders of the Notes as creditors as the laws of jurisdictions with which the holders of the Notes are familiar and certain provisions of Luxembourg, Spanish, Polish, Mexican or other relevant insolvency law could affect the ranking of the Notes or claims relating to the Notes on the insolvency of the Issuer, the Parent Guarantor or the Guarantors. For more information regarding the provisions of Luxembourg, Spanish, Polish, Mexican insolvency laws, see "*Insolvency laws and limitations on validity and enforceability of the Guarantees and security interests*."

The enforcement of the Collateral may be restricted by Spanish law or laws of other applicable jurisdictions.

Spanish Insolvency Law imposes a moratorium on the enforcement of secured creditors' rights (*in rem* security) in the event of insolvency. Once a debtor is declared insolvent, the enforcement of security interests over assets owned by the debtor and used for its professional or business activities (presumably most of the debtor's assets) is stayed until the first of the following circumstances occurs: (a) approval of a creditors' composition agreement (unless the content has been approved by the favorable vote of the secured creditors, in which case it will be bound by whatever has been agreed in the composition agreement); or (b) one year has elapsed since the declaration of insolvency without liquidation proceedings being initiated. Enforcement will be stayed even if at the time of declaration of insolvency the notices announcing the public auction have been published. The stay will only be lifted when the court hearing the insolvency proceedings determines that the asset is not necessary for the survival of the debtor's business. When it comes to determining which assets of the debtor are used for its professional or business activities, courts have generally embraced a broad interpretation and will likely include most of the debtor's assets. For more information, please see "*Insolvency laws and limitations on validity and enforceability of the Guarantees and security interests*."

Because the identity of the Guarantors may change, the relevant taxing jurisdictions for determining entitlement to additional amounts may vary.

The Indenture governing the Notes provides that if a withholding or deduction is required in respect of payments under or with respect to the Notes or the Guarantees, the Issuer or the relevant Guarantor must pay additional amounts to the holders of the Notes. See "*Description of the Notes—Additional Amounts*." No such additional amounts are payable in certain circumstances, including to a holder having any present or former connection with a relevant taxing jurisdiction. The concept of relevant taxing jurisdiction is determined by reference to certain matters including the jurisdiction in which the Issuer or the relevant Guarantor is organized, incorporated, engaged in business or resident for tax purposes. On the Issue Date, the Issuer will be tax resident in Luxembourg and the original Guarantors will be tax resident in Spain, Mexico and Poland. However, new Guarantors may accede as guarantors of the Issuer's obligations under the Notes and entities may be released from their Guarantees, in each case in the manner described in "*Description of the Notes—Release of Note Guarantees*." Accordingly, the relevant taxing jurisdictions which are relevant for determining whether or not a holder is entitled to receive additional amounts may vary, and the holder may be precluded from claiming such additional amounts.

There may not be an active trading market for the Notes, in which case the ability of the holders of the Notes to sell the Notes will be limited.

We cannot assure the holders of the Notes as to the liquidity of any market in the Notes, their ability to sell their Notes or the prices at which they would be able to sell their Notes. Application will be made to admit the Notes to listing on the Official List and to trading on the Euro MTF Market. However, we cannot assure the holders of the Notes that such application will be approved, and any such listing may occur only following the Issue Date.

The Initial Purchasers have informed us that they intend to make a market in the Notes after the Offering is completed; however, they are not obliged to do so. Any market making that is commenced may be halted at any time. If a market develops, the Notes could trade at prices that are lower than the initial price for the Notes. In addition, changes in the overall market for high-yield debt securities and changes in our financial performance or in the markets in which we operate may adversely affect the liquidity of any trading market in the Notes that does develop and any market price quoted for the Notes. As a result, there can be no assurance that an active trading market will actually develop for the Notes. Historically, the markets for high-yield debt securities, such as the Notes, have been subject to disruptions that have caused substantial volatility in their prices. Any market for the Notes may be subject to similar disruptions. Any disruptions may have an adverse effect on the holders of our Notes.

The Issuer may redeem the Notes prior to maturity.

The Indenture provides that the Issuer may, at its option and in certain circumstances, redeem the Notes prior to maturity. Such redemption may take place at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and/or may forego a capital gain in respect of the Notes that would have otherwise arisen but for such redemption.

The interests of the principal shareholders of the Parent Guarantor may conflict with the interests of the holders of the Notes.

Currently, the Fernández family indirectly holds 100% of our shares. As a consequence, the Fernández family has, and will continue to have, directly or indirectly, the power to affect our legal and capital structure, as well as the ability to elect and change our management, and to approve other changes to our operations and control the outcome of matters requiring action by our shareholders. Their interests as shareholders of the Issuer, in certain circumstances, may conflict with the interests of the holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due (including payments on the Notes). The Fernández family could also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance its equity investment, even though such transactions might involve risks to the holders of the Notes. See "*Principal shareholders*."

Transfers of the Notes will be subject to certain restrictions.

The Notes have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws. Accordingly, the holders of the Notes may not offer or sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The holders of the Notes should read the discussion under the heading "*Notice to investors*" for further information about these transfer restrictions. It is the obligation of the holders of the Notes to ensure that their offers and sales of the Notes within the United States and other jurisdictions comply with any applicable securities laws.

Holders of the Notes may not be able to recover in civil proceedings for U.S. securities laws violations.

The Notes will be issued by the Issuer, which is incorporated under the laws of Luxembourg, and the Guarantees will be granted by the Guarantors, which are incorporated under the laws of Spain, Mexico and Poland. Most of our senior management, directors and executives currently reside outside the United States, and the majority of our assets are currently located outside the United States. As a result, the holders of the Notes may be unable to effect service of process within the United States, or recover on judgments of United States courts in any civil proceedings under the U.S. federal securities laws. In addition, original actions, or actions for the enforcement of judgments of United States courts with respect to civil liabilities solely under the federal securities laws of the United States, are not enforceable in Spain. See "*Enforcement of civil liabilities*."

The Notes will initially be held in book-entry form and therefore the holders of the Notes must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until Definitive Registered Notes (as defined herein) are issued in exchange for book-entry interests in the Notes (which will only occur in very limited circumstances), owners of the book-entry interests will not be considered owners or holders of Notes. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream Banking will be the registered holder of any Global Notes (as defined herein). After payment to the common depositary, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if the holders of the Notes own a book-entry interest, they must rely on the procedures of Euroclear or Clearstream Banking, as applicable, and if they are not a participant in Euroclear or Clearstream Banking, on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder under the indenture governing the Notes.

Unlike holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the Notes. Instead, if the holders of the Notes own a book-entry interest, they will be permitted to act only to the extent they have received appropriate proxies to do so from Euroclear or Clearstream Banking or, if applicable, from a participant. We cannot assure the holders of the Notes that procedures implemented for the granting of such proxies will be sufficient to enable them to vote on any requested actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture governing the Notes, unless and until Definitive Registered Notes are issued in respect of all book-entry interests, if the holders of the Notes own a book-entry interest, the holders of the Notes will be restricted to acting through Euroclear or Clearstream Banking. We cannot assure the holders of the Notes that the procedures to be implemented through Euroclear or Clearstream Banking will be adequate to ensure the timely exercise of rights under the Notes. See "*Book-entry, delivery and form.*"

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the Eurozone, or the potential dissolution of the euro entirely, could adversely affect the value of the Notes.

Concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, including Spain or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Use of proceeds

The gross proceeds from the Offering will be €250,000,000 (net proceeds of €246,535,600) and will primarily be used to repay certain of our existing indebtedness. The estimated sources and uses of the funds are shown in the table below. Actual amounts are subject to adjustments and may vary from estimated amounts depending on several factors, including cash balances, the amount of outstanding indebtedness, and actual fees and expenses.

Sources (€ in millions)		**Uses**	
Notes offered hereby	250.0	Repayment of Existing Facilities[1]	175.3
		Interest rate swap cancellation[2]	2.2
		Estimated commissions, fees and other expenses	10.0
		Cash[1]	62.5
Total sources	250.0	Total uses	250.0

(1) Consistent with usual seasonal patterns, our working capital needs increase during the first months of the financial year because we collect less receivables following the end of the prior financial year. In order to meet these working capital needs, we have drawn €53.7 million from January 1, 2014 to March 7, 2014 on our credit facilities. These drawings are consistent with historical patterns in which during the first quarter of each financial year we have an above-yearly average net debt level and at the end of the year we have a below-yearly average net debt level. Our yearly average Restricted Group Net Debt for 2013 was €132.3 million (€127.8 million in 2012) compared to €70.2 million as of December 31, 2013. Reflecting the effect of seasonality, our levels of cash in the first quarter of 2014 are lower than the amount in this table. Conversely, the amount of Existing Facilities to be repaid is higher than the amount presented in this table. Restricted Group cash will be reduced to repay indebtedness incurred during the first quarter to address our working capital needs.

(2) The figure presented in the table reflects obligations calculated as of December 31, 2013. According to our latest estimate, the amount of obligations under interest rate swaps to be cancelled on or about the Issue Date is approximately €1.7 million.

Capitalization

The following table sets forth our consolidatd cash and other equivalent liquid assets and capitalization, as of December 31, 2013: (i) on an actual basis; and (ii) as adjusted to reflect the application of the proceeds from the Offering.

You should read this table in conjunction with the information in "*Use of proceeds,*" "*Management's discussion and analysis of financial condition and results of operations,*" the financial information included herein and *"Description of certain financing agreements."*

(€ in millions)	Actual as at December 31, 2013	As adjusted
Cash and other equivalent liquid assets[1]	**207.2**	**269.7**
Cash of Restricted Group[1]	*141.9*	*204.4*
Cash of Unrestricted Group	*65.3*	*65.3*
Notes offered hereby[2]	—	250.0
Revolving Credit Facility[3]	—	—
Syndicated Loan[1][4]	121.3	—
Bilateral loan and ICO loan[4]	48.4	—
Other financial indebtedness[5]	39.4	33.7
Derivatives[6]	2.9	0.8
Capitalized borrowing fees[7]	—	(10.0)
Total Restricted Group indebtedness[8]	**212.0**	**274.6**
Total Unrestricted Group indebtedness	559.1	559.1
Total financial indebtedness	**771.1**	**833.6**
Equity	88.3	88.3
Total capitalization	**859.4**	**921.9**

(1) Amounts in the table reflect cash and other equivalent liquid assets on an actual and as adjusted basis as of December 31, 2013. Consistent with usual seasonal patterns, our working capital needs increase during the first months of the financial year because we collect less receivables following the end of the prior financial year. In order to meet these working capital needs, we have drawn €53.7 million from January 1, 2014 to March 7, 2014 on our credit facilities. These drawings are consistent with historical patterns in which during the first quarter of each financial year we have an above-yearly average net debt level and at the end of the year we have a below-yearly average net debt level. Our yearly average Restricted Group Net Debt for 2013 was €132.3 million (€127.8 million in 2012) compared to €70.2 million as of December 31, 2013. Reflecting the effect of seasonality, our levels of Restricted Group cash in the first quarter of 2014 are lower than the amount in this table. Conversely, the amount outstanding under the Syndicated Loan in the first quarter is higher than the amount presented in this table. Restricted Group cash will be reduced to repay indebtedness incurred during the first quarter to address our working capital needs. For more information regarding the seasonality of our cash flows and Net Debt levels, please see "*Management's discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations.*"

(2) The Notes have been reflected in the table at their aggregate principal amount.

(3) On or about the Issue Date, the Issuer and the Guarantors will enter into a Revolving Credit Facility in the amount of €100 million. On the Issue Date, the Revolving Credit Facility is expected to be undrawn.

(4) The Syndicated Loan refers to the facility granted by a syndicate of lenders to Aldesa Construcciones, S.A., on July 29, 2010. The bilateral loan refers to the loan entered into by the Parent Guarantor and CaixaBank on July 28, 2009. ICO loan refers to the loan with ICO (*Instituto de Crédito Oficial*) entered into on December 12, 2008 by Aldesa Construcciones, S.A.

(5) Other financial indebtedness includes mortgage loans, credit lines, finance leases, the Cofides put option and other financial liabilities.

(6) We are a party to interest rate hedging arrangements (which we expect to be cancelled in connection with the Offering) and currency hedging arrangements.

(7) Capitalized borrowing fees include the estimated fees and expenses attributable to the Offering and other transactions contemplated by the Offering.

(8) Total Restricted Group indebtedness does not include obligations under our guarantee lines.

Selected historical financial data

The Issuer was incorporated as a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg. The Issuer is a finance subsidiary formed solely for the purposes of issuing Notes. Consequently, no historical financial information relating to the Issuer is available. The Issuer has not engaged in any activities other than those related to its formation and the transactions contemplated by this Offering. After completion of the Offering, the Issuer will have no material assets and its only material liabilities will be its outstanding indebtedness incurred in connection therewith.

We have included in this offering memorandum the Parent Guarantor's special-purpose consolidated financial statements for the years ended December 31, 2011, 2012 and 2013, and primarily discuss such financial information in this offering memorandum. Accordingly, all references to "we," "us," or "our" in respect of financial information in this offering memorandum are to the Parent Guarantor and its subsidiaries on a consolidated basis, unless otherwise indicated. The special-purpose consolidated financial statements of the Parent Guarantor included herein and the accompanying notes thereto have been prepared in accordance with Spanish GAAP. See "*Description of the Notes*" and "*Summary of significant differences between Spanish GAAP and IFRS.*"

The following tables set forth our financial information and other data as of and for the periods indicated below. Our summary consolidated financial information as of December 31, 2011, December 31, 2012 and December 31, 2013 and for each of the years ended December 31, 2011, 2012 and 2013 have been derived from our special-purpose consolidated financial statements as of December 31, 2011, 2012 and 2013 and for each of the three years ended December 31, 2011, 2012 and 2013.

Some of the measures used in this offering memorandum are not measures of financial performance under Spanish GAAP and should not be considered an alternative to operating profit or consolidated profit or any other performance measures derived in accordance with Spanish GAAP or as alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with Spanish GAAP.

The unaudited *pro forma* financial data in the following tables is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of the Parent Guarantor would have been had the events and activities identified in the relevant footnotes occurred on the dates assumed, nor is it necessarily indicative of future results of operations or financial positions.

Consolidation in our Financial Statements was performed by fully consolidating all of the entities over which we exert or could exert control, directly or indirectly. Joint ventures and companies over which we hold a non-controlling interest, are consolidated by means of the proportional consolidation method (taking into account our stake in such entities) or by the equity method, in each case according to Spanish GAAP.

The process of consolidation eliminates balances, transactions and results among companies subject to the full consolidation. In the case of proportionally integrated consolidated companies, the balances, transactions and results of operations have been eliminated to the proportion applicable to their consolidation. Finally, results of the year of entities which we consolidated by means of the equity method have been eliminated to the percentage of our stake. For more information concerning our methods of consolidation and eliminations, please see Notes 2 and 5 to our special-purpose consolidated financial statements.

For more information on the basis of preparation of this financial information, see "*Presentation of financial and other information,*" and the notes to our special-purpose consolidated financial statements included elsewhere in this offering memorandum. See also "*Summary of significant differences between Spanish GAAP and IFRS*." The following tables show selected financial data as of and for the periods indicated:

(€ in thousands)	Year ended December 31, 2013	2012	2011
Income Statement Data			
Net turnover	704,039	769,212	839,686
Changes in stocks of finished goods and in the process of manufacture	(514)	1,643	(4,269)
Work performed by the company for its assets	2,646	3,019	955
Supplies	(382,630)	(442,462)	(478,223)
Other operating revenue	8,415	4,919	4,016
Personnel costs	(122,329)	(139,290)	(168,706)
Other operating expenses	(124,605)	(107,892)	(105,880)
Amortization of fixed assets	(35,820)	(40,852)	(38,134)
Registration of non financial fixed assets subsidies and others	743	568	598
Impairment and profit/(loss) from disposals of fixed assets	(48,074)	(8,810)	(4,979)
Other results	41	22	1,013
Operating result	**1,912**	**40,077**	**46,077**
Financial revenue	12,133	11,760	12,288
Financial expenses	(52,161)	(47,042)	(47,932)
Change in fair value in financial instruments	399	(974)	(84)
Exchange rate differences	2,798	(247)	(610)
Impairment and result through disposal of financial instruments	(4,793)	(1,177)	(659)
Financial result	(41,624)	(37,680)	(36,997)
Stake in profit (losses) in equity-method companies	(89)	(54)	(10)
Pre-tax result	**(39,801)**	**2,343**	**9,070**
Profits tax	(1,370)	(1,014)	(506)
Result of the year	**(41,171)**	**1,329**	**8,564**

(€ in thousands)	As of December 31, 2013	2012	2011
Balance Sheet Data			
Non-current assets	783,518	860,537	846,742
Current assets	603,152	699,100	816,342
Of which, cash and other equivalent liquid assets	207,154	306,853	340,099
Total assets	1,386,670	1,559,637	1,663,084
Total liabilities	1,340,552	1,467,356	1,553,111
Equity	88,307	139,716	152,710

(€ in thousands)	Year ended December 31, 2013	2012	2011
Cash Flow Data			
Cash flow from operating activities	41,861	(18,482)	(13,136)
Cash flow from investments activities	(13,373)	(16,245)	(19,746)
Cash flow from financing activities	(132,808)	10,414	(19,489)

Management's discussion and analysis of financial condition and results of operations

The following discussion should be read together with, and is qualified in its entirety by reference to, our special-purpose consolidated financial statements, and the related notes thereto, included elsewhere in this offering memorandum. The following discussion should also be read in conjunction with the sections entitled "Summary consolidated financial data" and "Selected historical financial data." Except for the historical information contained herein, the discussions in this section contain forward looking statements that reflect our plans, estimates and beliefs and involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this offering memorandum, particularly in "Risk factors" and "Forward looking statements."

The financial data as of and for the years ended December 31, 2011, 2012 and 2013 have been derived from the audited special-purpose consolidated financial statement of the Parent Guarantor as of and for the years ended December 31, 2011, 2012 and 2013, prepared in accordance with Spanish GAAP and included elsewhere in this offering memorandum.

Some of the measures used in this offering memorandum are not measures of financial performance under Spanish GAAP and should not be considered an alternative to operating profit or consolidated profit or any other performance measures derived in accordance with Spanish GAAP or as alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with Spanish GAAP.

Unless otherwise provided, measures used in the following discussion cover our Restricted Group and our Unrestricted Group.

Overview

We are a specialized infrastructure construction group and rank among the top ten construction groups in Spain and Mexico by net turnover. We are dedicated to the construction of railways, highways, tunnels and landmark buildings. We also undertake industrial activities, which mainly include energy projects, traffic and lighting systems and installations. In addition, we undertake investment activities, mainly involving renewable energy and concessions.

We have over 40 years of experience in the construction industry in Spain. Over the past seven years, we have evolved from a local construction company to a diversified international group, expanding in countries presenting opportunities for the execution of landmark projects. As a result we generated approximately 56% of our net turnover in 2013 outside of Spain. We currently have a significant presence in Mexico and Poland, as well as operations in Peru, Guatemala, India and Romania.

For the year ended December 31, 2013, we generated consolidated net turnover of €704.0 million and consolidated EBITDA of €92.0 million. Our Restricted Group (as defined under *"Presentation of financial and other information"*) generated net turnover of €646.9 million, EBITDA of €52.3 million and Adjusted EBITDA of €56.9 million and, as of December 31, 2013, had a Backlog of €1,557.0 million.

Key factors affecting our results of operations

Our results of operations are affected by the following key factors:

International expansion

Our business was historically based in Spain, where up until 2009 approximately 100% of our net turnover was generated. However, over recent years we have increased our exposure to

international markets. We began our internationalization process in 2007, targeting new markets where there is a strong demand for infrastructure projects. We have applied a dual approach to our internationalization process: on the one hand we target certain countries where our aim is to have a permanent presence, and on the other hand we work worldwide following a project-focused strategy where we look for specific projects that fit well within our capabilities (mainly in railways and tunnels).

As of December 31, 2013, we had a permanent presence in Spain, Mexico, Poland and Peru. We were also present on a project-focused basis in Guatemala, India and Romania. Our net turnover from Spain represented 80.9%, 61.1% and 43.6% of our total net turnover in the years ended December 31, 2011, 2012 and 2013, respectively. Our EBITDA from Spain represented 68.7%, 47.8% and 48.2% of our total EBITDA in the years ended December 31, 2011, 2012 and 2013, respectively.

GDP and construction and infrastructure spending in our key markets

Our net turnover in markets in which we operate is affected by macroeconomic trends and economic cycles, in particular the GDP of such markets. The construction industry is cyclical by nature and largely dependent on investments undertaken in both the public and private sectors. These investments are particularly sensitive to general economic conditions, generally increasing in times of economic growth and decreasing during a recession. Construction conditions in certain markets in which we operate, particularly in Spain, have worsened since the global financial and economic crisis began in 2008; in addition, the subsequent sovereign debt and euro crises have led to a reduction in tenders for civil engineering works.

In Spain, we have been significantly affected by economic conditions in recent years. In particular, our results of operations have been impacted by fluctuations of the Spanish GDP. Spanish GDP increased by 1.2%, decreased by 1.4% and decreased by a further 1.6%, in 2011, 2012 and 2013, respectively, according to the IMF. In Spain, we also depend to a significant extent on the civil engineering and infrastructure investment projects that are determined and approved by the Spanish national, regional, provincial, municipal and local governments. Recent austerity measures implemented by the Spanish government to face the sovereign debt crisis resulted in significant cuts to publicly funded projects. According to the Spanish Statistical Office (INE), in 2012, public tenders in Spain relating to construction, engineering and infrastructure projects decreased to €5.9 billion as compared to €35.3 billion in 2009.

As a result of the current economic situation, we started to implement a cost-efficiency program in 2009, where we reduced structure costs (including overall headcount), as well as rationalized offices and branches in Spain. As a result of these cost-saving initiatives we have experienced personnel cost reductions and a reduction of overhead expense, while at the same time facing increased costs linked to restructuring and redundancy payments in recent years. In 2013, redundancy costs in Spain represented €3.8 million.

Other markets in which we operate, such as Mexico and Poland, have been less affected by the global financial and economic crises than Spain, and have experienced more stable GDP and constructions markets in recent years. We therefore believe that our geographic diversification and the diversification of our activities in recent years have mitigated the impact of the recent challenging economic environment and have helped us maintain our EBITDA Margin despite the economic environment, with our consolidated EBITDA Margin being 11.2% in 2011, 12.5% in 2012, and 13.1% in 2013.

Impact of payment terms and DSO evolution

In general, payment under contracts is made either following a certain periodicity (e.g. monthly), on a percentage-of-completion basis or upon meeting certain pre-agreed milestones (for example, for transmission lines in Poland). In a limited number of our contracts however, payment is made at the end following acceptance of the completed project (for example, our projects with CFE in Mexico). Our industrial and construction contracts also

frequently contain advance payment provisions (which are a risk mitigation measure). We manage our working capital position by reviewing the contractual timing of payment from our customers and to our suppliers. As we receive payment from customers before having to pay our suppliers, when our business is growing we generate more liquidity, and conversely, when our levels of activity decrease we will experience a decline in our liquidity position.

Our cash flows are also dependent on our ability to collect receivables that are owed to us. Any financial difficulties suffered by our partners, subcontractors or suppliers could increase our costs or adversely impact project schedules. We actively monitor our DSO and take action when we notice that the average timing of collection increases. In the past, for example, we have taken average DSOs into account when deciding whether to enter a new country.

In Spain, we also manage our DSOs by using non-recourse factoring to improve our liquidity. Over the last three years, our DSO for the Restricted Group, excluding the positive effect of factoring, has been 173 days in 2011, 93 in 2012 and 95 in 2013, and we have noted a slight improvement in our DSO in Spain in the last three years. Including the positive effect of factoring, our DSO for the Restricted Group in the last three years has been 128 days in 2011, 55 in 2012 and 67 in 2013. In 2011, we made a significant reduction in the use of non-recourse factoring in relation to significant advance payments made to us in connection with Project Helios (two wind farm projects which we sold before the construction phase in July 2011). In future years, to the extent that our DSO in Spain continues to improve we are planning on reducing our use of non-recourse factoring.

As a result of the economic crisis certain PSEs have delayed payments or suspended certain of our projects. In response to this situation, the Spanish government has implemented certain measures that we expect will benefit our business. In particular, Royal Decree-law 4/2012, of February 24, 2012 and Royal Decree-law 7/2012, of March 9, 2012 which create a public fund for payment of suppliers (also known as *Fondo para la Financiación de los Pagos a Proveedores)* has enabled distressed public entities to make certain payments which allows them to reduce their commercial debts with suppliers and has reduced the risk of late payment or non-payment from PSEs. We expect that this will benefit us because it will allow us to reduce our cost of receivables.

Seasonality and weather conditions

Our operations are subject to seasonality, which is driven in part by weather conditions. In Spain, our levels of activity are generally lower during the winter months due to more unfavorable weather. We face harsh winters in Poland while in Mexico we are faced with heavy rains from May to September.

Our cash flows and collection of receivables and, subsequently, the working capital needs and Net Debt in our Restricted Group are also significantly impacted by the seasonality of our cash collections. In the first quarter of each year, we tend to collect less receivables than in other quarters and to have higher levels of Net Debt in our Restricted Group. Consequently, our cash needs in the first quarter of each year are high, and we finance these needs primarily through cash and credit facilities.

In the second and third quarters, our levels of Net Debt typically decline as we collect a higher percentage of outstanding receivables and generate more cash flows from operations. This culminates in the last quarter of each year, where we have lower levels of Net Debt as we collect more receivables because public entities seek to settle accounts before the end of the financial year. Our lower levels of Net Debt in the last quarter are also driven by the fact that we have historically engaged in a large number of non-recourse factoring transactions in the fourth quarter.

Our levels of Net Debt during the three years ended 2013 followed the pattern described above. For example, in 2013, our Net Debt peaked during the first quarter, and reached its

lowest level during the fourth quarter. Our average Net Debt levels (calculated as the average of the four quarters) during the years 2012 and 2013 were €127.8 million and €132.3 million, respectively.

Pricing of our contracts

One of the factors affecting our margins, in addition to the structure of our cost base, is our ability to correctly price our contracts. Construction and industrial contracts can be broadly categorized as (i) fixed-price contracts, sometimes referred as lump sum contracts, and (ii) variable-price contracts. Some contracts are hybrid and involve both fixed-price and variable-price elements.

Fixed-price contracts are for a fixed sum that covers all elements until completion of the project for a defined scope of work. In some cases fixed-price contracts may be subject to adjustments, when there are changes in the scope of work (following authorization from the customer). In other cases, the contractor has initially agreed to a design with the customer or the design of the project has been included as part of the scope of work, there will not be any adjustments in the final price. Variable-price contracts are contracts where price is based upon the quantities of work priced at unit rates, or costs incurred for labor, time and materials.

The type of contract varies by type of customer and by geography. Fixed-price (or lump sum) contracts are more common with private customers. Fixed-price contracts are also more common in Poland. Variable-price contracts (including fixed-price contracts that are subject to adjustments) are more common with PSEs in Spain and Mexico.

Backlog and New Orders

We believe our Backlog and New Orders are important indicators of the strength of our business, and our ability to generate net turnover in the near to medium term.

Backlog

Backlog refers to the amount of receivables, net of VAT, from contracts signed both for works and services pending completion. We include the receivables from a contract in our Backlog only once the corresponding contract has been signed, using the Contract Value in the relevant contract. In the case of a contract entered into by a joint ventures or entity that we do not wholly own, we apportion the receivables from the contract based on our ownership percentage. We make adjustments to our Backlog at the end of each quarter, using the last exchange rate available at the time. We use the term "Backlog" only for the Restricted Group's activities.

We have historically experienced high rates of conversion of Backlog into net turnover. In addition, we believe that our Backlog provides us with a good visibility over revenues of future years. For example, approximately 90% of the net turnover generated during the year 2013 was included in our Backlog as of December 31, 2012. We consider Backlog a relevant indicator of the growth of our business and closely monitor it to plan for our current needs and to adjust our expectations. The volume and timing of executing the work in our Backlog is important to us in anticipating our operational and financing needs and our ability to execute our Backlog is dependent on our ability to meet such operational and financing needs.

Backlog figures are based on a number of assumptions and estimates, including assumptions as to exchange rates between the euro and other currencies and the assumption that each party will satisfy all of its respective obligations under a construction contract and that payments to us under the contract will be made. Contingencies that could affect the realization of our Backlog as future revenue or cash flows include cancellations, scope of work adjustments, force majeure, legal impediments and default. Consequently, Backlog as of any particular date may not be indicative of actual results of operations for any succeeding period. See "*Risk factors—General risks relating to our Business and industry—Our Backlog and New Order measures are not necessarily indicative of our future net turnover or results of operations.*"

The following table presents our Backlog by jurisdiction as of December 31 of the years presented.

(€ in thousands, unaudited)	2013	2012	2011
Spain	540,515	706,290	944,674
Mexico	446,565	211,211	186,862
Poland	306,561	204,580	18,663
Other	263,349	25,090	0
Total	1,556,990	1,147,171	1,150,199

The following table presents our Backlog by activity as of December 31 of the years presented.

(€ in thousands, unaudited)	2013	2012	2011
Construction	1,068,576	754,725	910,062
Industrial	488,414	343,791	175,719
Services[(1)]	—	48,655	64,418
Total	1,556,990	1,147,171	1,150,199

(1) Represents Backlog from our Concentra service activity, which we sold in September 2013. See "*Factors affecting the comparability of our results of operations—Sale of Concentra*."

Our total Backlog as of December 31, 2013 was €1,557.0 million (representing 2.5 times our construction and industrial net turnover for 2013), an increase of €409.8 million from December 31, 2012. This increase was primarily due to a strong growth in our Backlog in countries other than Spain, (including Peru, India and Guatemala), partially offset by a decrease in our Backlog in Spain.

Our total Backlog remained relatively stable in 2012, at €1,147.2 million as of December 31, 2012, compared to 1,150.2 as of December 31, 2011.

New Orders

We calculate New Orders by adding the net turnover of any given year to the Backlog at the end of such year, and then subtracting the amount corresponding to the Backlog at the beginning of such year. The amount of New Orders includes the value of newly-signed contracts as well as the value derived from changes in the scope of existing contracts, as well as adjustments for currency exchange rate differences. New Orders represent new contracts entered into and changes in the scope of existing contracts (including renewals, extensions and early terminations). The term "New Orders" relates only to the Restricted Group's activities.

The following table presents our New Orders by jurisdiction as of December 31 of the years presented.

(€ in thousands, unaudited)	2013	2012	2011
Spain	104,883	199,337	516,292
Mexico	485,291	272,941	254,757
Poland	193,589	214,556	19,328
Other	273,060	25,496	0
Total	1,056,823	712,330	790,377

The following table presents our New Orders by activity as of December 31 of the years presented.

(€ in thousands, unaudited)	2013	2012	2011
Construction	719,444	361,532	525,400
Industrial	352,536	320,590	222,859
Services[(1)]	(15,157)	30,208	42,118
Total	1,056,823	712,330	790,377

(1) Represents New Orders from our Concentra service activity, which we sold in September 2013. Negative New Orders in 2013 represent the reduction in New Orders to the sale of this activity. See "*Factors affecting the comparability of our results of operations—Sale of Concentra*."

Our New Orders as of December 31, 2013 were €1,056.8 million, an increase of €344.5 million from the year ended December 31, 2012. This increase was primarily due to a strong growth in our New Orders in Mexico and new countries which we entered in the last two years, partially offset by a decrease in our New Orders in Spain and Poland.

Our New Orders for as of December 31, 2012 were €712.3 million, a decrease of €78.0 million from December 31, 2011. This decrease was primarily due to a strong decrease of our New Orders in Spain.

Changes in regulation

In each of the jurisdictions in which we operate we are subject to a number of specific, demanding and evolving legal, administrative, and regulatory requirements with respect to, among other matters, public tenders, planning, building construction, land use, fire, health and safety, environment and employment. Compliance with complex and sometimes fragmentary laws and regulations can prove costly, and in certain cases new laws and regulations can have a significant impact on our business.

For example, in recent years the Spanish government has made certain changes to the legal framework applicable to renewable energy activities. These changes involved, among other changes, capping the amount of energy that we are allowed to sell; enacting a new tax on electricity production imposing a 7% levy on net turnover received from power generation; and freezing certain economic incentives.

A new law in the energy sector, approved in December 2013 (the "Electricity Industry Law" or the "EIL") ("Ley del Sector Eléctrico"), changed the framework governing the electricity industry with a view to guaranteeing a low cost of electricity. The new scheme, which still needs to be further developed by the Government, but once developed will be applicable as from July 15, 2013, introduces the concept of "fair return" which will be based, before taxes, on the average yield on the secondary market of ten-year government debt securities plus a suitable spread. See *"Regulation—Spain."* As a result of this reform, we expect a decrease in our returns from generation activities. We have had to record an impairment charge of €47.6 million in our Financial Statements for 2013, and an additional €6.7 million as tax regularization. As this reform is focused on the energy sector, we currently expect that its effects will mainly impact our Unrestricted Group, rather than our Restricted Group.

Factors affecting the comparability of our results of operations

Sale of Concentra

In September 2013, we sold 100% of our stake in Aldesa Servicios y Mantenimientos, S.A., a subsidiary dedicated to the cleaning sector which constituted our "Services" activity, to AB City Service. In 2012, this subsidiary accounted for €46.0 million in net turnover and €1.7 million of EBITDA (representing 6.0% of our consolidated net turnover and 1.7% of our consolidated

EBITDA), and €33.5 million of net turnover and €0.4 million of EBITDA for the first nine months in 2013.

Basis of presentation

Restricted Group and Unrestricted Group information

This offering memorandum presents financial information relating to the Restricted Group, financial information relating to the Unrestricted Group, as well as financial information on a consolidated basis.

Consolidated financial information: Consolidated financial information encompasses both the Restricted Group and the Unrestricted Group.

Restricted Group financial information: Restricted Group financial information includes results of operations, assets and liabilities of the Parent Guarantor and our Restricted Subsidiaries (our subsidiaries subject to the Notes covenants). In particular, and except as otherwise provided, Restricted Group financial information includes results of operations, assets and liabilities of our Restricted Subsidiaries in relation to the "Torrejón-Móstoles" project. The "Torrejón-Móstoles" project is a real estate project undertaken by one of our Unrestricted Subsidiaries (Viviendas Torrejón-Móstoles, S.A.U.) on land belonging to the Restricted Group. The project is financed by project finance loans entered into by Viviendas Torrejón-Móstoles, S.A.U., which is secured by the buildings owned by the Restricted Group and the receivables received by the Restricted Group from the project. Separate intercompany loans have been granted by Viviendas Torrejón-Móstoles, S.A.U. to the Restricted Group for the purpose of funding the obligations under the project finance loan. For more information regarding these intercompany loans, see *"Certain relationships and related party transactions—Arrangements between the Unrestricted Group and the Restricted Group."*

Unrestricted Group financial information: Unrestricted Group financial information includes:

i. results of operations, assets and liabilities of our Unrestricted Subsidiaries; and

ii. results of operations, assets and liabilities of certain entities in which we own not more than a 50% stake but that we still consolidate under the proportional or the equity method because we either share or do not have control of these entities, including incorporated joint ventures and other associates.

Main Activities and Investment Activities information

This offering memorandum presents cash flow information, working capital information and capital expenditure information relating to our Main Activities and our Investment Activities, as well as on a consolidated basis.

Consolidated financial information: Consolidated financial information encompasses both our Main Activities and Investment Activities.

Main Activities: Cash flow, working capital and capital expenditure information of our Main Activities relates to construction and industrial activities which are with recourse to parent entities.

Investment Activities: Cash flow, working capital and capital expenditure information of our Investment Activities relates to our renewable energy, concessions and real estate activities which are without recourse.

Subject to the following two adjustments, Restricted Group financial information is identical to financial information for "Main Activities" in our special-purpose consolidated financial statements, and Unrestricted Group financial information is identical to financial information

for "Investment Activities" in our special-purpose consolidated financial statements. The two adjustments are the following:

i. cash flow, working capital and capital expenditure information of our Unrestricted Subsidiary, Aldeturismo de México S.A. de C.V. is included in the "Main Activities" financial information in our special-purpose consolidated financial statements, but is excluded from the "Restricted Group" financial information presented in this offering memorandum; and

ii. cash flow, working capital and capital expenditure information of two entities involved in our construction and industrial activities in which we own not more than a 50% stake but that we still consolidate under the proportional or the equity method are included in the "Main Activities" financial information in our consolidated statements but are excluded from the "Restricted Group" financial information presented in this offering memorandum.

These two adjustments are due to the fact that Aldeturismo de México S.A. de C.V. and these entities in which we do not own more than 50% are considered part of the Main Activities for accounting purposes, but are not subject to the Notes covenants. These two adjustments represented, in the aggregate, approximately 0.0% of our consolidated net turnover, approximately 0.8% of our consolidated total assets, and approximately 0.1% of our consolidated total financial indebtedness as of and for the year ended December 31, 2013.

Segment information

We operate our business on a geographic basis and have the following geographic segments: Spain, Mexico, Poland and Others (that currently includes Peru, Guatemala, India and Romania). Net turnover and costs are allocated to these geographic segments based on the locations where a given activity is carried out and not based on the jurisdiction of incorporation of the entity carrying out the activity.

Principal profit and loss account items

The special-purpose consolidated financial statements of the Parent Guarantor included herein and discussed below have been prepared in accordance with Spanish GAAP. See "*Summary of significant differences between Spanish GAAP and IFRS*."

Net turnover

Net turnover consists of the revenue, net of VAT, generated from the performance of activities and the provision of goods and services.

Changes in stocks of finished goods and in the process of manufacture

Changes in stocks of finished goods and in the process of manufacture consist of variations in the number of apartments built and held in stock by us, as well as variations in inventories in our industrial activity.

Work performed by the company for its assets

Work performed by the company for its assets consists of revenue related to the performance of construction activities by us in relation to our investment activities (including its energy, real estate and concessions activities). This line item will include, for example, the revenue from construction projects carried out by us in relation to concession projects undertaken by us. It also includes the capitalization of research and development costs in relation to our industrial activities and costs incurred to obtain permits for our energy activities.

Supplies

Supplies consist of direct costs of raw materials and direct costs of services rendered by our subcontractors.

Other operating revenue

Other operating revenue consists primarily of revenue from items that are accessory and not related to our core business activities, such as rental revenue from apartments rented out by us in the context of its real estate activities.

Personnel costs

Personnel costs consist of wages of our employees as well as social charges.

Other operating expenses

Other operating expenses consist of the cost of external services not directly linked to our projects (such as insurance, audit or consulting fees), taxes other than corporate income tax, bad debt provisions, penalties for late delivery, legal fines and penalties, as well as certain commissions on our factoring agreements and the cost of guarantees and performance bonds.

Amortization of fixed assets

Amortization of fixed assets relates to depreciation charges on all of our fixed assets (including intangible fixed assets, as well as property, plant and equipment).

Registration of non financial fixed assets subsidies and others

Registration of non financial fixed assets subsidies and others relates to grants received from the government and mainly related to our research and development activities.

Impairment and profit/(loss) from disposals of fixed assets

Impairment and profit/(loss) from disposals of fixed assets includes impairment charges relating to new energy regulations, as well as losses on disposals of non-current assets such as machinery.

Financial revenue

Financial revenue includes interest income on temporary cash investments, current accounts, financial instruments classified as financing and receivables valued at amortized cost.

Financial expenses

Financial expenses include all interest payable on loans, interest expenses on current accounts, costs of derivative transactions, certain factoring costs and foreign exchange losses.

Variation of fair value in financial instruments

Variation of fair value in financial instruments relates to the financial investments made by us, which mainly include minority investments in Spanish banks.

Exchange rate differences

Exchange rate differences only relate to fluctuations in currency exchange rates during the period between the recognition of revenue or costs and the time of payment.

Impairment and result through disposal of financial instruments

Impairment and result through disposal of financial instruments includes losses from hedges that are not efficient as well as losses recognized on the sale of subsidiaries.

Results of operations

The following presentation of our results of operations contains certain measures relating to the Restricted Group, comprised of the entities which are subject to the Notes covenants, as well as certain measures relating to the Unrestricted Group, which is comprised of entities which are not subject to the Notes covenants. Entities in the Restricted Group are primarily involved in construction and industrial activities. Entities in the Unrestricted Group are primarily involved in our energy, concessions and real estate activities.

Year ended December 31, 2013 compared to year ended December 31, 2012

The table below sets out our results of operations for the year ended December 31, 2013, compared to the year ended December 31, 2012.

	Year ended December 31,		
(€ in thousands)	**2013**	**2012**	**Percentage change**
Income statement data			
Net turnover	704,039	769,212	(8.5)%
Changes in stocks of finished goods and in the process of manufacture	(514)	1,643	NM
Work performed by the company for its assets	2,646	3,019	(12.4)%
Supplies	(382,630)	(442,462)	(13.5)%
Other operating revenue	8,415	4,919	71.1%
Personnel costs	(122,329)	(139,290)	(12.2)%
Other operating expenses	(124,605)	(107,892)	15.5%
Amortization of fixed assets	(35,820)	(40,852)	(12.3)%
Registration of non financial fixed assets subsidies and others	743	568	30.8%
Impairment and profit/(loss) from disposals of fixed assets	(48,074)	(8,810)	NM
Other results	41	22	NM
Operating result	**1,912**	**40,077**	**95.2%**
Financial revenue	12,133	11,760	3.2%
Financial expenses	(52,161)	(47,042)	10.9%
Change in fair value in financial instruments	399	(974)	NM
Exchange rate differences	2,798	(247)	NM
Impairment and result through disposal of financial instruments	(4,793)	(1,177)	NM
Financial result	(41,624)	(37,680)	10.5%
Stake in profit (losses) in equity method companies	(89)	(54)	64.8%
Pre-tax result	**(39,801)**	**2,343**	**NM**
Profits tax	(1,370)	(1,014)	NM
Result of the year	**(41,171)**	**1,329**	**NM**

Net turnover

(€ in thousands)	Year ended December 31, 2013	2012	Percentage change
Spain	306,610	470,265	(34.8)%
Mexico	269,382	268,500	0.3%
Poland	93,247	30,041	NM
Rest of jurisdictions where we operate	34,800	406	NM
Total Consolidated net turnover	**704,039**	**769,212**	**(8.5)%**
Spain	270,571	437,721	(38.2)%
Mexico	249,936	248,592	0.5%
Poland	91,608	28,638	NM
Rest of jurisdictions where we operate	34,801	406	NM
Net turnover for the Restricted Group	**646,917**	**715,358**	**(9.6)%**

Our consolidated net turnover decreased by €65 million, or 8.5%, to €704.0 million for the year ended December 31, 2013, compared to €769.2 million for the year ended December 31, 2012. This decrease was primarily due to a decrease in our net turnover from Spain, partially offset by an increase in our net turnover in Poland and other jurisdictions. The decrease in Spain was due in part to the sale of our Concentra cleaning and facility management services in September 2013. Excluding the effect of such sale, the decrease in consolidated net turnover would have been 7.0%. Net turnover for the Restricted Group decreased by €68.4 million, or 9.6%, to €646.9 million for the year ended December 31, 2013, compared to €715.4 million for the year ended December 31, 2012. This decrease was due to the same reasons as the decrease in our consolidated net turnover. Excluding the effect of the sale of our Concentra cleaning and facility management services in September 2013, net turnover in the Restricted Group decreased by 8.3%. Net turnover for the Unrestricted Group increased by €3.3 million, or 5.9%, to €57.1 million for the year ended December 31, 2013, compared to €53.9 million for the year ended December 31, 2012. This increase was primarily due to an increase in the production in energy in our wind farms.

In Spain, our consolidated net turnover decreased by €163.7 million, or 34.8%, to €306.6 million for the year ended December 31, 2013, compared to €470.3 million for the year ended December 31, 2012. This decrease was primarily due to macroeconomic conditions affecting the construction sector, and more particularly a reduction in investments made by both public and private entities. The decrease was also due to the sale of our Concentra cleaning and facility management services in September 2013 mentioned above.

In Mexico, our consolidated net turnover remained stable at €269.4 million for the year ended December 31, 2013, compared to €268.5 million for the year ended December 31, 2012. This stability was explained by an increase in activity due to new contracts with CFE (the Mexican commission for electricity) relating to energy projects as part of our industrial activities, as well as our entry into the building sector for private clients, offset by a decrease in transportation civil engineering due to a delay in tenders due to a change in government.

In Poland, our consolidated net turnover increased by €63.2 million to €93.2 million for the year ended December 31, 2013, compared to €30.0 million for the year ended December 31, 2012. This increase was primarily due to the development of energy projects as part of our industrial activities, as well as our entry into the building sector for PSEs (mainly in relation to the building of universities).

In the rest of the jurisdiction where we operate, our consolidated net turnover increased by €34.4 million to €34.8 million for the year ended December 31, 2013, compared to €0.4 million for the year ended December 31, 2012. This increase was primarily due to the development of

our tunnels activities in Guatemala, and the beginning of our civil engineering construction activities in Peru.

Changes in stocks of finished goods and in the process of manufacture

Changes in stocks of finished goods and in the process of manufacture decreased by €2.2 million from negative €0.5 million for the year ended December 31, 2013, compared to positive €1.6 million for the year ended December 31, 2012. The variation during the year ended December 31, 2012 corresponded to an increase in inventories in Spain. The variation during the year ended December 31, 2013 was mainly due to the sale of certain flats held in stock in Spain.

Work performed by the company for its assets

Work performed by the company for its assets decreased by €0.4 million, or 12.4%, to €2.6 million for the year ended December 31, 2013, compared to €3.0 million for the year ended December 31, 2012. This decrease was primarily due to a lower level of capitalization of research and development costs relating to our industrial activities.

Supplies

Supplies decreased by €60 million, or 13.5%, to €382.6 million for the year ended December 31, 2013, compared to €442.5 million for the year ended December 31, 2012. This decrease was slightly higher than the decrease in our consolidated net turnover, which was due to a strong decrease in work performed by other companies, partially offset by an increase in the amount of raw materials and other materials consumed as illustrated in the table below. These changes were due to a change in the mix of our activities, with a decrease in our construction activities in 2013 (where the work performed by other companies is traditionally higher), and an increase in our industrial activities (where the consumption of raw materials and other materials is usually higher).

	Year ended December 31,		Percentage
(€ in thousands)	**2013**	**2012**	**change**
Goods consumed	(14,636)	(18,988)	(22.9)%
Raw materials and other materials consumed	(127,545)	(115,550)	10.4%
Work performed for other companies	(239,411)	(303,090)	(21.0)%
Impairment of commodities, raw materials and other supplies	(1,038)	(4,834)	(78.5)%
Supplies	**(382,630)**	**(442,462)**	**(13.5)%**

Other operating revenue

Other operating revenue increased by €3.5 million, or 71%, to €8.4 million for the year ended December 31, 2013, compared to €4.9 million for the year ended December 31, 2012. This increase was primarily due to operation and maintenance services that we rendered to wind farms owned by third parties (in relation mainly to Project Helios).

Personnel costs

Personnel costs decreased by €17 million, or 12.2%, to €122.3 million for the year ended December 31, 2013, compared to €139.3 million for the year ended December 31, 2012. This decrease was slightly higher than the decrease in our consolidated net turnover, as well as a reduction of personnel costs in relation to the sale of our Concentra cleaning and facility management services (services which are, traditionally, more labor intensive). The decrease in

social charges was higher than the decrease in wages, as shown in the table below, due to a higher proportion of our international activities where social charges are lower than in Spain.

(€ in thousands)	Year ended December 31, 2013	2012	Percentage change
Wages, salaries and related costs	(97,837)	(109,029)	(10.3)%
Social charges	(24,492)	(30,261)	(19.1)%
Personnel costs	**(122,329)**	**(139,290)**	**(12.2)%**

Other operating expenses

Other operating expenses increased by €16.7 million, or 15.5%, to €124.6 million for the year ended December 31, 2013, compared to €107.9 million for the year ended December 31, 2012. This increase was primarily due to an increase in travel expenses due to the increase in our international activities (as well as travel within various Mexico states), a growth in costs relating to the outsourcing of part of the administrative and management support tasks (including legal tasks and consulting tasks in foreign jurisdictions), as well as an increase in bad debt and litigation provisions (mainly relating to the K Santander proceedings). See *"Business—Legal proceedings, environmental proceedings and tax investigations."*

Amortization of fixed assets

Amortization of fixed assets on a consolidated basis decreased by €5 million, or 12.3%, to €35.8 million for the year ended December 31, 2013, compared to €40.9 million for the year ended December 31, 2012. Amortization of fixed assets for the Restricted Group decreased by €5.6 million, or 33%, to €11.3 million for the year ended December 31, 2013, compared to €16.8 million for the year ended December 31, 2012. This decrease on a consolidated and Restricted Group basis was primarily due to the fact that the goodwill associated with Project Helios was fully completely amortized in 2011 and 2012, with no remaining amortization in 2013.

Impairment and profit/(loss) from disposals of fixed assets

Impairment and profit/(loss) from disposals of fixed assets increased by €39.3 million to €48.1 million for the year ended December 31, 2013, compared to €8.8 million for the year ended December 31, 2012. This increase was primarily due to a new reform in the energy sector, approved in July 2013, which changed the framework governing the electricity industry with a view to guaranteeing a low cost of electricity. The new scheme, which still needs to be further developed by the Government, but once developed will be applicable as from July 15, 2013, introduces the concept of "fair return" which will be based, before taxes, on the average yield on the secondary market of ten-year government debt securities plus a suitable spread. Due to this new law, we had to record an impairment of the value of our renewable energy assets. The calculation of the impairment was based on a draft implementing regulation dated February 2014. See "*Regulation—Spain*."

Operating result

On a consolidated basis, operating result decreased by €38.2 million, or 95.2%, to €1.9 million for the year ended December 31, 2013, compared to €40.1 million for the year ended December 31, 2012. This decrease, which affected both the Restricted Group and the Unrestricted Group was primarily due to the impairment in relation to the EIL mentioned above. Excluding the effect of impairments, our operating result would have slightly increased to €50.0 million in the year ended December 31, 2013, compared to €48.9 million for the year ended December 31, 2012.

Financial revenue

On a consolidated basis, financial revenue increased by €0.4 million, or 3.2%, to €12.1 million for the year ended December 31, 2013, compared to €11.8 million for the year ended December 31, 2012. This increase was primarily due to a more efficient management of claims for late payment against PSEs in Spain during 2013.

Financial revenue for the Restricted Group increased by €0.7 million, or 7.1%, to €10.1 million for the year ended December 31, 2013, compared to €9.4 million for the year ended December 31, 2012. This was due to the same reason as the increase on a consolidated basis.

Financial revenue for the Unrestricted Group remained stable at €2.0 million for the year ended December 31, 2013, compared to €2.3 million for the year ended December 31, 2012.

Financial expense

Financial expenses increased by €5.1 million, or 10.9%, to €52.2 million for the year ended December 31, 2013, compared to €47.0 million for the year ended December 31, 2012. This increase was primarily due to a higher interest rate as a result of the novation of our Existing Facilities on December 20, 2012. In 2013, we also started to sell future credit rights (the sale of receivables that have not yet accrued) in Mexico.

Financial expenses for the Restricted Group increased by €5.4 million, or 26.6%, to €25.6 million for the year ended December 31, 2013, compared to €20.2 million for the year ended December 31, 2012. This increase was due to the same reasons as our financial expense increase on a consolidated basis.

Financial expenses for the Unrestricted Group remained relatively stable at €26.6 million for the year ended December 31, 2013, compared to €26.8 million for the year ended December 31, 2012.

Impairment and result through disposal of financial instruments

Impairment and result through disposal of financial instruments increase by €3.6 million to €4.8 million for the year ended December 31, 2013, compared to €1.2 million for the year ended December 31, 2012. This increase was primarily due to losses on the disposal of Concentra.

Non-GAAP measure—EBITDA

The following table presents our EBITDA on a consolidated basis and by jurisdiction, as well as for our Restricted Group and Unrestricted Group, for the periods presented:

(€ in thousands)	Year ended December 31, 2013	2012	Percentage change
Spain	44,399	45,941	(3.4)%
Mexico	42,977	48,155	(10.8)%
Poland	3,975	1,910	108%
Rest of jurisdictions where we operate	692	24	NM
Consolidated EBITDA	**92,043**	**96,030**	**(4.2)%**
Spain	19,138	21,643	(11.8)%
Mexico	29,907	34,777	(14.0)%
Poland	2,610	879	NM
Rest of jurisdictions where we operate	692	24	NM
EBITDA for the Restricted Group	**52,347**	**57,324**	**(8.7)%**
EBITDA for the Unrestricted Group	**39,696**	**38,706**	**2.6%**

Consolidated EBITDA decreased by €4.0 million, or 4.2%, to €92.0 million for the year ended December 31, 2013, compared to €96.0 million for the year ended December 31, 2012. This decrease was primarily due to a decrease in consolidated EBITDA in Spain and Mexico, partially offset by an increase in Poland. EBITDA for the Restricted Group decreased by €5.0 million, or 8.7%, to €52.3 million for the year ended December 31, 2013, compared to €57.3 million for the year ended December 31, 2012 mainly for the same reasons as our consolidated EBITDA. EBITDA for the Unrestricted Group increased by €1.0 million, or 2.6%, to €39.7 million for the year ended December 31, 2013, compared to €38.7 million for the year ended December 31, 2012. This increase was primarily due to an increase in the production of energy in our wind farms.

In Spain, consolidated EBITDA decreased by €1.5 million, or 3.4%, to €44.4 million for the year ended December 31, 2013, compared to €45.9 million for the year ended December 31, 2012 primarily due to a decreased activity in the country, despite an increase in our EBITDA margin in Spain. In Mexico, consolidated EBITDA decreased by €5.2 million, or 10.8%, to €43.0 million for the year ended December 31, 2013, compared to €48.2 million for the year ended December 31, 2012. This decrease was primarily due to a lower EBITDA margin in Mexico in 2013 than in 2012. These lower margins were due to a change in the mix of our activities, with a decrease in our construction activities in 2013 (where EBITDA margin is traditionally higher), and an increase in our industrial activities. The decrease in Mexico was also attributable to the completion of our Durango-Mazatlán project in Mexico during the first half of 2013.

In Poland, consolidated EBITDA increased by €2.1 million, or 108%, to €4.0 million for the year ended December 31, 2013, compared to €1.9 million for the year ended December 31, 2012. This increase was primarily due to the development of energy projects as part of our industrial activities, as well as our entry into the building sector for PSEs (mainly in relation to the building of universities). In the rest of the jurisdictions where we operate, consolidated EBITDA increased by €0.7 million to €0.7 million for the year ended December 31, 2013, compared to zero for the year ended December 31, 2012. This increase was primarily due to the development of our tunnels activities in Guatemala, and the beginning of our civil engineering construction activities in Peru. Strong EBITDA margin in Guatemala was partially offset by lower EBITDA margin due to start-up costs related to our entry into Peru in 2013.

Year ended December 31, 2012 compared to year ended December 31, 2011

The table below sets out our results of operations for the year ended December 31, 2012, compared to the year ended December 31, 2011.

Income Statement Data (€ in thousands)	Year ended December 31, 2012	Year ended December 31, 2011	Percentage change
Net turnover	769,212	839,686	(8.4)%
Changes in stocks of finished goods and in the process of manufacture	1,643	(4,269)	NM
Work performed by the company for its assets	3,019	955	NM
Supplies	(442,462)	(478,223)	(7.5)%
Other operating revenue	4,919	4,016	22.5%
Personnel costs	(139,290)	(168,706)	(17.4)%
Other operating expenses	(107,892)	(105,880)	1.9%
Amortization of fixed assets	(40,852)	(38,134)	7.1%
Registration of non financial fixed assets subsidies and others	568	598	(5.0)%
Impairment and profit/(loss) from disposals of fixed assets	(8,810)	(4,979)	76.9%
Other results	22	1,013	NM
Operating result	**40,077**	**46,077**	**(13.0)%**
Financial revenue	11,760	12,288	(4.3)%
Financial expenses	(47,042)	(47,932)	(1.9)%
Change in fair value in financial instruments	(974)	(84)	NM
Exchange rate differences	(247)	(610)	(59.5)%
Impairment and result through disposal of financial instruments	(1,177)	(659)	78.6%
Financial result	(37,680)	(36,997)	1.8%
Stake in profit (losses) in equity method companies	(54)	(10)	NM
Pre-tax result	**2,343**	**9,070**	**(74.2)%**
Profits tax	(1,014)	(506)	
Result of the year	**1,329**	**8,564**	**(84.5)%**

Net turnover

(€ in thousands)	Year ended December 31, 2012	Year ended December 31, 2011	Percentage change
Spain	470,265	679,073	(30.7)%
Mexico	268,500	159,906	67.9%
Poland	30,041	707	NM
Rest of jurisdictions where we operate	406	—	NM
Total Consolidated net turnover	**769,212**	**839,686**	**(8.4)%**
Spain	437,721	646,780	(32.3)%
Mexico	248,592	140,060	77.5%
Poland	28,638	665	NM
Rest of jurisdictions where we operate	406	—	—
Net turnover for the Restricted Group	**715,358**	**787,505**	**(9.2)%**
Net turnover for the Unrestricted Group	**53,854**	**52,181**	**3.2%**

Our consolidated net turnover decreased by €70.5 million, or 8.4%, to €769.2 million for the year ended December 31, 2012, compared to €839.7 million for the year ended December 31, 2011. This decrease was primarily due to a decrease in our net turnover from Spain, partially offset by an increase in our net turnover in Mexico and Poland. Net turnover for the Restricted

Group decreased by €72.1 million, or 9.2%, to €715.4 million for the year ended December 31, 2012, compared to €787.5 million for the year ended December 31, 2011. This decrease was primarily due to the same reasons as the decrease in our consolidated net turnover. Net turnover for the Unrestricted Group increased by 3.2%, at €53.9 million in the year ended December 31, 2012, compared to €52.2 million in the year ended December 31, 2011, mainly due to additional rental income from the office building that we manage in Krakow (Diamante Plaza).

In Spain, our consolidated net turnover decreased by €208.8 million, or 30.7%, to €470.3 million for the year ended December 31, 2012, compared to €679.1 million for the year ended December 31, 2011. This decrease was primarily due to macroeconomic conditions affecting the construction sector, and more particularly a reduction in investments made by both public and private entities.

In Mexico, our consolidated net turnover increased by €108.6 million, or 67.9%, to €268.5 million for the year ended December 31, 2012, compared to €159.9 million for the year ended December 31, 2011. This increase was primarily due to growth in our construction activities in the country (as we were involved in 15 construction projects in Mexico in 2012, as compared to 12 projects in 2011) as well as the beginning of our industrial activities in the country (including intelligent traffic systems and lighting for the Durango-Mazatlán project).

In Poland, our consolidated net turnover increased by €29.3 million, to €30.0 million for the year ended December 31, 2012, compared to €0.7 million for the year ended December 31, 2011. This increase was primarily due to the development of wind farms in the country during 2012, including wind farms for the Resko project, as well as additional rental income from the office building in Krakow (Diamante Plaza).

Changes in stocks of finished goods and in the process of manufacture

Changes in stocks of finished goods and in the process of manufacture changed from negative €4.3 million in the year ended December 31, 2011 to positive €1.6 million in the year ended December 31, 2012. The variation during the year ended December 31, 2011 corresponded to the sale of a number of subsidized apartments. The variation during the year ended December 31, 2012 corresponded to an increase in inventories in Spain.

Work performed by the company for its assets

Work performed by the company for its assets increased from €1.0 million in the year ended December 31, 2011, to €3.0 million, in the year ended December 31, 2012. This increase was primarily due to the capitalization of research and development costs relating to our industrial activities, as well as costs incurred to obtain permits for wind farms.

Supplies

Supply costs decreased by €35.8 million, or 7.5%, to €442.5 million for the year ended December 31, 2012, compared to €478.2 million for the year ended December 31, 2011. This overall decrease was due to a decrease in Spain, partially offset by an increase in Poland and Mexico, where our levels of subcontracted work are higher than in Spain. In particular, goods

consumed decreased between 2011 and 2012, as shown in the table below, because of a reduction in our industrial activities in Spain relating to our energy projects.

(€ in thousands)	Year ended December 31, 2012	2011	Percentage change
Goods consumed	(18,988)	(61,745)	(69.3)%
Raw materials and other materials consumed	(115,550)	(94,702)	22.0%
Work performed for other companies	(303,090)	(321,776)	(5.8)%
Impairment of commodities, raw materials and other supplies	(4,834)	—	NM
Supplies	**(442,462)**	**(478,223)**	**(7.5)%**

Other operating revenue

Other operating revenue increased by €0.9 million, or 22.5%, to €4.9 million for the year ended December 31, 2012, compared to €4.0 million for the year ended December 31, 2011. This increase was primarily due to the full-year effect in 2012 of rental income from subsidized housing in Spain, which became operational at the end of 2011.

Personnel costs

Personnel costs decreased by €29.4 million, or 17.4%, to €139.3 million for the year ended December 31, 2012, compared to €168.7 million for the year ended December 31, 2011. This decrease was due to reduced activity in Spain as well as the effect of our cost-efficiency program in Spain, partially offset by our increased activity in Mexico and Poland where our levels of subcontracted work are higher than in Spain (and where, therefore, our personnel costs are proportionately lower). As presented in the table below, our aggregate costs relating to employee wages and salaries decreased by approximately 17.6% during the period, with social charges decreasing by approximately 16.8% during the period.

(€ in thousands)	Year ended December 31, 2012	2011	Percentage change
Wages, salaries and related costs	(109,029)	(132,319)	(17.6)%
Social charges	(30,261)	(36,387)	(16.8)%
Personnel costs	**(139,290)**	**(168,706)**	**(17.4)%**

Other operating expenses

Other operating expenses increased by €2.0 million, or 1.9%, to €107.9 million for the year ended December 31, 2012, compared to €105.9 million for the year ended December 31, 2011. This increase was primarily due to a growth in costs relating to the outsourcing of part of the administrative and management support tasks relating to our increased activity in Mexico and Poland. Costs from outside services increased by approximately 8.6% during the period, partially offset by a decrease in bad debt provisions.

Amortization of fixed assets

Amortization of fixed assets on a consolidated basis increased by €2.7 million, or 7.1%, to €40.9 million for the year ended December 31, 2012, compared to €38.1 million for the year ended December 31, 2011. This increase was primarily due to higher depreciation on the intangible fixed asset represented by our concession agreement for Autopista de la Mancha, as well as depreciation of research and development carried out during the year.

Amortization of fixed assets for the Restricted Group increased by €1.6 million, or 10.5%, to €16.8 million for the year ended December 31, 2012, compared to €15.2 million for the year ended December 31, 2011. This increase was primarily due to depreciation of research and

development performed during the year. In 2011 and 2012, amortization of fixed assets included a charge for depreciation of goodwill relating to our acquisition of some of the energy companies that make up the sub-group Aldesa Energía Renovables S.L.U. (wind farms and photovoltaic solar power plants).

Impairment and profit/(loss) from disposals of fixed assets

Impairment and profit/(loss) from disposals of fixed assets increased by €3.8 million, or 76.9%, to €8.8 million for the year ended December 31, 2012, compared to €5.0 million for the year ended December 31, 2011. In 2012, due to new measures by the Spanish government (including a 7% tax levy on turnover from power generation), we had to record an impairment charge relating to the goodwill relating to our acquisition of some of the energy companies that make up the sub-group Aldesa Energía Renovables S.L.U. (wind farms and photovoltaic solar power plants).

Operating result

On a consolidated basis, operating result decreased by €6.0 million, or 13.0%, to €40.1 million for the year ended December 31, 2012, compared to €46.1 million for the year ended December 31, 2011. Despite a sharp decrease in personnel costs, this decrease in operating result was higher than the decrease in net turnover, mainly due to non-cash charges such as depreciation, impairment and loss from disposals of fixed assets. The decrease in operating result for the Restricted Group was stronger in relative terms than the decrease in consolidated operating result, and was driven mainly by the same reasons as the decrease in consolidated operating result. For the Unrestricted Group, the decrease in operating result was due to the following two effects relating to the Autopista de la Mancha project in Spain: (i) a provision relating to major maintenance costs of the motorway and (ii) an increase in depreciation.

Financial revenue

On a consolidated basis, financial revenue decreased by €0.5 million, or 4.3%, to €11.8 million for the year ended December 31, 2012, compared to €12.3 million for the year ended December 31, 2011. This decrease was primarily due to an overall decrease in interest rates on deposits.

Financial revenue for the Restricted Group decreased by €0.3 million, or 3.0%, to €9.4 million for the year ended December 31, 2012, compared to €9.7 million for the year ended December 31, 2011. This decrease was primarily due to same reasons as the decrease in our consolidated financial revenue.

Financial revenue for the Unrestricted Group decreased by €0.2 million to €2.3 million for the year ended December 31, 2012, compared to €2.5 million for the year ended December 31, 2011.

Financial expense

Financial expenses remained relatively stable at €47.0 million for the year ended December 31, 2012, compared to €47.9 million for the year ended December 31, 2011.

Financial expenses for the Restricted Group decreased by €1.3 million, or 6.1%, to €20.2 million for the year ended December 31, 2012, compared to €21.5 million for the year ended December 31, 2011. This decrease was primarily due to the fact that we drew less money under our credit facilities in 2012 than in 2011. Financial expenses for the Unrestricted Group remained stable at €26.8 million for the year ended December 31, 2012, compared to €26.4 million for the year ended December 31, 2011.

Non-GAAP measure—EBITDA

The following table presents our EBITDA on a consolidated basis and by jurisdiction, as well as for our Restricted Group and Unrestricted Group, for the periods presented:

(€ in thousands)	Year ended December 31, 2012	Year ended December 31, 2011	Percentage change
Spain	45,941	64,865	(29.2)%
Mexico	48,155	29,143	65.2%
Poland	1,910	630	NM
Rest of jurisdictions where we operate	24	(185)	NM
Consolidated EBITDA	**96,030**	**94,453**	**1.7%**
Spain	21,643	39,846	(45.7)%
Mexico	34,777	19,189	81.2%
Poland	879	148	NM
Rest of jurisdictions where we operate	24	(184)	NM
EBITDA for the Restricted Group	**57,324**	**58,999**	**(2.8)%**
EBITDA for the Unrestricted Group	**38,706**	**35,454**	**9.2%**

Consolidated EBITDA remained stable at €96.0 million for the year ended December 31, 2012, compared to €94.5 million for the year ended December 31, 2011. This stability was explained by an increase in Mexico and Poland, offset by a decrease in Spain. EBITDA for the Restricted Group decreased to €57.3 million for the year ended December 31, 2012, compared to €59.0 million for the year ended December 31, 2011, mainly due to a strong decrease in our Restricted Group EBITDA in Spain. EBITDA for the Unrestricted Group increased to €38.7 million for the year ended December 31, 2012, compared to €35.5 million for the year ended December 31, 2011. This increase in the Unrestricted Group was mainly due to a better performance in our two highway projects, Arriaga and Autopista de la Mancha.

In Spain, consolidated EBITDA decreased by €18.9 million, or 29.2%, to €45.9 million for the year ended December 31, 2012, compared to €64.9 million for the year ended December 31, 2011. This decrease was in line with the decrease in net turnover in Spain during the period.

In Mexico, consolidated EBITDA increased by €19.0 million, or 65.2%, to €48.2 million for the year ended December 31, 2012, compared to €29.1 million for the year ended December 31, 2011. This increase was in the same proportion as the increase in net turnover in Mexico during the period and was partly attributable to the completion of our Durango-Mazatlán project in Mexico during the course of 2013.

In Poland, consolidated EBITDA increased by €1.3 million, to €1.9 million for the year ended December 31, 2012, compared to €0.6 million for the year ended December 31, 2011. This increase was primarily due to the start of our construction activities in the country (including the Resko wind farm project).

Liquidity and capital resources

This section presents cash flow information, working capital information and capital expenditure information relating to Main Activities and Investment Activities. Cash flow, working capital and capital expenditure information of our Main Activities relates to construction and industrial activities which are with recourse to parent entities. Cash flow, working capital and capital expenditure information of our Investment Activities relates to our renewable energy, concessions and real estate activities which are without recourse. Subject to two adjustments, Restricted Group financial information is identical to financial information for "Main Activities" in our special-purpose consolidated financial statements, and Unrestricted Group financial information is identical to financial information for "Investment Activities" in our special-purpose consolidated financial statements. For more information concerning these adjustments, see *"—Basis of presentation."*

Historical cash flows

Historical cash flows on a consolidated basis

The following table illustrates our cash flows on a consolidated basis for the periods and sources indicated:

	Year ended December 31,		
(€ in thousands)	**2013**	**2012**	**2011**
Cash flow from operating activities	41,861	(18,482)	(13,136)
Cash flow from investments activities	(13,373)	(16,245)	(19,746)
Cash flow from financing activities	(132,808)	10,414	(19,489)

Cash flow from operating activities

Our cash inflow from operating activities for the year ended December 31, 2013 was €41.9 million, an increase of €60.3 million from the year ended December 31, 2012. This increase was primarily due to an increase of €37.2 million from our Main Activities, as mentioned below. In particular, changes in working capital, as described below, have had a significant influence on our cash flow from operating activities. The increase in cash from operating activities in the year ended December 31, 2013 was also due to an increase of €23.2 in our Investment Activities, as we received a funds injection from the Mexican entity "Fonadin" (a PSE depending from the Mexican Ministry of Finance and Public Credit, "*Secretaría de Hacienda y Crédito Público*"), which funds will be dedicated to the repair and enhancement of our Arriaga-Ocozocoautla-San Cristóbal highway concession.

Our cash outflow from operating activities for the year ended December 31, 2012 was €18.5 million, as compared to a cash outflow of €13.1 million for the year ended December 31, 2011. This change was primarily due to a higher outflow of €4.4 million in our Main Activities (related in particular to the decrease in our activity in Spain), as mentioned below.

Cash flow from investments activities

Our cash outflow from investments activities for the year ended December 31, 2013 was €13.4 million, as compared to a cash outflow of €16.3 million from the year ended December 31, 2012. This change was primarily due to a lower outflow in our Investment Activities in 2013. In 2012, our Main Activities experienced a cash inflow coming from our Investment Activities, as a result of a reduction of capital in one of the entities involved in Investment Activities and in charge of the Arriaga-Ocozocoautla-San Cristóbal concession as part of a refinancing. Excluding the effect of this intra-group cash flow, our Main Activities experienced a higher outflow in 2013 than in 2012, due to the injection of funds in the Siglo XXI project. Our outflow from Investments Activities for the year ended December 31, 2012 was €16.3 million, as compared to an outflow of €19.8 million in the year ended December 31, 2011. This change was due to a lower outflow in our Main Activities in 2012, after excluding the effect of the intra-group cash flow mentioned above.

Cash flow from financing activities

Our cash outflow from financing activities for the year ended December 31, 2013 was €132.8 million. This outflow was due to an outflow in the Main Activities of €114.4 million and an outflow in Investment Activities of €18.4 million.

Our cash inflow from financing activities for the year ended December 31, 2012 was €10.4 million. This inflow was due to an inflow in the Investment Activities of €17.9 million partially offset by a cash outflow in Main Activities of €7.5 million.

Our cash outflow from financing activities for the year ended December 31, 2011 was €19.5 million. This outflow was due to a cash outflow in the Main Activities of €72.4 million partially offset by an inflow in Investment Activities of €52.6 million.

Historical cash flows in our Main Activities

The following table illustrates our cash flows in our Main Activities for the periods and sources indicated:

	Year ended December 31,		
(€ in thousands)	**2013**	**2012**	**2011**
Pre-tax result for Main Activities	(14,910)	12,733	19,841
Adjustments to reconcile pre-tax result to net cash generated by operating activities	67,268	41,703	37,023
Net interest payments	(16,083)	(11,429)	(11,856)
Tax payments	(15,402)	(12,158)	(11,199)
Changes in net operating working capital	42,288	(2,388)	(16,921)
Cash flow from operating activities for Main Activities, excluding factoring and Project Helios	**63,161**	**28,461**	**16,888**
Changes in non-recourse factoring[(1)]	(28,243)	(17,737)	(73,067)
Changes due to Project Helios[(2)]	(15,100)	(28,082)	43,182
Cash flow from operating activities for Main Activities	**19,818**	**(17,358)**	**(12,988)**
Cash flow used in investments activities for Main Activities	**(13,151)**	**14,107**	**(4,520)**
Cash flow from financing activities for Main Activities	**(114,405)**	**(7,525)**	**(72,128)**

(1) Changes in non-recourse factoring reflect the variations between the amount of receivables subject to non-recourse factoring at the end of each year.

(2) Project Helios refers to two wind farm projects which we purchased and developed from 2007 onwards, and that we sold before the construction phase. After the sale in July 2011, we remained the EPC contractor and operations and maintenance provider for the project. Upon the sale in 2011, we collected a significant amount of receivables in advance, corresponding to construction works, which were taken into account in our cash flow from operating activities in 2011. Project Helios therefore had a positive effect on cash flows in 2011 due to advance collections, without the corresponding negative cash flow from associated payments. These negative cash flows took place in 2012 and 2013, neutralizing the effect of Project Helios on a three year basis.

Cash flow from operating activities in our Main Activities

Cash flow from operating activities in our Main Activities is significantly impacted by changes in working capital. See "*—Working capital*" below for more information regarding changes in working capital.

In 2013, our cash inflow from operating activities in our Main Activities, excluding changes in non-recourse factoring and cash flow corresponding to Project Helios was €63.1 million, an increase of €39.7 million from 2012. This increase was primarily due to a larger contribution to cash coming from our working capital (€42.3 million in 2013, as compared to negative €2.3 million during 2012), which was partially offset by an increase in net interest paid (€16.1 million in 2013, compared to €11.4 million in 2012) and a reduction in the adjusted result for our Main Activities (€52.4 million in 2013, compared to €54.4 million in 2012). The contribution of our international operations to the improvement in working capital was €41.5 million for 2013 (compared to €48.3 million for 2012) as a result of the increase in our international activities. In Spain, we experienced an inflow in working capital of €0.8 million for 2013 (compared to a €50.7 million outflow for 2012) despite the decrease of our Spanish activity.

Additionally, the reduction in non-recourse factoring in Spain of €28.2 million in 2013 (compared to €17.7 million in 2012), together with the outflow due to Project Helios of €15.1 million (compared to a €28.1 million outflow in 2012) resulted in a final cash inflow from operating activities in our Main Activities of €19.8 million in 2013, as compared to a €17.4 million outflow in 2012.

In 2012, our cash inflow from operating activities in our Main Activities, excluding changes in non-recourse factoring and cash flow corresponding to Project Helios was €28.5 million, an increase of €11.6 million from 2011. This increase was primarily due to the reduction in the consumption of operating cash coming from our working capital (€2.4 million outflow during

2012, compared to €16.9 million outflow during 2011). The larger consumption of working capital in Spain (€50.7 million for the year ended December 31, 2012, compared to €22.0 million during the same period of 2011) as a result of the decrease in our national activity was offset by a significant improvement in working capital in our international operations (€48.3 million inflow in the year ended December 31, 2012, compared to a €5.1 million inflow in the same period of 2011) as a result of the increase in our international activity. Finally, the slight reduction in the adjusted result for our Main Activities (€54.4 million for the year ended December 31, 2012, compared to €56.9 million for the same period of 2011) and the increase in tax payments (€12.2 million in 2012, compared to €11.2 million in 2011) was partially offset by the decrease in net interest paid (€11.4 million in 2012, compared to €11.9 million in 2011).

Additionally, the reduction in non-recourse factoring in Spain of €17.7 million in 2012 (compared to €73.1 million in 2011) together with the outflow due to Project Helios of €28.1 million (compared to a €43.2 million inflow in 2011) resulted in a final cash outflow from operating activities in our Main Activities of €17.4 million in 2012, compared to a €13.0 million outflow in 2011.

Cash flow from investments activities in our Main Activities

Our cash outflow from investments activities in our Main Activities for the year ended December 31, 2013 was €13.2 million. This was comprised of a cash injection relating to our Siglo XXI project, capitalization of costs relating to our research and development activities, as well as capital expenditures for construction and industrial activities.

Our cash inflow from investment activities was €14.1 million from the year ended December 31, 2012. This was comprised of an intra-group cash inflow from our Investment Activities, as mentioned above. We also experienced an outflow relating to the capitalization of costs relating to our research and development activities, as well as capital expenditures for construction and industrial activities.

Our cash outflow from investments activities in our Main Activities was €4.5 million for year ended December 31, 2011. This outflow was primarily due to the capitalization of costs relating to our research and development activities, as well as capital expenditures for construction and industrial activities.

Cash flow from financing activities in our Main Activities

Our cash outflow from financing activities for the year ended December 31, 2013 was €114.4 million. This outflow was primarily due to our management's decision to use available cash to reduce the outstanding amount under our credit lines.

Our cash outflow from financing activities for the year ended December 31, 2012 was €7.5 million. This outflow was primarily due to the ordinary amortization payments under our facilities during the year.

Our cash outflow from financing activities for the year ended December 31, 2011 was €72.1 million. This outflow was primarily due to the early repayment of a portion of the Syndicated Loan and certain of our long-term facilities in connection with the renegotiation of the schedule of payment under these loans.

Liquidity

Our principal source of liquidity is our operating cash flows, which are analyzed above. Following the Offering, our sources of liquidity will mainly include our Revolving Credit Facility. Our ability to generate cash from our operations depends on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as other factors discussed in the section entitled *"Risk factors."*

Although we believe that our expected cash flows from operations, together with available borrowings under the Revolving Credit Facility and cash on hand, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

Following the completion of the Offering, we will have a committed Revolving Credit Facility of €100 million to service our working capital needs and for various other purposes. We expect the Revolving Credit Facility to remain undrawn at completion of the Offering.

Working capital

Our working capital is significantly impacted by the timing of collection of receivables, and the timing of payments to suppliers. The timing of collection and payment, in turn, varies depending on the country where we are present. In Spain and Mexico for example, collection of receivables usually take place before payments to suppliers, whereas in Poland payments are usually made before collections. Over recent years, therefore, our working capital has been affected by our international expansion.

Consolidated working capital

On a consolidated basis, our changes in working capital amounted to positive 22.6 million in 2013, mainly due to our Investment Activities (€23.6 million). In 2012, our changes in working capital amounted to negative €42.2 million, mainly due to our Main Activities (negative €48.2 million) partially offset by our Investment Activities (€6.0 million). In 2011, our changes in working capital amounted to negative €52.8 million, mainly due to our Main Activities (negative €46.8 million).

Working capital in our Main Activities

The following table sets forth our changes in working capital for our Main Activities, for the periods indicated:

	Year ended December 31,		
(€ in thousands)	**2013**	**2012**	**2011**
Changes in stock	6,496	(2,202)	10,017
Changes in trade and other receivables	17,513	99,565	(18,778)
Changes in trade and other payables	18,188	(99,274)	(7,171)
Changes in others	91	(476)	(989)
Changes in net operating working capital	**42,288**	**(2,388)**	**(16,921)**
of which, net operating working capital in Spain	829	(50,655)	(21,996)
of which, net operating working capital in countries other than Spain	41,459	48,267	5,075
Changes in non-recourse factoring[(1)]	(28,243)	(17,737)	(73,067)
Changes due to Project Helios[(2)]	(15,100)	(28,082)	43,182
Changes in working capital	**(1,055)**	**(48,207)**	**(46,806)**

(1) Changes in non-recourse factoring reflect the variations between the amount of receivables subject to non-recourse factoring at the end of each year.

(2) Project Helios refers to two wind farm projects which we purchased and developed from 2007 onwards, and that we sold before the construction phase. After the sale in July 2011, we remained the EPC contractor and operations and maintenance provider for the project. Upon the sale in 2011, we collected a significant amount of receivables in advance, corresponding to construction works, which were taken into account in our cash flow from operating activities in 2011. Project Helios therefore had a positive effect on cash flows in 2011 due to advance collections, without the corresponding negative cash flow from associated payments. These negative cash flows took place in 2012 and 2013, neutralizing the effect of Project Helios on a three year basis.

For our Main Activities, our changes in net operating working capital amounted to €42.3 million in 2013, mainly due to an improvement in trade payables and trade receivables.

Additionally, the reduction in non-recourse factoring together with an outflow due to Project Helios resulted in a total working capital outflow for 2013 of €1.1 million.

In 2012, our changes in net operating working capital amounted to negative €2.4 million, mainly due to a reduction in trade payables, offset by an improvement in trade receivables. Additionally, the reduction in non-recourse factoring together with the outflow due to Project Helios resulted in a total working capital outflow for 2012 of €48.2 million.

In 2011, our changes in net operating working capital amounted to negative €16.9 million, mainly due to a reduction in trade receivables and in trade payables, partially offset by a reduction in stock. Additionally, the reduction in non-recourse factoring, partially offset by an inflow due to Project Helios resulted in a total outflow in working capital for 2011 of €46.8 million.

Capital expenditures

Our capital expenditures in our Main Activities consist mainly of investments in property, plant and equipment, such as machinery and equipment. Property, plant and equipment are measured at purchase or production cost, net of accrued depreciation and any impairment losses. The cost includes all expenses directly incurred in order to prepare the assets for use, as well as any charges for dismantling and removal needed to restore the site to its original condition.

Our capital expenditures in our Investment Activities relate to investments in intangible fixed assets, such as the rights to use assets under concession agreements.

The following table presents our capital expenditures in our Main Activities and our Investment Activities for the years presented.

	2013	2012	2011
Main Activities	7,536	9,079	5,150
Investment Activities	0	7,726	15,226
Total	7,536	16,805	20,376

Outstanding indebtedness

We are highly leveraged and have significant debt service obligations. As of December 31, 2013 and as adjusted to give effect to the Offering, we would have had approximately €833.6 million indebtedness outstanding, of which €274.6 million corresponded to indebtedness for the Restricted Group and €559.1 million corresponded to indebtedness for the Unrestricted Group. Indebtedness for our Unrestricted Group generally consists of non-recourse project financing relating to our Investment Activities. See *"Description of certain financing agreements."*

We anticipate that our high leverage will continue for the foreseeable future. Our high level of debt may have important negative consequences for you. See "*Risk factors—Risks relating to our Indebtedness"* and "*Risk factors—Risks related to the Notes*."

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of operating profit from our operations, which could be caused by a downturn in our performance or in the industry as a whole;
- a failure to maintain low working capital requirements;
- the need to fund expansion capital expenditures; and
- the need to fund maintenance capital expenditures.

If our future cash flows from operations and other capital resources (including borrowings under our current or any future revolving credit facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of the Notes and any future debt may limit our ability to pursue any of these alternatives.

Contractual obligations

Contractual obligations on a consolidated basis

The following table summarizes our material contractual obligations on a consolidated basis at December 31, 2013, as adjusted to give effect to the Offering and related transactions. For more information, see "*Use of proceeds*" and *"Description of certain financing agreements."*

(€ in thousands)	Until December 31, 2014	2015	2015 onward	Total
Notes offered hereby[1]	—	—	250,000	250,000
Revolving Credit Facility[2]	—	—	—	—
Equity commitments in Mexico[3]	6,180	—	—	6,180
Credit Lines Inbursa Mexico	1,628	—	—	1,628
Mortgage Loan	3,450	342	12,505	16,297
Finance Leases	768	619	59	1,446
Indebtedness of our Unrestricted Group[4]	11,150	24,523	481,339	517,012
Total contractual obligations	**23,176**	**25,484**	**743,903**	**792,563**

(1) Represents principal payments in respect of the Notes offered hereby. See "*Description of the Notes*."

(2) We expect that the Revolving Credit Facility will be undrawn as of the Issue Date.

(3) Under certain of our concession agreements in Mexico, we are required to make capital injections from time to time. The amount presented in the table is the euro equivalent of 110 million Mexican pesos.

(4) Nearly all of the indebtedness of our Unrestricted Group constitutes non-recourse project finance debt.

In addition to the contractual obligations referred to in the table above, we have the following contractual obligations:

- Cofides put option: Spain's development finance institution, *Compania Espanola de Financiacion de Desarollo, Cofides, S.A.* (Cofides) holds a put option entitling it to sell 35.37% of its stake in Concesionaria de Autopistas del Sureste, S.A. de C.V., one of our companies. This put option is exercisable as from December 2013 to December 2015 and the value of this put option as of December 31, 2013 was €10.6 million.
- Confirming: We have a number of confirming arrangements in place with Spanish and Mexican banks, whereby suppliers are paid though a facility in advance of the agreed payment terms. As of December 31, 2013, confirming arrangements represented an aggregate committed amount of €106.0 million.
- Hedging arrangements: As referred to under *"—Qualitative and quantitative disclosures about market risk"* below, we are a party to various currency hedging arrangements. Following the Offering, entities in our Unrestricted Group will also continue to be parties to

certain interest rate hedging arrangements. Figures presented in the table above do not include hedging obligations.

Contractual obligations of the Restricted Group

The following table summarizes our material contractual obligations for the Restricted Group at December 31, 2013, as adjusted to give effect to the Offering and related transactions. See "*Use of proceeds.*"

(€ in thousands)	Until December 31, 2014	2015	2015 onward	Total
Notes offered hereby[1]	—	—	250,000	250,000
Revolving Credit Facility[2]	—	—	—	—
Equity commitments in Mexico[3]	6,180	—	—	6,180
Credit Lines Inbursa Mexico	1,628	—	—	1,628
Mortgage Loan	3,450	342	12,505	16,297
Finance Leases	768	619	59	1,446
Operating Leases[4]	1,458	1,502	24,677	27,637
Total contractual obligations	**13,484**	**2,463**	**287,241**	**303,188**

(1) Represents principal payments in respect of the Notes offered hereby. See "*Description of the Notes.*"

(2) We expect that the Revolving Credit Facility will be undrawn as of the Issue Date.

(3) Under one of our concession agreements in Mexico (Siglo XXI), we are required to make capital injections from time to time. The amount presented in the table is the euro equivalent of 110 million Mexican pesos.

(4) Operating leases correspond to the lease of our headquarters in Madrid by the Restricted Group, from an entity belonging to the Unrestricted Group (Gran Canal Inversiones, S.L.)

Off-balance sheet arrangements and contingent obligations

As of December 31, 2013, we had the following off-balance sheet arrangements and contingent obligations:

- *Non-recourse factoring:* We sell certain of our receivables to financial institutions, with no possibility of recourse against us in the event of non-payment by the clients. The majority of our receivables that are the subject of factoring relate to receivables from PSEs. In 2011, we made a significant reduction in the use of non-recourse factoring in relation to advance payments made to us in connection with Project Helios. In 2012 and 2013, our use of non-recourse factoring continued to decline and in 2013, factoring arrangements amounted to €57.3 million of receivables. In future years, to the extent that our DSO in Spain continues to improve we are planning on reducing our use of non-recourse factoring. We do not currently engage in any recourse factoring transactions.

- *Non-recourse sale and purchase of future credit rights:* We are party to certain agreements with banks in Spain and Mexico whereby we sell the rights we have from a client to the bank. Sales and purchases of future credit rights, as opposed to factoring, refer to receivables that have not yet accrued. At the end of the contract term, the client pays the bank directly bypassing us. In 2013, we were engaged in the sale of €17 million worth of credit rights in Mexico.

- *Operational guarantees and bonds:* As of December 31, 2013 we had provided provisional and definitive procurements, guarantees and works tender bonds, down payment bonds, performance bonds and advance payment bonds to PSEs and private entities amounting to an outstanding amount of €651.8 million (€640.0 million in 2012), all of which was provided by Restricted Group companies. These bonds are essentially provided by banks and insurance companies, their purpose being to guarantee due performance of contracts. This amount includes the bonds of UTEs presented in proportion to our stake held in the UTEs in question.

- *Restricted Group guarantees for the benefit of the Unrestricted Group:* As part of the operational guarantees and bonds mentioned above, the Restricted Group has granted certain guarantees for the benefit of the Unrestricted Group, including (i) guarantees provided by Aldesa Construcciones, S.A. in an amount of €3.9 million for the dismantling of certain renewable energy projects of our Unrestricted Group at the end of the relevant project, (ii) several guarantees provided by Aldesa Construcciones, S.A. in an amount of €6.0 million in respect of different school and energy projects, (iii) a guarantee provided by Aldesa Construcciones, S.A. to Autopista de La Mancha Concesionaria Española, S.A. in an amount of up to €1.5 million in connection with our Autopista de la Mancha highway project, and (iv) a guarantee provided by Aldesa Construcciones, S.A. in an amount of €2.5 million for a back-up credit line provided by Banco Santander to Viviendas Torrejón- Móstoles, S.A., with maturity in December 2014. For more information regarding guarantees and performance bonds, please see *"Business—Contracts."* The total amount of these Restricted Group guarantees for the benefit of the Unrestricted Group is included in the outstanding amount of operational guarantees and bonds of €651.8 million referred to above.

Qualitative and quantitative disclosures about market risk

Our activities and debt financing expose us to a variety of financial risks, the most significant of which are credit risk, currency risk and interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from the counterparty's inability to repay or service debt in accordance with the contractual terms. Credit risk includes both the direct risk of default and the risk of a deterioration of creditworthiness, as well as concentration risks.

Since a large proportion of our receivables are with public entities, the credit risk to which we are exposed is limited. Our credit risk towards public entities has been further mitigated through the enactment of Royal Decree-law 4/2012, of February 24, 2012 and Royal Decree-law 7/2012, or March 9, 2012 which create a public fund for payment of suppliers (also known as *Fondo para la Financiación de los Pagos a Proveedores*), that enabled distressed public entities to make certain payments which allowed them to reduce their commercial debts with suppliers and has reduced the risk of late payment or non-payment from PSEs. However, we have in recent years experienced, and may in the future experience, delays in payment by public entities.

With respect to private clients, we have implemented risk control policies, which include various evaluations during the contract phase (evaluation and rating of potential clients, minimum payment collection conditions) as well as a periodic review of the overall position and an individual analysis of the most significant exposures.

Interest rate risk

Our operations require us to incur significant indebtedness and the cost of financing our business is a significant expense. Our interest charges depend on the financing terms established at the beginning of a transaction and subsequent fluctuations in interest rates.

In recent years our main indebtedness arose from our Syndicated Loan, which we entered into on July 29, 2010. This Syndicated Loan had a pricing of EURIBOR + 4.50%. The Syndicated Loan will be refinanced with the proceeds of the Offering but we expect that we will have other variable rate indebtedness outstanding after the Offering. See "*Description of certain financing agreements*." To mitigate the interest rate risk, and as required in the Syndicated Loan, we have in the past used interest rate swaps which we mainly entered into with Spanish banks, including Banco Santander, Bankia, BBVA, Sabadell and CaixaBank. We expect that all of our interest rate swaps will be cancelled on or about the Issue Date, with the exception of interest rate hedging relating to indebtedness of our Unrestricted Group.

Currency risk

We generated approximately 56% of our net turnover in 2013 outside of Spain. Our net turnover is generated in the following currencies: Euro, Mexican peso, Polish zloty, United States dollar, Indian rupee and Peruvian peso.

We try to limit our currency exposure by matching the currency of our cost base with the currency of our collection. In case of misalignment, we enter into hedging agreements to mitigate the effect of exchange rate fluctuations. Hedging is generally performed by the use of forwards. We do not have an overall hedging policy but decide from project to project whether to enter into hedging arrangements. We cannot hedge our exposure in the time period between when we make a bid for a contract and the time when we are awarded such contract, and we also cannot hedge our currency exposure with respect to our final result of operations in a given country, and as our result our exposure during that period is even more pronounced.

Further, changes in foreign currency exchange rates can potentially affect the value of our foreign assets, revenue, liabilities and cost when translated and reported in euro. In general, we do not necessarily hedge against the translational effect of foreign exchange fluctuations in our Financial Statements.

Critical accounting policies

The preparation of financial information in conformity with Spanish GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of net turnover and expenses during the years then ended. Management bases its estimates on historical experience and various other assumptions that are considered to be reasonable in the particular circumstances. Actual results may differ from these estimates.

The estimates mainly relate to:

- the assessment of possible losses from impairment of certain assets (such as goodwill, intangible assets, property, plant and equipment and real estate investments, financial instruments (including derivatives) and stock);
- the service life of intangible assets, property, plant and equipment and real estate;
- the recognition of revenue in construction contracts, and in particular the evaluation of the recoverability of works executed and in process;
- the evaluation of the recoverability of tax credits;
- the estimation of contingent liabilities; and
- the hypotheses for the calculation of the fair value of financial instruments.

For more information, see notes 3 and 5 to our special-purpose consolidated financial statement for the year ended December 31, 2013, 2012 and 2011 included elsewhere in this offering memorandum. For more information regarding our method of consolidation, please see "*Presentation of financial and other information—Consolidation methods and eliminations.*"

Industry

Overview

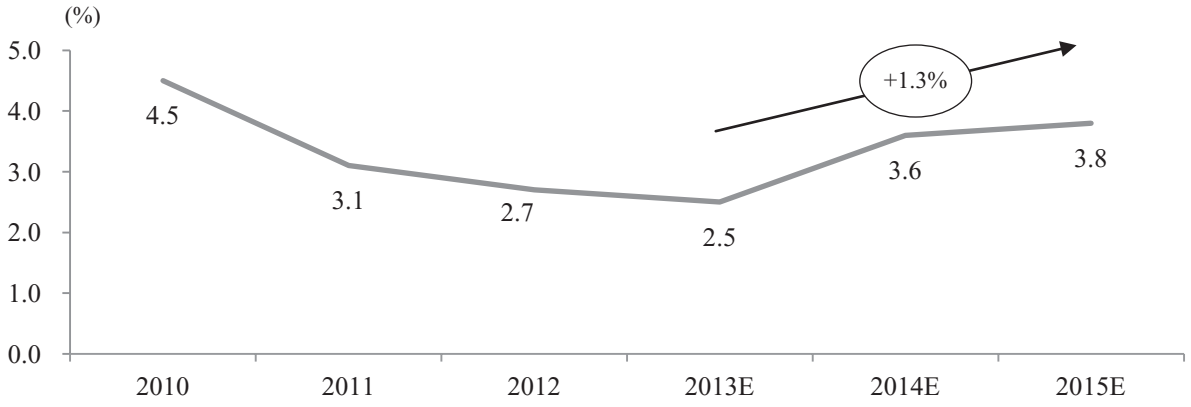
In this section, we rely on and refer to information regarding the global construction market as well as the key markets in which our business operates and competes. The market data and certain economic and industry data and forecasts were obtained from publicly available information and independent industry publications and reports. Unless otherwise stated, data and forecasts mentioned in the global construction sector and Mexican construction market sections below are sourced from the Global Construction 2025: A global forecast for the construction industry to 2025 report, published by Global Construction Perspectives and Oxford Economics on July 1, 2013, and data and forecasts mentioned in the European Construction Sector, Spanish Construction Market and Polish Construction Market sections below are sourced from the 76th Euroconstruct Conference Summary Report, published by Euroconstruct in November 2013. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring us to rely on the review of industry publications, including information made available to the public by our competitors. Industry publications and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data and cannot guarantee their accuracy or completeness.

Global construction sector

The construction sector is highly dependent on the overall economic environment. If economic development is lagging, public budgets have limited funds available to invest in the sector and firms and households do not require construction investments. The most common factors affecting the construction industry are economic prospects (GDP growth, job market and household income, etc.), public and private spending levels, population growth, migration trends, environmental changes, urbanization (building stock and vacancy) and globalization. In addition, the level of infrastructure development (roads, airports, ports, railways) of a specific country is crucial to determine the amount of investment required for future needs.

The global economy has been severely impacted by the consequences of the credit crisis in the past years. Developed economies such as the US, Germany, Japan and the UK contracted by approximately 5.0% in 2009 and have only recently begun to show signs of recovery. The same set of countries is forecasted to grow above 1.5% on average in 2014 compared to 0.3% in 2013. Although positive, the main driver of the expected 1.3% increase in global GDP growth from 2013 to 2015 is the growth of emerging markets which are expected to grow by 5.6% and 5.7% in 2014 and 2015, respectively.

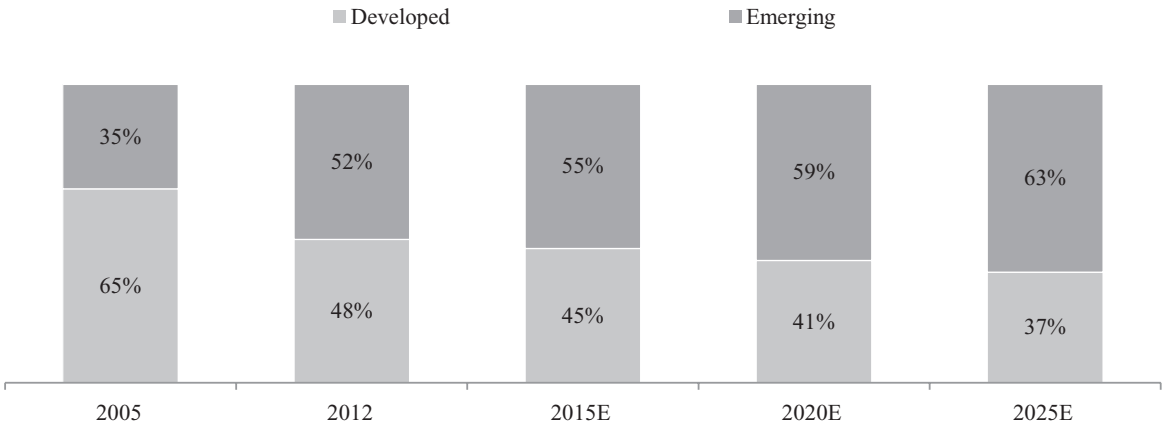
Global GDP growth from 2010 to 2015



Source: Global Construction 2025 (July 2013), Global Construction Perspectives and Oxford Economics

Similarly, the global construction market has contracted in recent years but is expected to grow at an average annual rate of 4.2% from 2012 to 2015 and 4.6% thereafter until 2020. Growth at a higher rate than GDP is expected to be primarily driven by emerging market countries such as Mexico, Colombia and Chile, with expected growth rates of 4 to 5% until 2025, as well as countries such as China and India (7 to 8%) and Qatar (10 to 11%). Notably, emerging markets have become increasingly more important in the construction market, driven by population growth, social developments and an urgent need for infrastructure improvements.

Construction output % split by region



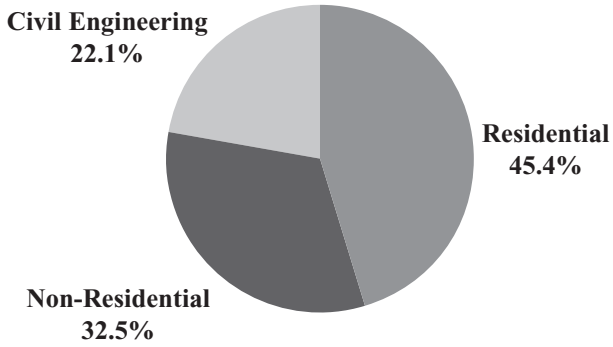
Source: Global Construction 2025 (July 2013), Global Construction Perspectives and Oxford Economics

European construction sector

In recent years, Europe and particularly Southern European markets such as Spain have weathered a prolonged and severe crisis, which has had significant impacts on the construction market. European construction output (defined as production generated by (i) companies in the construction sector, (ii) the construction production generated by companies belonging to other economic sectors and (iii) the construction production generated by private individuals through DIY) fell by 3.4% in 2010, was almost stable in 2011 (0.3% growth), fell by 5.2% in 2012 and is forecasted to have fallen 3.0% in 2013. In Spain, construction output is expected to have fallen by 23.0% in 2013, the sixth consecutive year of double-digit declines in production. However, in the coming years, as a consequence of the expected rebound of the European economy, the prognosis for the European construction market for the period from 2014 to 2016 is more optimistic and growth rates are poised to slowly accelerate reaching an estimated average annual growth of 1.6%. Gradual revival is expected in most European countries, and in the case of countries most affected by the crisis, namely Ireland, Portugal, Spain and Italy, the rate of decrease is slowing down and slightly turning into positive trends.

The construction market is structured in three main segments: residential, non-residential and civil engineering, which includes transport infrastructure such as roads, motorways and highways, railways and others, such as airports, ports, etc., as well as telecommunications, water works, energy works and others. In Europe in 2013, the highest proportion in terms of construction output (45.4%) related to residential construction and, with the expected economic recovery, its proportion is expected to slowly increase. The non-residential market represents 32.5% of total construction output and is expected to slowly decrease as a result of faster revival of the residential market. The rest of the construction output (22.1%) relates to civil engineering, which is expected to remain stable as a percentage of the overall construction market.

European construction market structure by output (2013)



Source: Euroconstruct report, 76th Conference, November 2013

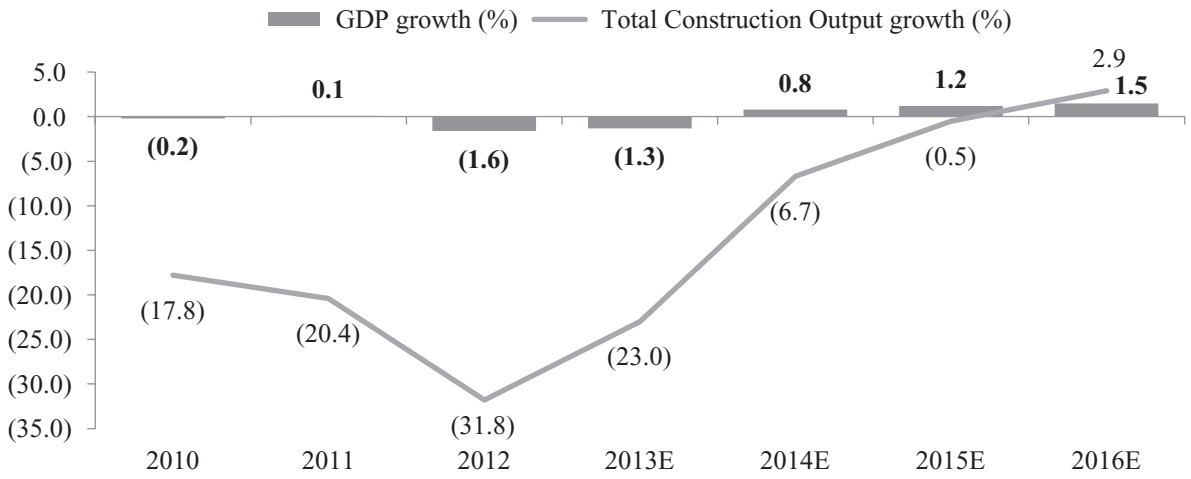
Spanish construction market

General overview

If the 2013 forecast of a decline of approximately 23% in construction output in Spain materializes, 2013 will have been the sixth consecutive year of double-digit declines in production, and, accordingly, the accumulated loss between 2007 and 2013 could reach 65% in terms of employment in the construction sector, 75% in terms of production and 80% in cement consumption (Euroconstruct report, 75th Conference, June 2013). However, a slowdown in the rate of the construction output contraction is expected, reducing from negative 6.7% in 2014 to negative 0.5% in 2015 and returning to positive growth (2.9%) in 2016, mainly driven by improving economic prospects in Spain.

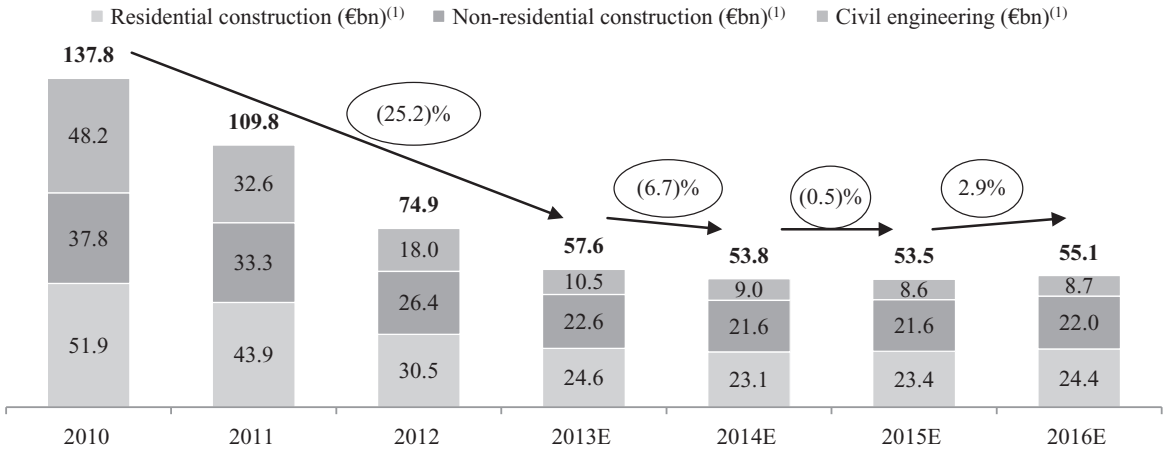
Recovery is expected to be gradual as there are still several issues that are being solved, such as minimal demand, financial problems, growing inventories and assets returning to the market due to the insolvency of their owners. However, certain remedial measures are being implemented. For example, a new bank SAREB (*Sociedad de Gestión de Activos procedentes de la Restructuración Bancaria* (Company for the Management of Assets proceeding from Restructuring of the Banking System)) was set up to serve as a catalyst of the real estate market and to improve the availability of credit in the Spanish economy, mainly by acquiring property development loans from Spanish banks in return for government bonds. However, it is still too early to evaluate its impact and whether the role of this new bank will meet expectations. The Government has also announced a new Plan for Infrastructure, Transportation and Housing "PITVI," whose implementation will depend on the evolution of the Spanish economy over the next years.

GDP and total construction output from 2010 to 2016



Source: Euroconstruct report, (76th Conference), November 2013

Total construction output



Source: Euroconstruct report, (76th Conference), November 2013;(1) At 2012 prices, excluding taxes.

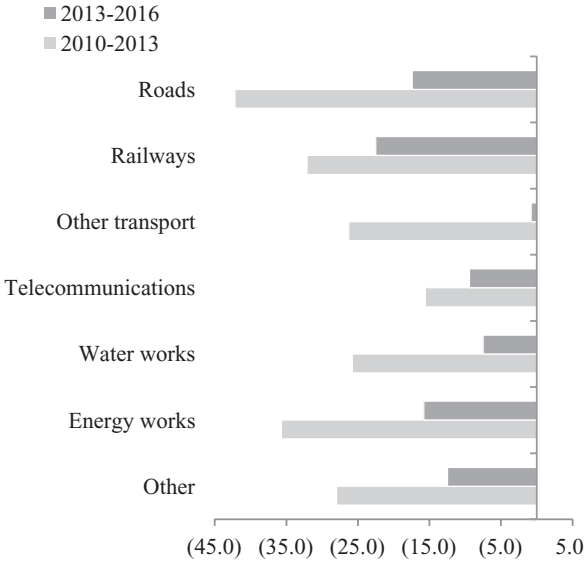
Civil engineering activity

Civil engineering continues to be severely affected by the Spanish public deficit reduction policy. There has been a significant decrease in the Spanish budget, but also an increase in the volume of outstanding deferred payments linked to projects that have already been built, which together are affecting the funding of existing and new projects.

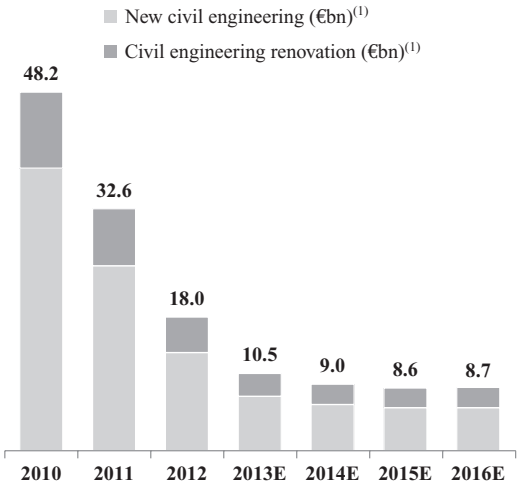
In order to limit the contraction of the civil engineering activity, the Spanish Government has announced a new PITVI with the intention of supporting investments in this sector. Two of the main guidelines included in the PITVI are (i) to develop the Spanish transport networks considering their inclusion in the Trans-European networks and (ii) to increase participation of the private sector in the financing and development of the transport system. According to the plan, investment in new transport infrastructure will be aimed at completing the major structural routes and network itineraries, and at reinforcing intermodal connections (which involve the use of more than one mode of transport for a journey) and strategic infrastructures. The plan will depend on the evolution of the Spanish economy and it is estimated that both public and private investment under this PITVI will amount to approximately 0.80% in GDP for the base case scenario and 0.85% in the more optimistic case, translating into a total investment of €136.7 billion to €144.8 billion for the 2012 to 2024 period (*Ministerio de Fomento*, DGPEP).

Civil engineering is the market segment in Spain expected to face the greatest difficulties going forward, although the rate of contraction is forecasted to slow down significantly over the next years, and return to positive growth in 2016 (negative 42% for 2013, negative 13.4% for 2014, negative 5.4% for 2015 and positive 1.3% for 2016).

Total civil engineering: average change per year in %



Total civil engineering



Source: Euroconstruct report, (76th Conference), November 2013;(1) At 2012 prices, excluding taxes

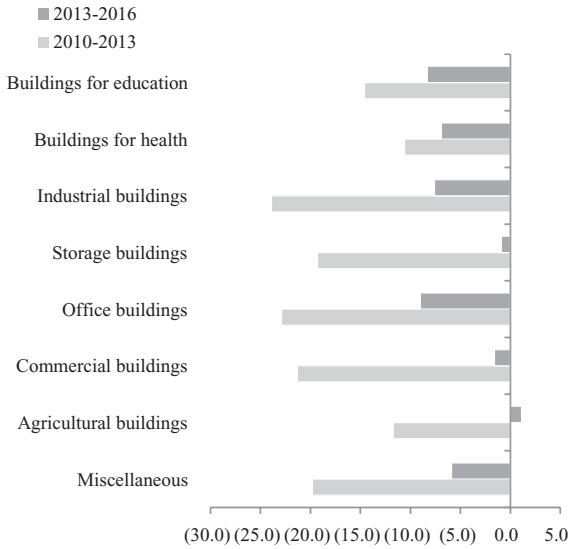
Non-residential activity

The crisis continues to impact all market segments, including non-residential construction. 2012 was a particularly difficult year for construction and it is expected that this trend continued representing a decline of approximately approximately 14.5% of total non-residential construction output in 2013. The main factors affecting the output in 2012 and 2013 were the postponement of investments by private companies due to weak economic prospects, public administration budget constraints, the deterioration of credit as well as an increase in the number of available stocks and the decrease of their prices.

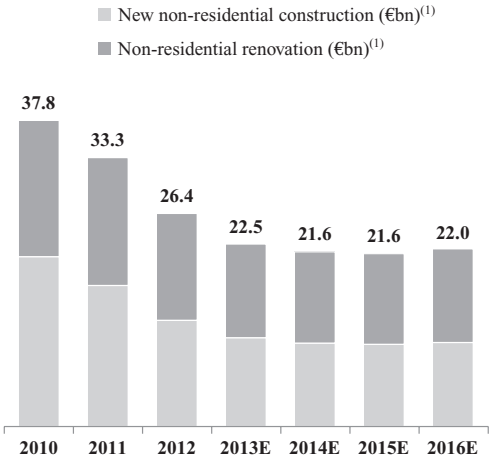
Although forecasts are still negative, the prognoses are more favorable for 2014 (negative 4.2%), 2015 (negative 0.2%) and 2016 (positive 2.2%), as the Spanish economy is expected to rebound. Industrial (examples include buildings for energy generation and distribution, buildings for water production and distribution, buildings for sewage and waste disposal, workshops, factories, slaughterhouses, breweries, assembly halls, etc.), storage, office and commercial buildings are some of the sectors where a slower decrease is expected over the next years. In order to see a more substantial improvement justifying new building projects the economy needs to continue towards recovery in order to generate sufficient demand.

Non-residential activity is expected to experience positive growth in 2016 (€21.6 billion in terms of value in 2015 compared to €22.0 billion in 2016).

New non-residential construction: average change per year in %



Total non-residential construction



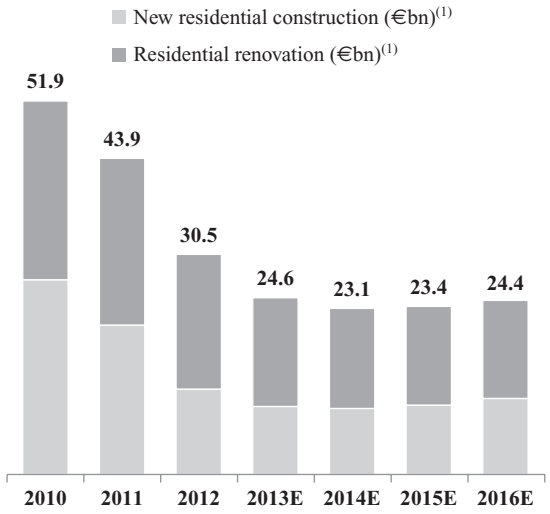
Source: Euroconstruct report, (76th Conference), November 2013;(1) At 2012 prices, excluding taxes

Residential activity

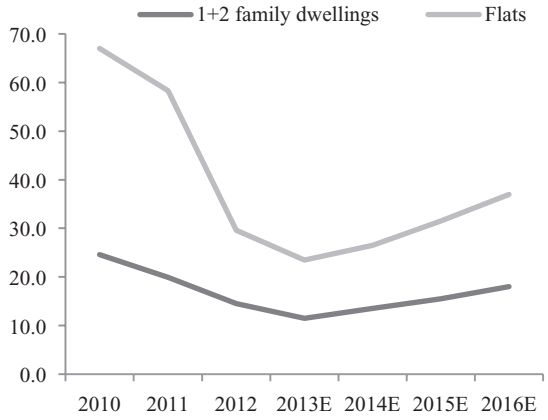
Despite an increase of sales to foreign investors, considering the high inventory levels that remain to be sold or rented, existing demand can be met without resorting to the construction of new residential assets. Therefore, the forecast for construction of new housing remains negative for 2014 and is only expected to be positive in 2015 (€9.4 billion in terms of new residential construction value in 2013, €9.1 billion in 2014 and €9.7 billion in 2015). However, small progress in terms of production volume is already expected in 2014 for both flats and 1+2 family dwellings (family houses with up to 2 above-ground storey's including detached houses, semi-detached houses, farms with dwellings and all terraced houses). The recovery for the renovation segment will be slower than for new housing, with no positive growth expected until 2016 as a result of bleak expectations about household income and the lack of current public stimulus for residential renovation. Combining both new and renovation segments, the result shows recession in 2014 (negative 6.1% in terms of construction output), but growth is

expected to start in 2015 and further increase in the following year (1.2% for 2015 and 4.2% for 2016).

Total residential construction



Housing starts from 2010 to 2016 (in thousands)



Source: Euroconstruct report, (76th Conference), November 2013;(1) At 2012 prices, excluding taxes

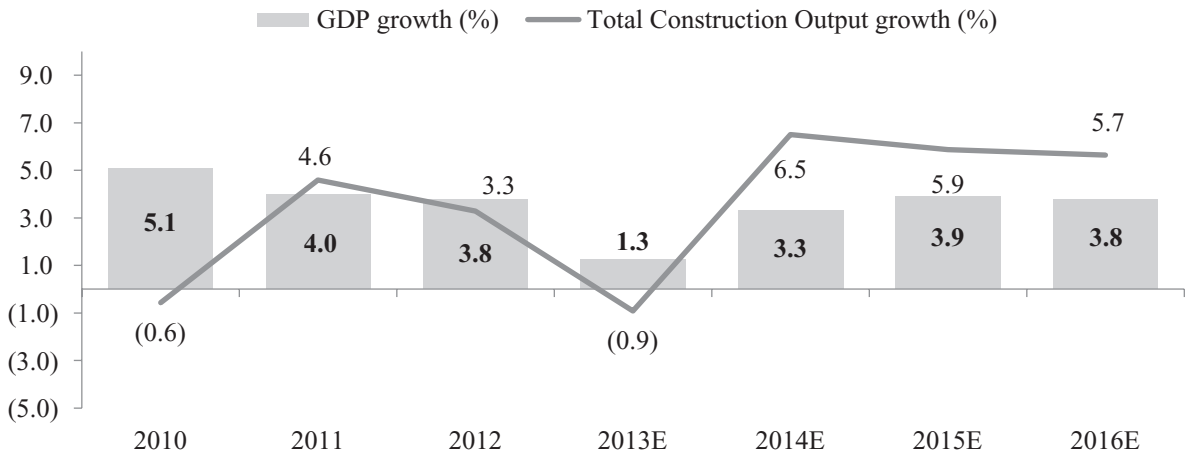
Mexican construction market

General overview

Despite less positive developments in recent years, the Mexican economy and construction market are expected to grow at increasing rates in the coming years, mainly driven by improving economic conditions in the US, which will boost exports and foster a competitive exchange rate, combined with a strengthening labor market, moderate inflation and a looser monetary policy which should strengthen and support domestic demand.

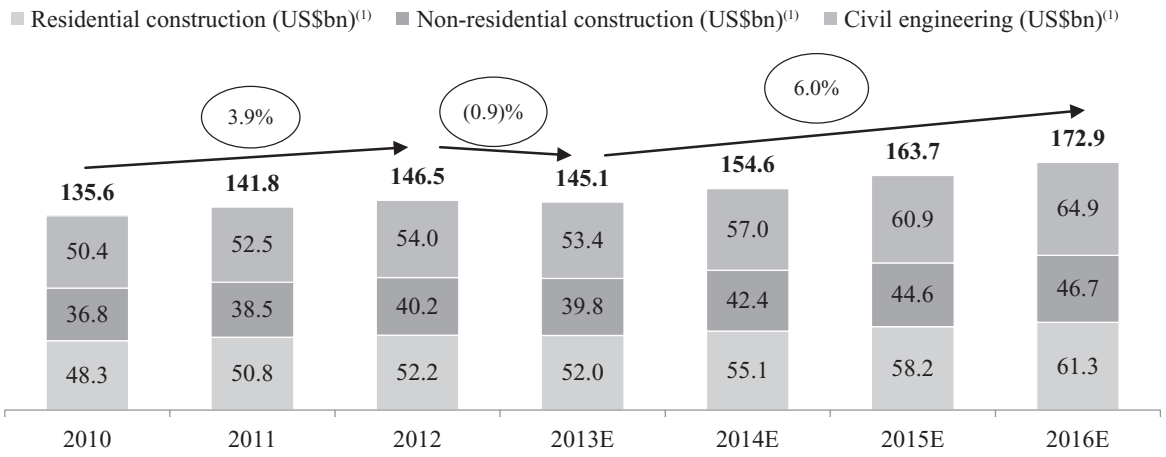
In the medium term it is expected that positive demographic trends will increase the labor supply, while Mexico's competitiveness and the entry into bilateral trade agreements are likely to stimulate investment. Regarding the construction business, infrastructure is forecasted to grow more quickly than any other sector from 2014 to 2016, with growth averaging 6.8% yearly.

GDP and total construction output from 2010 to 2016



Source: Global Construction 2025 (July 2013), Global Construction Perspectives and Oxford Economics; IHS Global Insight

Total construction output



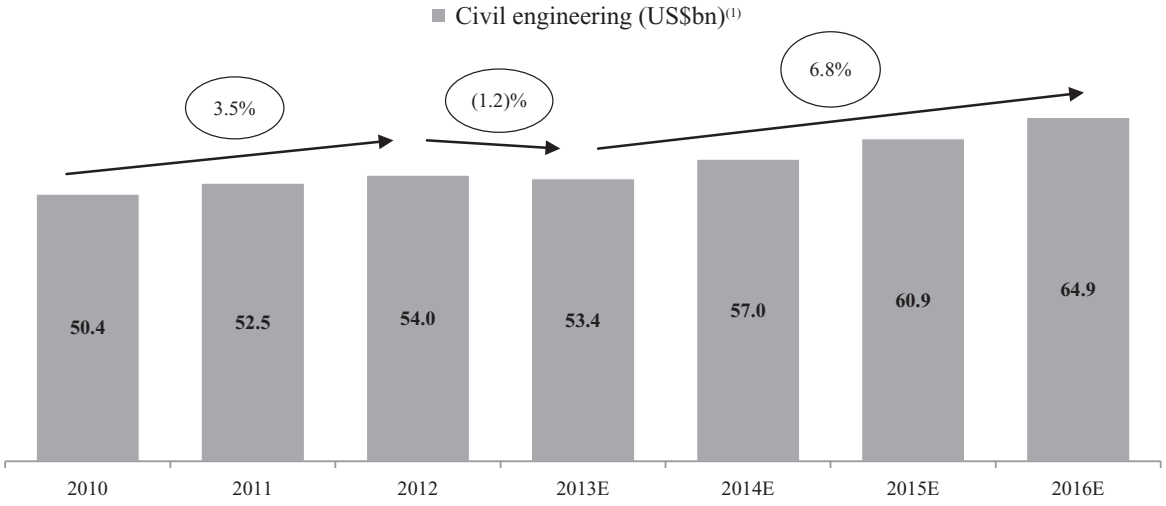
Source: Global Construction 2025 (July 2013), Global Construction Perspectives and Oxford Economics;(1) At 2012 prices, excluding taxes

Civil engineering activity

The urgent need to invest in Mexican infrastructure has been supported by the Mexican Government's recent announcement of a six-year plan to invest US$316 billion in the sector from 2013 to 2018. In addition, the level of civil engineering investment is expected to increase as the national economy recovers, reducing pressure on public sector budgets. Supported by the latter, the growth of civil engineering is forecasted to be the most rapidly growing in Mexico of the three construction sub-sectors previously stated (civil engineering, non-residential and residential), at an average rate of 6.8% annually between 2013 and 2016.

In addition, private pension funds, known as "Afores," have been encouraged by the Mexican Stock Exchange, with the creation of a new asset class known as *Certificados de Capital de Desarrollo* (or Structured Equity Securities) created by the Mexican government, to help finance infrastructure and real estate projects in recent years. Further, regulatory changes such as Basel III are likely to encourage capital markets to take on a leading role in financing infrastructure, with investments expected to amount to US$161 billion over the next six years.

Total civil engineering



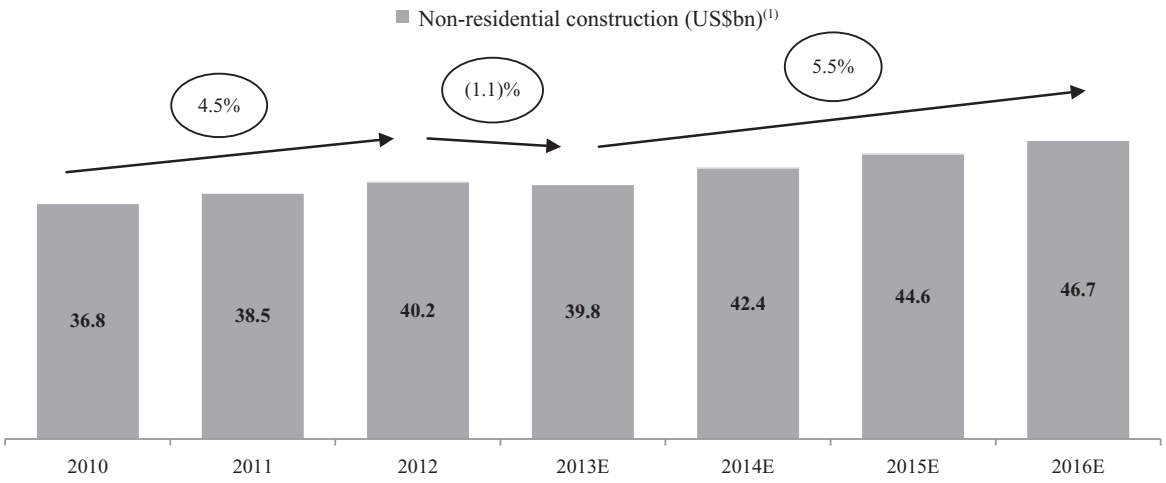
Source: Global Construction 2025 (July 2013), Global Construction Perspectives and Oxford Economics;(1) At 2012 prices, excluding taxes

Non-residential activity

Demand for public sector construction (schools, hospitals, etc.) is likely to increase due to an expected 13% increase in Mexico's population between 2012 and 2025.

Private sector demand is also expected to increase in the non-housing sector. The 20.3% increase forecast in the population of working age between 2010 and 2025 will increase demand for manufacturing and office space. It is also forecasted that stronger economic prospects in Mexico will generate more jobs (reducing unemployment) and boost the retail sector (such as shopping centers and retail outlets).

Total non-residential construction



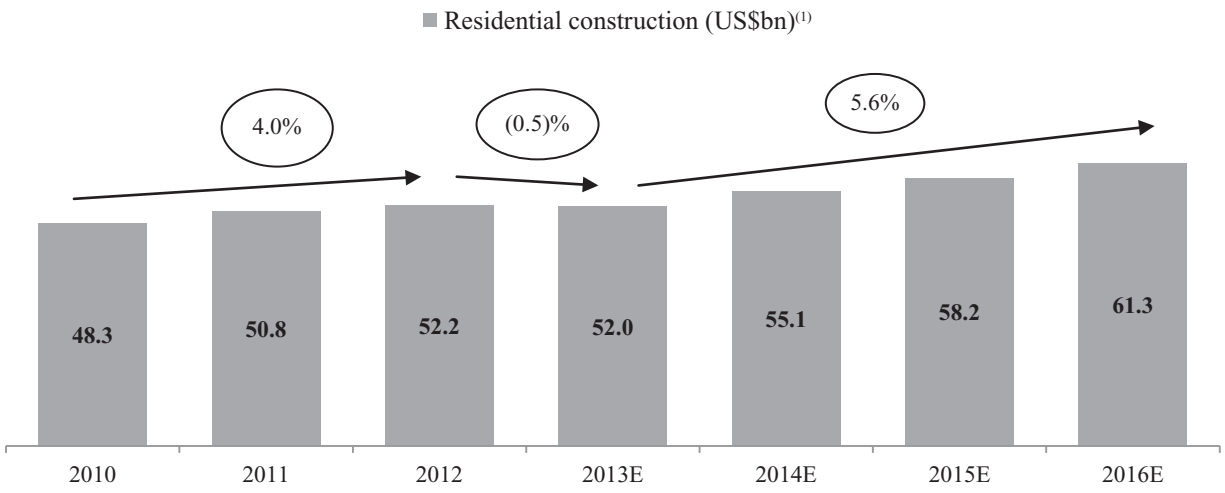
Source: Global Construction 2025 (July 2013), Global Construction Perspectives and Oxford Economics;(1) At 2012 prices, excluding taxes

Residential activity

Mexico's population is expected to grow at an average of 0.9% per annum from 2012 to 2025. This implies that the number of new houses built each year could average around 750,000 between 2011 and 2025. Thus, the volume of Mexican residential output is forecasted to increase by an average of 5.6% year-on-year between 2013 and 2016. The latter is well above both the official statistics for 2012 of 295,000 completions and the average annual increase in the country's housing stock between 2000 and 2010 of 525,000.

Moreover, the announcement by the Mexican government of a National Housing Policy in November 2013, aimed at promoting an orderly, sustainable development of the sector, to improve urban housing and build and improve rural housing, has helped and aims to continue stimulating considerable growth in the Mexican housing market, supported by a housing deficit of approximately 8.9 million dwellings, a strong demand which outpaces home supply and solid mortgage financing institutions providing increased access to financing for low income homebuyers.

Total residential construction



Source: Global Construction 2025 (July 2013), Global Construction Perspectives and Oxford Economics;(1) At 2012 prices, excluding taxes

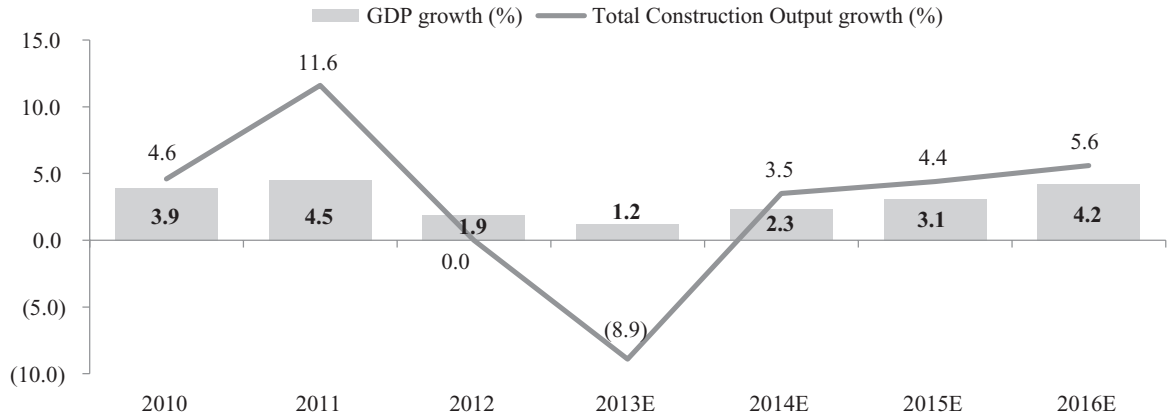
Polish construction market

General overview

The Polish construction market is currently affected by the unfavorable international economic situation, particularly in the Euro zone, and falling household investments (driven by a worsening labor market situation). These factors explain the contraction in the construction industry in 2012 and 2013. Fiscal tightening and limited public investment financed by EU structural funds have also contributed to the slowdown.

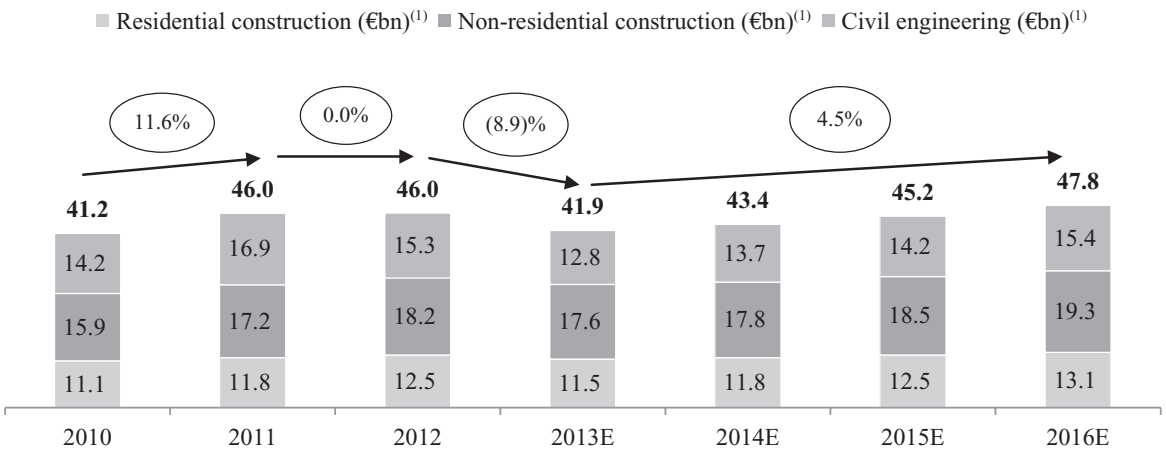
However, a return to the path of growth and recovery in the Polish construction industry is expected at the end of 2014 and 2015. In the medium term, along with improving situation abroad and the inflow of EU funds under the newly agreed EU financial strategy for 2014-2020, GDP growth is expected to accelerate. According to Euroconstruct, growth will be supported by gradually rising consumption and investment of companies as well as an alleviation of fiscal policy along with slow rebuild of inventories.

GDP and total construction output from 2010 to 2016



Source: Euroconstruct report, (76th Conference), November 2013

Total construction output



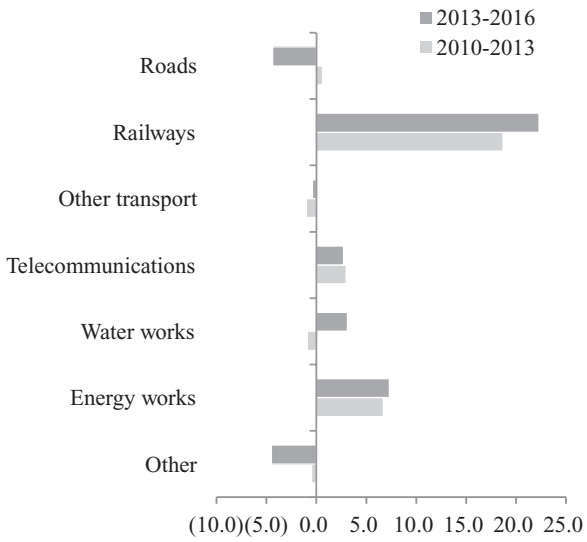
Source: Euroconstruct report, (76th Conference), November 2013;(1) At 2012 prices, excluding taxes

Civil engineering activity

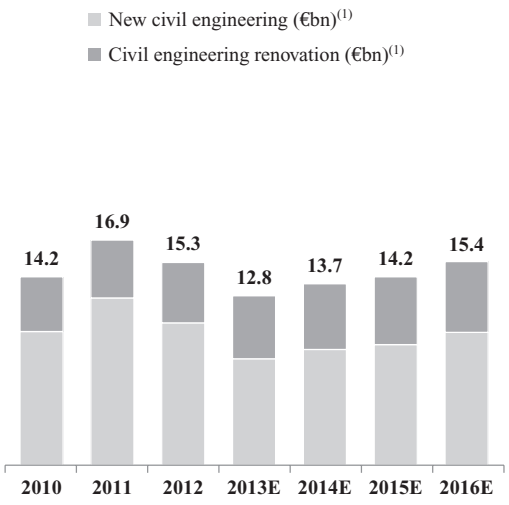
The high rate of civil engineering construction growth registered in 2010 and 2011 slowed down significantly in 2012, after the completion of a number of sports facilities and infrastructure for the UEFA European football championship in 2012. It is estimated that the total value of civil engineering market in 2013 in Poland has decreased by 16.5%, while the outlay for transport infrastructure works have dropped by 24.9%.

However, the total value of civil engineering construction is expected to recover in 2014 by up to 7.0%. According to an announcement of the Ministry of Infrastructure, by the end of 2015 investment in highways and national roads construction will reach over PLN50 billion (approximately €12 billion). Poland will also benefit from investments in the railway system as well as increased expenditures on several projects financed by the European Cohesion Fund (established by the EU in 2006 to help finance environmental measures and trans-European transport networks in the ten new Member States plus Spain, Greece and Portugal).

Total civil engineering: average change per year in %



Total civil engineering



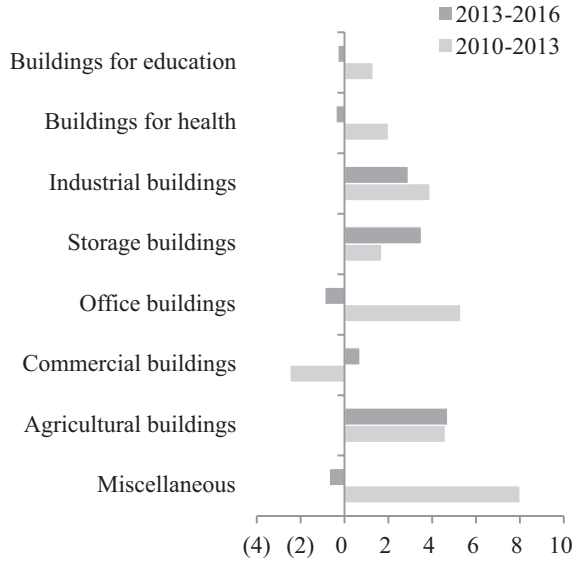
Source: Euroconstruct report, 76th Conference, November 2013;(1) At 2012 prices, excluding taxes

Non-residential activity

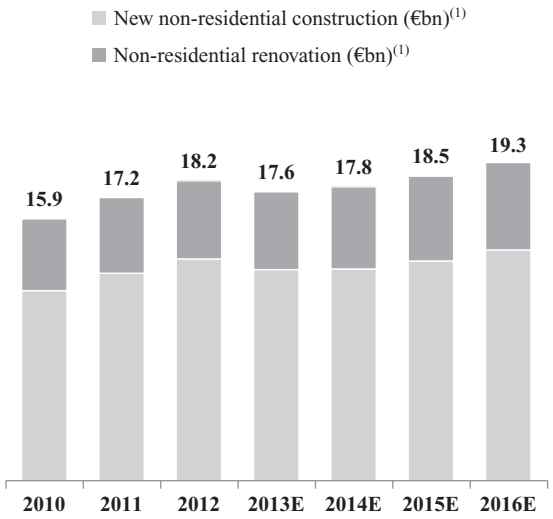
Poland registered very strong non-residential construction activity from 2010 to 2012 as a result of the implementation of many projects funded by EU public funds and strong activity of private investors. However, a weakening of activity was expected in non-residential construction due to the economic slowdown, the completion of many public investments within the EU funded program as well as the completion of a number of projects related to the organization of the UEFA European Football Championship in 2012. It is estimated the total non-residential construction market fell by 3.3% in 2013 to €17.6 billion in terms of value.

In the years 2014 and 2015, along with the economic recovery abroad and persistently high absorption of EU funds used to finance private sector capital expenditure, private investment is expected to rebound. Non-residential construction growth is expected to be further influenced by growing replacement investment and the currently observed relatively high level of production capacity utilization. The non-residential construction market is expected to grow by 1.3% already in 2014 and by 3.9% in 2015.

New non-residential construction: average change per year in %



Total non-residential construction



Source: Euroconstruct report, (76th Conference), November 2013;(1) At 2012 prices, excluding taxes

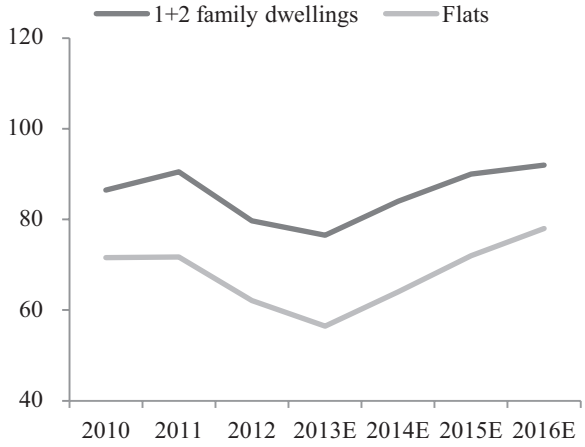
Residential activity

During the beginning of 2013 there was a fall in dwelling prices. This decrease was caused by a growth of the number of new dwellings completed and a decline in the number of loans that were granted, resulting in a decrease of the real demand for dwellings. It is estimated that the total residential construction market fell by 7.7% in 2013 to €11.5 billion in terms of value.

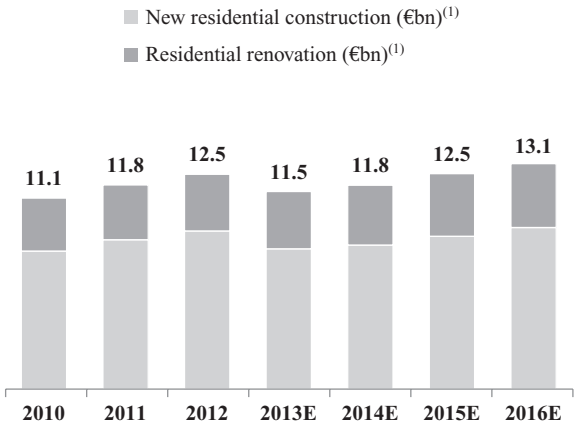
A recovery of demand in residential construction is expected in the second half of 2014, driven by an improvement of household incomes, rationalization of the costs and prices of dwellings and an increase in the availability of loans driven by lower interest rates.

According to projections, in 2014 there will be some growth on the Polish residential construction market (2.9%), while stronger growth is expected in 2015 (5.4%).

Housing Completions from 2010 to 2016 (in thousands)



Total residential construction



Source: Euroconstruct report, (76th Conference), November 2013;(1) At 2012 prices, excluding taxes

Business

Overview

We are a specialized infrastructure construction group and rank among the top ten construction groups in Spain and Mexico by net turnover. We are dedicated to the construction of railways, highways, tunnels and landmark buildings. We also undertake industrial activities, which mainly include energy projects, traffic and lighting systems and installations. In addition, we undertake investment activities, mainly involving renewable energy and concessions.

We have over 40 years of experience in the construction industry in Spain. Over the past seven years, we have evolved from a local construction company to a diversified international group, expanding in countries presenting opportunities for the execution of landmark projects. As a result we generated approximately 56% of our net turnover in 2013 outside of Spain. We currently have a significant presence in Mexico and Poland, as well as operations in Peru, Guatemala, India and Romania.

For the year ended December 31, 2013, we generated consolidated net turnover of €704.0 million and consolidated EBITDA of €92.0 million. Our Restricted Group (as defined under "*Presentation of financial and other information*") generated net turnover of €646.9 million, EBITDA of €52.3 million and Adjusted EBITDA of €56.9 million and, as of December 31, 2013, had a Backlog of €1,557.0 million.

Our competitive strengths

We believe we have the following competitive strengths:

Leading construction company in fragmented markets with focus on highly specialized and complex projects

We are an established market leader in strategic and complex engineering projects. We carry out all three of our activities (construction, industrial and investment activities) in our key markets of Spain, Mexico and Poland and we are also active in growing markets, including Peru, Guatemala, India and Romania, where we see significant upside potential over the coming years. We are among the top ten largest construction companies in Spain and Mexico by net turnover, and we believe that we are among the top five companies in certain specialized areas such as high-speed railway construction projects in Spain. We entered the Polish market in 2009, and have been expanding since then, becoming an important player in that market as well. We believe that our leading position as a top ten player in Spain and Mexico represents a significant competitive advantage, demonstrating that we have the experience and the know-how to bid for, win and execute some of the largest and most coveted tenders around the world and particularly in our key markets. In addition, our established local presence in these markets provides us with close relationships to key market players and local knowledge of new opportunities.

The competitive advantage of our market position is further strengthened by our specialized know-how and established track record in complex projects such as high-speed railways, tunnels, and viaducts. During the bidding phase for these projects, we typically face fewer competitors, since only the most experienced players with the requisite scale and expertise can submit credible tenders. Consequently, these projects tend to provide higher margins and profitability. For example, we have been involved in the development of the Durango-Mazatlán highway since 2008. Our contract for this project includes 23 tunnels and 13 viaducts crossing the Sierra Madre Mountains (with certain viaduct pillars reaching up to 110 meters), and is considered to be one of the most complex road projects in Mexico.

Proven track record of project execution

We believe we have a strong reputation in the construction industry, with a track record of more than 40 years of successfully executing projects of high quality to high standards. Our focus on quality and timely completion of our projects allows us to maintain strong, long-lasting relationships with our customers. For the year ended December 31, 2013, approximately 70% of our total net turnover from our top 20 customers in our construction and industrial activities were attributable to repeat customers, which we believe demonstrates broad satisfaction among our customers, both public and private.

We have been able to create long-lasting relationships by successfully executing many of the most complex projects in the industry in our key markets. Over the years, we have participated in projects involving: (i) more than 40 kilometers of tunnels in more than 40 projects in three different countries, (ii) more than 200 kilometers of double-track, high-speed railway and two high-speed railway stations and (iii) more than 200 kilometers of motorways and highways.

Our success is also attributable to our focus on finding innovative technological solutions. Our research and development activities are focused on solving issues that arise during the development of projects. Over the last three years, €18.1 million of our project costs (in relation to projects of prior years) have been recognized by the Spanish government as research and development costs. We believe our customers appreciate our technical expertise.

As a result, we have built our track record and reputation among not only customers, but within the industry, allowing us to enter into agreements to jointly develop projects with many leaders in our sector, including Tata Projects Limited, Cofides, and several infrastructure funds, such as Barclays Infrastructure Fund, GBM Infrastructura, NIBC and Ampere Fund.

Resilient business model, increasingly diversified by geography and by business activity

Our business is diversified across jurisdictions and activities, reducing our dependence on any single market or business, providing resilience during downturns and positioning us to exploit opportunities in markets around the world. Our business was historically based in Spain, where in 2009 we generated 96% of our net turnover. However, our internationalization efforts in the last years have resulted in our activities expanding outside of Spain, from 19% of our net turnover for the year ended December 31, 2011 to 56% of our net turnover for the year ended December 31, 2013. Our key international markets, Mexico and Poland, which have been our focus for international expansion due to their fragmented construction industry and due to their strong construction sectors, have grown from 19% and zero respectively, of our net turnover for the year ended December 31, 2011, to 38% and 13%, respectively, of our net turnover for the year ended December 31, 2013. In addition, our activities in other international markets where we were not present in 2011 (including Peru, Guatemala, India and Romania) accounted for 5% of our net turnover for the year ended December 31, 2013. Due to this geographic diversification, we have managed to increase our profitability and to maintain resilient EBITDA levels between 2005 and 2013, despite the economic downturn since 2009. In the medium term, the construction sectors in the international markets where we are present have a positive outlook that we believe will support and strengthen our business. Furthermore, we believe that we are ideally positioned to benefit from an expected economic recovery in Spain.

In addition to our geographic diversification, our three activities (construction, industrial and investment activities) complement each other, providing us with cross-selling opportunities and increasing the diversification of our business activities. For example, although our net turnover from our construction activities has fallen in recent years due primarily to the recession in Spain, net turnover from our industrial activities increased by 41.7% over the last three years, from €146.7 million in 2011 to €207.9 million in 2013. The fact that we can provide 360º solutions to customers (e.g. from the design and construction to the operation of the asset) represents another important competitive advantage.

In our construction activities (and, to a more limited extent, in our industrial activities), we mainly act as an EPC (engineering, procurement and construction) contractor, focusing on value-added and technical activities such as design and engineering, and subcontracting less complex aspects of the work. This business model provides us with significant operational flexibility, allowing us to reduce our cost base in the event of a downturn.

Substantial, diversified Backlog provides for strong net turnover visibility

In our construction and industrial activities, our Backlog (which refers to the amount of receivables, net of VAT, from contracts signed both for works and services pending completion) has increased significantly over the last three years. Our Backlog has grown from €1,150.2 million as of December 31, 2011 to €1,557.0 million as of December 31, 2013 (of which 69% related to our construction activities and 31% related to our industrial activities as of December 31, 2013), representing an increase of approximately 35.4% for the two-year period ended December 31, 2013.

We have historically experienced high rates of conversion of Backlog into net turnover. In addition, we believe that our Backlog provides us with a good visibility over revenues of future years. For example, approximately 90% of the net turnover during the year 2013 was included in our Backlog as of December 31, 2012. We believe that the contracts signed and included in our Backlog as of December 31, 2013 will generate in 2014 an amount of net turnover similar to the net turnover generated in 2013, assuming no unexpected delays or alterations in the contracts. Our Backlog as of December 31, 2013 represented approximately 2.5 times the net turnover achieved by our construction and industrial activities in 2013. We also expect to be able to capture New Orders in 2014 which could generate incremental revenue for 2014 on top of the net turnover to be generated from our Backlog as of December 31, 2013. In addition to the growth in absolute terms, the remaining life of our Backlog increased from 18 months in 2011 to 32 months in 2013 for our construction activities, and from 14 months in 2011 to 28 months in 2013 for our industrial activities. Our Backlog has also become more geographically diversified over time, with 65% representing international activities (i.e. outside of Spain) as of December 31, 2013, up from 18% at the end of 2011. Out of the 65% of our international Backlog as of December 31, 2013, 44% came from Mexico, which we believe will allow us to further strengthen and solidify our presence in the country.

Moreover, no single contract represented more than 9% of our net turnover in 2013 and our Backlog includes both public and private customers across our various jurisdictions. During the last three years, we had more than 50 different contracts with our top 10 customers. Because of our broad and diversified contract and customer base, we believe that we are not dependent on any single customer or type of customer.

We believe the increases in our Backlog in terms of both remaining life and geographical diversification, together with the diversified customer base within our Backlog, are important indicators of the high quality of our Backlog. We therefore believe our Backlog is an important indicator of the strength of our business, the successful expansion of our customer base over the last three years and our ability to generate net turnover in the near to medium term.

High margins with low capital expenditure requirements

Our EBITDA margin in the Restricted Group increased from 7.5% in 2011 to 8.0% in 2012 and increased slightly in 2013 to 8.1% (or 8.5% excluding our Concentra service activity sold in September 2013). In our construction activities, our EBITDA margin was 9.0% in 2013, which we believe is higher than the average construction sector EBITDA margins. Our success in this regard is particularly striking given that it has coincided with the severe economic recession in Spain, which affected the entire country and the construction sector in particular. We have maintained our margins by expanding our international presence, particularly in Mexico (from 19% of our consolidated net turnover in 2011 to 38% in 2013), where we generally have higher margins due to a more fragmented market environment, by successfully leveraging our

specialized expertise on highly complex projects, which typically provide greater profitability in our construction activities, and by conducting efficient operational management.

In addition, we have low capital expenditure requirements in the Restricted Group due to our EPC contractor business model in which we subcontract a large portion of the work and equipment. In 2013, our capital expenditures in tangible assets were €5.2 million.

Strong and versatile management team backed by stable and supportive shareholders

Our senior management team has significant experience in the construction industry and has a compelling track record of success, having led the company through a period of significant growth from a small local construction company into a large, international business diversified across sub-sectors and geographies. Even through the most severe recession in decades, our management has shown the ability to effectively plan and successfully implement our international expansion and diversification by activity. Together with our personnel on the ground in our key markets, they have capitalized on our market position, specialized knowledge and experience to allow us to compete at the highest levels for the best tenders.

In addition, our management has maintained a disciplined approach to leverage, maintaining consistent levels of Net Debt in the Restricted Group in the past three years. As of December 31, 2011, 2012 and 2013, our Restricted Group net leverage ratio was 1.19x, 1.40x and 1.34x, respectively.

Furthermore, we believe that our shareholders have demonstrated their support and commitment to the development of our business and our management: our shareholding structure has remained unchanged through a period of both expansion and recession.

Our business strategy

The following constitute our key business strategies:

Be a market leader in our key jurisdictions, while increasing our efficiency and compressing the timeframe between project tender and project conclusion

Our objective is to maintain our position among the top ten construction companies in Spain and Mexico while continuing to build our company into a top ten construction company in Poland. One of the criteria we use in selecting the countries where we plan to have a permanent presence is the fragmentation of the construction market, as we select countries where the construction business is characterized by a few larger players and significant competition among a substantial number of small- and medium-sized players. In these fragmented markets, we believe that as a specialized construction company we benefit from a competitive advantage. We plan to continue pursuing contracts in Spain, Mexico, and Poland in particular, where we believe our established local presence, existing customers and reputation for technological expertise have positioned us for continued success, and where our close relationships with key market players allows us to identify new projects and opportunities early, while also reducing collection times. Building on our local knowledge, we intend to opportunistically enter into carefully selected markets characterized by a significant need for infrastructure development, public investment in infrastructure and market stability.

We have what we believe is a fully integrated approach to the construction cycle, from tender to completion. Our operational strategy focuses on involving all relevant parties in the project planning process at an early stage, including suppliers, specialized workers, sub-contractors and banks. We believe this approach facilitates disciplined, thorough and efficient project preparation and execution, as well as increased profitability. In addition, it allows us to reduce the time between the project tender, project completion and payment. We believe this approach supports our margins, efficient working capital management and liquidity position, while reducing overall risks.

Continue to pursue our successful diversification strategy

Our diversification strategy by geography has helped us maintain our margins despite challenging market conditions. We intend to continue to strengthen our position in our focus markets by expanding our product offering within our core activities, where we believe we already enjoy the competitive advantages of a leading market position and established reputation for quality and technical expertise. We aim to leverage these strengths to benefit from economies of scale, while exploiting the available synergies from our complementary product offerings. From this position of strength, we will continue to maintain a selective approach when entering new markets, carefully evaluating and ranking potential new markets by various factors indicative of their suitability, including need for infrastructure, public and/or private plans or commitments to invest and market stability.

Focus on our profitability

We aim to maintain our margins above the average for our sector. In our construction activities, we seek to achieve this by continuing to focus on highly specialized and complex projects, where high barriers to entry limit competitive pressure and typically offer the best margins. We also intend to preserve our best-in-class profitability by continuing to be very selective in the bidding process, tendering for projects which can deliver the profitability levels we are aiming for. In our industrial activities, we aim to expand in those areas that have historically offered the best margins and provided a recurring source of income.

Apply a project-focused approach to leverage our know-how and exploit synergies among our activities

We adopt a project-focused approach in countries around the world where we do not currently have a permanent presence and where we do not aim to establish one. In India, we have been awarded three contracts to build sections of a railway line as a member of a consortium. In Romania, we were awarded our first contract in 2013 for the construction of a road as a member of a consortium. In Guatemala, we are currently acting as the underground works subcontractor to another construction company. We are planning on continuing to develop this project-focused approach worldwide and pursue specific projects in which we have significant expertise, such as railway and tunnel projects, on an opportunistic basis.

We will also continue to selectively develop our investment activities to feed our construction and industrial activities and to pursue an asset rotation strategy to monetize some of our more mature concession contracts.

Increase operational efficiency and financial flexibility

We are committed to maintaining a sound capital structure and a strong liquidity position. We intend to increase our operational efficiency through analysis and optimization of corporate overhead costs and an emphasis on margin and working capital control, particularly in our international projects. Through the Offering, we intend to diversify our sources of financing and increase our financial flexibility.

Historical background

Aldesa was founded in 1969 through the acquisition of the company "Excavaciones Santamaría" in Pamplona. The company subsequently located its headquarters in Madrid and began to expand its stock of machinery, thus enabling it to begin to work on public sector projects.

At the end of 1991, the company was purchased by the Fernández family. As new professionals joined the company's management, Aldesa developed into a national construction company in Spain focused exclusively on PSEs. From 1992 onwards Aldesa has been involved in most of the high speed railway infrastructure projects in Spain. In 1995 Aldesa opened its services to private customers and in 1997 Aldesa started developing its real estate activities.

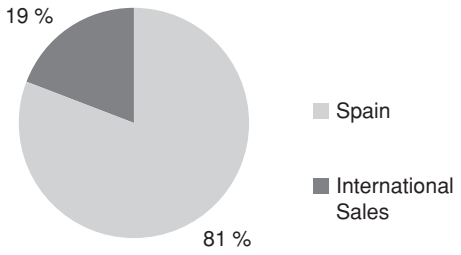
Aldesa then began to diversify its activities through both organic growth and acquisitions. In 2003 Aldesa purchased Coalvi, which reinforced access to the railway infrastructure market. In 2005, Aldesa purchased Grupo AMS which enabled it to develop its installation, assemblies and industrial services and which also allowed Aldesa to target important Spanish customers such as Endesa and Telefonica. In 2006 Aldesa purchased ACISA which gave Aldesa access to the intelligent traffic systems (ITS) market. In 2006, Aldesa also consolidated its real estate activity in a new subsidiary, Aldesa Home, S.L. In 2007, Aldesa was awarded its first international concession project, to build and operate the Arriaga-Ocozocoautla-San Cristobal highway in Mexico. Between 2006 and 2009 Aldesa expanded its presence in the renewable energy sector and started developing photovoltaic and wind projects.

From 2007 onwards Aldesa conducted a careful process of internationalization and has since then expanded into America, Eastern Europe and India.

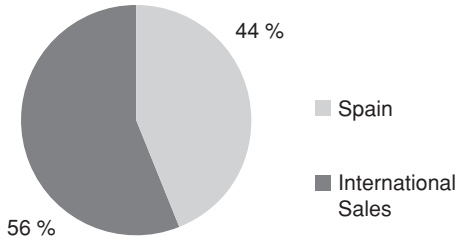
Our internationalization

Our business was historically focused on Spain, where up until 2009 we generated approximately 96% of our net turnover. However, over recent years we have increased our exposure to international markets. The diagrams below present our net turnover by geography in 2011 and 2013:

2011 Net turnover



2013 Net turnover



We began our internationalization process in 2007, targeting new markets where there is a strong demand for infrastructure projects. We have applied a dual approach to our internationalization process: on the one hand we target certain countries where our aim is to have a permanent presence, and on the other hand we employ a project-focused strategy worldwide, where we look for specific projects that fit well within our capabilities and technical expertise (mainly in railways and tunnels).

In order to determine whether we will aim to establish a permanent presence in a particular country, we carry out an analysis of macroeconomic indexes, market environment and product demand. Our macroeconomic criteria include GDP of over $100 billion, an expected annual GDP growth of at least 2% per year and a distance of under 10,000 kilometers from Spain. Once a country has qualified under these macroeconomic criteria, we carry out a second analysis based on specific criteria which include a political stability index, a corruption index, an ease-of-doing-business index, need for infrastructure investment, construction growth against GDP growth and fragmentation of the construction industry. Following this analysis and if we decide on a permanent presence, we begin developing one of our activities with the long-term aim of having all of our activities present in that country. If our initial projects in a given country are unsuccessful we may reconsider our decision to have a permanent presence in such country. We pursue a prudent internationalization strategy and generally enter into one new country at a time and not several countries at once.

As of December 31, 2013, our international presence includes:

Mexico: We have had a permanent presence in Mexico since 2007 when we were first awarded a concession to build and operate the Arriaga-Ocozocoautla-San Cristobal highway. In 2008, we entered the Mexican construction market with the construction of the Durango-

Mazatlán motorway, and in 2011 we entered the industrial market through a contract to provide ITS and lighting for the entire Durango-Mazatlán motorway. We are now one of the ten largest construction companies in the country by net revenue. Our net turnover in Mexico amounted to €269.4 million in 2013. We have developed projects in 21 out of the 31 Mexican states.

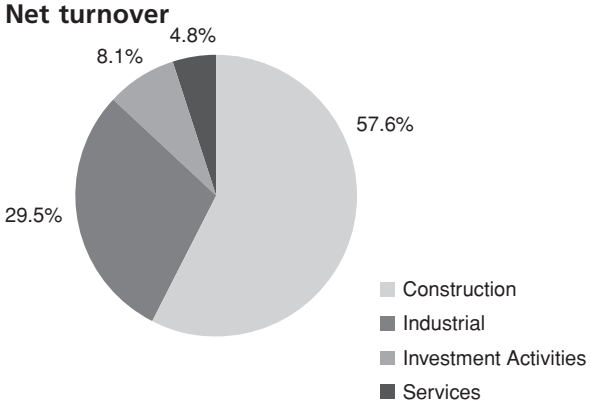
Poland: We have had a permanent presence in Poland since 2008, when we started our activity in the country with the development of Aldesa Polska Diamante Plaza, an office rental building. We then expanded our activities into the industrial and construction markets in 2011. We had a net turnover in Poland of €93.2 million in 2013 and we have developed projects in 12 of the 16 Polish provinces.

Other: In certain other countries we intend to consolidate our presence and develop a permanent presence, such as in Peru, a country we entered in 2012 and where we have been awarded eight projects to date (one industrial project and seven construction projects). In the rest of the countries where we are present, which are currently Guatemala, India and Romania, we adopt a project-focused approach. In Guatemala we are currently acting as the underground works subcontractor to another construction company. In India we have been awarded a contract to build three sections of a railway line as a member (with a 50% economic interest) in a consortium with Tata Projects Limited. In Romania, we were awarded our first contract in 2013 for the construction of a road as a member of a consortium. We had an aggregate net turnover in Peru, Guatemala, India and Romania of €34.8 million in 2013.

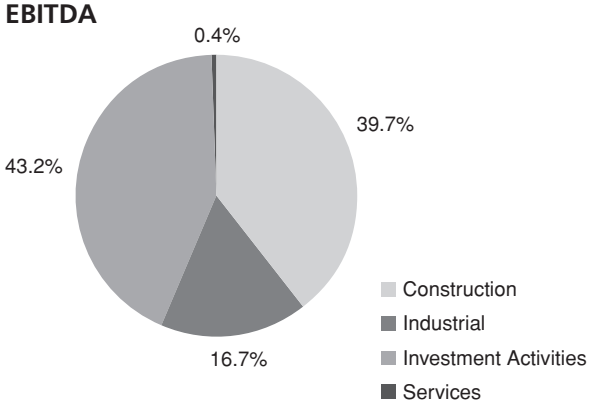
Our activities

Our business is divided into three main activities: (i) construction activities; (ii) industrial activities and (iii) investment activities, which encompasses renewable energy activities, concession activities and real estate. Our services activity included in the charts below was sold in September 2013. The breakdown of net turnover and EBITDA by activity in 2013 is as follows:

Net turnover



EBITDA



We carry out our activities through various subsidiaries that are each specialized in one of our activities.

Construction

Our construction activities focus principally on projects in the railway, motorway and highway, tunnels and buildings sectors. In our construction activities (and, to a more limited extent, in our industrial activities), we mainly act as an EPC (engineering, procurement and construction) contractor, focusing on value-added and technical activities such as design and engineering, and subcontracting less complex aspects of the work. In our EPC contractor role we lead the design and engineering phase and manage relationships with end customers and suppliers. For highly technical activities such as tunnels we tend to carry out the activities ourselves rather than using subcontractors. In 2013, our construction activities represented 57.6% of our total

net turnover and 39.7% of our EBITDA down from 51.4% and 60.9% respectively in 2012 and 2011.

The table below presents our primary construction projects in terms of net turnover generated in 2013 and the contracts we expect to be most significant in 2014 in terms of net turnover.

Project	Contract Value (in million euros)[1]	Completion percentage[2]	Backlog (in million euros)[3]	Expected completion year	Participation percentage	Customer	Country
			(Unaudited)				
Bhaupur—Khurja Railway[4]	€192.1	0%	€191.5	2017	50%	Dedicated Freight Corridor Corporation of India Ltd.	India
Durango—Motorway and tunnels	€179.0	99%	€ 2.5	2014	50%	Secretaría de Comunicaciones y Transportes	Mexico
Siglo XXI—Highway	€108.5	0%	€108.5	2016	100%	Concesionaria de Autopistas de Morelos	Mexico
AVE Atocha—High-speed train and tunnels	€ 102	100%	€ 0	2013	100%	Administrador de Infraestructuras Ferroviarias	Spain
AVE Sarria del Ter—High-speed train and tunnels	€ 87.4	100%	€ 0	2013	100%	Administrador de Infraestructuras Ferroviarias	Spain
AVE Lubian—High-speed train and tunnels	€ 79.7	42%	€ 46.5	2014	100%	Administrador de Infraestructuras Ferroviarias	Spain
AVE Cernadilla—High-speed train and tunnels	€ 54.2	29%	€ 38.4	2016	50%	Sociedad Estatal de Infraestructuras del Transporte Terrestre	Spain
Lugoj-Deva—Highway	€ 37.8	0%	€ 37.8	2015	30%	Compania Nationala de Autostrazi si Drumuri Nationale din Romania SA	Romania
Interlomas Viaduct and tunnels	€ 32.2	84%	€ 5.2	2014	100%	Secretaría de Comunicaciones y Transportes	Mexico
Nadela—Motorway	€ 26.4	69%	€ 8.2	2015	50%	Ministerio de Fomento	Spain
Renace II Hydraulic tunnels	€ 26.1	83%	€ 4.4	2014	100%	Confidential	Guatemala
Bayer—Corporate Building	€ 13.0	2%	€ 12.7	2015	100%	BAYER	Mexico
University of Warsaw—Building	€ 12.9	24%	€ 9.8	2014	100%	Warsaw University	Poland

(1) Reflects the price provided for in the relevant contract as amended or adjusted from time to time (as of December 31, 2013). The figure presented in the table represents our share of the Contract Value based on our interest in the relevant company.

(2) Represents the percentage of Contract Value that was converted into net turnover as of December 31, 2013.

(3) Represents the amount of receivables, net of VAT, from contracts signed both for works and services pending completion as of December 31, 2013.

(4) The Bhaupur—Khurja railway in India involves three different contracts.

Figures such as Backlog, Contract Value or Expected Completion Year are based on a number of assumptions and estimates and are subject to fluctuations, and they are not necessarily indicative of our future performance. Please see "*Forward looking statements*"

We carry out our construction activity through our subsidiaries and various joint venture projects. These can be temporary joint ventures for specific projects (*Unión Temporal de Empresas* (UTE's)) or permanent ones with a number of subsidiaries. In more complex projects, such as high-speed railways, viaducts and tunnels, we encounter fewer competitors and such projects tend to provide higher margins and profitability.

Railway

Our railway activities include construction, maintenance and repair of railway infrastructure, ranging from railway tracks to station buildings, tunnels and underground railway works. We are involved in the construction of metropolitan transport lines as well as high speed rail lines. We own a range of heavy machinery specific to different track and catenary works that is constantly being renewed and expanded. Over the years, we have participated in projects involving more than 200 kilometers of double-track high-speed railway infrastructure and two high-speed railway stations. We believe that we have achieved a top five ranking in certain specialized areas such as high-speed railway construction projects in Spain. Our main railway projects include the design and construction of the freight corridor from Bhaupur to Khurja in India, the urban expansion of the high-speed railway AVE train in Madrid and the construction of a section of the high-speed railway between Madrid and the French border, the "Sarrià de Ter-Sant Julià de Ramis" project.

Motorway and highway

We are involved in projects of varying sizes and complexity for the construction, remodeling, reinforcement and improvement of motorways and highways. Over the years, we have participated in projects to build over 200 kilometers of motorways and highways. We have carried out numerous road repair tasks as well as expanding existing roads and performing surface reinforcements and improvements for a majority of regional governments in Spain. Our main motorway and highway projects include the Durango-Mazatlán highway with 23 tunnels and 13 viaducts crossing the Sierra Madre Mountains in Mexico, the Siglo XXI highway also in Mexico, or the UTE Nadela motorway in Spain that includes five viaducts, including one over the Miño river extending over 375 meters. We believe that our portfolio reflects our capability to tackle highly complex projects which require a high degree of experience in the industry.

Tunnels

We generally carry out our underground works activity through our Proacon subsidiary. Over the years, we have participated in projects to excavate and build over 50 kilometers of tunnels (5 kilometers currently still in execution), participating in 40 projects in three countries. Our underground works include the design and construction of the Interlomas Viaduct in Mexico, which involves the construction of two tunnels with double tracks on both directions, the Renace II hydroelectric plant in Guatemala where we are building a tunnel to connect the reservoir to the power house, and the tunnel for the high speed-train in Cernadilla, Spain. Due to the complexity attributed of underground works projects, we encounter fewer competitors and such projects tend to provide higher margins and profitability.

Non-residential and residential building

We construct residential and non-residential buildings including houses, offices, factories, shopping malls and warehouses for a range of public and private sector customers. Our customers in the non-residential building market include Endesa, Iberdrola, and Neinver (Factory stores). Up to date, we have built over 500,000 m^2 of commercial and non-residential buildings. We have also completed 3,000 residential houses.

We also carry out other major building refurbishments, including the renovation of buildings of historic and artistic interest, whether for maintenance or for conversion to other uses, such as the refurbishment of the Escuelas Pías Church in San Fernando, Madrid and its transformation into a public library or redesign work on Madrid's Atocha station for the offices of the AVE high speed train lines. Our building projects include the building of the offices for Bayer in Mexico covering a surface area of almost 34,000 m^2, the building of the biology and chemistry sections of the University of Warsaw and the completion of a new terminal for the Los Cabos airport in Mexico.

Industrial

Our industrial activities include construction, maintenance and operations in energy projects (including generation, transmission and distribution), in traffic and lighting systems and in installations. In 2013, our industrial activities represented 29.5% of our total net turnover and 16.7% of our EBITDA up from 6.5% and 1.5% respectively in 2012 and 2011.

The table below presents our primary industrial projects in terms of net turnover generated in 2013 and the contracts we expect to be most significant in 2014 in terms of net turnover.

Project	Contract Value (in million euros)[1]	Completion percentage[2]	Backlog (in million euros)[3]	Expected Completion Year	Participation percentage	Customer	Country
			(Unaudited)				
Durango- Mazatlán—Traffic & lighting systems	€114.3	88%	€14.2	2014	100%	Secretaría de Comunicaciones y Transportes	Mexico
400 KV Olsztyn—Power line	€ 83.3	0%	€83.3	2016	100%	Polskie Sieci Elektroenergetyczne S.A. (PSE)	Poland
400 KV Gdansk—Power line	€ 80.3	0%	€80.3	2019	100%	Polskie Sieci Elektroenergetyczne S.A. (PSE)	Poland
Windfarm Wicko	€ 58.7	100%	€ 0	2013	100%	Bels Investment (Tauron)	Poland
Passive Broadband Network in Lublin	€ 57.8	0%	€57.8	2015	100%	Wojewoda Lubelskie	Poland
Riviera Maya—Energy	€ 47.7	20%	€37.9	2014	100%	Comisión Federal de Electricidad	Mexico
Conservation and Maintenance of lighting in the southern zone in Seville	€ 16.9	31%	€11.6	2015	100%	Gerencia de Urbanismo, Ayto. Sevilla	Spain
Acapulco—Traffic & lighting systems	€ 16.5	29%	€11.8	2014	100%	Caminos y Puentes Federales de Ingresos y Servicios Conexos	Mexico

(1) Reflects the price provided for in the relevant contract as amended or adjusted from time to time (as of December 31, 2013). The figure presented in the table represents our share of the Contract Value based on our interest in the relevant company.

(2) Represents the percentage of Contract Value that was converted into net turnover as of December 31, 2013.

(3) Represents the amount of receivables, net of VAT, from contracts signed both for works and services pending completion as of December 31, 2013.

Figures such as Backlog, Contract Value or Expected Completion Year are based on a number of assumptions and estimates and are subject to fluctuations, and they are not necessarily indicative of our future performance. Please see "*Forward looking statements*"

Energy

We plan, construct, install and maintain thermal and electrical installations. Over the years, we have participated in projects to build 500 kilometers of transmission lines. We have also constructed over 50 energy projects, 20 of which were renewable energy projects. Where we operate an energy facility ourselves, we classify the activity as an "investment activity" (as described below). Where our involvement is limited to the construction and development of the plant, we classify it as an "industrial activity." Our energy activities classified as industrial activities and our telecommunications infrastructure include a 40 MW Wicko windfarm in Poland, the construction of 400KV power lines in Olsztyn and in Gdansk (also Poland), and we are also working on the Riviera Maya electricity transmission line.

Traffic and lighting systems

Our traffic, lighting and systems activities are aimed at developing solutions, with a strong technological component, applicable to the management of urban traffic and traffic between

different cities; the installation, maintenance and energy optimization of lighting systems; the installation and maintenance of equipment related to information and communication technology (such as hardware and computers) and control systems in airports. We have installed (or are in the process of installing) intelligent traffic systems on 300 kilometers of roads, maintained 80,000 points of light and have completed projects in 18 airports of Spain.

Our projects relating to traffic, lighting, electrical installations and mechanical assemblies include the lighting on the Durango-Mazatlán highway between Durango and Sinaloa, the installation of traffic and lighting systems in the Mexico-Acapulco highway and the conservation and maintenance of the lighting in the Southern Area of Seville covering approximately 37 thousand lighting points.

Installations

Our installations activities focus on the development and maintenance of mechanical and electrical infrastructure under different contracting modes in environments which require a high degree of specialization. For example, we have developed solutions applicable to different stages of vehicle and food production processes. Our installations activities also include projects in telecommunication infrastructure (such as optical fiber transmission lines and networks). Over the years, we have been working on the installation of 3,900 kilometers of optical fiber (some of which are currently under execution). As part of this, we are working on the installation of a broadband network in Lublin (Poland).

Investment activities

We carry out our investment activities with a view to providing business to our construction and industrial activities. We typically experience higher margins in construction projects that are related to our concession activities.

Our investment activities include operations in the energy, concessions and real estate markets. Typically, we would only pursue investment activities in countries where we are already carrying out industrial or construction activities.

The table below presents our primary investment activities projects in terms of net turnover generated in 2013 and the contracts we expect to be most significant in 2014 in terms of net turnover.

Project	Type of project	Size	Location	Status	Participation percentage	Expected Completion year	Contract Value of associated EPC contract for our Main Activities
				(Unaudited)			
Santa Lucía	Photovoltaic farm	45 MW	Huelva (Spain) Sevilla (Spain)	In operation	51%	2038	€302.9 million
Siglo XXI	Highway concession	62 km	Morelos (Mexico)	Under construction	20%	2043	€108.5 million
Arriaga	Highway concession	139.5 km	Chiapas (Mexico)	In operation	66%	2037	€ 68.3 million
Roalabota	Wind farm	28 MW	Cádiz (Spain)	In operation	100%	2033	€ 33.7 million
Olivillo	Wind farm	25 MW	Cádiz (Spain)	In operation	100%	2034	€ 29.9 million
Alijar	Wind farm	24 MW	Cádiz (Spain)	In operation	50%	2030	Not built by Aldesa
Valdivia	Wind farm	28 MW	Sevilla (Spain)	In operation	50%	2032	Not built by Aldesa
Autopista de la Mancha	Highway concession	107.5 km	Ciudad Real (Spain)	In operation	23.5%	2026	€ 35.9 million
Torrevilano	School concession	1,710 students	Vallecas (Spain)	In operation	51%	2084	€ 12.8 million
Montesclaros	School concession	1,260 students	El boalo (Spain)	In operation	51%	2039	€ 8.2 million

Renewable energy

We carry out our activities in the field of energy through our subsidiary Aldesa Energías Renovables. Created in 2006, it focuses its efforts on the development and operation of wind farms and photovoltaic plants. We currently own and manage three wind farms that produce in the aggregate 57 MW, a 50% stake in two wind farms that produce 53 MW in the

aggregate and a 51% stake in a 45 MW photovoltaic farm. We also have 176 MW of wind farms under development. Photovoltaic plants make use of the sun's energy for direct electrical power generation. Wind farms turn kinetic energy from the wind into electrical power. We generate net turnover from our renewable energy projects by selling the energy produced by our plants.

Concessions

Our concession activities include operating toll roads and schools. We are currently a party to 5 concession contracts and we intend to continue tendering for concessions on an opportunistic basis to feed our construction and industrial activities. Up to date, we have been awarded concession contracts in Spain and Mexico. These agreements are characterized by their generally long terms (between 19 and 75 years) and our involvement is generally structured through a joint venture with other parties, where we aim to have a small percentage of the consortium but 100% of the construction rights. Our concession projects include the operation of the Siglo XXI and the Arriaga toll roads in Mexico, the Autopista de la Mancha highway in Ciudad Real and the operation of two schools in Spain. We obtain net turnover from our concessions either from fees agreed to with the awarding entity (e.g. for the operation of schools in Spain) or from payments from end-users of the concession (e.g. tolls payable by drivers on our highways).

Real estate

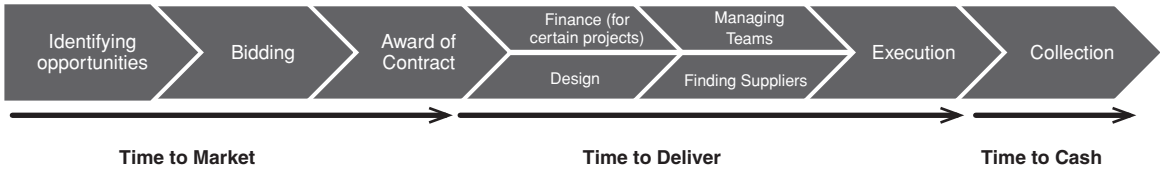
This activity, which we no longer consider to be one of our core activities, began in 1997 and is currently concentrated in the company Aldesa Home, created in 2006 with a view to operating in the real estate market under a single brand. In the real estate activity, we used to act as a real estate developer. For example, we acted as a real estate developer of office space in Krakow (Diamante Plaza) with a total surface of 11,966 m2. We also focused on the development of subsidized housing, both selling apartments and renting them with an option to purchase.

Project selection procedures

We have procedures for the selection of projects for which we intend to bid in all of our activities. Decisions are carried out by a contracting committee, composed of the CEO, general managers and contracting directors, that evaluates and approves significant contracts prior to their execution. Our committee decides to bid for a project by taking into consideration the following key factors: the size of the project, the project's costs, the expected cash flow to be generated, the equipment, machinery and the operating systems required to participate in the bidding phase, any works to be subcontracted, the availability of required resources and funds, and technology and potential technical, legal and contractual issues which may give rise to disputes. Sometimes, we may carry out our activities with local partners in order to, among other things, share costs and risks or because it may be required by applicable law, as the contract will not be awarded to a foreign company without a local partner. In such cases, our analysis also considers which partner(s) would be best suitable for the project given their geographic location and market position, available resources, experience, specialized skills, financial and technical capability and past performance on similarly executed projects.

Project chronology

The following diagram presents the typical chronology of our construction and industrial projects, from the identification of opportunities to the collection phase:



Our operational strategy focuses on involving all relevant parties in the project planning process at an early stage, often before we have sent our bid to a tender, including suppliers, specialized workers, sub-contractors and, on some occasions, banks. By doing so, we aim to be fully operational once the bid has been awarded and to reduce the timing between the award and the collection.

Customers

Our customers consist of PSEs and private companies. As is customary in our industry, a substantial part of our activities are carried out for PSEs, including ministries of infrastructures, ministries of transportation, regional and local health authorities, municipalities, public utility companies, other local entities and public authorities. PSEs represented more than 65% of our net turnover in 2013. Our private customers include infrastructure operators. Our top ten customers provided approximately 45% of our net turnover during the last three years, split across more than 50 different contracts. No single contract represented more than 9% of our net turnover in the year ended December 31, 2013.

The risk of late payment in both the public and private sectors has increased due to the global financial crisis, however governments, including the Spanish government, have tried to mitigate this risk, and have taken various measures. In particular, the enactment of specific Spanish legislation in 2012 enabled distressed governmental entities and agencies to make certain payments in order to reduce their commercial debt with suppliers and has reduced the risk of late payment or non-payment from PSEs. Please see "*Risk factors—General risks relating to our business and industry—The deterioration of the global economic situation and especially of our key markets, including Spain, could adversely affect our business, financial conditions and results of operations*" and "*Risk factors—General risks relating to our business and industry—We are dependent on the investment policies of PSEs and any decrease in investments may harm our business*."

Backlog and New Orders

We believe our Backlog and New Orders are important indicators of the strength of our business, and our ability to generate net turnover in the near to medium term.

Backlog

Backlog refers to the amount of receivables, net of VAT, from contracts signed both for works and services pending completion. We include the receivables from a contract in our Backlog only once the corresponding contract has been signed, using the Contract Value in the relevant contract. In the case of a contract entered into by a joint ventures or entity that we do not wholly own, we apportion the receivables from the contract based on our ownership percentage. We make adjustments to our Backlog at the end of each quarter, using the last exchange rate available at the time. We use the term "Backlog" only for the Restricted Group's activities.

We have historically experienced high rates of conversion of Backlog into net turnover. In addition, we believe that our Backlog provides us with a good visibility over revenues of future years. For example, approximately 90% of the net turnover generated during the year 2013 was included in our Backlog as of December 31, 2012. We believe that the contracts signed and included in our Backlog as of December 31, 2013, will generate in 2014 an amount of net turnover similar to the net turnover generated in 2013, assuming no unexpected delays or alterations in the contracts. We consider Backlog a relevant indicator of the growth of our business and closely monitor it to plan for our current needs and to adjust our expectations. The volume and timing of executing the work in our Backlog is important to us in anticipating our operational and financing needs and our ability to execute our Backlog is dependent on our ability to meet such operational and financing needs.

Backlog figures are based on a number of assumptions and estimates, including assumptions as to exchange rates between the euro and other currencies and the assumption that each party will satisfy all of its respective obligations under a construction contract and that payments to us under the contract will be made. Contingencies that could affect the realization of our Backlog as future revenue or cash flows include cancellations, scope of work adjustments, force majeure, legal impediments and default. Consequently, Backlog as of any particular date may not be indicative of actual results of operations for any succeeding period. See "*Risk Factors—General risks relating to our business and industry—Our Backlog and New Order measures are not necessarily indicative of our future net turnover or results of operations.*"

The following table presents our Backlog by jurisdiction as of December 31 of the years presented.

(€ in thousands, unaudited)	2013	2012	2011
Spain	540,515	706,290	944,674
Mexico	446,565	211,211	186,862
Poland	306,561	204,580	18,663
Other	263,349	25,090	0
Total	1,556,990	1,147,171	1,150,199

The following table presents our Backlog by activity as of December 31 of the years presented.

(€ in thousands, unaudited)	2013	2012	2011
Construction	1,068,576	754,725	910,062
Industrial	488,414	343,791	175,719
Services[(1)]	—	48,655	64,418
Total	1,556,990	1,147,171	1,150,199

(1) Represents Backlog from our Concentra service activity, which we sold in September 2013. See "*Factors affecting the comparability of our results of operations—Sale of Concentra*."

Our total Backlog as of December 31, 2013 was €1,557.0 million (representing 2.5 times our construction and industrial net turnover for 2013), an increase of €409.8 million from December 31, 2012. This increase was primarily due to a strong growth in our backlog in countries other than Spain (including Peru, India and Guatemala), partially offset by a decrease in our Backlog in Spain.

Our total Backlog remained relatively stable in 2012, at €1,147.2 million as of December 31, 2012, compared to €1,150.2 as of December 31, 2011.

New Orders

We calculate New Orders by adding the net turnover of any given year to the Backlog at the end of such year, and then subtracting the amount corresponding to the backlog at the beginning of such year. The amount of New Orders includes the value of newly-signed

contracts as well as the value derived from changes in the scope of existing contracts, as well as adjustments for currency exchange rate differences. New Orders represent new contracts entered into and changes in the scope of existing contracts (including renewals, extensions and early terminations). The term "New Orders" relates only to the Restricted Group's activities.

The following table presents our New Orders by jurisdiction as of December 31 of the years presented.

(€ in thousands, unaudited)	2013	2012	2011
Spain	104,883	199,337	516,292
Mexico	485,291	272,941	254,757
Poland	193,589	214,556	19,328
Other	273,060	25,496	0
Total	1,056,823	712,330	790,377

The following table presents our New Orders by activity as of December 31 of the years presented.

(€ in thousands, unaudited)	2013	2012	2011
Construction	719,444	361,532	525,400
Industrial	352,536	320,590	222,859
Services[(1)]	(15,157)	30,208	42,118
Total	1,056,823	712,330	790,377

(1) Represents New Orders from our Concentra service activity, which we sold in September 2013. Negative New Orders in 2013 represent the reduction in New Orders to the sale of this activity. See "*Factors affecting the comparability of our results of operations—Sale of Concentra*."

Our New Orders as of December 31, 2013 were €1,056.8 million, an increase of €344.5 million from the year ended December 31, 2012. This increase was primarily due to a strong growth in our New Orders in Mexico and new countries which we entered in the last two years, partially offset by a decrease in our New Orders in Spain and Poland.

Our New Orders for as of December 31, 2012 were €712.3 million, a decrease of €78.0 million from December 31, 2011. This decrease was primarily due to a strong decrease of our New Orders in Spain.

Contracts

Construction and industrial contracts can be broadly categorized as (i) fixed-price contracts, sometimes referred as lump sum contracts, and (ii) variable-price contracts. Some contracts are hybrid and involve both fixed-price and variable-price elements.

Fixed-price contracts are for a fixed sum that covers all elements until completion of the project for a defined scope of work. In some cases fixed-price contracts may be subject to adjustments, when there are changes in the scope of work (following authorization from the customer). In other cases, the contractor has initially agreed to a design with the customer or the design of the project has been included as part of the scope of work, there will not be any adjustments in the final price. Variable-price contracts are contracts where price is based upon the quantities of work priced at unit rates, or costs incurred for labor, time and materials.

The type of contract varies by type of customer and by geography. Fixed-price (or lump sum) contracts are more common with private customers. Fixed-price contracts are also more common in Poland. Variable-price contracts (including fixed-price contracts that are subject to adjustments) are more common with PSEs in Spain and Mexico.

Upon completion of a project or of a phase thereof, the contracting party typically provides us with a provisional receipt acknowledging completion. During the two to five years that follow,

works completed are tested, and we may be required, if necessary, to make repairs or alterations necessary to bring the works into compliance with contract specifications. When the counterparty is satisfied with this process, it issues a definitive certificate that acknowledges its acceptance of the completed project. We are generally required to guarantee our workmanship for a certain period after definitive acceptance of the project. The Spanish civil code provides that the construction company remains responsible for any hidden defect in the project for a ten-year period following definitive acceptance of the works. Outside Spain, our contracts generally provide for a one to three year warranty period following completion and testing.

In general, payment under contracts is made either following a certain periodicity (e.g. monthly), on a percentage-of-completion basis or upon meeting certain pre-agreed milestones. In a limited number of our contracts however, payment is made at the end following acceptance of the completed project. Some of our industrial and construction contracts also contain advance payment provisions (which are a risk mitigation measure). A down payment bond is provided against such advances.

In addition, a further performance bond or guarantee is required to ensure the complete and timely execution by us of the works, as well as potential labor claims against us. The amount of this performance bond or guarantee varies from 5% to 20% of the total contract value during the term of the contract. Some contracts stipulate, instead of or in addition to the performance bond, that an amount be withheld on payments for invoices issued, which may vary, on average, between 5% and 10% of the value of the work. When we participate in contracts as members of a consortium, partnership, or joint venture, performance bonds or guarantees given to the customer by the consortium, partnership or joint venture are generally counter-guaranteed by each member of the consortium on a *pro rata* basis.

The timing of collection and payment varies depending on the country in which we are present. In Spain and Mexico, for example, collection of receivables usually take place before payments to suppliers, whereas in Poland payments are usually made before collections. We try to introduce advance payment clauses in our contracts to mitigate risks associated with late-payment. In 2013, 48% of our New Orders related to contracts that had advance payment clauses.

In connection with transactions entered under the concession regime, we generally enter into build/operate/transfer contracts. Pursuant to such contractual schemes, concessionaires build an infrastructure project and are allowed to commercially operate it for a fixed period, after which the project is to be transferred to the entity granting the concession without further compensation. We generally participate via partnerships or joint ventures in concessions, rather than on an individual basis, and generally look to be solely responsible for the construction of the infrastructure.

Subcontractors and suppliers

As is customary for construction companies, we rely on subcontractors to undertake parts of the works on some of our construction projects. In our core construction activities, we subcontract a significant portion of the work (except in our tunneling activities). We have a consolidated network of relationships with many subcontractors to seek to limit dependence on any one of them and enhance our flexibility.

The selection of our subcontractors is based on a number of factors, including, among others, their financial strength and management capacity, their technical qualifications and their experience in similar projects, their position in the local market and the opportunity to save costs by limiting investments in human resources and equipment. Under our construction and industrial activities we generally subcontract a significant portion of the work; however, under our tunneling activities we will generally be the party subcontracted.

Subcontractors will generally procure the raw materials themselves, however, for large or complex projects we may source the raw materials ourselves.

We also have a large network of suppliers who provide us with raw materials as well as with technology (for our energy projects for example) and other goods.

Energy and raw materials

Gasoline and oil are the main consumable energy sources in our construction activities since most of our construction equipment uses significant amount of gasoline and oil and, where electricity is not available, certain types of fuel are used to power generators on construction sites. The primary raw materials we use in our projects are stone and sand aggregate, bitumen, cement, steel, stainless steel, iron and copper. These products and components are subject to raw material availability (such as copper, and iron) and commodity price fluctuations, which we monitor on a regular basis. As is customary for construction companies, we enter into agreements for the provision of raw materials directly with local and international suppliers. Availability of these products, components and raw materials, however, may vary significantly from year to year due to factors such as customer demand, producer capacity, market conditions and specific material shortages.

We include cost estimates for energy and raw materials in the overall estimate provided during the tender process and we are generally able to pass on to our customers any changes in the cost of raw materials.

Property, plant and equipment

Our corporate headquarters in Madrid, Spain, are owned by an Unrestricted Subsidiary and leased to the Restricted Group. We also have fully-owned office space in Seville, Spain, and lease most of the rest of our office space in other cities. We typically lease spaces in various geographic locations to house management support staff, machinery and equipment if adequate space is not available on our project sites.

Our industrial and construction activities require extensive production equipment and specialized machinery, including cranes, drilling machines, asphalt-mixing machines, concrete production equipment and topography equipment. Specialized machinery tends to be specifically designed and limited for use in a particular project. Any cost involved in obtaining new machinery or equipment is factored into any bid submitted for a new project. We purchase equipment, lease equipment and enter into sale-and-leaseback arrangements, as we deem appropriate. However, our business model is mostly based on using subcontractors' equipment and machinery, except for tunneling, which requires specialized equipment and where we perform most of the work ourselves rather than using subcontractors and, therefore, their equipment and machinery.

Competition in our activities

In Spain, we consider our direct competitors to be the top 20 Spanish construction companies. In Mexico and Poland our main competitors are both local and Spanish companies, and in Peru we face competition from Peruvian, Brazilian and Spanish companies. However, in Spain and Mexico, we often also participate in joint ventures with such competitors as partners for the same tender.

Research and development

Our research and development activities are focused on solving issues that arise during the development of our projects. In the last three years, €18.1 million of our project costs (in relation to projects of prior years) have been recognized by the Spanish government as research and development costs. For example, in our construction activities we have developed

new methods to mitigate the environmental effects of our construction projects, as well as a comprehensive intelligent safety system in drilling vehicles for underground works. In our industrial activities, we have developed a public transport preference system in urban networks.

Intellectual property

We own our main brands, including Aldesa and Aldesa Construcciones, which are registered brands in Spain, the EU and in Mexico. We are also the owners of the following brands, such as PROACON, ACISA, GALMET, Grupo AMS and COALVI, although these have only been registered in Spain.

Employees

As of December 31, 2013, the total headcount was 1,980. Out of all of these 49.5% of our employees were employed under permanent contracts. An increasing number of our employees work outside of Spain, and as of December 31, 2013 42.4% of the workforce was outside of Spain. The table below presents an overview of our employees, by type of contract and by jurisdiction.

	Permanent	Temporary	Total
Spain	773	367	1,140
Mexico	138	432	570
Poland	59	110	169
Other	10	91	101
Total	980	1,000	1,980

In addition to our employees, from time to time we engage workers through temporary workforce agencies for the execution of specific projects in countries outside of Spain. We do not have specific enterprise collective bargaining agreement, but our workers are subject to the regional bargaining agreements applicable to their specific activity.

Health and safety

We have strong health and safety procedures. We are focused on integrating risk prevention throughout all of our companies with a view to improving working conditions, as well as the health and safety of our employees. We have over 60 employees fully dedicated to health, safety, occupational hazards and risk prevention throughout our organization.

We are subject to legal audits in health and safety and, additionally, we are certified by OSHAS (Occupation, Safety and Health Assessment Series) 18001:2007. To receive an OSHAS compliance certificate we are voluntarily audited by an external company (Aenor in 2013) on a yearly basis which determines whether we meet the required standard to obtain this certificate.

In the last three years we have suffered (i) five fatalities, three involving employees that worked for subcontractors, and two involving our own workers (including one fatality which took place on March 25, 2014 and one fatality as a result of a heart attack in Spain); and (ii) eight serious accidents, six of which affecting employees of subcontractors and two of which affecting employees of our group companies.

We have developed a specific action plan in Spain to target a “zero accident” policy. Such action plan consists, among other measures, in increasing the number of on-site inspections by 5% and increasing the number of training sessions and seminars for our own personnel as well as for subcontracted personnel at the relevant specific worksite.

Environmental policies

As part of our preparation for any tender, we analyze the environmental risks that may be associated with a given project, and we identify what legal requirements will be imposed to address such risks. We then prepare an action plan and include any environmental action we may have to take in the budget in the final bid. We are subject to legal environmental audits and, in addition, we are certified by ISO 14001, a voluntary set of international norms. To receive ISO 14001 compliance certificate we are audited on a yearly basis by an external company (Aenor in 2013).

Risk management

We have rigorous risk management procedures in place that allow us to manage our main strategic, financial, operating and compliance-related risks. Our risk management operates on five different levels, by considering risks associated with (i) customers, (ii) location, (iii) partners, (iv) employees and (v) financial performance.

Key decisions made about project proposals and during project implementation involve various business units in order to enable a more effective, efficient and integrated flow of information For a first risk management phase, we train all of our employees to identify potential risks, and our on-site employees, especially our project managers, receive additional training in this regard. Once an employee has identified a risk, there is a chain of communication to our steering committee, which will analyze and evaluate the risk.

For new contracts, our contracting committee evaluates significant tenders and as part of the opportunistic evaluation also analyzes the risk profile of the project in tender. In our contracting activities, we strive to ensure we are protected both in customer contracts and in partner contracts (including joint venture partners and subcontractors). We use templates for partners and supplier agreements, that contain the key elements that any such contract must cover, including probation of assignment of contracts, non-assumption of risks related to force majeure, geotechnical risks nor fortuitous cases, termination causes in detail etc. We are unable to use templates with our customers, but our legal department always reviews customer contracts to ensure its terms are beneficial and fair to us. Our legal department receives feedback from our investment committee and contracting committee who provide a summary of the risks to ensure these are correctly covered in the contract.

For other risks that we cannot forecast or control, we use insurance policies to cover us from unanticipated detrimental events.

Insurance

We maintain insurances policies that we believe are customary in our industry. At a corporate level we maintain (i) third party liablilty insurance, (ii) directors and officers liability insurance and (iii) equipment insurance program covering all the countries where we operate.

In addition, in Spain we have a "Construction All Risks (CAR)" plan, while in the rest of the jurisditions where we operate we contract insurance to cover specific projects that are being undertaken when the managment believes that it is necessary.

In all the countries, we maintain policies to comply with local regulations such as vehicle insurance, or insurance covering the builder's statutory ten-year liability period in Spain.

Legal proceedings, environmental proceedings and tax investigations

We are a party to various administrative proceedings involving routine claims that are incidental to our business, mainly in the context of public tenders, disputes with customers or subcontractors in connection with delays or construction defects, and taxes. From time to time,

we also receive claims in connection with collective dismissal proceedings and severance payments.

In particular:

- We are involved in a legal dispute with one of our subcontractors, who claims damages in relation to the wrongful termination of the sub-contracting agreement. Such subcontractor has obtained a preliminary judgment against us in the amount of €3.2 million plus interest, legal fees and value added tax, but we have successfully stayed execution until the pending appeal has been resolved. We estimate that the liability to which we may be subject should not exceed approximately €0.8 million.
- We have eleven claims and counterclaims for defects, delays and other disputes in construction with individual amounts ranging from approximately €0.7 million to €1.8 million in various stages of litigation.
- We have a number of administrative and court tax proceedings to municipal construction permits and regional taxes in Spain for an aggregate amount of €8.3 million, with individual amounts ranging from €15,000 to €2.3 million.

We are also subject to tax audits from time to time; mainly in Spain and Mexico in respect of corporate income tax, value added tax and certain employment related withholding taxes. These tax audits are ongoing and have no indication as to their outcome. In addition, we have recently been notified of two provisional claims against one of our Unrestricted Subsidiaries regarding value added tax by the Spanish authorities for an aggregate amount of €13.2 million. We believe these provisional claims are without merit.

In January 2013, a Spanish newspaper published manuscript records concerning alleged irregular accounting practices showing donations to a political party by individuals and corporations in Spain. As a result of this press report, a judicial investigation was initiated concerning 20 Spanish companies, some of which are well known publicly listed companies. One of the individuals under investigation is one of our former directors, who has denied such allegations. We have conducted an internal investigation which has confirmed that there are no cash outflows in our accounting records associated with any such allegations.

Although there are a number of uncertainties associated with the claims and legal proceeding to which we are subject, we believe we have made adequate provisions in our Financial Statements with respect to such claims and legal proceedings.

Regulation

Our activities are highly regulated. The following is a description of the primary regulations applicable to our operations in the key jurisdictions in which we operate.

Spain

Public works

The activity of public works construction in Spain is an activity regulated by the Law on Public Contracts, approved by Royal Legislative Decree 3/2011 of November 14, 2011 which came into force on December 16, 2011.

The Law on Public Contracts regulates the framework of contracts with the public sector, including structural elements of contracts, the preparation and selection of a contractor, the award of the contract, the effects, performance and termination of administrative contracts and the administrative organization for the management of the contracts. Contracts awarded prior to the implementation of the Law on Public Contracts will continue subject to the relevant regulation, mainly Law 30/2007 of October 30, 2007 on Public Contracts (*Ley de Contratos del Sector Público*) and the Consolidated Text of the Law on Contracts with the Public Administrations, approved by Royal Legislative Decree 2/2000, of June 16, 2000 (*Texto Refundido de la Ley de Contratos con las Administraciones Públicas)*, with regard to their effects, performance, duration, regime of extensions and termination (paragraph 2 of the corresponding First Transitional Provision), as well as the contracting procedures in progress when the new rule came into force, with some exceptions (paragraph 1 of the corresponding Transitional Provision).

Concessions

The purpose of a concession contract is the construction of certain assets and the provision of public services or the exploitation of the public works through the operation of those assets for a period of time, after which, in general, the assets revert to the concession grantor. The concessionaire performs these activities at its own risk and receives as consideration the right to exploit the assets and receive payments from the users of the service, as well as, on certain occasions, from the concession grantor itself. The prices paid by users of the public services are usually regulated by the concession grantor.

Infrastructure concessions are generally regulated by the above-mentioned Law on Public Contracts, and their specific regulations can be found in different industry rules according to the type of infrastructure subject to the concession.

In Spain, we operate one highway concession. Thus, the following pieces of legislation that regulate the activity of construction and exploitation of toll highways under concession are also relevant: Law 8/1972, of May 10, 1972 (*Ley de construcción, conservación y explotación de autopistas en régimen de concesión*) on the construction, preservation and exploitation of highways under the general concession regime, Law 13/2003, of May 23, 2003 (*Ley reguladora del Contrato de Concesión de Obras Públicas*) that amends Law 8/1972, of May 10, 1972 on the public works concession contract, and Decree 215/1973, of January 25, 1973 (*Pliego de cláusulas generales para construcción, conservación y explotación de autopistas en régimen de concesión*) on general bidding specifications for construction.

Building

Law 38/1999, of November 5, 1999, the Law on Building Regulation (*Ley de Ordenación de la Edificación*), as amended, contains the basic regulatory framework for the building construction activity, clearly identifying each of the agents involved in the construction process and detailing their rights, obligations and responsibilities. The Building Technical Code (*Código Técnico de la Edificación*), approved by Royal Decree 314/2006, of March 17, 2006, implements the basic

building requirements set forth in the Law on Building Regulation, that fix the basic quality requirements for buildings and their construction with the purpose of guaranteeing safety, society's well-being, the sustainability of the building and environmental protection.

Environmental activities

With respect to environmental matters, our activity regarding both construction and concessions is regulated by Law 22/2011 of July 28, 2011 on Handling of Waste and Polluted Soil (*Ley de Residuos y Suelos Contaminados*), as well as Law 26/2007, of October 23, 2007 on Environmental Responsibility (*Ley de Responsabilidad Ambiental*) and Law 21/2013, of December 9, 2013 (*Ley de Evaluación Ambiental*) which establishes the framework of the environmental evaluation of plans and projects, in order to guarantee environmental protection and promote a sustainable growth.

Renewable energy

The basic aim of Law 24/2013, of December 26, 2013 Electricity Industry Law (the "EIL") (*Ley del Sector Eléctrico*) is to establish provisions governing the electricity industry that will guarantee an electricity supply at the lowest cost possible, to ensure the economic and financial sustainability of the system and to permit an effective level of competition in the electricity industry, all in accordance with environmental protection principles.

The EIL sets out a number of provisions which, following the path taken by the measures approved by the government in recent years, aim to contain the costs of some of the regulated activities and to regulate the remuneration system for the various activities involved in the supply of electricity. In accordance with article 14.2 of the EIL, the remuneration for the activities involved in the supply of electricity will be based on objective, transparent and non-discriminatory criteria that provide incentives to increase the efficiency of the management, the economic and technical efficiency of the activities and the quality of the electricity supply.

The remuneration parameters for (i) generation based on renewal energy sources, high-efficiency cogeneration and waste, (ii) activities concerning transmission and distribution, and (iii) generation in the non-mainland electricity system with an additional remuneration system, will be determined by reference to the cyclical situation of the economy, the demand for electricity and a suitable return for these activities over six-year regulatory periods. The EIL has introduced a new concept in relation to setting the remuneration for these activities, the *"regulatory period,"* which is common in the legislation of neighboring countries. The remuneration parameters for the activities can be reviewed before the start of each regulatory period.

In accordance with the Tenth Additional Provision of the EIL, the first regulatory period will end on December 31, 2019, regardless of the start date of each of the specific activities.

The EIL has ended the ordinary and special regimes that were defined in the former legislation, which, regarding generation activities using renewable energy sources, cogeneration and waste, involved the establishment of different economic regimes according to the technology and the capacity of the generation facilities. Overcoming this distinction, the new EIL recognizes the possibility for these facilities to top up the revenues obtained for participation in the market with a specific regulated remuneration or "specific remuneration system" that will enable these technologies to compete on an equal footing with other technologies in the market.

Described below are the main provisions included in the EIL regarding this specific remuneration system, distinguishing the new facilities from those that had a premium-based economic system on the date of entry into force of the previously approved Royal Decree-Law 9/2013, that is, July 14, 2013.

New facilities

The EIL provides for the option to establish new specific remuneration systems in the future to encourage the use of renewable energy sources, high-efficiency cogeneration and waste, where there is an obligation to fulfill energy goals under European directives and other legal provisions of the European Union or where their introduction entails a reduction in the cost of energy or in dependence on external energy sources. This specific remuneration system will be granted through competitive procedures.

In this respect, the new EIL includes provisions contained in the reform of July 2013, for the establishment of a new remuneration system applicable to the sale of energy generated by these types of facilities.

Accordingly, the remuneration system for generation activities using renewable energy sources, high-efficiency cogeneration and waste will be based on the necessary participation in the market of these facilities, and will supplement, where appropriate, the market revenues with specific regulated remuneration (exceptional) that will be sufficient to attain the minimum level required to cover the (investment and operating) costs which, unlike conventional technologies, these technologies cannot recover in the market and will enable them to obtain a suitable return by reference to the standard facility in each applicable case. The fair return will be based, before taxes, on the average yield on the secondary market of ten-year government debt securities plus a suitable spread.

The specific remuneration will be calculated, for a standard facility, by reference to the revenues from the sale of energy generated at the price on the generation market, the average operating costs required to carry on the activity and the value of the initial investment in the standard facility, for an efficient and well-managed enterprise. To estimate the costs or investments, only those determined by rules or decision that apply throughout Spain, and that refer exclusively to electricity generation activities, will be taken into account.

As an exception, in the systems of the non-mainland territories, the remuneration system can also include an incentive for investment and completion within a given period where their facility entails a significant reduction in costs.

The parameters for the remuneration of these activities will be modified according to the following criteria (article 14.4 of Law 24/2013):

- In the review of each regulatory period (6 years), any of the remuneration parameters can be changed, including the value on which the fair return will be based over the rest of the regulatory life of the standard facilities which will be established by regulations.

  However, once the regulatory useful life or the standard value of the initial investment have been recognized for an institution, these cannot be altered.

- Every three years the estimated revenues from the sale of generated energy, at the price on the generation market, will be reviewed for the remainder of the regulatory period by reference to changes in the prices on the market and forecasted operating hours.

  In addition, the remuneration parameters will be adjusted according to variances in the market price with respect to estimates made for the preceding three-year period. The adjustment method will be established by regulation and will apply for the rest of the useful life of the facility.

- The return on operations figures will be reviewed at least annually for those technologies whose operating costs essentially depend on the price of fuel.

The Ministry of Industry, Energy and Tourism ("MINETUR") will keep a specific remuneration system register to ensure a suitable monitoring of the specific remuneration parameters granted to the generation facilities. If the facilities are not registered on this register, only the market price will be received.

The EIL contains a procedure for removal or, if applicable, modification of the specific remuneration system applicable to generation facilities using renewable energy sources, high-efficiency cogeneration and waste, if it is confirmed that, within the stipulated time frame: (i) the facilities were not fully completed or (ii) their technical features did not match the planned characteristics for the facility.

Existing facilities

The Third Final Provision of the EIL contains provisions applicable to generation activities using renewable energy sources, high-efficiency cogeneration and waste, which had a premium-based economic system on the date of entry into force of the July reform. Thus, on the terms already set out in that royal decree-law, the EIL establishes that in the context of the new remuneration system applicable to existing facilities, the fair return over the entire regulatory life of the facility will be based, before taxes, on the average yield on the secondary market in the ten years preceding the entry into force of Royal Decree-Law 9/2013, on ten-year government debt securities plus 300 basis points, all of which is subject to a subsequent review on the terms established in the law, which will be carried out in all cases in accordance with the provisions of the above-mentioned article 14.4 of the EIL.

Notwithstanding the above, the supplementary remuneration which, in each case, will apply to existing facilities will be known once the Government adopts in a final form the following regulatory provisions, which are currently pending:

- A Royal Decree governing electricity generation activities using renewable energy sources, cogeneration and waste, which aims to regulate the legal and economic regime applicable, among others, to electricity generation activities using renewable energy sources (i.e. solar, thermo-solar, wind, biomass and hydro).
- An Order of the MINETUR approving the remuneration parameters of the standard facilities applicable to certain generation facilities using renewable energy sources, cogeneration and waste. It is expected that this Order will set, among others, the following remuneration parameters applicable to existing facilities: return on the investment by unit of capacity, adjustment multiplier, return on operations, investment incentive, operational remuneration, regulatory useful life, number of minimum equivalent hours and upper and lower ceilings on the market price, etc.

In addition, the EIL clarifies (in paragraph four) that this new remuneration scheme will not, under any circumstance, give rise to claims from the owners of existing facilities for remuneration received for the energy generated before July 14, 2013 (the date of entry into force of Royal Decree-Law 9/2013), even if it has been confirmed that this return may have been exceeded on such date.

Furthermore, when it comes to facilities which, upon the entry into force of the EIL are entitled to receive the premium-based economic system and which, until the new regulations on their legal and economic system are approved, will continue to receive it as a prepayment, transitional provision five establishes certain specific terms on certain payment obligations relating to their settlement under the specific remuneration system.

Lastly, transitional provision six specifies that the procedure under which the facilities that, on the entry into force of the EIL, are entitled to receive the premium-based economic system, will be registered on the specific remuneration system register. Finally, payments will be settled under the relevant specific remuneration system, which will be established by regulation.

Poland

Public Procurement Law

Under Polish law, contracts for consideration to provide services or supplies or building works, entered into with public entities, entities controlled by them, or entities financed mostly from

public funds and carrying out public tasks, are regulated in the act dated January 29, 2004, the Public Procurement Law (Journal of Laws—Dz. U. No. 19, item 177) (the "Public Procurement Law"), in force since March 2, 2004.

In general, the Public Procurement Law applies where the value of contracts exceeds the equivalent in Polish złoty ("PLN") of EUR 14,000. However, public entities acting in the utilities sector (including water, energy, transport and postal services sectors) are obliged to apply the Public Procurement Law only if the value of contracts exceeds the equivalent of EUR 414,000 in relation to services and supplies, and EUR 5,186,000 in relation to construction works.

The Public Procurement Law provides comprehensive regulation concerning public procurement issues, including the rules and procedures for awarding, entering into and amending contracts. It also regulates the means of appeal, methods of controlling the award of public procurement contracts and the authorities competent to supervise public procurement issues. The Public Procurement Law follows the European legislation in this respect.

Concessions for construction works

The Polish public procurement system covers procedures for granting concessions for construction works and for services, regulated in the Act on Concessions for Construction Works or Services, dated January 9, 2009 (Journal of Laws—Dz. U. No. 19, item 101) (the "Act").

The concessionaire under the concession is obliged to perform the works and services that are subject of the concession for remuneration, which includes, in the case of the concession for construction works, the right to use the construction structure or such right with the payment from the concession-granting entity (public entities or entities financed mostly from public funds and carrying out public tasks) and, in case of a concession for services, the right to render services or such right with the payment from the concession-granting entity. The Act excludes the possibility for the concessionaire to recover 100% of the expenditures incurred thereby through payments from the concession-granting authority. Further, the contractor bears a significant part of the economic risk of carrying out the concession.

The rationale of the Act was to create a concession framework that would enable a "privatization" of the state's public activities, ensuring at the same time access to professional management knowledge, the minimization of costs and the allocation of risks.

The Act provides comprehensive rules concerning concession issues, including rules and procedures for awarding, entering into and amending concessions with public entities. It also regulates the means of appeal.

Building Law

The main legal act regulating construction issues is the act dated July 7, 1994, the Building Law (Journal of Laws of—Dz. U. of 2000, No. 106, item 1126, as amended) (the "Building Law"). Construction issues have also been regulated in a number of implementing regulations and legislative acts constituting *lex specialis* in relation to the Building Law.

The Building Law and related acts of law regulate the design, construction, maintenance or demolition of building structures and sets forth the rules of operation of public administration authorities in these fields. It also sets out the rights and obligations of participants in the building process, the rules governing all stages of this process and the activities of authorities competent to deal with construction issues.

Furthermore, the Building Law defines the manner of conducting proceedings to grant a building permit, a demolition permit or a permit to deliver a building structure for use.

Energy Law

The activities of entities operating in the energy sector in Poland are subject to a number of Polish and EU regulations. At the national level, the energy market and the energy policy in

Poland are regulated in the act dated April 10, 1997, the Energy Law (Journal of Laws—Dz.U.2012.1059, as amended) (the "Energy Law"). The Energy Law sets out rules for the development of the state's energy policy, rules and conditions for the supply of fuels and energy and rules of third-party access ("TPA"). The Energy Law also contains rules regarding connection to the power grid, the terms on which energy undertakings operate, including, in particular, the requirement to obtain concessions and tariffs. The Energy Law also determines the powers and authority of the principal energy regulator, the President of the Energy Regulatory Office (the "ERO"), and penalties for breaches of the requirements imposed by the Energy Law.

The primary goal of the Energy Law is to promote the sustainable development of Poland, to ensure energy security and the economic and rational use of fuels and energy. The Energy Law also intends to develop competition, to counteract the adverse effects of the operation of natural monopolies, to ensure that environmental protection requirements and obligations under international agreements are met, and to balance out the interests of energy companies with those of the consumer.

Pursuant to regulations in force, the energy sector in Poland may be divided into the following areas:

- generation;
- distribution;
- transmission; and
- trading (wholesale trading / retail sale of electricity).

The main goals of the Energy Policy Statement for Poland until 2030 (*Założenia Polityki Energetycznej Polski do 2030 roku*) prepared by the Government of Poland include the following purposes:

- to increase the share of energy recovered from Renewable Energy Sources (RES) in the final energy consumption to at least 15% by 2020 and to further increase this share in subsequent years (to 20% by 2030);
- to ensure biofuels account for a 10% share in the market of transport fuels by 2020;
- to increase the use of second generation biofuels;
- to protect forests against excessive exploitation;
- to use agricultural areas for RES purposes;
- to use dams owned by the State Treasury for generating electricity; and
- to enhance the diversification of supply sources.

Renewable energy

No separate law in Poland regulates the Polish renewable energy sector. The main regulatory framework for renewable energy sources ("RES") is set out in the Energy Law. However, provisions on the development of RES relating to zoning, environmental issues, construction issues and other administrative law procedures are contained in a number of legislative acts and implementing provisions.

Pursuant to the Energy Law, a RES is an energy-generating source from wind or solar radiation, aerothermal energy, geothermal energy, hydrothermal energy, the energy of sea waves, currents or tides or of waterfalls and energy obtained from biomass, landfill biogas or biogas generated in the process of discharge or treatment of sewage or decomposition of plant or animal remains.

The Energy Law provides for a system of incentives to promote the production of electricity from RES. The system is based on two pillars: a purchase requirement imposed on so-called suppliers of last resort (*sprzedawca z urzędu*) (entities licensed to trade in power which provide so-called "comprehensive services", i.e. both sale and distribution to household customers who do not choose their suppliers in accordance with the TPA Rule) and the provision of certificates of origin (the "Green Certificates") issued for renewable energy producers by the President of the ERO.

The requirement to purchase electrical energy produced from RES applies to suppliers of last resort. A supplier of last resort is required to purchase electrical energy offered by a producer holding a production concession and connected to the grid in the area in which that supplier of last resort operates.

The mandatory purchase of electric energy produced from RES is carried out at a certain pre-determined price. The selling price is referred to in the Energy Law as the average price of electric energy in the preceding year on the market. This reference price is calculated and published by the President of the ERO on an annual basis. The average price on the market in 2012 was 201.36 PLN/MWh (source: Statement no. 8/2013 of the President of ERO dated 28 March 2013). The average price on the market in 2013 has not been determined yet.

Green Certificates are documents issued by the President of the ERO to renewable energy producers, confirming, among other things, that the renewable energy producer produced a certain quantity of renewable energy over a certain period of time. Green Certificates are issued by the President of the ERO on the application of the energy producer submitted through the operators of the grids to which the renewable energy producer is connected.

While producers of renewable energy are awarded Green Certificates, enterprises involved in producing or trading in electricity and which sell electricity to consumers connected to the grid in Poland are required, among other things: (i) to acquire Green Certificates and to present them to the President of the ERO for so-called "redemption" of a number of Green Certificates corresponding to a certain quantity of renewable energy calculated by reference to sales to consumers; or (ii) to pay a compensation fee. The compensation fee is adjusted on an annual basis by reference to the CPI (consumer price index). The compensation fee for 2013 was set at PLN 297.35 per MWh, and at PLN 300.03 per MWh for 2014.

An energy producer or an energy trading company is obliged to purchase Green Certificates in an amount determined pursuant to the regulation regarding the detailed scope of the obligations to obtain certificates of origin and to submit them for redemption, to make the compensation fee and to purchase electricity and heat generated from renewable energy sources, and the obligation to confirm data concerning the quantity of electricity generated from a renewable energy source. The obligation to acquire and present Green Certificates to the President of the ERO (or alternatively to pay a compensation fee) is satisfied in every calendar year when the quantity of electric energy attributable to (i) the Green Certificate presented for redemption and/or (ii) the compensation fee paid by the energy producer from its total annual sales of electrical energy to final customers meets the thresholds below:

- 10.4% in 2012;
- 12% in 2013;
- 13% in 2014;
- 14% in 2015;
- 15% in 2016;
- 16% in 2017;
- 17% in 2018;
- 18% in 2019;
- 19% in 2020;
- 20% in 2021.

In the Act Amending the Energy Law of 26 July 2013 the provisions of the new Directive 2009/28/EC on the promotion of the use of energy from renewable sources were implemented into Polish law. However, some regulations, for example those related to priority access of renewable energy sources to the electricity system, were not implemented to the full extent, which means that further legislative action must be taken.

Further, since 2011 works on a draft act related to the RES are continuously being conducted. The most recent draft regarding the RES act was published by the Permanent Committee at the Council of Ministers on February 4, 2014, as version 6.2. Therefore, significant changes to the current applicable regime to RES should be expected. The current draft assumes, among other things, a departure from the existing system of subsidizing on-going generation of energy from renewable sources based, among other things, on the Green Certificates system, and replacing it with an auction system based on guaranteed tariffs granted to producers offering renewable energy at the lowest price. For existing installations, however (those existing at the time the new regulations come into force), the new draft provides that the system of funding based on Green Certificates will remain in place.

As informed by the Ministry of the Economy, the draft departs from the concept of supporting the co-firing of biomass with coal in large energy generation units. Instead, support will be directed to the so-called "dedicated multi-fuel combustion installations".

The Permanent Committee at the Council of Ministers endorsed the adoption of the draft by the Government. Therefore, it is likely that the new act on RES will come into effect this year. However, the regulations implementing the new rules governing the RES support system (contained mainly in chapter 4 of the new draft) will come into force on the first day of the month following the lapse of 12 months from the date the European Commission issues a positive decision on the compliance of the state aid envisaged in the new draft with the common market rules.

Mexico

Public works

In Mexico, public works activities are regulated by the Law of Public Works and related Services (*Ley de Obras Públicas y Servicios relacionados con las mismas* "LOP"). According to LOP, public works contracts are generally awarded by public tender, although there are exceptions based on the amount, specialty of construction or in certain extreme cases, and in those cases a contract may be granted through other procedures such as a restricted tender or direct award.

Public works contracts are subject to specific limitations on: (i) payment: according to LOP, public works contracts may be paid in three different ways: a) on the basis of unit prices, where a price activity is fixed and the final amount of the contract will depend on volume, b) fixed price, where the contractor has the right to receive a payment fixed at the date of the execution of the contract, and regardless of the real cost the contractor is not entitled to claim additional costs, or c) a combination of the two methods; (ii) amendments: generally the authority can only modify 25% of the original amount or time, and fixed price contracts or fixed price portions of a contract may not be modified in amount or time; (iii) subcontracting: a contractor cannot use a third party to fulfill the obligations related with the public works contract without prior permission of the authority to do so, but this authorization is not required when the contract specifically states that parts of the work will be subcontracted, on the understanding that in all cases the contractor shall remain solely liable for the execution of the contract, (iv) guarantees: all of the contractors shall guarantee compliance with their obligations by way of a bond of at least 10% of the total contract amount; (v) penalties: entities are required to establish contractual penalties for delays in fulfilling the obligations of contractors, these penalties cannot be higher than the performance guarantee and the authority can withhold payments related to the contract in the case of any breach or delay.

Under the terms of LOP, public entities may temporarily suspend, in whole or in part, the public work contracted for any reasonable cause, but the suspension cannot be indefinite. Also, the public entity can terminate a contract early for reasons of general interest when (i) there is justified cause to impede the continuation of the work, and evidence that continuing with the obligations as agreed would cause serious damage, (ii) it is found that the acts that gave rise to the contract were invalid or ultra vires (the invalidity has to be determined by the competent authority), or (iii) it is not possible to determine the necessary timing of the suspension of the works. In these cases, the public entity shall reimburse the contractor for its non-recoverable expenses incurred, provided they are reasonable, duly audited and are directly related to the corresponding contract.

In relation to the breach of the obligations of the contractor, there is a short procedure, the administrative rescission (*rescisión administrativa*) procedure, to terminate the contract which respects the contractor's right of audience, but gives the public entity the right to determine whether or not to rescind the contract.

When the suspension of the contract is determined or the contract is terminated for reasons attributable to the public entity, the entity will pay for work performed as well as non-recoverable expenses, provided they are reasonable, duly audited and are directly related to the contract.

Upon termination for reasons attributable to the contractor, once the respective determination has been issued, the public entity shall not cover the amounts resulting from work performed yet settled, unless the contractor is acquitted. In order to enforce the guarantees, judgment shall be made within thirty calendar days after the communication of such determination. The judgment shall provide the extra cost of work not yet executed that are overdue under the current program as well as the recovery of materials and equipment, if any. The entity may choose to apply penalties or the additional cost resulting from the termination and shall inform and motivate the application of one or the other.

Concessions

Under Mexican rules, concessions are defined as administrative agreements whereby a public entity grants to either a company incorporated under Mexican law or a Mexican individual, the right and the obligation to build, use, maintain, and operate public assets such as highways and bridges, among others. As a payment for the fulfillment of the obligations arising from the concession, the grantee is entitled to receive a fee for the use of the asset during the term of the concession.

In Mexico, the granting of a federal concession related to highways is regulated by the Law of Roads, Bridges and Federal Motor Carrier (*Ley de Caminos, Puentes y Autotransportes Federales* "LR"). According to that law, the granting of a concession should be made by public tender and is limited to periods of 30 years (if the grant involves construction) or 20 years (if the property is already built).

Concessions can be extended up to a period equivalent to the original concession period, when in the opinion of the secretary such extension will be necessary for investments that had not been foreseen in the original terms of the respective concession or when certain events occur that are not attributable to the concessionaire.

Regardless of other specific causes of termination as stated in concessions, according to the LR, the events resulting in the termination of a concession are (i) expiration of the term; (ii) concessionaire withdrawal; (iii) revocation; (iv) disappearance of the purpose of the concession; (v) concessionaire liquidation, and/or (vi) concessionaire bankruptcy.

A concession may be revoked for any of the following causes: (i) breach of, without justification, the purpose, duties or conditions of the concession; (ii) interruption of the operation of the concession; (iii) collection of unauthorized rates; (iv) commission of actions

that impede or tend to impede the performance of other service providers entitled to it; (v) failing to cover indemnities for damages arising by the concession; (vi) change of concessionaire nationality; (vii) assignment or transfer (in any form) of the rights conferred by the concession to any foreign government or state or the admittance of them as members of the concessionaire; (viii) assignment or transfer of concessions or rights conferred on them without permission from the authority; (ix) modification of the nature or conditions of the roads and bridges, or services without authorization from the authority; and/or (x) refusing to grant or maintain in force warranties against third party damage.

The holder of a concession that has been revoked will be unable to obtain a new concession within 5 years, starting from when the revocation has been signed into effect by the respective resolution.

Upon completion of the term of the concession, including any extension that has been granted, the asset, with all the services included, must be delivered to the authority without cost and free of all liens.

According to Mexican law, all states of Mexico have the authority to grant concessions of assets (including for roads not under federal jurisdiction), in accordance with local laws.

Renewable energy

Renewable energy regulation is currently under development in Mexico to enable private investments in the energy sector. Currently, installed plants with generation capacity in Mexico include major hydroelectric plants, but there is also a wind, geothermal and biomass power potential.

Before the amendment of December 20, 2013 (the "Energy Reform"), of Article 25 of the Mexican Constitution (the "Constitution"), the public sector was exclusively in charge of the strategic areas established in Article 28, paragraph four of the Constitution, which includes energy (nuclear, electricity and hydrocarbons). This meant that the Federal Government had to maintain exclusive control and ownership over the entities which, if appropriate, were to be established for energy generation. As such the private sector couldn't participate in the generation of electricity or in any other activities explicitly established by the laws enacted by the Congress of the Union (nuclear and hydrocarbons). As a result of that, currently, private participation in power generation through renewable sources is through schemes of power generation for individuals and corporations self consumption or power generation from a plant with an installed capacity of more than 30 MW and for exclusive sale to the Federal Electricity Commission (CFE).

After the Energy Reform, a constitutional amendment removed restrictions to competition and subsequently a legal reform to carry out the separation of generation, dispatch, transmission and distribution of electric energy, to achieve a healthy competition, generation and supply is expected. These reforms should be accompanied by a new model of business management and administration of the electric sector.

The regulatory framework for renewable energy includes the following laws: (i) Public Service Law of Electric Power (*Ley del Servicio Público de Energia Eléctrica* "LSPEE") which regulates the public electricity supply and provides the rules for private sector activities in the field of energy supply, which are not considered public service; (ii) Law on the Use of Renewable Energies and Financing of Energy Transition (*Ley para el Aprovechamiento de Energías Renovables y el Financiamiento de la Transición de Energías* "LAERFTE") published on November 28, 2008, which seeks to regulate the use of renewable energy for electricity generation "for purposes other than providing the public service," and among other things it states the key functions of the Energy Regulatory Commission ("CRE") and of the Energy Secretariat ("SENER"); (iii) Energy Regulatory Commission Act (*Ley de la Comisión Reguladora de Energía* "LCRE") that establishes the autonomy of the Commission, defining its powers and functions for electric and natural gas

industries; and the Law for the Promotion and Development of Bioenergy (*Ley de Promoción y Desarrollo de los Bioenergéticos)* which establish the conditions for production, marketing and efficient use of Bioenergy.

Environmental liabilities

Aldesa's activities in Mexico are subject to the following environmental permits or licenses:

Environmental Impact Assessment (EIA) authorization.

The EIA is a prerogative shared between federation and states. The federation may evaluate certain projects classified as hazardous to the environment, and states may assess the projects that are not reserved to the federation. The authorization requires a study that discloses the environmental impact that the project or activity would have, and if necessary how to avoid or mitigate the impact.

Meanwhile, in order to avoid or minimize negative effects on the environment, the authority will set forth the terms and conditions for the completion of the project, or may otherwise the authority deny permission to perform the project. In general, violations of the provisions of the EIA can be punished in accordance with the following: (i) a fine equivalent of approximately 200 USD up to 260,000 USD, (ii) temporary or permanent, total or partial closure, (iii) administrative stoppage for up to 36 hours, (iv) confiscation of the instruments, specimens, products or byproducts directly related to offenses relating to forest resources, flora and fauna or genetic resources, and (v) the suspension or revocation of concessions, licenses, permits or authorizations.

Authorization for change in forest land-use.

Regarding change in forest land-use, the Forestry Law (*Ley General de Desarrollo Forestal Sustentable* "FL") allows the removal of forest vegetation when, in addition to the EIA, a supporting technical study is presented showing no damages to biodiversity; no soil erosion, or deterioration of water quality or decrease in uptake, and that alternative land uses that are proposed will be more productive in the long term.

Violations of the FL may include the development in forest land of any project or activity other than the activities inherent in its use in contravention of the Law, a change in forest land-use without proper authorization, or depositing hazardous waste in forest land without the authorization issued for this activity.

The penalties for violations of these provisions are the following: fines ranging from 200 USD to 210,000 USD; temporary, partial or complete suspension of activities; confiscation of tools, machinery, equipment and conveyances used in committing the offense; temporary or permanent, total or partial closure of the sites or facilities where the activities giving rise to the respective infringement occurred; suspension, modification, revocation or cancellation of the license, permit, concession, and in general of all permits granted for the implementation of activities classified as infractions; and/or limitation or suspension of the installations or industry management, businesses, services, urban or tourism developments, or any activity that affects or could affect forest resources.

Soil pollution.

According to the Ecology Law (*Ley General de Equilibrio Ecológico y Protección al Ambiente* "EL"), the necessary measures to recover or restore soil contaminated by the presence of hazardous materials or waste should be carried out so they can be used in any type of activity specified in the applicable program of urban development or ecological regulation.

Under the terms of the General Law for the Prevention and Management of Waste (*Ley General para la Prevención y Gestión Integral de Residuos* "WL"), the owners or holders of private domain estates and owners of concession by which the soil is polluted are jointly

responsible for carrying out the necessary remedial actions, subject to a right of recourse against the polluter.

In addition to remediation, persons responsible for the contamination of a site will be subject to criminal and administrative sanctions.

Generation and waste management.

The generation of hazardous waste in Mexico is subject to the authorization of the relevant management plans, which govern, among other things, the procedures for collection, storage, transport, recycling, treatment and disposal of hazardous waste. Waste generation also entails the obligation to register with the Ministry of Environment as a generator.

Management

The Issuer

The Board of Directors of the Issuer

The following table sets forth, as of the date of this offering memorandum, the name, age and title of each member of the Board of Directors of the Issuer (with address at 9, rue Gabriel Lippman, Parc d'Activités Sydrall 2, L-5365 Munsbach, Grand Duchy of Luxembourg), and is followed by a brief summary of biographical information of each directors:

Name	Age	Position
Carlos Blanc García-Valcárcel	41	Class A Director
Matilde Fernández Ruiz	39	Class A Director
Erik van Os	41	Class B Director
Fabrice Rota	39	Class B Director
Patrick van Denzen	43	Class B Director

Matilde Fernández Ruiz: Ms. Fernández Ruiz has 14 years of experience in the construction industry. She began working in entities in which the Parent Guarantor had invested in the accounting and finance department. Ms. Fernández Ruiz obtained a degree in business and economics from the Pontifical University of Comillas, in Madrid, Spain.

Carlos Blanc García-Valcárel: Mr. Blanc García-Valcárel started his career in the consultancy industry working at Soluziona between 1998 and 2004 and then at The Boston Consulting Group between 2004 and 2007. In 2007 he joined Aldesa as head of the concession activities. He then became Deputy General Manager in 2009 and in 2012 became General Manager of the Parent Guarantor. He holds a degree in Philosophy from the Universidad Pontificia de Comillas, Madrid, Spain and an MBA from IESE.

Eric van Os, Fabrice Rota and Patrick van Denzen are corporate service directors working for TMF in Luxembourg.

The Parent Guarantor

The Board of Directors of the Parent Guarantor

The Board of Directors of the Parent Guarantor has the power and duty to manage the corporate affairs of the Parent Guarantor. Except for matters reserved by law and the articles of association to the general shareholders' meeting (the "General Shareholders' Meeting"), the Board of Directors is the highest decision-making body of the Parent Guarantor. The address of the Board of Directors of the Parent Guarantor is Calle de la Bahía de Pollensa 13, 28042, Madrid, Spain.

The following table sets forth, as of the date of this offering memorandum, the name, age and title of each member of the Board of Directors, and is followed by a brief summary of biographical information of each director:

Name	Age	Position
Alejandro Fernández Ruiz	38	Chief Executive Officer and Chairman
Carlos Blanc García-Valcárel	41	Director
Carlos Gasca Allué	75	Director
Isabel Fernández Ruiz	35	Secretary (non-director of the Board)

Alejandro Fernández Ruiz: Mr. Fernández Ruiz began his professional experience at the Parent Guarantor in 1998 and has since then occupied a number of positions, including Project Manager, Administration Manager, General Manager of the Group and is currently the Chief

Executive Officer. Mr. Fernández Ruiz holds a degree in business and economics from the Pontifical University of Comillas, in Madrid, Spain.

Carlos Gasca Allué: Mr. Gasca Allué has 50 years of experience in the construction sector. Mr. Gasca Allué began his professional career at the Road Directorate of Teruel, Spain and has worked as an engineer in the General Directorate of Roads in Spain and at the Railway Directorate. Mr. Gasca Allué was the Deputy Manager of Construction at the General Directorate of Roads (Ministry of Public Works) before joining Aldesa in 1991. He held the position of Vice-President and General Manager of Aldesa construcciones, S.A. and is currently a member of the board of directors of the Parent Guarantor. Mr. Gasca Allué holds a doctorate degree in civil engineering (*ingeniero de caminos, canales y puertos*) from the Polythechnic University of Madrid.

Isabel Fernández Ruiz: Ms. Fernández Ruiz has 12 years of experience in the construction sector. Ms. Fernández Ruiz began her career working in various group companies and became adjunct director of the Secretariat in 2007. Since 2013 Ms. Fernández Ruiz has been the Secretary (non-director) of the Parent Guarantor. Ms. Fernández Ruiz holds a degree in law and a diploma in business from the Pontifical University of Comillas, in Madrid, Spain.

The senior management of the Parent Guarantor

Our senior management team is led by our Chief Executive Officer, Alejandro Fernández Ruiz. The address of the management body of the Parent Guarantor is Calle de la Bahía de Pollensa 13, 28042, Madrid, Spain. The following table sets forth our current senior management team and their respective ages and positions.

Name	Age	Position
Alejandro Fernández Ruiz	38	Chief Executive Officer
Miguel López de Foronda	43	Chief Financial Officer
Luis Vega Sorrosal	41	General Counsel
Carlos Blanc García-Valcárel	41	General Manager and Spain Country Manager
Agustín Tejedor Ureta	40	Mexico Country Manager
Miguel Ortega López	40	Poland Country Manager

The following is the biographical information for each of the members of our senior management team who do not also serve on our Board of Directors.

Miguel López de Foronda: Prior to joining Aldesa, Mr. López de Foronda has worked in the banking sector for 13 years, including CaixaBank and el Instituto de Crédito Oficial and was a Professor of international finance for six years at the University Carlos III in Madrid Spain. Mr. López de Foronda joined Aldesa Construcciones, S.A., in 2007 as the Financial Director, and in 2009 became CFO of the Parent Guarantor. Mr. López de Foronda holds a degree in business and economics from the University of Navarra.

Luis Vega Sorrosal: Mr. Vega Sorrosal has eighteen years of experience as a lawyer and has worked as legal director of certain divisions of Ferrovial Inmobiliaria, S.A. and General Counsel in Grupo Pinar and Grupo GMP, all in Madrid, Spain. Prior to this he worked at Freshfields Bruckhaus Deringer, LLP, for five years. Mr. Vega Sorrosal joined the Parent Guarantor in April 2013. Mr. Vega Sorrosal holds a degree in Law from the Universidad Complutense, Madrid, Spain.

Agustín Tejedor Ureta: Mr. Tejedor Ureta has over 14 years of experience in the construction sector and has worked in Dragados as Project Manager, in Drace executing specific projects and subsequently became the head of the construction division. In 2006 he joined Degremont as director of services and then as commercial director, and joined the Parent Guarantor in March 2010, as head of the industrial activities in the central region of Spain. In September 2010 Mr. Tejedor Ureta became the Mexico Country Manager. Mr. Tejedor Ureta holds a degree in

Civil engineering (*ingeniero de caminos, canales y puertos*) from the Polytechnic University of Madrid.

Miguel Ortega López: Mr. Ortega López has over 15 years of experience in the construction sector and has worked in OHL (Project Manager) and Corsan Corivam (Project Manager and subsequently head of the activities in the autonomous community of Castilla la Mancha). Mr. Ortega López joined the Parent Guarantor in 2007 as delegate of the central region of Spain. In February 2012, he became the Poland Country Manager. Mr. Ortega López holds a degree in Civil engineering (*ingeniero de caminos, canales y puertos*) from the Polytechnic University of Madrid.

Board practices

According to our bylaws, our Board of Directors consists of between three and seven directors. The term of office is six years. The directors may be appointed and removed by the shareholders at the General Shareholder's Meeting.

Director and executive compensation

For the year ended December 31, 2013, the Parent Guarantor paid its directors, senior executive team and other key employees aggregate remuneration and benefits of €3.6 million.

Principal shareholders

As of the date of this offering memorandum, the Parent Guarantor is wholly-owned by the Fernández family, including Antonio Fernández Rubio, Matilde Fernández Ruiz, Alejando Fernández Ruiz, Isabel Fernández Ruiz, Antonio Fernández Ruiz, Mercedes Fernández Ruiz, as well as their respective spouses and immediate family members.

Share class

As of December 31, 2013 the capital stock was represented by 873,844 shares of a par value of €1 each, numbered from 1 to 873,844, both inclusive, all of these shares being subscribed and paid up in full.

Family protocol

On January 1, 2009, the members of the Fernández family entered into a family protocol. The family protocol governs the relationship between family members and their interest in the Parent Guarantor and its subsidiaries. The family protocol provides for governance rights proportional to the interests held by each family member entitling them to appoint directors to the board of the Parent Guarantor. The family protocol contains other customary provisions regarding transfer of shares (including rights of first refusal and tag-along rights), dividends, information rights and cooperation.

Certain relationships and related party transactions

We enter into transactions with our shareholders and other entities owned by, or affiliated with, our direct and indirect shareholders in the ordinary course of business. These transactions include, among others, professional advisory, consulting and other corporate services. The following discussion is a brief summary of certain material arrangements, agreements and transactions we have with related parties.

Agreement for the provision of consultancy services

On January 2, 2008, Ferruan Inversiones, S.L., one of the Parent Guarantor's holding companies, entered into a contract with the Parent Guarantor for the provision of consultancy services on strategies at tender stage for certain construction bids for any Spanish or Mexican entity over which the Parent Guarantor has direct or indirect control. The price of the contract is €308,000 (excluding VAT) per year, and in 2011 the price was increased to €504,000. This agreement was terminated on December 31, 2013 by the Parent Guarantor.

Advisory services agreement

We have entered into an advisory services agreement with Antonio Fernández Rubio, our non-executive honorary President, and a member of the Fernández family, for an annual aggregate consideration of approximately €1 million, pursuant to which Mr. Fernández provides advice, attends certain board meetings as an observer (without voting rights) and holds certain public representation functions on our behalf.

Arrangements between the Unrestricted Group and the Restricted Group

Credit facilities

On May 14, 2008, Aldesa Construcciones, S.A., as borrower and our Unrestricted Subsidiary, Viviendas Torrejón-Móstoles, S.A.U., as lender entered into a loan agreement for an amount of €23.5 million euros which is due on November 13, 2017. This loan agreement is back to back and has the same terms as the original loan agreement between Viviendas Torrejón-Móstoles, S.A.U. and Banco Santander.

On May 14, 2008, our Unrestricted Subsidiary Viviendas Torrejón-Móstoles, as lender S.A.U. and UTE Viviendas Mostoles Sur, as borrower entered into a loan agreement for an amount of €8.5 million euros which is due on May 13, 2018. This loan agreement is back to back and has the same terms as the original loan agreement between Viviendas Torrejón-Mostoles and Banco Santander.

On December 31, 2011, Aldesa Construcciones, S.A. and UTE Viviendas Móstoles Sur, as borrowers, entered into two separate loan agreements with our Unrestricted Subsidiary, Viviendas Torrejón-Móstoles, S.A.U., as lender in amounts of €17.4 million euros and €3.3 million euros, respectively. The general purpose of these loans is to fund construction costs of the Torrejón-Móstoles project. The loans will mature following full payment of the project finance debt.

Lease agreement

Gran Canal de Inversiones, S.L., as lessor and several entities in the Restricted Group, as lessees, are parties to lease agreements regarding the buildings located in Bahía de Pollensa 13 and 17 (corporate headquarters of the Parent Guarantor). The aggregate rent under these lease agreements currently amounts to approximately €1.5 million per year, increasing yearly based on the consumer price index (with a minimum increase of 3%).

Loan Agreements

There are 15 loan agreements for an aggregate total principal amount of 32.1 million Polish zloty (approximately €7.6 million) between Aldesa Construcciones, S.A. (as lender) and our Unrestricted Subsidiary, Aldesa Polska Diamante Plaza Sp. z.o.o., (as borrower). In addition, we have one loan between Aldesa Construcciones, S.A., Polish Branch, as lender and our Unrestricted Subsidiary, Aldesa Polska Diamante Plaza sp. z.o.o. (as borrower). The general purpose of these loans is to fund the construction costs of Diamante Plaza in Krakow. The loan agreements typically have a 10-year term and their final maturity dates range between 2016 and 2018 (although two of these agreements have an indefinite term).

There are several loan agreements between Aldesa Construcciones, S.A. (as lender) and our Unrestricted Subsidiary Aldeturismo de Mexico S.A. de C.V., (as borrower) for an aggregate principal amount of 130 million Mexican pesos (approximately €7.1 million). The general purpose of these loans is to fund the payment of the land in Huatulco of which Aldesturismo is the owner.

There are four subordinated loans and four subordinated participative loans for a total outstanding amount of €35.7 million as of December 31, 2013 between our Unrestricted Subsidiary, Enersol Santa Lucía, S.L.U., as borrower and Aldesa Gestión de Energías Renovables, S.L.U. as lender, in order to enable Santa Lucia to fund the equity component of the project finance associated with this renewable energy development. Final maturity dates for repayment range between 2027 and 2030.

In addition, we are parties to eleven subordinated and participative loan agreements: (i) two between Aldesa Gestión de Energías Renovables, S.L.U., as lender and our Unrestricted Subsidiary, Aldesa Eólico Olivillo,S.A.U., as borrower, for an aggregate principal amount of €3.7 million, with maturity dates of December 31, 2028, and December 31, 2029; (ii) two between Aldesa Gestión de Energías Renovables,S.L.U., as lender and our Unrestricted Subsidiary, Eólico Roalabota (now Aldesa Eólico Olivillo, S.A.U following the merger between both companies) as borrower for an aggregate principal amount of €3.9 million, with a maturity date of December 31, 2028; (iii) five participative loans between Aldesa Construcciones, S.A. U. as lender and our Unrestricted Subsidiary, Viviendas Torrejón-Mósteles, S.A.U., as borrower, for an aggregate total principal amount of €10.5 million and for which the final maturity date is following full payment of the project finance debt; (iv) one subordinated loan between Aldesa Construcciones, S.A., as lender and our Unrestricted Subsidiary, Aldesa Eólico Roalabota (now Aldesa Eólico Olivillo,S.A.U following the merger between both companies) as borrower for an amount of €628,000 and a maturity date of January, 31, 2029.; and (v) one subordinated loan between Aldesa Construcciones, S.A., as lender and our Unrestricted Subsidiary SESA (Sistemas Energéticos de la Sierra de Andévalo, S.A.), as borrower for a principal amount of €0.6 million and a maturity date of April, 9, 2025.

Management Agreements and operation and maintenance agreement

We have five commercial management agreements between various group companies. These management agreements generally have a 1 year duration, subject to automatic renewal and related to photovoltaic solar plants, for an aggregate yearly payment of approximately €536,000.

There is one agreement between our Unrestricted Subsidiary Enersol Solar Santa Lucia and ACISA for the operation and maintenance of photovoltaic plants with a yearly payment of approximately €1 million. This agreement has a one year term and is subject to automatic renewals.

Highway operating and maintenance agreements Arriaga—Ocozocoautla in Mexico

On October 5, 2011, our Unrestricted Subsidiary, Concesionaria de Autopistas del Sureste, S.A. de C.V., entered into a contract with Operadora de Autopistas Aldesem, S.A. de C.V. to provide operational services to two sections of a federal highway located in the State of Chiapas, Mexico. Operadora de Autopistas Aldesem, S.A. de C.V. will receive fees in an amount of 32.0 million Mexican pesos per year (2014).

On October 5, 2011, our Unrestricted Subsidiary, Concesionaria de Autopistas del Sureste, S.A. de C.V., also entered into a contract with Mantenedora de Caminos Aldesem, S.A. de C.V., for delivery of maintenance services on two sections of federal highway located in the State of Chiapas, Mexico. Under the terms of the contract Mantenedora de Caminos Aldesem, S.A. de C.V., will receive an annual payment of 17.8 million Mexican pesos (2014), as fees for the provision of minor maintenance service and 33.0 million Mexican pesos (2014) as fees major maintenance services.

Loan agreements between Concesionaria de Autopistas del Sureste, S.A. de C.V. and Aldesa Construcciones, S.A.

On March 30, 2012, our Unrestricted Subsidiary, Concesionaria de Autopistas del Sureste, S.A. de C.V., as lender, entered into a credit agreement with Aldesa Construcciones, S.A., as borrower, for a committed amount of 338 million Mexican pesos. On July 3, 2012, Concesionaria de Autopistas del Sureste, S.A. de C.V., as lender, entered into a credit agreement with Aldesa Construcciones, SA, for a committed amount of 167 million Mexican pesos. The aggregate outstanding amount under these two loans as of December 31, 2013 was 38.0 million Mexican pesos (equivalent to approximately €2.0 million).

Guarantees of indebtedness of the Unrestricted Group by the Restricted Group

The Restricted Group has granted certain guarantees for the benefit of the Unrestricted Group, including (i) guarantees provided by Aldesa Construcciones, S.A. in an amount of €3.9 million for the dismantling of certain renewable energy projects of our Unrestricted Group at the end of the relevant project, (ii) several guarantees provided by Aldesa Construcciones, S.A. in an amount of €6.0 million in respect of different school and energy projects, (iii) a guarantee provided by Aldesa Construcciones, S.A. to Autopista de La Mancha Concesionaria Española, S.A. in an amount of up to €1.5 million in connection with the project finance loan for our Autopista de la Mancha highway project, and (iv) a guarantee provided by Aldesa Construcciones, S.A. in an amount of €2.5 million for a back-up credit line provided by Banco Santander to Viviendas Torrejón- Móstoles, S.A., with maturity in December 2014.

Description of certain financing agreements

The following contains a summary of the material provisions of the Revolving Credit Facility, the Intercreditor Agreement and certain other instruments or facilities. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to the underlying documents.

Revolving Credit Facility

On or prior to the Issue Date the Parent Guarantor, the Issuer and certain Subsidiaries of the Parent Guarantor as guarantors, and Aldesa Agrupación as borrower (the "Borrower"), will enter into a revolving credit facility agreement (the "Revolving Credit Facility Agreement") with Banco Santander, S.A., Banco de Sabadell, S.A., Bankia, S.A., CaixaBank, S.A., Banco Popular Español, S.A. and Insituto de Crédito Oficial, as arrangers, the original lenders listed therein, and Banco Santander, S.A. as agent ("Agent") and Deutsche Bank AG, London Branch as security agent.

The Revolving Credit Facility Agreement will provide for a committed four year revolving credit facility (the "Facility") of €100 million.

Availability and purpose

The Facility will be available (subject to satisfaction of various customary conditions precedent) from the date of the issue of the Notes until the date that falls 47 months after the date of the Revolving Credit Facility Agreement. The Facility may only be utilized by the Borrower.

Amounts drawn under the Revolving Credit Facility can be used to refinance certain indebtedness of the Parent Guarantor and its Subsidiaries (together the "Group") and payment of associated costs and expenses, payment of costs and expenses incurred in relation to the issue of the Notes or the entry into the Revolving Credit Facility Agreement (or the performance of obligations thereunder), for our general corporate and working capital purposes (but not towards the prepayment, purchase, defeasance or redemption of the Notes).

The Borrower has the ability to enter into bilateral ancillary facilities with the lenders under the Revolving Credit Facility Agreement, up to an aggregate limit of €25 million.

Interest rates and fees

The interest rate on each loan under the Revolving Credit Facility Agreement for each interest period will be the rate per annum which is the aggregate of (a) a margin of 4 per cent. per annum and (b) EURIBOR.

Pursuant to the Revolving Credit Facility Agreement, the Borrower will be obligated to pay certain fees, including an arrangement fee, an agency fee, a commitment fee in respect of the available but undrawn Facility commitments and a utilization fee in respect of amounts drawn and outstanding under the Facility.

Guarantees

Pursuant to the terms of the Revolving Credit Facility Agreement, the Parent Guarantor, the Issuer and the Guarantors (together with the Parent Guarantor and the Issuer, the "RCF Guarantors") will guarantee all amounts due to the lenders and other finance parties under the Revolving Credit Facility Agreement and related finance documents. The guarantees granted by the RCF Guarantors will be subject to certain guarantee limitations which are set out in the Revolving Credit Facility Agreement. These guarantee limitations primarily limit the scope of the guarantees granted by the RCF Guarantors to ensure that they comply with the laws of the jurisdictions in which the RCF Guarantors are incorporated.

The Parent Guarantor will be required to exercise commercially reasonable efforts to ensure that the Borrower and Aldesa Home, S.L. are converted to *sociedades anónimas* on or before the date that is six months after the date of the Revolving Credit Facility Agreement and in any case, ensure that they are converted into *sociedades anónimas* on or before the date that is nine months after the date of the Revolving Credit Facility Agreement, and after such conversion, ensure that Aldesa Home, S.L. accedes to the Revolving Credit Facility Agreement as a guarantor and that both the Borrower and Aldesa Home, S.L. grant security over the shares they hold in certain of their Subsidiaries and that security is granted over the shares in the Issuer. Please see the section titled "Security" in the *"Description of the notes."*

The Parent Guarantor will be required to ensure that (a) the aggregate of earnings before interest, tax, depreciation and amortization (calculated on an unconsolidated basis and otherwise on the same basis as EBITDA) of the RCF Guarantors represents not less than 80 per cent of the earnings before interest, tax, depreciation and amortization (calculated on the same basis as EBITDA but without including the earnings attributable to any Excluded Subsidiary) of the Restricted Group; and (b) the aggregate gross assets and the aggregate turnover (in each case calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries) of the RCF Guarantors represents not less than 80 per cent of the consolidated gross assets or (as applicable) consolidated turnover (in each case calculated without including any intra-group items with, or investments in, any Excluded Subsidiary) of the Restricted Group (the "Guarantor Coverage Requirement"). If it is determined, by reference to any set of annual audited financial statements and related compliance certificate delivered by the Parent Guarantor to the Agent that the Guarantee Coverage Requirement is not being satisfied, the Parent Guarantor will be required to ensure that one or more of its Subsidiaries accedes to the Revolving Credit Facility Agreement as a RCF Guarantor within 60 days of the date on which those financial statements were required to be delivered, such that the Guarantee Coverage Requirement is satisfied.

The Parent Guarantor will be required to ensure that each of its Subsidiaries (each such Subsidiary a "Material Company") which is not an Excluded Subsidiary (as defined below) and in which it holds (directly or indirectly) at least 90 per cent. of the shares or equivalent ownership interests, and which has (a) earnings before interest, tax, depreciation and amortization (calculated on an unconsolidated basis and otherwise on the same basis as EBITDA), representing 10 per cent. or more of total earnings before interest, tax, depreciation and amortization of the Restricted Group (calculated on the same basis as EBITDA but without including the earnings attributable to any Excluded Subsidiary); or (b) has gross assets or turnover (in each case calculated on an unconsolidated basis and without including any intra-group items with, or investments in, any Subsidiary) representing 10 per cent. or more of total gross assets or turnover of the Restricted Group (in each case calculated without including any intra-group items with, or investments in, any Excluded Subsidiary), accedes to the Revolving Credit Facility Agreement as an additional guarantor within 60 days of the date on which the annual audited financial statements and related compliance certificate evidencing the matters set out in (a) and (b) above were required to be delivered. The obligation to require such a Material Company to accede as a guarantor is subject to certain limitations specified in the Revolving Credit Facility Agreement. The Parent Guarantor may be required to ensure that security is granted over the shares of Subsidiaries and Material Companies that accede as Guarantors.

For these purposes, an "Excluded Subsidiary" means:

(a) for so long as La Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. is a creditor in respect of any of their indebtedness: —Aldesa Nuevo Madrid, S.L. and Águilas Residencial, S.A.;

(b) for so long as it is (or will be) used for the purpose of non-recourse sale of receivables, Aldepai Gestión, S.A.; and

(c) at any time, a Subsidiary of the Parent Guarantor which is:

(i) a special purpose vehicle established in relation to acquisitions or for performance of specified projects, which in each case meets the requirements specified in the Revolving Credit Facility Agreement; or

(ii) any other Unrestricted Subsidiary.

Security

The lenders under the Revolving Credit Facility Agreement will benefit from the Security detailed in the section titled "Security" of the *"Description of the Notes"*.

Covenants

The Revolving Credit Facility Agreement will contain the same covenants as the Notes and in addition will contain certain customary positive undertakings relating to, *inter alia*, obtaining all required authorizations, compliance with laws and *pari passu* ranking of liabilities under the Revolving Credit Facility Agreement and related finance documents as well as the requirement to maintain the Guarantee Coverage Requirement, as detailed above.

Financial covenant

The Revolving Credit Facility Agreement will contain a financial covenant that requires us to ensure that the ratio of net financial debt to EBITDA (in each case calculated as detailed in the Revolving Credit Facility Agreement) in respect of any testing date falling on or after December 31, 2014 does not exceed 3.75:1.

Maturity

Each loan under the Facility will be required to be repaid on the last day of each interest period, provided however that loans may be redrawn subject to the terms and conditions set out in the Revolving Credit Facility Agreement. All outstanding loans under the Facility will be required to be repaid in full on the date that is 48 months after the date of the Revolving Credit Facility Agreement.

Prepayments

Subject to certain conditions, the Borrower will be permitted to voluntarily cancel any available commitments under, or voluntarily prepay any outstanding utilizations of, the Revolving Credit Facility by giving 10 business days' (in the case of cancellation of available commitments) or 3 business days' (in the case of voluntary prepayment) prior notice to the Agent. Any utilizations of the Revolving Credit Facility that are prepaid may (subject to the terms of the Revolving Credit Facility Agreement) be reborrowed.

A mandatory prepayment of the Facility will also be triggered under the Revolving Credit Facility Agreement if such a prepayment is required to be made under the relevant covenants in the Indenture.

The Parent Guarantor will be required to notify the Agent promptly upon becoming aware of a Change of Control. Lenders under the Revolving Credit Facility Agreement will not be obliged to fund utilizations (other than rollover loans) during a period of 30 days following such notice. Each lender who does not wish to continue being a lender under the Revolving Credit Facility Agreement may, during such 30 day period, request prepayment of all amounts owed to it and if such a request is made all amounts owed to that lender will become immediately due and payable. After the expiry of such 30 day period, lenders who have not requested to be prepaid will continue as lenders under the Revolving Credit Facility Agreement.

A "Change of Control" for these purposes has the meaning given to that term in the Description of the Notes.

Events of default

The Revolving Credit Facility Agreement will contain the same events of default as those set out in the Description of the Notes (modified as required to reflect the terms of the Revolving Credit Facility Agreement) as well as a few other events of default customary for financings of this nature (with customary and agreed thresholds and carve-outs). The occurrence of an event of default will allow the lenders under the Revolving Credit Facility Agreement to cancel available commitments under the Revolving Credit Facility, declare all amounts owed under the Revolving Credit Facility Agreement to be due upon demand and/or demand immediate repayment of all amounts owed under the Revolving Credit Facility Agreement.

Intercreditor Agreement

On or around the date of issue of the Notes, Group Aldesa, S.A., various members of the Restricted Group as debtors (the "Debtors"), the Notes Trustee, the Agent, the Security Agent, the lenders under the Revolving Credit Facility Agreement and certain other parties will enter into the Intercreditor Agreement to establish the relative rights of certain of the Group's creditors including the lenders under the Revolving Credit Facility Agreement, the noteholders and any future creditors who rank *pari passu* with the noteholders and the lenders under the Revolving Credit Facility Agreement. By accepting a Note, noteholders will be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement. See "Annex A: Intercreditor Agreement."

The Intercreditor Agreement sets out:

- the ranking of liabilities owed under the Revolving Credit Facility Agreement (the "Credit Facility Liabilities"), the Notes (the "Notes Liabilities") and any future debt financing (a "Pari Passu Financing") or future secured hedging ("Pari Passu Hedging") which rank pari passu with the Revolving Credit Facility Agreement and the Notes (such liabilities the "Pari Passu Liabilities" and together with the Credit Facility Liabilities and the Notes Liabilities, the "Senior Secured Debt." The creditors to whom the Senior Secured Debt is owed are referred to below as the "Senior Creditors" and the documents documenting the Senior Secured Debt are referred to below as the "Senior Documents");
- the ranking of the security (the "Transaction Security") that will secure the Senior Secured Debt and certain other amounts;
- the procedure for enforcement of the Transaction Security and any guarantee granted in favour of the Senior Creditors and the allocation of proceeds resulting from such enforcement;
- the types of disposals permitted under distressed and non-distressed scenarios and the Security Agent's authority to release the Transaction Security and guarantees granted in favour of the Senior Creditors in case of a distressed and non-distressed disposal;
- the terms pursuant to which intra-Group debt and shareholder debt will be subordinated; and
- turnover provisions.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and, as such, we urge you to read that document (set out in Annex A) because it, and not the text that follows, defines certain rights (and restrictions on entitlement) of the noteholders and other Senior Creditors.

Priority of debts

The Intercreditor Agreement provides that the Credit Facility Liabilities, the Notes Liabilities and any Pari Passu Liabilities (including in each case, any liabilities owed pursuant to any guarantees given in respect of such debt) will rank *pari passu* and without any preference between them and in priority to any liabilities owed in respect of intra-Group debt and shareholder debt.

Ranking of security

The Intercreditor Agreement provides that the Transaction Security shall rank and secure the Credit Facility Liabilities, the Notes Liabilities and the Pari Passu Liabilities *pari passu* and without any preference between them (but only to the extent that such Transaction Security is expressed to secure those liabilities).

Enforcement and application of proceeds

The Intercreditor Agreement sets forth procedures for enforcement of the Transaction Security. Subject to the Transaction Security having become enforceable, Senior Creditors whose Senior Credit Participations aggregate more than 50% of the total Senior Credit Participations (the "Instructing Group") are entitled to direct the Security Agent to enforce or refrain from enforcing the Transaction Security, as they see fit. In accordance with the terms of the Intercreditor Agreement, the Security Agent will not enforce the Transaction Security unless instructed to do so by the Instructing Group. For these purposes, "Senior Credit Participations" means at any time in relation to a Senior Creditor, the aggregate principal amount (or in the case of Pari Passu Hedging, the amount) of Senior Secured Debt owed to such Senior Creditor. Subject to certain exceptions, before giving any enforcement instructions, the creditor representatives are required to consult with each other for a period of not more than 15 business days with a view to making a collective determination as to the method of enforcement they wish to instruct the Security Agent to pursue, if any.

The proceeds of enforcement of the Transaction Security or any guarantees granted in respect of the Senior Secured Debt and all other amounts paid to or to the order of the Security Agent under the Intercreditor Agreement shall be applied in the following order:

- first, in payment of any sums owing to the Security Agent or any receiver, delegate, attorney or agent appointed under the Transaction Security documents or the Intercreditor Agreement;
- second, in payment on a *pro rata* and *pari passu* basis of fees, costs and expenses payable to the Credit Facility Agent, the Notes Trustee and any agent or trustee in respect of any Pari Passu Financing;
- third, in discharging all costs and expenses incurred by any Senior Creditor in connection with any realisation or enforcement of the Transaction Security taken in accordance with the Intercreditor Agreement or at the request of the Security Agent;
- fourth, on a *pari passu* and *pro rata* basis to the (i) Agent on its own behalf (to the extent not already reimbursed as per the above) and on behalf of the creditors under the Revolving Credit Facility Agreement; (ii) the Notes Trustee on its own behalf (to the extent not already reimbursed as per the above), and on behalf of the noteholders; (iii) creditor representatives of any Pari Passu Financing; and (iv) the providers of Pari Passu Hedging, for application towards the discharge of amounts owed under the Revolving Credit Facility Agreement (in accordance with the terms thereof), the Notes (in accordance with the Indenture), any Pari Passu Financing (in accordance with the relevant Pari Passu Financing document) and any Pari Passu Hedging documents respectively;

- fifth, if none of the Debtors is under any further actual or contingent liability in respect of the Senior Secured Debt, in payment to any person the Security Agent is obliged to pay in priority to any Debtor; and
- sixth, in payment or distribution to the relevant Debtors.

Distressed and non-distressed disposals

The Security Agent is authorized (without the requirement to obtain any further consent or authorisation from any Senior Creditor) to release from the Transaction Security any asset that is the subject of a disposal permitted by the Senior Documents and which is not a Distressed Disposal. A "Distressed Disposal" means a disposal effected (i) at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable; (ii) by way of enforcement of the Transaction Security; or (iii) by a Debtor to a third party (not being a member of the Group) after any of the Senior Secured Debt (other than the Pari Passu Hedging) has been accelerated or by way of enforcement of the Transaction Security.

If to the extent permitted by applicable law a Distressed Disposal is being effected or the shares of a member of the Group are being appropriated by the Security Agent in accordance with the Intercreditor Agreement, the Security Agent is authorized (without the requirement to obtain any further consent or authorisation from any Senior Creditor or other relevant party): (i) to release the Transaction Security or any other claim over any asset subject to the Distressed Disposal or appropriation; and (ii) if the asset subject to the Distressed Disposal or appropriation consists of the shares in the capital of a Group company, to release such company and/or its subsidiaries from any liabilities under borrowings or obligations, including the Issuer's obligations in respect of the Notes in the case of an enforcement on the pledge of shares of Aldesa Agrupación, and/or guarantees under any Senior Document and/or any document documenting intra-Group debt or shareholder debt.

Intra-Group debt

Pursuant to the Intercreditor Agreement, Grupo Aldesa, S.A. and its subsidiaries party thereto that are creditors in respect of intra-Group debt have agreed to subordinate intra-Group debt to the liabilities owed by the Debtors to the Senior Creditors.

Neither Grupo Aldesa, S.A. nor any of its subsidiaries that are creditors in respect of Intra-Group debt may take, accept or receive the benefit of any security, guarantee, indemnity or other assurance against loss in respect of intra-Group debt unless such action is not prohibited by the Senior Documents or the prior consent of the Instructing Group is obtained. Neither Grupo Aldesa, S.A. nor any other subsidiary may make any payment, prepayment, repayment or otherwise acquire or discharge any intra-Group debt if acceleration action has been taken in respect of any of the Senior Documents and an event of default would occur under a debt document as a result of such payment, prepayment, repayment, acquisition or discharge unless the Instructing Group consent or such action is undertaken to facilitate repayment or prepayment of the Senior Secured Debt.

Shareholder debt

Pursuant to the Intercreditor Agreement, any debt owed to any parent company of Grupo Aldesa, S.A. or any affiliate of such person which has become a party to the Intercreditor Agreement by a member of the Group (such debt being "Subordinated Debt") is subordinated to the Senior Secured Debt. Grupo Aldesa, S.A. and other Debtors may make payments in respect of Subordinated Debt provided that such payments are not prohibited by the Senior Documents or the Instructing Group consent to that payment being made. Grupo Aldesa, S.A. is required to procure that no creditor in respect of the Subordinated Debt takes, accepts or receives the benefit of any security, guarantee, indemnity or other assurance against loss in respect of Subordinated Debt prior to the first date on which all of the Senior Secured Debt has been discharged unless the prior consent of the Instructing Group is obtained.

Turnover

If any Senior Creditor (including the noteholders and the Notes Trustee) or other creditor party to the Intercreditor Agreement (including creditors in respect of intra-Group debt and creditors in respect of Subordinated Debt) receives or recovers a payment (whether by way of direct payment, set-off or otherwise) except as permitted pursuant to the terms of the Intercreditor Agreement, such creditor shall hold such payment in trust for the Security Agent and promptly pay over such amounts to or to the order of the Security Agent for application in accordance with the provision described above under *"—Enforcement and application of proceeds."*

Indebtedness to be repaid on the Issue Date

Syndicated Loan

On July 29, 2010, Aldesa Construcciones, S.A. as borrower entered into a financing agreement with a syndicate of Banks (the "Syndicated Loan"), including Banco Español de Crédito, S.A., Caja de Ahorros y Monte de Piedad de Madrid, Banco Sabadell, S.A., Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja, Caixa Catalunya, Tarragona y Manresa, Banco Popular Español, S.A., Caja de Ahorros de Galicia, Caja de Ahorros del Mediterráneo, Caja de Ahorros de Vigo, Ourense y Pontevedra, Banco Santander, S.A. and Banco Bilbao Vizcaya Argentaria, S.A. Aldesa Construcciones, S.A. subsequently entered into novation agreements of the Syndicated Loan in 2011, 2012 and 2013. The purpose of these novation agreements was, among other changes, to modify the schedule of payments under the loan.

Following these novations, the final maturity under the Syndicated Loan was July 29, 2015. As of December 31, 2013, the aggregate committed amount under the Syndicated Loan was €193.3 million and the outstanding amount was €121.3 million. The interest rate for each for the tranches is EURIBOR + 4.50%.

ICO loan

On December 12, 2008, Aldesa Construcciones, S.A., as borrower entered into a loan with ICO (Instituto de Crédito Official). This loan was novated on four occasions, on December 21, 2010, on December 16, 2011, on December 20, 2012 and on December 10, 2013. The purpose of these novation agreements was, among other changes, to modify the schedule of payments under the loan. Following these novations, the maturity of the ICO loan was July 29, 2015. As of December 31, 2013, the aggregate outstanding amount under the ICO Loan was €32.3 million. The interest rate applicable to the loan is EURIBOR + 4.50%.

Bilateral loan

On July 28, 2009, the Parent Guarantor entered into a loan agreement with CaixaBank which was novated on October 7, 2010, December 16, 2011, December 20, 2012 and December 10, 2013. The purpose of these novation agreements was, among other changes, to modify the schedule of payments under the bilateral loan. Following these novations, the maturity of the bilateral loan was July 29, 2015. As of December 31, 2013, the aggregate oustsanding amount under the bilateral loan was €16.1 million. The interest rate applicable to the loan is EURIBOR + 4.50%.

Framework agreement for credit lines

On December 20, 2012, a framework agreement for credit lines was entered into between Aldesa Construcciones, S.A., the Parent Guarantor, Agrupación Empresas Automatismos, Montajes y Suministros, S.L. and a series of banks, including Banesto, CaixaBank, Catalunya Banc, Sabadell, Banco Popular, Banco Sabadell, BBVA and Bankia. A novation agreement was entered into on December 10, 2013 to extent the maturity by one year. The maturity of the bilateral credit lines, following this novation, is July 29, 2015. As of December 31, 2013, the aggregate committed amount under the framework agreement was €31.2 million and the

outstanding amount was €0.8 million. The interest rate applicable to the lines under the framework agreement is EURIBOR + 4.50%.

Interest rate hedging

To mitigate interest rate risk, and as required by the covenants in our Syndicated Loan, we have in the past used interest rate swaps which we mainly entered into with Spanish banks, including Banco Santander, Bankia, BBVA, Sabadell and CaixaBank. As of December 31, 2013, we had interest rate hedging contracts in place with market values of €2.2 million. We expect that all of our interest rate swaps will be cancelled on or about the Issue Date, with the exception of interest rate hedging relating to indebtedness of our Unrestricted Group (as described below).

Other

In addition to the facilities mentioned above, indebtedness that will be repaid upon the Issue Date includes five loans with ICO funding, as well as mortgage loans and bilateral loans. Collectively, these additional facilities represented an aggregate outstanding amount of €4.9 million as of December 31, 2013.

Indebtedness not being repaid on Issue Date—recourse to the Restricted Group

Indebtedness with recourse to the Restricted Group that is not expected to be repaid on the Issue Date includes a credit line, four mortgage loans, currency hedging arrangements as well as finance leases. The Restricted Group is also a party to certain guarantee lines, as well as confirming and factoring lines and arrangements for the sale of future credit rights.

Credit line

On September 9, 2013, Aldesa Holding S.A. de C.V. entered into a credit line with Inbursa. As of December 31, 2013, this credit line represented a committed amount of 100 million Mexican pesos (approximately €5.6 million), and an outstanding amount of €1.6 million. We renew this credit line on a yearly basis and its current maturity is September 8, 2014. The interest rate applicable to this credit line is TIIE + 3%.

Mortgage loan

Aldesa Construcciones, S.A., Aguilas Residencial, S.A. and Aldesa Nuevo Madrid, S.L. are parties to three mortgage loans with Sociedad de Gestión de Activos Procedentes de la Restructuración Bancaria, S.A. As of December 31, 2013, these three loans represented an aggregate outstanding amount of €12.8 million. The mortgage loan to which Aldesa Nuevo Madrid, S.L. is a party (with an outstanding amont of €3.2 million as of December 31, 2013) matures in June 2014, while the two other mortgage loans mature in 2038. The mortgage loan to which Aldesa Nuevo Madrid, S.L. is a party bears interest at 6.0%, as compared to EURIBOR + 4.0% for Aldesa Construcciones, S.A. and EURIBOR + 1.75% for Aguilas Residencial, S.A.

Aguilas Residencial, S.A. is also a party to a mortgage loan with CaixaBank, maturing in 2028. As of December 31, 2013, this loan had an outstanding amount of €3.5 million. This loan bears interest at EURIBOR + 3.5%.

Finance leases

We are party to various finance lease agreements for the financing of machinery, which we expect to remain in place following the Issue Date. As of December 31, 2013, these finance leases represented an outstanding amount of €1.4 million.

Currency hedging

We have hedging instruments in place to manage our exposure to currency exchange fluctuations. Hedging is generally performed by the use of forwards. As of December 31, 2013, we had currency hedging contracts in place with market values of negative €0.6 million.

Guarantee lines

The Parent Guarantor is a party to several guarantee agreements entered into with various banks and insurance companies for the purpose of guaranteeing our performance under construction and industrial contracts. These guarantee lines include a guarantee line with Bankia entered into on October 27, 2011. As of December 31, 2013, this guarantee line represented a committed amount of €110 million.

These guarantee lines also include guarantee lines with Santander, BBVA and Banco Popular for committed amounts of €55 million, €55 million and €51 million, respectively, as of December 31, 2013.

In addition, we are a party to guarantee lines for smaller amounts. In total these additional guarantee lines represented a committed amount of €401 million as of December 31, 2013. For more information about guarantee lines, see *"Management's discussion and analysis of financial condition and results of operations."*

Confirming, factoring and sale of future credit rights

We have a number of confirming and factoring arrangements in place, as well as arrangements for the sale of future credit rights. For more information about these arrangements, please see "Management's discussion and analysis of financial condition and results of operations."

Indebtedness not being repaid on Issue Date—without recourse to the Restricted Group

Indebtedness without recourse to the Restricted Group which is not expected to be repaid on the Issue Date includes various project finance lines entered into for the financing of specific projects relating to our investment activities. It also includes notes issued in connection with a concession in Mexico.

Compared to typical corporate financing, project finance debt has certain key advantages, including a defined risk profile, lower funding costs, generally longer terms and the ability to incur higher leverage on a project company basis. The project company enters into the financing agreement directly with the relevant lender for the relevant project. The basis of the financing agreement between the project company and the lender details the allocation of the cash flows generated by the project and the amortization schedule of payments owed under the financing agreement. Generally speaking, cash flows generated by the project are only distributed to shareholders after application to repay interest and principal pursuant to the amortization schedule. Under such arrangements, any claim against the assets of the project company are subordinated to those of the lender until the financing is repaid in full, but the lender only has recourse to the assets of the project company and, usually, not to the shareholder of the project company or the sponsor of the project.

Subject to certain exceptions, the Restricted Group does not provide credit support for the repayment of the project company's debt obligations. Members of the Restricted Group do, however, provide, from time to time, guarantees of obligations under bank financing arrangements of certain project companies, including Unrestricted Subsidiaries and Qualifying Joint Ventures.

Project finance facilities

As of December 31, 2013, our project finance facilities represented an aggregate outstanding amount of €281.6 million. Our project finance facilities include the facilities described below.

- Enersol Solar Santa Lucía S.L.U., Aldesa Eólico Olivillo S.A.U., Aldesa Eólico Roalabota S.A.U., Eólico Alijar S.A., Valdivia Energia Eólica S.A. and Sistemas Energéticas Sierra del Andevalo, S.A.U. arranged non-recourse project finance, the purpose of which was to finance

renewable energy projects (photovoltaic solar power plants and windfarms). The outstanding amount under these project finance loans was €173.5 million as of December 31, 2013.

- On May 13, 2008, Viviendas Torrejón-Móstoles, S.A.U. arranged non-recourse project finance, the purpose of which was to finance state-subsidized residential properties on a lease with purchase option basis in Torrejón and Móstoles. These projects are now fully built and are at the commercial sale stage. The outstanding amount under this project finance loan was €31.8 million as of December 31, 2013. Besides, Viviendas Torrejón-Móstoles, S.A.U. entered into a back-up credit line (in the event that Viviendas Torrejón-Móstoles, S.A.U. cannot meet its payment obligations) of up to €2.5 million with maturity in December 2014 and with a corporate guarantee from Aldesa Construcciones, S.A. For more information concerning this guarantee, see *"Certain relationships and related party transactions."*
- On June 19, 2008 Autopista de La Mancha Concesionaria Española, S.A. arranged non-recourse project finance which, following successive novations, the purpose being financing the project for the upkeep and maintenance of a section of the A4 motorway between Puerto Lápice and Venta Cárdenas. Aldesa Construcciones, S.A. holds a 23.5% stake in this company. The outstanding amount under this project finance loan was €22.7 million as of December 31, 2013 and Aldesa Construcciones, S.A. is guaranteeing up to €1.5 million of this project finance loan in the event that certain contingencies occur and if certain leverage ratios are not met. For more information concerning this guarantee, see *"Certain relationships and related party transactions."*
- On November 20, 2008 Edificio Torrevilano, S.L. arranged non-recourse project finance, the purpose of which is to finance construction of a state contract private school in Ensanche de Vallecas. The outstanding amount under this project finance loan was €14.3 million as of December 31, 2013.
- On March 4, 2009 Edificio Montesclaros, S.L. arranged non-recourse project finance, the purpose of which is to finance construction of a state contract private school in the municipality of Cerceda. The outstanding amount under this project finance loan was €10.2 million as of December 31, 2013.
- On September 17, 2008, Aldesa Polska Diamante Plaza, sp z.o.o. arranged non-recourse project finance, the purpose being to finance an office building in Krakow. The outstanding amount under this project finance loan was €16.0 million as of December 31, 2013.
- On December 3, 2008, Gran Canal de Inversiones, S.L. arranged project finance, the purpose of which was to finance corporate buildings leased to companies of the Aldesa Group by means of lease agreements payment of which covers service of the debt. The outstanding amount under this project finance loans was €12.9 million as of December 31, 2013.

Notes and other negotiable securities

On October 6, 2011, bonds (*Certificados Bursátiles Fiduciarios*) were issued by backed by collection rights derived from operations of a concession in Mexico (Concesionaria Autopistas del Sureste, S.A. de C.V.). The issuance amounted to a sum of 3.5 billion Mexican pesos (equivalent to approximately €193.8 million, based on the exchange rate on the date of issue of these bonds). The purpose of this issuance was to: (i) repay bank debt, (ii) cancel the swap associated with this bank debt, (iii) to cover all expenses of the issue, and (iv) make cash distributions to shareholders. This issue of bonds constitutes non-recourse finance with a maturity of 26 years, accruing interest at a fixed rate of 6%. The placement agents were Banamex and Banco Santander.

Interest rate hedging

As mentioned above, we have in the past used, and are planning to continue to use, interest rate swaps relating to project finance indebtedness of our Unrestricted Group. As of December 31, 2013, we had interest rate hedging contracts in place with market values of €41.8 million.

Description of the Notes

The following is a description of the €250 million in aggregate principal amount of 7.25% senior notes due 2021 (the "**Notes**"). The Notes will be issued by Aldesa Financial Services S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered office at 9, rue Gabriel Lippman, Parc d'Activites Syrdall 2, L-5365 Munsbach (the "**Issuer**"), pursuant to an indenture to be entered into on the Issue Date (the "**Indenture**") among*, inter alios*, the Issuer, Grupo Aldesa S.A. (the "**Parent Guarantor**"), the Subsidiary Guarantors (as defined below), Deutsche Trustee Company Limited, as trustee (the "**Trustee**"), Deutsche Bank AG, London Branch as principal paying agent, Deutsche Bank Luxembourg S.A., as registrar and transfer agent, and Deutsche Bank AG, London Branch, as security agent (the "**Security Agent**") in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Aldesa Agrupación Empresarial, S.L.U. ("**Aldesa Agrupacion**"), will enter into a loan agreement (the "**Proceeds Loan**") under which it will borrow proceeds of the Notes from the Issuer and will agree to repay an amount equal to the principal amount of the Notes issued under the Indenture pursuant to the Proceeds Loan. Unless the context requires otherwise, references in this "Description of the Notes" to the Notes include the Notes and any Additional Notes (as defined below) that are issued under the Indenture. The terms of the Notes include those set forth in the Indenture. The Indenture will not incorporate or include any of, or be subject to, the provisions of the U.S. Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the Indenture and the Notes and the Security Documents and refers to the Intercreditor Agreement. It does not restate those agreements in their entirety. We urge you to read the Indenture, the form of Note, the Security Documents and the Intercreditor Agreement because they, and not the following description, define the rights of the holders of the Notes. Copies of the Indenture, the form of Note, the Security Documents and the Intercreditor Agreement are available as set forth under "*Where to find additional information*."

Certain defined terms used in this description but not defined below under "*—Certain definitions*" have the meanings ascribed to them in the Indenture. You can find the definitions of certain terms used in this description under "*—Certain definitions*". In this description the term "Issuer" refers only to Aldesa Financial Services S.A. The term "Parent Guarantor" refers only to Grupo Aldesa S.A, a *sociedad anónima* under the laws of Spain and not to any of its Subsidiaries The words "we", "us", "our" and "group" each refer to the Parent Guarantor and its consolidated subsidiaries.

The registered holder of a Note will be treated as the owner of such Note for all purposes under the Indenture. Only registered holders of Notes will possess rights under the Indenture.

The Notes and the Proceeds Loan

The Notes will:

- be general senior secured obligations of the Issuer;
- rank *pari passu* in right of payment with all existing and future Indebtedness of the Issuer that is not subordinated to the Notes;
- rank senior in right of payment to any and all future obligations of the Issuer that are subordinated to the Notes;
- be structurally subordinated to all Indebtedness, other obligations and claims of holders of preferred stock of the Parent Guarantor's subsidiaries (other than the Issuer) that are not Subsidiary Guarantors;

- be effectively subordinated to all of the Issuer's obligations that are secured by assets of the Issuer (other than the Collateral) to the extent of the value of the assets securing such obligations; and
- be fully and unconditionally guaranteed by the Guarantors, as described under "*—The Note Guarantees*".

Upon completion of this offering, the Issuer's only material asset is the Proceeds Loan and certain intercompany Indebtedness.

The Proceeds Loan will be:

- a general unsecured senior obligation of Aldesa Agrupacion;
- effectively subordinated to all existing and future secured Indebtedness of Aldesa Agrupacion to the extent of the value of the assets so secured; and
- effectively subordinated (in an insolvency proceeding) to any non-related third party Indebtedness of the Parent Guarantor except for such Indebtedness that has been set aside as fraudulent by a court.

The Proceeds Loan requires Aldesa Agrupacion to make certain payments under the Proceeds Loan to enable the Issuer to fulfill its obligations under the Indenture. Upon the issuance of any Additional Notes, the proceeds thereof will be loaned to Aldesa Agrupacion pursuant to an additional loan under the Proceeds Loan Agreement. See "*Description of certain financing agreements—Proceeds Loan*".

The Note Guarantees

On the Issue Date the Notes will be fully and unconditionally guaranteed, to the full extent permitted under applicable law, on a senior basis by: the Parent Guarantor, Aldesa Construcciones, S.A.; Proacon, S.A.; Aeronaval de Construcciones e Instalaciones, S.A.U.; Construcciones Aldesem, S.A. de C.V.; Ingeniería y Servicios ADM, S.A. de C.V.; Aldesa Nowa Energia sp. z.o.o.; Concesiones Aldesem, S.A. de C.V.; Proacon Mexico S.A. de C.V.; Coalvi, S.A.; Aldesa Holding, S.A. de C.V.; Aldesa Polska Services, sp. z.o.o. (together with the Parent Guarantor, the "**Initial Guarantors**"). In addition, each of the following Additional Guarantors incorporated in Spain shall become a party to the Indenture and the Intercreditor Agreement and guarantee the Notes only following its conversion into a Spanish *sociedad anónima* (the "**Conversion**"): Aldesa Agrupacion; Aldesa Home, S.L.; (the "**Additional Guarantors**"). The Parent Guarantor will agree in the Indenture to use its reasonable best efforts to implement the Conversion and cause the associated Additional Guarantees to be granted by the Additional Guarantors as soon as reasonably practicable following the Issue Date. The Parent Guarantor currently expects that the Conversion will occur and that the Additional Guarantees will be granted within 180 days from the Issue Date.

In addition, pursuant to the covenant entitled "*—Additional Guarantees and Collateral*", subject to the Agreed Security Principles, any Restricted Subsidiary (i) that after the Issue Date becomes a Significant Subsidiary or (ii) that guarantees certain Indebtedness of the Issuer or any Guarantor, will also be required to become a Guarantor (collectively the "**Future Guarantors**" and, together with the Initial Guarantors and the Additional Guarantors, the "**Guarantors**"). The Note Guarantees will be joint and several obligations of the Guarantors. Each Guarantor other than the Parent Guarantor is referred to in this "Description of the Notes" as a "**Subsidiary Guarantor**."

The following is a summary of certain terms of the Agreed Security Principles relating to the granting of guarantees other than the Guarantees to be granted by the Initial Guarantors and the Additional Guarantors:

- no Restricted Subsidiary outside of Spain, Mexico, Peru or Poland shall be required to provide any guarantee;
- a Spanish Subsidiary that is not a *sociedad anónima* will not be required to provide any guarantee; and
- guarantees will not be required from or over, or over the assets of, any joint venture or similar arrangement, any minority interest or any Subsidiary, of which less than 90% of the Capital Stock is held, directly or indirectly, by Aldesa Agrupacion.

Certain additional restrictions contained in the Agreed Security Principles are summarized under "*—Security*".

The Note Guarantee of each Guarantor will:

- be a senior obligation of the applicable Guarantor, to the full extent permissible under applicable law;
- be secured, to the full extent permissible under applicable law, on a first-priority basis, as applicable, along with obligations under the Revolving Credit Facility as described below under "*—Security*";
- rank *pari passu* in right of payment with all existing and future Indebtedness of that Guarantor that is not subordinated to that Guarantor's Note Guarantee, including obligations under the Revolving Credit Facility;
- rank senior in right of payment to any future Indebtedness of that Guarantor that is subordinated in right of payment to that Guarantor's Note Guarantee;
- be effectively subordinated to that Guarantor's existing and future secured indebtedness to the extent of the value of the property or assets securing such indebtedness unless such property or assets also secure the applicable Note Guarantee on an equal and ratable basis; and
- be structurally subordinated to all existing and future indebtedness of any of that Guarantor's subsidiaries (other than, in the case of Aldesa Agrupacion, the Issuer) that do not guarantee the Notes.

As of the Issue Date, not all of the Parent Guarantor's Subsidiaries will be "Restricted Subsidiaries." "**Restricted Subsidiary**" will be defined in the Indenture as any Subsidiary of the Parent Guarantor (including the Issuer) that is not an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes. As of the Issue Date, Enersol Solar Santa Lucia S.L.U., Aldesa Eólico Olivillo, S.A.U., Sistemas Energéticos Sierra de Andévalo, S.A., Viviendas Torrejón Mostoles, S.A.U., Colegio Torrevilano, S.L., Edificio Torrevilano, S.L., Colegio Montesclaros, S.L.; Edificio Montesclaros, S.L., Gran Canal de Inversiones, S.L., Aldeturismo de México, S.A. de C.V., Aldesa Polska Diamante Plaza, Sp. z.o.o. and Concesionaria Autopista del Sureste, S.A. de C.V. and each of their respective Subsidiaries will be Unrestricted Subsidiaries. The Unrestricted Subsidiaries as of the Issue Date represent substantially all of our investment activities. For the year ended December 31, 2013, the Parent Guarantor and its Restricted Subsidiaries (including the Issuer and the Subsidiary Guarantors) (collectively, the "**Restricted Group**") generated 91.9% of the Parent Guarantor's consolidated net turnover, 54.3% of the Parent Guarantor's consolidated EBITDA and as of December 31, 2013 accounted for 56.9% of the Parent Guarantor's consolidated total assets.

As of December 31, 2013, on a pro forma basis after giving effect to the offering of the Notes and the application of the proceeds therefrom (a) the Parent Guarantor and its Restricted Subsidiaries would have had outstanding Indebtedness of €274.6 million, of which €250 million would have been represented by the Notes; (b) the Restricted Subsidiaries that will not guarantee the Notes would have had outstanding Indebtedness of €21.4 million; and (c) the Unrestricted Subsidiaries would have had outstanding Indebtedness of €559.1 million.

Although the Indenture will contain limitations on the amount of additional Indebtedness that the Issuer, the Parent Guarantor and the Restricted Subsidiaries may incur, the amount of such additional Indebtedness could be substantial.

Not all of the Parent Guarantor's Restricted Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Restricted Subsidiaries, the non-guarantor Restricted Subsidiaries will pay the holders of their debt and their trade or other creditors before they will be able to distribute any of their assets to any Guarantor, as their direct or indirect shareholder. For the year ended December 31, 2013, the Initial Guarantors and the Additional Guarantors indicated above represented 89.6% of the total net turnover of the Restricted Group and 113.4% of the EBITDA of the Restricted Group and, as of December 31, 2013, the Initial Guarantors and the Additional Guarantors indicated above represented 79.1% of the total assets of the Restricted Group.

The Issuer is a finance subsidiary, and, therefore, the Issuer depends on the cash flow of Aldesa Agrupacion and its Subsidiaries to meet its obligations, including its obligations under the Notes. Substantially all the operations of the Parent Guarantor and Aldesa Agrupacion are conducted through their Subsidiaries and, therefore, the Parent Guarantor and Aldesa Agrupacion depend on the cash flow of their Subsidiaries to meet their obligations, including its obligations under their Note Guarantees. The Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Parent Guarantor's non-guarantor Subsidiaries (other than the Issuer). Any right of any Guarantor or the Issuer to receive assets of any of the Parent Guarantor's non-guarantor Subsidiaries (other than the Issuer) upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Issuer or such Guarantor, as the case may be, would still be junior in right of payment to any security over the assets of the non-guarantor Subsidiary and any Indebtedness of the non-guarantor Subsidiary senior to that held by the Issuer or such Guarantor.

The obligations of the Guarantors will be contractually limited under the applicable Note Guarantees to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners in a given jurisdiction. In particular, no guarantee or security granted by a Spanish Guarantor in the form of a *sociedad anónima* may secure any payment, prepayment, repayment or reimbursement obligations derived from any finance document used, or that may be used, for the purposes of payment of acquisition debt (for the purposes of section 150 of the Spanish Capital Companies Act) or the payment of any costs or transaction expenses related to, or paying the purchase price for, such acquisition. Under Polish law, among other limitations, obligations of a Guarantor shall not include any liability to the extent it would result in a reduction of the assets of such Guarantor necessary to cover in full its share capital pursuant to Article 189 §2 of the Polish Commercial Companies Code of 15 September 2000 (Journal of Laws No. 94, item 1037), and should all be limited to the extent that they do not result in its insolvency within the meaning of Article 11 § 2 of the Polish Bankruptcy and Restructuring Law. See "*Insolvency laws and limitations on validity and enforceability of the Guarantees and security interests*" and *Risk Factors—Risks related to the Notes—The Guarantees and security interest in*

the Collateral may be limited by applicable laws or subject to certain limitations or defences and "Risk Factors—Risks related to the Notes—Enforcement of the Notes and the Guarantees across multiple jurisdictions may be difficult." By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. See also "*Risk Factors—Risks related to the Notes—Luxembourg, Spanish, Polish and Mexican insolvency laws may not be favorable to the holders of the Notes as bankruptcy laws in the jurisdictions with which the holders of the Notes are familiar and may preclude holders of the Notes from recovering payments due on the Notes or the Guarantees, as the case may be*."

Principal, maturity and interest

The Issuer will issue €250 million in aggregate principal amount of Notes in this offering. The Issuer may issue additional Notes under the Indenture ("**Additional Notes**") from time to time after this offering; *provided* that Additional Notes will only be issued if fungible for U.S. federal income tax purposes or issued with separate Common Code and ISIN numbers, as applicable, from the Notes. The Notes may be issued in one or more series under the Indenture. Any issuance of Additional Notes is subject to all of the covenants contained in the Indenture, including the covenant described below under "*—Certain covenants—Incurrence of Indebtedness and issuance of preferred stock*". The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Issuer will issue Notes in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will mature on April 1, 2021.

Interest on the Notes will accrue at the rate of 7.25% per annum on the outstanding principal amount of the Notes and will be payable semi-annually in arrears on January 15 and July 15 of each year, commencing on July 15, 2014, subject to such dates being Business days for payment in the TARGET system and Spain and, if not, payments will be made on the immediately following Business day. The Issuer will make each interest payment to the holders of record on the immediately preceding January 1 and July 1.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Release of Note Guarantees

The Note Guarantee of a Guarantor will be released:

(1) in the case of a Note Guarantee by a Subsidiary Guarantor only, in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or any Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture and all obligations of the Subsidiary Guarantor in respect of the Revolving Credit Facility are released;

(2) in the case of a Note Guarantee by a Subsidiary Guarantor only, in connection with any sale or other disposition (including by way of consolidation, merger, amalgamation or combination) of Capital Stock of that Subsidiary Guarantor (whether by direct sale or sale of a holding company) to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or any Restricted Subsidiary, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture and all obligations of the Subsidiary Guarantor in respect of the Revolving Credit Facility are released;

(3) in the case of a Note Guarantee by a Subsidiary Guarantor only, upon the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) as described under "*—Amendment, supplement and waiver*";

(5) in the case of an Additional Note Guarantee, upon the release or discharge of the Note Guarantee by such Subsidiary Guarantor of the Indebtedness that resulted in the creation of such Additional Note Guarantee pursuant to the covenant described under "*—Certain covenants—Additional Guarantee and Collateral*" (but not the release of any Note Guarantee in effect on the Issue Date);

(6) as a result of a transaction permitted by "*—Merger, consolidation or sale of assets*";

(7) in accordance with an enforcement action pursuant to the Intercreditor Agreement, as described under "*—Intercreditor Agreement*";

(8) upon legal defeasance, covenant defeasance or satisfaction and discharge as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and discharge*"; or

(9) upon repayment in full of all obligations of the Issuer and the Guarantors under the Indenture and the Notes.

Security

Pursuant to the Security Documents, and subject to the Agreed Security Principles, the obligations under the Notes, the Note Guarantees (to the full extent permitted by law), the Revolving Credit Facility and certain future indebtedness permitted under the Indenture (subject to the Intercreditor Agreement and any Additional Intercreditor Agreement) will initially be secured equally and ratably:

- on the Issue Date, by first-ranking Liens over the receivables in respect of the Proceeds Loan in an amount equal to the gross proceeds received from the issuance of the Notes;
- within five business days following the Issue Date, by first-ranking Liens over 100% of the Capital Stock of Aeronaval de Construcciones e Instalaciones, S.A.U.; 100% of the Capital Stock of Aldesa Agrupacion; 38.9% of the Capital Stock of Aldesa Home, S.L.; 99.9% of the Capital Stock of Coalvi S.A.; and 8.3% of the Capital Stock of Proacon S.A.;
- within fifteen business days following the Issue Date, by first-ranking Liens over 100% of the Capital Stock of Aldesa Nowa Energia sp. z.o.o.; 98% of the Capital Stock of Aldesa Polska Services sp. z.o.o.; 99.9% of the Capital Stock of Concesiones Aldesem, S.A. de C.V.; 99.9% of the Capital Stock of Construcciones Aldesem, S.A. de C.V.; 100% of the Capital Stock of Proacon Mexico S.A. de C.V.; 75% of the Capital Stock of Aldesa Holding S.A. de C.V.; and 99.9% of the Capital Stock of Ingeniería y Servicios ADM, S.A. de C.V.;
- following the Conversion, by a first-ranking Lien over 99% of the Capital Stock of Aldesa Construcciones S.A.; 100% of the Capital Stock of the Issuer; 61.1% of the Capital Stock of Aldesa Home S.A.; 91.7% of the Capital Stock of Proacon S.A.; 0.02% of the Capital Stock of Coalvi S.A.; and 24.9% of the Capital Stock of Aldesa Holding S.A. de C.V. (collectively, the "**Post-Closing Collateral**");

(collectively, the "**Collateral**"). The Parent Guarantor will agree in the Indenture to use its reasonable best efforts to implement the Conversion and cause the Post-Closing Collateral to be granted to secure the Notes and the associated Note Guarantees as soon as reasonably practicable following the Issue Date. The Parent Guarantor currently expects that the Conversion will occur and that the Post-Closing Collateral will be granted within 180 days from the Issue Date.

Notwithstanding the foregoing, certain assets (other than the Collateral on the Issue Date and the Post-Closing Collateral) may not be pledged (or the Liens not perfected) in the future in accordance with the Agreed Security Principles including, but not limited to, the following:

- if providing such security would be prohibited by applicable law, general statutory limitations, regulatory requirements or restrictions, financial assistance, corporate benefit, fraudulent preference, "earnings stripping," "controlled foreign corporation," "thin capitalization" rules, tax restrictions, retention of title claims, capital maintenance rules and similar principles, fiduciary duties of management, or similar matters, or would require limiting the amount of the guarantee or security;
- if providing such security would be outside the applicable pledgor's capacity or conflict with fiduciary duties or would contravene any legal prohibition, contractual restriction or regulatory condition or cause material risk of personal, civil or criminal liability after using reasonable endeavours to overcome such obstacles;
- if the cost of providing security is not proportionate to the benefit accruing to the holders;
- if providing such security requires consent of a third party and such consent cannot be obtained after the use of reasonable endeavors which would not jeopardize the relevant commercial relationships;
- a Spanish Subsidiary that is not a *sociedad anónima* will not be required to provide any security; and
- security will not be required over Capital Stock of Persons incorporated outside of Spain, Mexico, Peru or Poland;
- security will not be required from or over, or over the assets of, any joint venture or similar arrangement, any minority interest or any Subsidiary, of which less than 90% of the Capital Stock is held, directly or indirectly, by the Parent Guarantor.

Any other additional security interest that in the future may be granted to secure obligations under the Notes will also constitute Collateral. Subject to the Agreed Security Principles and, if such security is being granted in respect of certain other Indebtedness of the Restricted Group or if an additional Guarantee is provided pursuant to the covenant entitled "*—Additional Guarantees and Collateral*", the Intercreditor Agreement and any Additional Intercreditor Agreement, the Parent Guarantor will cause all of the Capital Stock in any Future Guarantors owned by the Parent Guarantor and its other Restricted Subsidiaries to be pledged to secure the Notes and the Note Guarantees (to the full extent permitted by law) on a first priority basis consistent with the Collateral.

Subject to certain conditions, including compliance with the covenant described under "*—Certain Covenants—Liens*," the Parent Guarantor is permitted to pledge or cause its Subsidiaries to pledge the Collateral in connection with future incurrence of Indebtedness, including issuances of Additional Notes, permitted under the Indenture on a *pari passu* basis with the then outstanding Notes. The Collateral can also be released from the Liens of the Security Documents under certain circumstances. See "*—Release of the Security Interests*" below.

Intercreditor Agreement

On or before the Issue Date, the Trustee shall enter into an Intercreditor Agreement with, among others, the agent under the Revolving Credit Facility, the Issuer, the Parent Guarantor and various subsidiaries of the Parent Guarantor, and the Security Agent, as described under "*Description of certain financing arrangements—Intercreditor Agreement*" and in substantially the same form as attached hereto as Annex A to this offering memorandum. The Security Documents and the Collateral will be administered by the Security Agent pursuant to the terms of the Security Documents and the Intercreditor Agreement for the benefit of itself, the

Trustee and the holders of the Notes, the lenders under the Revolving Credit Facility and debtors under certain future Indebtedness of the Issuer, the Parent Guarantor and its Subsidiaries permitted to be incurred and secured pursuant to the Indenture and the Intercreditor Agreement. Pursuant to the terms of the Intercreditor Agreement, recoveries received upon enforcement over Collateral will be applied (subject to certain claims of the Trustee, the Security Agent, the facility agent under the Revolving Credit Facility and costs and expenses related to the enforcement of the Collateral) *pro rata* and *pari passu* in repayment of liabilities in respect of (i) obligations under the Indenture, the Notes and, to the full extent permissible under applicable law, the Notes Guarantees, (ii) obligations under the Revolving Credit Facility and (iii) any other pari passu Indebtedness of the Issuer, the Parent Guarantor and the Restricted Subsidiaries permitted to be incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement.

The Trustee and the lenders under the Revolving Credit Facility and the other secured parties under the Intercreditor Agreement have, and by accepting a Note, each holder of a Note will be deemed to have, irrevocably appointed Deutsche Bank AG, London Branch, as Security Agent to act as its security agent under the Intercreditor Agreement, the Notes, the Indenture, including the Notes Guarantees, and the Security Documents (together, the "**Finance Documents**"). The Trustee and the lenders under the Revolving Credit Facility and the other secured parties under the Intercreditor Agreement will have, and by accepting a Note, each holder of a Note will be deemed to have, irrevocably authorized the Security Agent to perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other Finance Documents, together with any incidental rights, power and discretions. In the event of a conflict or inconsistency, the provisions of the Intercreditor Agreement will override the corresponding provisions of the Revolving Credit Facility or the Indenture.

Security Documents

Under the Security Documents, and subject to the Agreed Security Principles, the Collateral will be pledged to secure the payment obligations under the Notes, the Note Guarantees (to the full extent permissible under applicable law), the Revolving Credit Facility, certain future Hedging Obligations, if any, and certain future indebtedness permitted under the Indenture (subject to the Intercreditor Agreement and any Additional Intercreditor Agreement). The Security Documents will be entered into by, inter alios, the relevant security provider, the Security Agent.

Each holder of any Notes, by accepting a Note, shall be deemed (i) to have agreed to and accepted the terms and conditions of the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, (ii) to have authorized the Security Agent to enter into the Security Documents, the Intercreditor Agreement (as described under "*—Intercreditor Agreement*" below) or any Additional Intercreditor Agreement, in each case in compliance with the Indenture and (iii) to be bound thereby. Each holder of any Notes, by accepting a Note, appoints the Trustee (to the extent applicable) or the Security Agent, as the case may be, as its agent under the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement and authorizes it to act as such.

The Indenture, the Intercreditor Agreement and the Security Documents will provide that the rights of the holders of the Notes with respect to the Collateral must be exercised by the Security Agent subject to the terms thereof, upon written direction by the Trustee. Holders of the Notes may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The holders may only act through the Trustee or the Security Agent (upon the Trustee's direction), as applicable. The Security Agent, upon written instructions from the Trustee subject to and in accordance with the Intercreditor Agreement, will agree to any release of the security interest created by the Security Documents that is in accordance with the Intercreditor Agreement without requiring any consent of the holders.

Subject to the terms of the Intercreditor Agreement, the Trustee will have the ability to direct the Security Agent to participate in the enforcement action under the Security Documents, and the Trustee has, and by accepting a Note each holder will be deemed to have, appointed and authorized the Security Agent pursuant to the terms of the Indenture to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Security Documents and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf. The Security Agent will have no discretion to take any enforcement action and instead it will only be obliged to do so to the extent permitted under applicable laws and in accordance with the Intercreditor Agreement and if so directed by the Trustee.

Subject to the terms of the Security Documents, the applicable security provider will be entitled to exercise any and all voting rights in a manner which does not materially adversely affect the validity or enforceability of the Liens created under the Security Documents, the value of the Collateral or the rights of the secured parties and to receive and retain any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares of stock resulting from stock splits or reclassifications, rights issue, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of the shares held by such security provider that are part of the Collateral.

The value of the Collateral securing the Notes, the Note Guarantees (to the full extent permissible under applicable law), the Revolving Credit Facility, certain future Hedging Obligations, if any, and certain future Indebtedness permitted under the Indenture (subject to the Intercreditor Agreement and any Additional Intercreditor Agreement) may not be sufficient to satisfy the Issuer's and the Guarantors' obligations under the Notes and the Note Guarantees, and the Collateral securing the Notes may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. Please see "*Risk Factors—Risks related to the Notes.*"

No appraisals of the Collateral have been prepared by or on behalf of the Issuer or the Guarantors in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the Indenture and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Note Guarantees. By its nature, all of the Collateral is likely to be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

The Security Documents will be governed by applicable local laws. The term "Security Interests" refers to the Liens in the Collateral.

Release of the Security Interests

All of the Liens granted under the Security Documents will be automatically and unconditionally released in accordance with the terms and conditions in the Indenture upon Legal Defeasance or Covenant Defeasance as described under *"—Legal Defeasance and Covenant Defeasance*", if all obligations under the Indenture are discharged in accordance with the terms of the Indenture or as otherwise permitted in accordance with the Indenture, including but not limited to the covenants under "*—Certain Covenants—Impairment of Security Interest*," the Security Documents or the Intercreditor Agreement (or any Additional Intercreditor Agreement).

The Liens granted under the Security Documents will also be automatically and unconditionally released:

(1) in connection with any sale or other disposition of Collateral, directly or indirectly, to a Person that is not (either before or after giving effect to such transaction) the Parent

Guarantor or a Restricted Subsidiary (but excluding any transaction subject to the covenant described under "*—Certain Covenants—Merger, consolidation or sale of assets*"), if the sale or other disposition does not violate the Indenture and all of the Liens on the applicable Collateral securing obligations under the Revolving Credit Facility are also released in connection therewith;

(2) to the extent such Collateral is sold or otherwise disposed of pursuant to an enforcement of the security over such Collateral under the applicable Security Document(s) in accordance with the terms of the Intercreditor Agreement (or any Additional Intercreditor Agreement);

(3) if the Parent Guarantor designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Restricted Subsidiary;

(4) as described under "*—Amendment, supplement and waiver*";

(5) as otherwise provided in the Intercreditor Agreement;

(6) automatically without any action by the Trustee, if the Lien granted in favor of the Indebtedness that gave rise to the obligation to grant the Lien over such Collateral pursuant to the covenant described under "—Certain covenants—Liens" is released; or

(7) in connection with a transaction permitted by the covenant described under "*—Certain covenants—Merger, consolidation or sale of assets.*"

The Security Agent and the Trustee (if required) will take all reasonably necessary action required to effectuate any release of Collateral securing the Notes and the Guarantees (if applicable), in accordance with the provisions of the Indenture, the Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the holders or any action on the part of the Trustee (unless action is required by it to effect such release).

Paying Agents and Registrar for the Notes

The Issuer will maintain one or more paying agents (each, a "**Paying Agent**") for the Notes in the City of London. The Issuer will ensure that it maintains a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Union Directive 2003/48/EC. The initial Paying Agent will be Deutsche Bank AG, London Branch.

The Issuer will also maintain one or more registrars (each, a "**Registrar**") and a transfer agent (a "**Transfer Agent**"). The initial Registrar and Transfer Agent will be Deutsche Bank Luxembourg S.A. The Registrar will maintain a register reflecting ownership of Notes (as defined herein) (the "**Register**") outstanding from time to time and facilitate transfer of Notes on behalf of the Issuer. The Paying Agent will make payments on the Definitive Registered Notes on behalf of the Issuer. Each Transfer Agent shall perform the functions of a transfer agent.

Upon written request from the Issuer, or each time the Register is amended, the Registrar shall provide the Issuer with a copy of the Register to enable it to maintain a register of the Notes at its registered office. The Issuer accepts any copy of the register held by the Registrar as correspondence and document recording the transfer of Notes for the purpose of article 40 of the Luxembourg law on commercial companies, as amended, and agree to update its register upon receipt of such copy.

The Issuer may change the Paying Agents, the Registrar or the Transfer Agent without prior notice to the holders of the Notes. For so long as the Notes are listed on the Euro MTF market of the Luxembourg Stock Exchange (the "Euro MTF") and the rules of the Luxembourg Stock

Exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in accordance with such rules.

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "**144A Global Notes**"), and Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global Notes in registered form without interest coupons attached (the "**Reg S Global Notes**" and together with the 144A Global Notes, the "**Global Notes**").

Ownership of interests in the Global Notes ("**Book-Entry Interests**") will be limited to Persons that have accounts with Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, *société anonyme* ("**Clearstream**") or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "Notice to Investors". In addition, transfers of Book-Entry Interests between participants in Euroclear or Clearstream will be effected by Euroclear or Clearstream in accordance with customary procedures and will be subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Note, or the "**Restricted Book-Entry Interests**", may be transferred (i) to a person who takes delivery in the form of Book-Entry Interests in the 144A Global Note, or (ii) to a person who takes delivery in the form of Book-Entry Interests in the Reg S Global Note, or the "**Reg S Book-Entry Interests**", only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If definitive registered Notes in certificated form ("**Definitive Registered Notes**") are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the applicable Registrar of instructions relating thereto and any certificates and other documentation required under the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as provided in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to the restrictions on transfer summarized below and described more fully under "Notice to Investors".

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, to Persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, furnish certain certificates and opinions, and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes (whether or not in the form of Definitive Registered Notes) or any Guarantor under or with respect to its Note Guarantee will be made without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of such Taxes is then required by law. If any withholding or deduction for, or on account of, any Taxes imposed or levied by or on behalf of any jurisdiction in which the Issuer or any Guarantor (including any successor entity) is then organized, incorporated, engaged in business, maintaining a permanent establishment in or resident for tax purposes or any political subdivision thereof or therein, or any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including, without limitation, the jurisdiction of any Paying Agent) (each, a "**Tax Jurisdiction**"), is required by law to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes or any Guarantor under or with respect to its Note Guarantee, including, without limitation, payments of principal, redemption price, purchase price, interest or premium, if any, the Issuer or the relevant Guarantor, as applicable, will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments (including the Additional Amounts) after such withholding or deduction (including such withholding or deduction in respect of the Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; provided, however, that no Additional Amounts will be payable with respect to:

(1) any Taxes to the extent such Taxes would not have been imposed but for the holder or a beneficial owner of the Notes (including a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant holder or beneficial owner, if the relevant holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) being a citizen, resident or national or domiciliary of, or organized, incorporated or carrying on a business in, or maintaining a permanent establishment in, or being physically present in, the Tax Jurisdiction in which such Taxes are imposed or having any other present or former connection with the relevant Tax Jurisdiction, other than by the mere acquisition or holding of Notes or the exercise or enforcement of rights or the receipt of payment in respect of Notes or with respect to any Note Guarantee;

(2) any Taxes to the extent such Taxes are imposed or withheld as a result of the failure of the holder or a beneficial owner of the Notes to comply with any timely written request by the Issuer or any Guarantor to provide timely and accurate information concerning the nationality, residence, identity or connection with the relevant Tax Jurisdiction of such holder or beneficial owner, to make any valid and timely declaration, claim or certification, or to satisfy any other reporting requirement relating to such matters, that such holder or beneficial owner is legally entitled to make, in each case, which is required or imposed by a

statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from or reduction in such Taxes;

(3) any Taxes to the extent such Taxes were imposed as a result of presentation of a Note for payment (where presentation is permitted or required) more than 30 days after the later of the date on which the relevant payment becomes due and payable and the date on which the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);

(4) any estate, inheritance, gift, value added, sales, transfer, personal property or similar Taxes;

(5) any Taxes withheld, deducted or imposed on a payment on a holder or beneficial owner and that are required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of November 26 and 27, 2000 on the taxation of savings income, or any law implementing or complying with or introduced in order to conform to, any such directives;

(6) any Taxes to the extent imposed on or with respect to any payment made to a holder of Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union;

(7) any Taxes payable other than by deduction or withholding from payments under or with respect to the Notes or any Note Guarantee;

(8) any Taxes that are imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, as of the Issue Date (the "**Code**") (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), any regulations promulgated thereunder, any official interpretations thereof or any similar law or regulation implementing an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(9) any combination of items (1) through (8) above.

No Additional Amounts will be paid with respect to a payment on any Note or any Note Guarantee to a holder that is a fiduciary or a fiscally transparent entity or any other person other than the beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary, a member of such fiscally transparent entity or the beneficial owner of such payment would not have been entitled to receive payment of the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the holder of the Note.

In addition to the foregoing, the Issuer and the Guarantors will pay and indemnify the holder, the Trustee and the Paying Agent for any present or future stamp, issue, registration, transfer, court or documentary Taxes, or any other excise or property Taxes, which are levied by a Tax Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture, any Note Guarantee or any other document referred to therein (other than a transfer or exchange of Notes after this offering), or the receipt of any payments with respect thereto, or by a tax jurisdiction on the enforcement of any of the Notes, the Indenture or any Note Guarantee following the occurrence of any Default or Event of Default.

If the Issuer or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, the Issuer or the relevant Guarantor, as the case may be, will deliver to the Trustee and the Paying Agents on a date that is at least 30 days prior to the date of such payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be

payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information reasonably necessary to enable the Paying Agents to pay Additional Amounts to holders of the Notes on the relevant payment date. The Trustee shall be entitled to rely solely without further investigation or verification on such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer or the relevant Guarantor, as the case may be, will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of such Additional Amounts.

The Issuer or the relevant Guarantor will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant taxing authority in accordance with applicable law. The Issuer or the relevant Guarantor will use its reasonable efforts to obtain receipts from each taxing authority evidencing the payment of any Taxes so deducted or withheld. The Issuer or the relevant Guarantor will furnish to a holder upon written request, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of such receipts evidencing payment by the Issuer or a Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not available, other reasonable evidence of payments.

Whenever in the Indenture or in this "Description of the Notes" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes, or any Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture and any transfer by a holder or beneficial owner of its Notes, and will apply, mutatis mutandis, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is organized, incorporated, engaged in business, maintaining a permanent establishment in or resident for tax purposes or any jurisdiction from or through which payment on the Notes (or any Note Guarantee) is made by or on behalf of such Person and any department or political subdivision thereof or therein.

Optional redemption

At any time prior to April 1, 2017, the Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 107.25% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption (subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of an Equity Offering by the Parent Guarantor or a contribution to the Parent Guarantor's common equity capital with the net cash proceeds of a concurrent Equity Offering by the Parent Guarantor's direct or indirect Parent; provided that:

(1) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (excluding Notes held by the Parent Guarantor and its Subsidiaries and including any additional notes issued under the Indenture) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 120 days of the date of the closing of such Equity Offering.

At any time prior to April 1, 2017, the Issuer may on any one or more occasions redeem all or a part of the Notes, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of

redemption, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the preceding two paragraphs and except pursuant to "—Redemption for changes in Taxes", the Notes will not be redeemable at the Issuer's option prior to April 1, 2017.

On or after April 1, 2017, the Issuer may on any one or more occasions redeem all or a part of the Notes, upon not less than 10 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on April 1 of the years indicated below, subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Percentage
2017	103.625%
2018	101.8125%
2019 and thereafter	100.00%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Any redemption and notice of redemption effected in accordance with the "Optional redemption" provisions described above may, in the discretion of the Issuer, be subject to the satisfaction of one or more conditions precedent.

Redemption for changes in Taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 10 nor more than 60 days' prior notice to the holders of the Notes (which notice will be irrevocable and given in accordance with the procedures described below under "—Selection and Notice"), at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes or any Note Guarantee, the Issuer or the relevant Guarantor is or would be required to pay Additional Amounts (but, in the case of any Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can pay such amount, through the use of reasonable measures available to it, without the obligation to pay Additional Amounts), and the Issuer or the relevant Guarantor cannot avoid any such payment obligation by taking reasonable measures available (including changing the jurisdiction of the Payment Agent where this would be reasonable), and the requirement arises as a result of:

(1) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of the relevant Tax Jurisdiction affecting taxation which change or amendment is publicly announced and becomes effective on or after the Issue Date (or, (i) if the relevant Tax Jurisdiction has changed since the Issue Date, the date on which the then current Tax Jurisdiction became the relevant Tax Jurisdiction under the Indenture, or (ii) in the case of a successor to the Issuer, on or after the date of assumption by the successor of the Issuer's obligations hereunder); or

(2) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws,

treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change, amendment, application or interpretation is publicly announced and becomes effective on or after the Issue Date (or, (i) if the relevant Tax Jurisdiction has changed since the Issue Date, the date on which the then current Tax Jurisdiction became the relevant Tax Jurisdiction under the Indenture, or (ii) in the case of a successor to the Issuer, on or after the date of assumption by the successor of the Issuer's obligations hereunder)

(each of the foregoing clauses (1) and (2), constitute a "**Change in Tax Law**").

Notwithstanding the foregoing, the introduction of any official position regarding the application, administration or interpretation of the laws or treaties of Spain or any political subdivision thereof or therein in connection with the tax treatment of the payments made by any Guarantor organized, incorporated, engaged in business or resident for tax purposes in Spain shall not be regarded as a Change in Tax Law.

The Issuer will give any such notice of redemption at least 10 days and not earlier than 60 days prior to the earliest date on which the Issuer or relevant Guarantor would be obligated to make such payment of Additional Amounts if a payment in respect of the Notes or any Note Guarantee were then due. Notwithstanding the foregoing, no notice of redemption shall be given unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer, the Guarantor, or a successor to either, where applicable, will deliver to the Trustee an Opinion of Counsel to the effect that there has been such change or amendment which would entitle the Issuer or relevant Guarantor to redeem the Notes under the Indenture and an Officer's Certificate to the effect that the Issuer or relevant Guarantor cannot avoid its obligation to pay Additional Amounts by the Issuer or relevant Guarantor taking reasonable measures available to it.

The Trustee will accept such Opinion of Counsel and Officer's Certificate as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the Notes.

The foregoing provisions will apply mutatis mutandis to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Mandatory redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes. The Issuer, the Parent Guarantor and its Restricted Subsidiaries may, from time to time, effect open market purchases of the Notes.

Repurchase at the option of holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of that holder's Notes pursuant to an offer (a "**Change of Control Offer**") on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase (the "**Change of Control Payment**"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Within ten days following any Change of Control, the Issuer will mail a notice to each holder of the Notes or otherwise deliver a notice in accordance with the procedures described under *"—Selection and Notice*" describing the transaction or transactions that constitute the Change of Control

and offering to repurchase Notes on the date (the "**Change of Control Payment Date**") specified in such notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required under the Indenture and described in such notice. The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions set forth in the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions set forth in the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer; and

(4) deliver or cause to be delivered to the Paying Agent the Notes properly accepted.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each holder of Definitive Registered Notes properly tendered the Change of Control Payment for such Notes, and the Trustee (or an authenticating agent appointed by it) will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder of Definitive Registered Notes a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any, provided that each such new Note will be in an aggregate principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a holder of the Note's right to require the Issuer to repurchase such holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Parent Guarantor or its Subsidiaries in a transaction that would constitute a Change of Control.

Finally, the Parent Guarantor's ability to pay cash to the holders of the Notes following the occurrence of a Change of Control may be limited by the Parent Guarantor's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors—Risks related to the Notes—Although we will be required to offer to repurchase the Notes upon a change of control we may not have sufficient financial resources to purchase all the Notes that are tendered".*

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

(1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer; or

(2) notice of redemption has been given under the Indenture as described above under "— *Optional redemption*", unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

The provisions under the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Notes prior to the occurrence of the Change of Control.

If and for so long as the Notes are listed on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices relating to the Change of Control Offer as such rules require. For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution of the aforesaid publication and posting mechanisms.

Asset Sales

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) the Parent Guarantor (or the Restricted Subsidiary, as the case may be) receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liability, contingent or otherwise) in connection with the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received by the Parent Guarantor or such Restricted Subsidiary in connection with the Asset Sale is in the form of cash or Cash Equivalents or Temporary Cash Investments. For purposes of this provision, each of the following will be deemed to be cash:

    (a) any liabilities, as shown on the most recent consolidated balance sheet of the Parent Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation or indemnity agreement that releases the Parent Guarantor or such Restricted Subsidiary from or indemnifies against further liability;

    (b) any securities, notes or other obligations received by the Parent Guarantor or any such Restricted Subsidiary from such transferee that are, within 180 days following the closing of such Asset Sale, subject to ordinary settlement periods, converted by the Parent Guarantor or such Restricted Subsidiary into cash to the extent of the cash or Cash Equivalents or Temporary Cash Investments received in that conversion;

(c) any stock or assets of the kind referred to in clauses (2) or (5) of the next paragraph of this covenant;

(d) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Parent Guarantor and each other Restricted Subsidiary are released from or indemnified against any liability under any Guarantee or other similar obligation provided in respect of such Indebtedness in connection with such Asset Sale;

(e) consideration consisting of Indebtedness of the Parent Guarantor or any Restricted Subsidiary received from Persons who are not the Parent Guarantor or any Restricted Subsidiary; and

(f) any Designated Non-Cash Consideration received by the Parent Guarantor or any Restricted Subsidiary in such Asset Sales having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed €10.0 million (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Parent Guarantor (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Proceeds:

(1) to repay, repurchase, prepay or redeem (i)(a) to the extent such Net Cash Proceeds derives from an Asset Sale in respect of an asset which, immediately prior to such Asset Sale did not constitute Collateral, Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor or the Issuer (other than Indebtedness owed to the Parent Guarantor or an Affiliate of the Parent Guarantor) or Indebtedness which is secured by a Lien on such asset or (b) Indebtedness of the Parent Guarantor or any other Restricted Subsidiary that is secured by a Lien on the Collateral; *provided*, however, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (i) (other than in respect of Indebtedness incurred pursuant to clause (2)(b) of the covenant described below under "*—Incurrence of Indebtedness and issuance of preferred stock*"), the Parent Guarantor or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased, or (ii) to prepay, repay or purchase *pari passu* Indebtedness; *provided* that the Parent Guarantor shall redeem, repay or repurchase *pari passu* Indebtedness pursuant to this clause (ii) only if the Parent Guarantor makes (at such time or subsequently in compliance with this covenant) an offer to the holders of the Notes to purchase their Notes in accordance with the provision set forth below for an Asset Sale Offer (as defined below) for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such *pari passu* Indebtedness;

(2) to acquire all or substantially all of the assets of, or the majority of the Voting Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Parent Guarantor;

(3) to the extent such Asset Sale relates to the sale of Capital Stock of a Qualifying Joint Venture or an Unrestricted Subsidiary, to make Investments in Qualifying Joint Ventures or Unrestricted Subsidiaries engaged in a Permitted Business; *provided,* that any income derived from the sale of any such Qualifying Joint Venture or an Unrestricted Subsidiary that is applied as set out in this clause (3) will not increase the amounts available for Restricted Payments under clause (c)(i) of the first paragraph of the "Restricted Payments" covenant;

(4) to make a capital expenditure in any Permitted Business;

(5) to acquire other assets (other than Capital Stock) that are not classified as current assets under GAAP and that are used or useful in a Permitted Business; or

(6) any combination of (1) through (5) above.

provided, however, that (except with regards to clause (1) above) any such application of Net Proceeds made pursuant to a definitive agreement executed within 365 days following the date of the Asset Sale will satisfy this requirement even if the application of Net Proceeds occurs more than 365 days after the Asset Sale so long as the application of Net Proceeds is consummated within 180 days of the execution of the definitive agreement.

Pending the final application of any Net Proceeds, the Parent Guarantor (or the applicable Restricted Subsidiary) may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph or third paragraph of this covenant will constitute "**Excess Proceeds**". When the aggregate amount of Excess Proceeds exceeds €20.0 million, within 20 Business days thereof, the Issuer or the Parent Guarantor will make an offer (an "**Asset Sale Offer**") to all holders of Notes and, to the extent the Issuer or the Parent Guarantor elects, to all holders of other Indebtedness ranking *pari passu* with the Notes or any Note Guarantees to purchase, prepay or redeem in an amount equal to such Excess Proceeds the maximum principal amount of Notes and such other *pari passu* Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Parent Guarantor, its Restricted Subsidiaries or the Issuer may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into (or required to be prepaid or redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Notes and such other *pari passu* Indebtedness, if applicable, to be purchased, prepaid or redeemed on a pro rata basis, based on the amounts tendered or required to be prepaid or redeemed. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their Euro Equivalent determined as of a date selected by the Issuer or the Parent Guarantor that is within the Asset Disposition Offer Period (as defined below). Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Asset Sale Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business days following its commencement (the "**Asset Sale Offer Period**"). No later than five Business days after the termination of the Asset Sale Offer Period (the "**Asset Sale Purchase Date**"), the Issuer or the Parent Guarantor will purchase the aggregate principal amount of Notes, and, to the extent it elects, Indebtedness ranking *pari passu* with the Notes required to be purchased pursuant to this covenant (the "**Asset Sale Offer Amount**") or, if less than the Asset Sale Offer Amount has been so validly tendered, all Notes and *pari passu* Indebtedness validly tendered in response to the Asset Sale Offer.

On or before the Asset Sale Purchase Date, the Issuer or the Parent Guarantor will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Sale Offer Amount of Notes and *pari passu* Indebtedness or portions of Notes and such *pari passu* Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Sale Offer,

or if less than the Asset Sale Offer Amount has been validly tendered and not properly withdrawn, all Notes and *pari passu* Indebtedness so validly tendered and not properly withdrawn and, in the case of the Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The Issuer or the Parent Guarantor (as the case may be) will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer or an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" or "Asset Sale" provisions of the Indenture, the Issuer or the Parent Guarantor (as the case may be) will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under any such provision of the Indenture by virtue of such compliance.

The agreements governing the Parent Guarantor and its Restricted Subsidiaries' Indebtedness contain, and future agreements may contain, prohibitions of certain events, including events that would constitute a Change of Control or an Asset Sale and including repurchases of or other prepayments in respect of the Notes. The exercise by the holders of Notes of their right to require the Parent Guarantor or the Issuer to repurchase Notes upon a Change of Control or an Asset Sale could cause a default under these other agreements, even if the Change of Control or Asset Sale itself does not, due to the financial effect of such repurchases on the Parent Guarantor or the Issuer. In the event a Change of Control or Asset Sale occurs at a time when the Parent Guarantor or the Issuer is prohibited from purchasing Notes, the Parent Guarantor or the Issuer could seek the consent of its lenders under the facilities prohibiting such repurchase to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Parent Guarantor or the Issuer does not obtain a consent or repay those borrowings, the Parent Guarantor or the Issuer will remain prohibited from purchasing Notes. In that case, the Parent Guarantor or the Issuer's failure to purchase tendered Notes would constitute an Event of Default under the Indenture, which, in turn, could constitute a default under the other Indebtedness. Finally, the Parent Guarantor or the Issuer's ability to pay cash to the holders of Notes upon a repurchase may be limited by the Parent Guarantor or the Issuer's then existing financial resources.

Selection and notice

If less than all of the Notes are to be redeemed at any time, the Registrar will select Notes for redemption on a *pro rata* basis (or, in the case of Notes issued in global form, as discussed under "Book-entry, delivery and form", based on a method that most nearly approximates a *pro rata* selection as the Trustee deems fair and appropriate) unless otherwise required by law or applicable stock exchange or depositary requirements.

No Notes of €100,000 or less can be redeemed in part. The Registrar will not be liable for any selections made by it in accordance with this paragraph. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, any such notice to the holders of the relevant Notes shall also be supplied to the Luxembourg Stock Exchange and are expected to be published at *www.bourse.lu*.

Certain covenants

Restricted Payments

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any other payment or distribution on account of the Parent Guarantor's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Parent Guarantor or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Parent Guarantor's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Parent Guarantor and other than dividends or distributions payable to the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Parent Guarantor) any Equity Interests of the Parent Guarantor or any direct or indirect Parent of the Parent Guarantor, in each case held by Persons other than the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Obligation (excluding any intercompany Indebtedness between or among the Parent Guarantor and any of its Restricted Subsidiaries), except a payment of interest or principal at the Stated Maturity thereof or the purchase, redemption, defeasance or other acquisition or retirement of Indebtedness purchased in anticipation of satisfying a scheduled sinking fund obligations, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, redemption, defeasance or other acquisition or retirement; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "**Restricted Payments**"), unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) the Parent Guarantor would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under *"—Incurrence of Indebtedness and issuance of preferred stock*"; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Parent Guarantor and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7),

(8) and (9) of the next succeeding paragraph), is less than the sum, without duplication, of:

(i) 50% of the Consolidated Net Income of the Parent Guarantor for the period (taken as one accounting period) from the first day of the fiscal quarter in which the Issue Date occurs to the end of the Parent Guarantor's most recently ended fiscal quarter for which financial statements are available to holders of Notes at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, minus 100% of such deficit); *plus*

(ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Parent Guarantor since the Issue Date as a contribution to its common equity capital or from the issue or sale of Qualifying Equity Interests of the Parent Guarantor or from the issue or sale of convertible or exchangeable Disqualified Stock of the Parent Guarantor or convertible or exchangeable debt securities of the Parent Guarantor, in each case, that have been converted into or exchanged for Qualifying Equity Interests of the Parent Guarantor (other than Qualifying Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Parent Guarantor); *plus*

(iii) to the extent that any Restricted Investment that was made after the Issue Date is (A) sold, disposed of, redeemed, retired, acquired or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the property and marketable securities received by the Parent Guarantor or any Restricted Subsidiary (other than from a Person that is the Parent Guarantor or a Restricted Subsidiary), or (B) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Parent Guarantor and its Restricted Subsidiaries, determined as of the date such entity becomes a Restricted Subsidiary; *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Parent Guarantor designated as such after the Issue Date is re-designated as a Restricted Subsidiary or otherwise merges, consolidates, amalgamates with or into, the Parent Guarantor or a Restricted Subsidiary after the Issue Date, the lesser of (A) the Fair Market Value of the Parent Guarantor's Restricted Investment in such Subsidiary, determined as of the date of such re-designation, merger, consolidation, amalgamation or liquidation or (B) the Fair Market Value of the Parent Guarantor's investment in such Subsidiary as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after the Issue Date to the extent such investments reduced the Restricted Payments capacity under this clause (c) and were not previously repaid or otherwise reduced; *plus*

(v) 100% of any dividends received in cash by the Parent Guarantor or any Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary or a Qualifying Joint Venture of the Parent Guarantor, to the extent that such dividends were not otherwise included in the Consolidated Net Income of the Parent Guarantor for such period.

The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Parent

Guarantor) of, Equity Interests of the Parent Guarantor (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital to the Parent Guarantor; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will not be considered to be net proceeds of Qualifying Equity Interests for purposes of clause (c)(ii) of the preceding paragraph and will not be considered to be net cash proceeds from an Equity Offering for purposes of the "Optional Redemption" provisions of the Indenture;

(3) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of the Parent Guarantor to the holders of its Equity Interests, *provided* that if the Parent Guarantor or any Restricted Subsidiary is a holder of such Equity Interests it shall receive no less than a *pro rata* share of such dividend;

(4) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;

(5) the purchase, repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor held by any current or former officer, director or employee of the Parent Guarantor or any Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed €2.0 million in any twelve-month period (with unused amounts rolled-over and available in subsequent two twelve-month periods); plus the net cash proceeds received by the Parent Guarantor or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Equity Interests to a Parent) from, or as a contribution to the equity (in each case under this clause (5), other than through the issuance of Disqualified Stock) of the Parent Guarantor from, the issuance or sale to Management Investors of Equity Interests (including any options, warrants or other rights in respect thereof), to the extent such net cash proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant *and, provided further*, that the cancellation of Indebtedness owing to the Parent Guarantor from any current or former officer, director or employee (or any permitted transferees thereof) of the Parent Guarantor or any Restricted Subsidiaries (or any direct or indirect parent company thereof), in connection with a repurchase of Equity Interests of the Parent Guarantor from such Persons will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provisions of the Indenture;

(6) the purchase, repurchase, redemption, defeasance or other acquisition of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Parent Guarantor or any preferred stock of any Restricted Subsidiary of the Parent Guarantor issued on or after the Issue Date in accordance with the covenant described below under "*—Incurrence of Indebtedness and issuance of preferred stock*";

(8) dividends, loans, advances, distributions or other payments by the Parent Guarantor or any Restricted Subsidiary to a Parent or an Unrestricted Subsidiary pursuant to a tax sharing agreement, if and for so long as such Parent or Unrestricted Subsidiary is a member of a group filing a consolidated or combined tax return with the Parent Guarantor or such Restricted Subsidiary, up to an amount not to exceed the amount of any Taxes measured by income that the Parent Guarantor and its Restricted Subsidiaries would have been required to pay on a separate-company basis (or on the basis of a consolidated, combined, affiliated

or unitary group for tax purposes consisting only of the Parent Guarantor and its Restricted Subsidiaries); provided that the related Tax liabilities of the Parent Guarantor and its Restricted Subsidiaries are relieved thereby;

(9) payments of cash, dividends, distributions, advances or other Restricted Payments by the Parent Guarantor or any Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (a) the exercise of options or warrants or (b) the conversion or exchange of Capital Stock of any such Person;

(10) so long as no Default or Event of Default has occurred and is continuing, the declaration and payment by the Parent Guarantor of, or loans, advances, dividends or distributions to any parent entity to pay, dividends on or repurchases, redemptions, acquisitions or retirements of, the common stock or common equity interests of the Parent Guarantor or any parent entity following a Public Offering of such common stock or common equity interests not to exceed in any fiscal year the greater of (a) 6% of the net cash proceeds of such Public Offering and any subsequent Equity Offering received by the Parent Guarantor or a Restricted Subsidiary or contributed to the equity of the Parent Guarantor or a Restricted Subsidiary, and (b) 5% of the Market Capitalization; provided that after giving pro forma effect to such loans, advances, dividends or distributions, the Leverage Ratio of the Parent Guarantor shall be equal to or less than 2.00 to 1.00;

(11) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing; and

(12) so long as no Default or Event of Default has occurred and is continuing, other Restricted Payments in an aggregate amount not to exceed €10.0 million since the Issue Date.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Parent Guarantor or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Incurrence of Indebtedness and issuance of preferred stock

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Parent Guarantor will not issue any Disqualified Stock and will not cause or permit any Restricted Subsidiaries to issue any shares of preferred stock; *provided*, however, that the Parent Guarantor or a Restricted Subsidiary may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and the Parent Guarantor may issue Disqualified Stock and any Restricted Subsidiary may issue shares of preferred stock, in each case if the Fixed Charge Coverage Ratio at the time of such incurrence or issuance, after giving pro forma effect to such incurrence or issuance as of such date and to the use of proceeds therefrom as if the same had occurred at the beginning of the Parent Guarantor's most recently ended full four fiscal quarters for which internal financial statements are available would have been at least equal to 2.0 to 1.0; *provided* that a Restricted Subsidiary that is not a Guarantor or the Issuer may incur Indebtedness or issue Disqualified Stock or preferred stock pursuant to this first paragraph solely to the extent that the Non-Guarantor Leverage Ratio for the Parent Guarantor's most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date on which such Indebtedness is incurred or such Disqualified Stock or preferred stock is issued, as the case may be, would have been no greater than 0.5 to 1.0, as determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if such Indebtedness had been incurred or the Disqualified Stock or preferred stock had been issued, as the case may be, at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "**Permitted Indebtedness**"):

(1) the incurrence by the Parent Guarantor or any Restricted Subsidiaries of Existing Indebtedness;

(2) the incurrence by the Parent Guarantor or any Restricted Subsidiary of (a) Indebtedness under Credit Facilities and (b) Indebtedness under the Existing Facilities outstanding on the Issue Date and any Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (2)(b), in a combined principal amount at any one time outstanding under this clause (2) not to exceed €150.0 million, *plus* in the case of any refinancing of any Indebtedness permitted under clause (2)(a) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing, *less* the aggregate amount of all Net Proceeds of Asset Sales applied by the Parent Guarantor or any Restricted Subsidiaries since the Issue Date to repay any Indebtedness under the Existing Facilities and effect a corresponding commitment reduction under the Existing Facilities pursuant to the covenant described above under the caption "*—Asset Sales*";

(3) Indebtedness of the Issuer and the Guarantors represented by the Notes issued on the Issue Date and the related Note Guarantees;

(4) the incurrence by the Parent Guarantor or any Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used in the business of the Parent Guarantor or any Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (4), not to exceed €15.0 million at any time outstanding;

(5) the incurrence by the Parent Guarantor or any Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (1), (3), (5) or (11) of this paragraph;

(6) the incurrence by the Parent Guarantor or any Restricted Subsidiaries of intercompany Indebtedness between or among the Parent Guarantor and any Restricted Subsidiaries; *provided, however*, that:

   (a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or any Guarantor, such Indebtedness must be ((i) except in respect of (A) the intercompany current liabilities incurred in the ordinary course of business in connection with cash management positions of the Parent Guarantor and the Restricted Subsidiaries or (B) Indebtedness of the Issuer or any Guarantor incurred in respect or as a result of the receipt by the Issuer or the Guarantor of amounts in advance of payments and/or dividends and/or other payments by a Restricted Subsidiary which, in the good faith judgment of the Parent Guarantor, are anticipated to be made to and/or recovered by the Issuer or the relevant Guarantor in the future, and where such advance payment made by the Restricted Subsidiary to the Issuer or the Guarantor is not made with the proceeds of an incurrence of Indebtedness by such Restricted Subsidiary; and (ii) only to the extent legally permitted) expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or the relevant Note Guarantee, in the case of a Guarantor; and

(i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Parent Guarantor or a Restricted Subsidiary and

(ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Parent Guarantor or a Restricted Subsidiary,

will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Parent Guarantor or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any Restricted Subsidiary to the Issuer or to any Guarantor of shares of preferred stock; provided, however, that:

(a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Issuer or a Guarantor; and

(b) any sale or other transfer of any such preferred stock to a Person that is not either the Issuer or a Guarantor,

will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the incurrence by the Parent Guarantor or any Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;

(9) (a) the guarantee by the Parent Guarantor or any Restricted Subsidiaries of Indebtedness of the Parent Guarantor or a Restricted Subsidiary, in each case to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this covenant; provided that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes or any Note Guarantee, then the guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed or (b) without limiting the covenant described under "*—Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Parent Guarantor or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture (other than pursuant to this clause (9));

(10) the incurrence by the Parent Guarantor or any Restricted Subsidiaries of Indebtedness (whether contingent or non-contingent) in respect of (a) workers' compensation claims; self-retention or self-insurance obligations; insurance premiums; release, appeal, surety and similar bonds; and related obligations and completion guarantees or similar instruments, in each case in this clause 10(a) incurred in the ordinary course of business, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations incurred in the ordinary course of business or in respect of any regulatory requirement; provided, however, that upon the drawing of such letters of credit or similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(11) Indebtedness of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Parent Guarantor or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Parent Guarantor or any Restricted Subsidiaries (other than Indebtedness incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary of the Parent Guarantor or was otherwise acquired by the Parent Guarantor or any Restricted Subsidiaries); *provided, however*, with respect to this

clause (11), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be incurred, either (i) the Parent Guarantor would have been able to incur €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (11) or (ii) the Fixed Charge Coverage Ratio of the Parent Guarantor would not be less than it was immediately prior to giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (11);

(12) the incurrence by the Parent Guarantor or any Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds, so long as such Indebtedness is covered within 30 business days of incurrence;

(13) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Indebtedness arising from agreements of the Parent Guarantor or a Restricted Subsidiary providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary, *provided* that, in the case of a disposition, the maximum liability of the Parent Guarantor and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Parent Guarantor and its Restricted Subsidiaries in connection with such disposition;

(14) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Indebtedness in respect of (a) judgment, customs, advance tax payments, VAT or other tax guarantees or similar instruments issued in the ordinary course of business, (b) bankers' acceptances, discontinued bills of exchange or other similar instruments or obligations issued or relating to liabilities or obligations incurred in the ordinary course of business and (c) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(15) Indebtedness incurred (A) pursuant to the factoring of Receivables arising in the ordinary course of business pursuant to customary arrangements; *provided*, that either (a) no portion of such Indebtedness has, directly or indirectly, contingent or otherwise, recourse to any property or assets of the Parent Guarantor or any of its Restricted Subsidiaries (other than the Receivables that are the subject of the factoring), or (b) if such Indebtedness has recourse to any property or assets of the Parent Guarantor or any of its Restricted Subsidiaries, only the portion of such Indebtedness that is not recourse to any property or assets of the Parent Guarantor or any of its Restricted Subsidiaries (other than Receivables that are the subject of the factoring) may be considered as "Permitted Indebtedness" under this clause (15); and (B) by a Receivables Subsidiary in a Qualified Receivables Financing that is not recourse to the Parent Guarantor or any of its Restricted Subsidiaries other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(16) the incurrence by the Parent Guarantor or any Restricted Subsidiary of Indebtedness which constitutes Project Support; *provided, however*, that upon the drawing of any Contractual Bonds which constitute Project Support, the obligations are reimbursed within 30 days following such drawing;

(17) the guarantee by the Parent Guarantor or any Restricted Subsidiary of Indebtedness of an Unrestricted Subsidiary or a Qualifying Joint Venture incurred in connection with the financing of an asset or project or construction that is a Permitted Business and any Permitted Refinancing Indebtedness incurred to renew, refund, extend, refinance or replace any such guarantee incurred pursuant to this clause (17), such Indebtedness so guaranteed not to exceed €50.0 million at any time outstanding;

(18) the incurrence of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (18), not to exceed €15.0 million at any time outstanding.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in the first paragraph above or in clauses (1) through (18) in the definition thereof, the Parent Guarantor will be permitted to classify such item of Indebtedness on the date of its incurrence or to later reclassify all or a portion of such item of Indebtedness in any manner that complies with this covenant; *provided* that Indebtedness under the Revolving Credit Facility will be deemed to have been incurred under clause (2)(a) of the definition of Permitted Indebtedness and may not be reclassified and Indebtedness outstanding under the Existing Facilities on the Issue Date after application of the proceeds from the issuance of the Notes will initially be deemed to have been incurred on such date pursuant to clause (2)(b) of the definition of Permitted Indebtedness and may not be reclassified. Guarantees by the Parent Guarantor or any Restricted Subsidiary of Indebtedness of an Unrestricted Subsidiary or a Qualifying Joint Venture outstanding on the Issue Date will be deemed to have been incurred on such date in reliance on clause (17) of the definition of Permitted Indebtedness and may not be reclassified. The accrual of interest or preferred stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this covenant; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Parent Guarantor as accrued. If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Parent Guarantor as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under this covenant, the Parent Guarantor shall be in default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the euro-equivalent principal amount of Indebtedness denominated in a foreign currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Parent Guarantor or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

    (a) the Fair Market Value of such assets at the date of determination; and

    (b) the amount of the Indebtedness of the other Person.

Liens

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to create, incur, assume or otherwise suffer to exist any Lien of any kind securing Indebtedness upon any of their property or assets, except (a) in the case of property or assets that do not constitute Collateral, (1) Permitted Liens or (2) Liens on property or asset that are not Permitted Liens (an "**Initial Lien**") if the Notes and the Note Guarantees are secured equally and ratably with (or prior to, in the case of Liens with respect to Indebtedness which is contractually subordinated in right of payment to the Notes or any Note Guarantees), the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of property or assets that constitute Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes or any Note Guarantee will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates and (ii) otherwise as set forth under "*—Security—Release of the Security Interests*".

Dividend and other payment restrictions affecting Restricted Subsidiaries

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Parent Guarantor or any Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Parent Guarantor or any Restricted Subsidiaries;

(2) make loans or advances to the Parent Guarantor or any Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Parent Guarantor or any Restricted Subsidiaries,

provided that (x) the priority of any preferred stock in receiving dividends, liquidation proceeds or distributions prior to dividends, liquidation proceeds or distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Parent Guarantor or any Restricted Subsidiary to other Indebtedness incurred by the Parent Guarantor or any Restricted Subsidiary, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(a) agreements governing Existing Indebtedness (including the Revolving Credit Facility) as in effect or entered into on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;

(b) the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(c) agreements governing other Indebtedness permitted to be incurred under the provisions of the covenant described above under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements;

provided that the restrictions therein are not materially more restrictive, taken as a whole than is customary in comparable financings (as determined in good faith by the Parent Guarantor);

(d) applicable laws, rules, regulations or orders or the terms of any license, authorization, concession, franchise or permit or other similar arrangement;

(e) any instrument governing Indebtedness or Capital Stock of a Person acquired by, merged, consolidated or otherwise combined with the Parent Guarantor or any Restricted Subsidiaries as in effect at the time of such acquisition, merger, consolidation or other combination (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition, merger, consolidation or other combination), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;

(f) customary non-assignment and similar provisions in contracts, leases and licenses, joint venture agreements or other similar arrangements entered into in the ordinary course of business;

(g) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(h) any agreement for the sale or other disposition of the Capital Stock or all or substantially all of the property and assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition, provided that such sale or disposition is made in accordance with the covenants described under the caption *"—Repurchase at the Option of Holders—Asset Sales*";

(i) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(j) Liens permitted to be incurred under the provisions of the covenant described above under "*—Liens*" that limit the right of the debtor to dispose of the assets subject to such Liens;

(k) provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements;

(l) any encumbrances or restrictions effected in connection with any factoring, sale of future credit rights or securitization transaction undertaken in the ordinary course of business and consistent with past practices (including any Recourse Factoring or Securitization) or any Qualified Receivables Financing;

(m) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(n) any encumbrance or restriction (i) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract

(ii) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Parent Guarantor or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or (iii) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Parent Guarantor or any Restricted Subsidiary; and

(o) any agreement, encumbrance or restriction that extends, renews, refinances or replaces any of the encumbrance or restriction referred to in clauses (a) through (n) of this paragraph or this clause (o) (an **"Initial Agreement"**) or contained in any amendment, supplement or other modification to an agreement referred to in clauses (a) through (n) of this paragraph or this clause (o); *provided*, however, that such encumbrances and restrictions contained in any such agreement, encumbrance or restriction are not more materially restrictive, taken as a whole, than the encumbrances and restrictions so extended, refinanced, replaced, amended, supplemented or modified, or will not adversely affect, in any material respect, the Parent Guarantor's ability to make principal or interest payments on the Notes (in each case, as determined in good faith by the Parent Guarantor).

Merger, consolidation or sale of assets

The Parent Guarantor will not, directly or indirectly consolidate or merge with or into another Person (whether or not the Parent Guarantor is the surviving entity), or sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) the Parent Guarantor is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of the any member state of the European Union or the United States, any state of the United States or the District of Columbia, Canada or any province of Canada, Switzerland or Norway;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Parent Guarantor under the Notes, the Indenture, the applicable Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Parent Guarantor or the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor), or to which such sale, assignment, transfer, conveyance or other disposition has been made would, immediately after such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four quarter period either (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under "— *Incurrence of Indebtedness and Issuance of Preferred Stock*" or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and

(5) the Parent Guarantor delivers to the Trustee an Officer's Certificate and an opinion of counsel, each stating that such consolidation, merger or transfer and such supplemental indenture comply with the Indenture and an opinion of counsel to the effect that such

supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding instrument enforceable against the Parent Guarantor or the surviving corporation, in each case in form reasonably satisfactory to the Trustee.

In addition, the Parent Guarantor will not, directly or indirectly, lease all or substantially all of the properties and assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person.

The Issuer will not, directly or indirectly consolidate or merge with or into another Person (whether or not the Issuer is the surviving entity), or sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the properties or assets of the Issuer, the Parent Guarantor and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is an entity organized or existing under the laws of the any member state of the European Union or the United States, any state of the United States or the District of Columbia, Canada or any province of Canada, Switzerland or Norway; and, if such entity is not a corporation, a co-obligor of the Notes is a corporation organized or existing under any such laws;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Indenture, the applicable Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement;

(3) immediately after such transaction, no Default or Event of Default exists;

(4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance or other disposition has been made would, immediately after such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four quarter period either (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under "—Incurrence of Indebtedness and Issuance of Preferred Stock" or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and

(5) the Issuer delivers to the Trustee an Officer's Certificate and an opinion of counsel, each stating that such consolidation, merger or transfer and such supplemental indenture comply with the Indenture and an opinion of counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding instrument enforceable against the Issuer or the surviving corporation, in each case in form reasonably satisfactory to the Trustee.

Any Subsidiary Guarantor (other than a Subsidiary Guarantor whose Note Guarantee is to be released in accordance with the terms of the Note Guarantee and the Indenture as described under "*—Limitation on Issuances of Guarantees of Indebtedness*") will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Subsidiary Guarantor is the surviving corporation), or (2) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor and its Subsidiaries which are Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (a) a Guarantor is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than a Guarantor) or the Person to which such

sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of such Subsidiary Guarantor under its Note Guarantee, the applicable Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement; and

(2) immediately after giving pro forma effect to such transaction or transactions (and treating any Indebtedness which becomes an obligation of the surviving corporation as a result of such transaction as having been incurred by the surviving corporation at the time of such transaction or transactions), no Default or Event of Default exists;

This "Merger, Consolidation or Sale of Assets" covenant will not apply to (a) any consolidation or merger of any Restricted Subsidiary that is not a Guarantor into the Issuer or a Guarantor (including the Parent Guarantor); (b) any consolidation or merger among Guarantors (other than the Parent Guarantor merging into another Guarantor where the Parent Guarantor is not the surviving entity) or among Restricted Subsidiaries that are not Subsidiary Guarantors; and (c) any consolidation or merger among the Issuer and any Guarantor. Clauses (3) and (4) of the first and second paragraphs and clause (2) of the third paragraph of this covenant will not apply to any merger or consolidation of the Issuer or any Guarantor with or into an Affiliate solely for the purpose of reincorporating the Issuer or such Guarantor in another jurisdiction; *provided* that the Person formed by or surviving such merger or consolidation (if other than the Issuer or such Guarantor) assumes all the obligations of the Issuer or such Guarantor under the Indenture, the Notes, the Note Guarantees, the Proceeds Loan, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, as applicable. The foregoing provisions (other than the requirements of clause (3) of the first and second paragraphs and clause (2) of the third paragraph of this covenant) shall not apply to any transactions which constitute an Asset Sale if the Parent Guarantor and its Restricted Subsidiaries have complied with the covenant described under "*—Asset Sales*".

Transactions with Affiliates

The Parent Guarantor will not, and will not permit any Restricted Subsidiaries to, make any payments to or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Parent Guarantor (each, an "**Affiliate Transaction**") involving aggregate payments or consideration in excess of €4.0 million, unless:

(1) the Affiliate Transaction is on terms, taken as a whole, that are no less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Parent Guarantor or such Restricted Subsidiary, as the case may be, with an unrelated Person; and

(2) the Parent Guarantor delivers to the Trustee:

   (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €10.0 million, evidence that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Parent Guarantor; and, in addition,

   (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €20.0 million, a written opinion issued by an accounting, appraisal or investment banking firm of international standing (i) as to the fairness to the Parent Guarantor or such Subsidiary of such Affiliate Transaction from a financial point of view taking into account all relevant circumstances, or (ii) that the terms of such Affiliate Transaction are not materially less favorable to the Parent Guarantor or its relevant Restricted Subsidiary than those that could reasonably have

been obtained in a comparable transaction at such time by the Parent Guarantor or such Restricted Subsidiary with an unrelated Person on an arm's length basis.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Parent Guarantor or any Restricted Subsidiaries with any of its directors, officers or employees in the ordinary course of business and payments pursuant thereto;

(2) transactions between or among the Parent Guarantor and/or its Restricted Subsidiaries;

(3) transactions between or among the Parent Guarantor and/or its Restricted Subsidiaries and any Person (other than an Unrestricted Subsidiary of the Parent Guarantor or a Qualifying Joint Venture) that is an Affiliate of the Parent Guarantor or a Restricted Subsidiary solely because the Parent Guarantor or a Restricted Subsidiary either controls (including pursuant to a joint venture or shareholders agreement), can designate one or more Persons to the Board of Directors of or owns, directly or indirectly, an Equity Interest in such Person;

(4) any issuance of Equity Interests (other than Disqualified Stock) of the Parent Guarantor to Affiliates of the Parent Guarantor;

(5) Restricted Payments that do not violate the provisions of the Indenture described above under "*—Restricted Payments*" and Permitted Investments (other than Permitted Investments under clauses (3), (10), (13) and (14) of the definition thereof);

(6) transactions between or among (i) the Parent Guarantor and/or its Restricted Subsidiaries and (ii) (A) any joint venture or similar entity (including any Qualifying Joint Venture) which would constitute an Affiliate Transaction solely because the Parent Guarantor owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such joint venture or similar entity and (B) any consortium, temporary joint venture (*Unión Temporal de Empresas*) or other similar arrangement solely because the Parent Guarantor has an interest, directly or indirectly through a Restricted Subsidiary, in such consortium, association or similar arrangement;

(7) transactions pursuant to or contemplated by, any agreement in effect on the Issue Date and described in the offering memorandum under the heading "*Certain Relationships and Related Party Transactions*" and transactions pursuant to any amendment, modification, renewal, refinancing or extension to such agreement, so long as such amendment, modification, renewal, refinancing or extension, taken as a whole, is not materially more disadvantageous to the holders of the Notes than the original agreement as in effect on the Issue Date;

(8) transactions effected as part of (a) any factoring or securitization transaction (including any Recourse Factoring or Securitization) undertaken in the ordinary course of business and consistent with past practices; and (b) a Qualified Receivables Financing

(9) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services (including financial advisory services) or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture that are fair to the Parent Guarantor or the Restricted Subsidiaries, in the reasonable determination of the senior management of the Parent Guarantor, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(10) any Management Advances and any waiver or transaction with respect thereto;

(11) Contractual Bonds to the benefit of Unrestricted Subsidiaries or Qualifying Joint Ventures and Project Support; and

(12) the entry into and performance of any tax sharing agreement entered into for the purpose of pooling, sharing or consolidating taxes with any Parent, or an Unrestricted Subsidiary, provided that, in each case, any payments made thereunder are not prohibited by, and without duplication of, the covenant entitled "—Limitation on Restricted Payments."

For the avoidance of doubt, for purposes of determining whether a certain Hedging Obligation exceeds any of the thresholds set forth herein, when calculating the payments or consideration in respect of the entering into of any Hedging Obligation, the value shall be the financing fees and the mark-to-market value on the date of the contract, without regard to the notional amount of such contract.

Business activities

The Parent Guarantor will not, and will not permit any Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Parent Guarantor and its Restricted Subsidiaries taken as a whole.

Additional Guarantee and Collateral

The Parent Guarantor shall cause any Restricted Subsidiary that after the Issue Date is or becomes a Significant Subsidiary to execute and deliver a supplemental indenture providing for the Note Guarantee by such Restricted Subsidiary (an "**Additional Guarantee**") on the same terms as the Note Guarantees granted by the other Subsidiary Guarantors hereunder and an accession deed to the Intercreditor Agreement.

The Parent Guarantor will not cause or permit the Issuer or any of its Restricted Subsidiaries that is not the Issuer or a Guarantor, directly or indirectly, to guarantee any Indebtedness of the Issuer or any Guarantor under any Credit Facilities or any other Public Debt unless such Restricted Subsidiary simultaneously executes and delivers a Note Guarantee which Note Guarantee will be on the same terms and conditions as those set forth in the Indenture and either *pari passu* with or senior to such Restricted Subsidiary's guarantee of such other Indebtedness. Any Restricted Subsidiary other than the Subsidiary Guarantors as of the Issue Date and the Additional Guarantors that guarantee the Notes shall be referred to as a "**Future Guarantor**" hereunder.

Notwithstanding the foregoing, the Parent Guarantor shall not be obligated to cause such Restricted Subsidiary to guarantee the Notes to the extent that the grant of such Notes Guarantee would not be consistent with the Agreed Security Principles; *provided that* the Parent Guarantor will procure that the relevant Restricted Subsidiary becomes a Guarantor at such time as any restriction set forth in the Agreed Security Principles would no longer apply to the providing of the Note Guarantee or no longer would prohibit such Restricted Subsidiary from becoming a Guarantor (or prevent the Parent Guarantor from causing such Restricted Subsidiary to become a Guarantor).

Subject to the Agreed Security Principles and to the Intercreditor Agreements and any Additional Intercreditor Agreements, the Parent Guarantor will cause all of the Capital Stock in any Future Guarantors owned by the Parent Guarantor and its other Restricted Subsidiaries to be pledged to secure the Notes and the Note Guarantees (to the full extent permissible under applicable law) on a first priority basis consistent with the Collateral.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Parent Guarantor may designate any Restricted Subsidiary (other than the Issuer) to be an Unrestricted Subsidiary if that designation would not cause a Default.

If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Parent Guarantor and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under "*—Restricted Payments*" or under one or more clauses of the definition of "Permitted Investments", as determined by the Parent Guarantor. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Parent Guarantor may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if such redesignation would not cause a Default.

Any designation of a Subsidiary of the Parent Guarantor as an Unrestricted Subsidiary will be evidenced to the Trustee by filing therewith a certified copy of a resolution of the Board of Directors of the Parent Guarantor giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under "*—Restricted Payments*". If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary, for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Parent Guarantor as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*", the Parent Guarantor will be in default of such covenant. The Board of Directors of the Parent Guarantor may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Parent Guarantor; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Parent Guarantor of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described above under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*", calculated on a *pro forma* basis as if such designation had occurred at the beginning of the applicable reference period, and (2) no Default or Event of Default would be in existence following such designation.

Limitation on the Issuer's activities

The Issuer will not engage in any business activity or undertake any other activity, except any activity (a) relating to the offering, sale or issuance of the Notes, Additional Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations or the incurrence of Indebtedness by the Issuer represented by the Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations, or granting to Aldesa Agrupacion of the Proceeds Loan and other intercompany Indebtedness (b) undertaken with the purpose of, and directly related to, fulfilling its obligations under the Notes or the Indenture, other Public Debt and Hedging Obligations (including the lending of the proceeds from the Notes, Indebtedness under Credit Facilities or other Public Debt to the Parent Guarantor or another Guarantor pursuant to the Proceeds Loan or similar loan or loans and granting Liens in respect of such loans to secure Indebtedness), or (c) directly related to the establishment and maintenance of the Issuer's corporate existence or (d) reasonably related to the foregoing. The Issuer shall not (a) incur any Indebtedness (except to the Parent Guarantor or a wholly owned Restricted Subsidiary of the Parent Guarantor) other than the Notes, Indebtedness under Credit Facilities, other Public Debt and Hedging Obligations, or (b) issue any Capital Stock (other than to the Parent Guarantor or a wholly owned Restricted Subsidiary of the Parent Guarantor), or (c) undertake any transaction that will require the Issuer to register as an "investment company" or an entity "controlled by an investment company" as defined in the U.S. Investment Company Act of 1940, as amended and the rules and regulations thereunder.

The Issuer and the Parent Guarantor will not, and will not permit any Restricted Subsidiary, to (i) sell, dispose, encumber, prepay, repay, repurchase, redeem or otherwise acquire, reduce or retire any amounts outstanding under the Proceeds Loan except in connection with a redemption of outstanding Notes in a manner permitted by the Indenture, or (ii) amend, modify, supplement or waive any rights under the Proceeds Loan in a manner that would adversely affect the rights of the Issuer or its creditors with respect to the Proceeds Loan.

Limitations on the Parent Guarantor's activities

The Parent Guarantor will not own any material assets or property other than the Capital Stock of Aldesa Agrupacion and intercompany Indebtedness; *provided* that the Parent Guarantor may from time to time receive in a transaction otherwise permitted under the Indenture and the Security Documents properties and assets (including cash, Cash Equivalents, shares of Capital Stock of another Person and/or Indebtedness and other obligations) for the purpose of transferring such properties and assets to any Parent, any Subsidiary or any other Person in accordance with the terms of the Indenture, so long as in any case such further transfer is made promptly by the Parent Guarantor and, after giving effect thereto, the Parent Guarantor is again in compliance with this covenant.

Reports

So long as any Notes are outstanding, the Parent Guarantor will furnish to the Trustee and post on the Parent Guarantor's website:

(1) within 120 days after the end of the Parent Guarantor's fiscal year beginning with the fiscal year ending December 31, 2014, annual reports containing (to the extent applicable) the following information: (a) audited consolidated balance sheet of the Parent Guarantor as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Parent Guarantor for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited *pro forma* income statement and balance sheet information of the Parent Guarantor (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below (provided that such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case, the Parent Guarantor will provide, in the case of a material acquisition, acquired company financials)); (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations (including a discussion by lines of business), financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (d) a summary description of the business, management and shareholders of the Parent Guarantor, and material affiliate transactions and material debt instruments; (e) material risk factors; and (f) a summary of material recent developments;

(2) within 60 days (or (A) in the case of the fiscal quarter ending March 31, 2014, 90 days and (B) in the case of the report provided by the Parent Guarantor following the completion of the second quarter of each year, 75 days) following the end of each of the first three fiscal quarters in each fiscal year of the Parent Guarantor beginning with the fiscal quarter ending March 31, 2014, quarterly reports containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the quarterly and year to date periods ending on the unaudited condensed balance sheet date, and the comparable

prior year periods for the Parent Guarantor, together with condensed footnote disclosure; (b) unaudited pro forma income statement and balance sheet information of the Parent Guarantor (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter as to which such quarterly report relates (provided that such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case, the Parent Guarantor will provide, in the case of a material acquisition, acquired company financials); (c) an operating and financial review of the unaudited financial statements (including a discussion by lines of business), including a discussion of the consolidated financial condition and results of operations of the Parent Guarantor and any material change between the current quarterly period and the corresponding period of the prior year; and (d) a summary of material recent developments; and

(3) promptly after the occurrence of: (a) a material acquisition, disposition or restructuring; (b) any senior management change at the Parent Guarantor; (c) any change in the auditors of the Parent Guarantor or determination that investors should no longer rely upon previously issued financial statements, audited reports or a completed interim review; (d) any resignation of a member of the Board of events that the Parent Guarantor announces publicly including, in each case, a report containing a description of such event.

In addition, if the Parent Guarantor has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Subsidiaries are Significant Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Parent Guarantor and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Parent Guarantor.

All financial statements shall be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods.

Except as provided for above, no report need include separate financial statements for the Parent Guarantor or Subsidiaries of the Parent Guarantor or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum.

In addition, for so long as any Notes remain outstanding, and during any period during which the Parent Guarantor is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Parent Guarantor has agreed that it will furnish to the holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Additional or amended Intercreditor Agreement

The Indenture will provide that, at the request of the Parent Guarantor, at or prior to any time that the Issuer or a Guarantor incurs or guarantees any Indebtedness permitted to be secured by a Lien on the Collateral pursuant to the definition of Permitted Collateral Liens, the Issuer, the Guarantors, the Security Agent and the Trustee shall subject to the terms of the Intercreditor Agreement either amend and/or restate the Intercreditor Agreement or enter into with the creditors and/or agents of creditors with respect to such Indebtedness an additional intercreditor agreement (each, an "**Additional Intercreditor Agreement**") on substantially the same terms as the Intercreditor Agreement (or an amendment or restatement of the

Intercreditor Agreement in lieu thereof), in either such case, to permit such Indebtedness to be subject to (and benefit from) substantially similar terms with respect to the release of the Collateral and Note Guarantees, enforcement of security interests, turnover and limitations on enforcement and other rights as contained in the Intercreditor Agreement in effect as of the Issue Date (or, in the case of any such terms, terms more favorable to the holders of the Notes); *provided* that such Intercreditor Agreement or Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or in the opinion of the Trustee or Security Agent adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Indenture, any Additional Intercreditor Agreement or the Intercreditor Agreement.

The Indenture will also provide that, at the direction of the Parent Guarantor and without the consent of the holders of the Notes, the Trustee and the Security Agent shall subject to the terms of the Intercreditor Agreement upon the direction of the Parent Guarantor from time to time enter into one or more amendments and/or restatements of the Intercreditor Agreement or any such Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency therein; (2) increase the amount of Indebtedness permitted to be incurred or issued under the Indenture of the types covered thereby that may be incurred by the Issuer or any Guarantors that is subject thereto (including the addition of provisions relating to new Indebtedness, including but not limited to Indebtedness ranking junior in right of payment to the Notes); (3) add Guarantors thereto; (4) further secure the Notes (including any Additional Notes); (5) provide for the discharge of any Additional Intercreditor Agreement to the extent that Indebtedness thereunder has been discharged or is to be refinanced; (6) implement Permitted Collateral Liens; or (7) make any other such change thereto that does not adversely affect the rights of holders of the Notes in any material respect. The Parent Guarantor will not otherwise direct the Trustee and/or the Security Agent to enter into any amendment and/or restatements of the Intercreditor Agreement or, if applicable, any Additional Intercreditor Agreement, without the consent of the holders of a majority in principal amount of the outstanding Notes except as otherwise permitted under "*—Amendment, supplement and waiver*," and the Parent Guarantor may only direct the Trustee and/or the Security Agent to enter into any amendment and/or restatements of the Intercreditor Agreement or, if applicable, any Additional Intercreditor Agreement to the extent permitted pursuant to the terms thereof, including that such amendment and/or restatement will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Indenture, any Additional Intercreditor Agreement or the Intercreditor Agreement.

The Indenture will provide that each holder of a Note, by accepting such Note, will be deemed to have agreed to and accepted the terms and conditions of each Intercreditor Agreement and Additional Intercreditor Agreement, to have authorized the Trustee and the Security Agent to become a party to any such Intercreditor Agreement and Additional Intercreditor Agreement, and any amendment referred to in the preceding paragraphs and the Trustee or the Security Agent will not be required to seek the consent of any holders of Notes to perform its obligations under and in accordance with this covenant.

Impairment of Security Interest

The Parent Guarantor shall not, and shall not permit any of its Restricted Subsidiaries to, take or omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the provisos below, that the incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral); and the Parent Guarantor shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the holders and/or the other beneficiaries

described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral, except that the Parent Guarantor and its Restricted Subsidiaries may Incur Permitted Collateral Liens and the Collateral may be discharged and released in accordance with the Indenture, the applicable Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided*, however, that, except with respect to any discharge or release in accordance with the Indenture, the Incurrence of Permitted Collateral Liens or any action expressly permitted by the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Parent Guarantor delivers to the Trustee, (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee from an accounting, appraisal or investment banking firm of international standing confirming the solvency of the Parent Guarantor and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person which confirms the solvency of the person granting such Security Interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, or (3) an Opinion of Counsel, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement.

In the event that the Parent Guarantor complies with the requirements of this covenant, (a) the Trustee shall (subject to customary protections and indemnifications in the Indenture) consent to such amendments and (b) the Trustee shall (subject to customary protections and indemnifications in the Indenture) instruct the Security Agent to enter into any such amendments, in each case without the need for instructions from the holders. For the avoidance of doubt, the Security Agent will have no discretion to consent to any such amendments and, instead, it will only be obliged to execute the relevant amendment subject to the terms of the Intercreditor Agreement if so directed by the Trustee and shall also have the benefit of customary protections and indemnifications in the Intercreditor Agreement.

Changes in covenants when Notes rated investment grade

If on any date following the date of the Indenture:

(1) the Notes are rated Baa3 or better by Moody's and BBB- or better by S&P (or, if either such entity ceases to rate the Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other internationally recognized statistical rating organization); and

(2) no Default or Event of Default shall have occurred and be continuing,

then, beginning on that day and subject to the provisions of the following paragraph, the covenants specifically listed under the following captions in this description will be suspended and in each case any related default provisions of the Indenture will cease to be effective and will not be applicable to the Issuer, the Parent Guarantor and its Restricted Subsidiaries:

(a) "*—Repurchase at the Option of Holders—Asset Sales*";

(b) "*—Restricted Payments*";

(c) "*—Incurrence of Indebtedness and issuance of preferred stock*";

(d) "*—Dividend and other payment restrictions affecting Restricted Subsidiaries*";

(e) clause (4) of the covenant described below under "*—Merger, consolidation or sale of assets*";

(f) "*—Transactions with Affiliates*"; and

(g) "*—Designation of Restricted and Unrestricted Subsidiaries*".

Notwithstanding the foregoing, if the rating assigned by any such rating agency should subsequently decline to below Baa3 or BBB- (for Moody's and S&P, as applicable), respectively, the foregoing covenants will be reinstituted as of and from the date of such rating decline. Calculations under the reinstated "Restricted Payments" covenant will be made as if the "Restricted Payments" covenant had been in effect since the date of the Indenture, except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. In addition, no action taken during any period that the foregoing covenants have been suspended (the "**Investment Grade Status Period**") (or prior to or after an Investment Grade Status Period in compliance with the covenants then applicable) will require reversal or constitute a default under the Indenture in the event that the suspended covenants are subsequently reinstated or suspended, as the case may be.

On the date of reinstatement of the covenants, all Indebtedness Incurred during the continuance of the Investment Grade Status Period will be classified, at the Issuer's option, as having been Incurred pursuant to the first paragraph of the covenant described under "*—Incurrence of Indebtedness and issuance of preferred stock*" or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the date of reinstatement of the covenants and after giving effect to Indebtedness Incurred prior to the Investment Grade Status Period and outstanding on the date of reinstatement of the covenants).

To the extent such Indebtedness would not be so permitted to be incurred under the first paragraph of the covenant described under "*—Incurrence of Indebtedness and issuance of preferred stock*," such Indebtedness will be deemed to have been Existing Indebtedness outstanding on the Issue Date, so that it is classified as permitted under clause (1) of the second paragraph of the covenant described under "*—Incurrence of Indebtedness and issuance of preferred stock.*"

There can be no assurance that the Notes will ever achieve or maintain an investment grade rating.

Events of Default and remedies

Each of the following is an "**Event of Default**":

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Parent Guarantor or any Restricted Subsidiaries to comply with the provisions described above under "*—Certain covenants—Restricted Payments*", "*—Certain covenants—Incurrence of Indebtedness and issuance of preferred stock*" or "*—Certain covenants—Merger, consolidation or sale of assets*";

(4) failure to comply for 30 days after written notice by the Trustee on behalf of the holders of the Notes or by the holders of 25% in aggregate principal amount of the outstanding Notes with the covenant described under "—Repurchase at the option of holders—Change of Control" or "—Repurchase at the option of holders—Asset Sales" above;

(5) failure by the Parent Guarantor or any of its Restricted Subsidiaries for 60 days after notice to the Parent Guarantor by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2), (3) or (4));

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries or the payment of which is Guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries, other than Indebtedness owed to the Parent Guarantor or a Restricted Subsidiary, whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

   (a) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness upon the expiration of the grace period provided in such Indebtedness on the date of such default (a "**Payment Default**"); or

   (b) results in the acceleration of such Indebtedness prior to its final stated maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €20.0 million or more;

(7) failure by the Parent Guarantor or any of its Restricted Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of €20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final and non-appealable;

(8) except as permitted by the Indenture, any Note Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Note Guarantee;

(9) certain events of bankruptcy or insolvency described in the Indenture with respect to the Parent Guarantor or any Restricted Subsidiaries that is a Significant Subsidiary or any group Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; and

(10) the Security Interests purported to be created under any Security Document (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the Indenture) with respect to Collateral having a Fair Market Value in excess of €5.0 million will, at any time, cease to be in full force and effect for any reason other than the satisfaction in full of all Obligations under the Indenture and discharge of the Indenture or in accordance with the terms of the Intercreditor Agreement or the Security Documents or any such Security Interest purported to be created under any Security Document is declared invalid or unenforceable and such failure to be in full force and effect, valid or enforceable has continued uncured for a period of 30 days.

In the case of an Event of Default arising under clause (9) above, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately, only after a notice has been sent to the Parent Guarantor and the Parent Guarantor failed to cure such default within the applicable cure period set out above.

In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (6) under "Events of Default and remedies" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that

gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, claim, liability or expense. Except (subject to the provisions described under "—Amendment, supplement and waiver") to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested in writing the Trustee to pursue the remedy and the Trustee has not received conflicting requests from holders of at least 25% in aggregate principal amount of the then outstanding Notes;

(3) such holders have offered the Trustee security and/or indemnity satisfactory to the Trustee against any loss, claim, liability or expense;

(4) the Trustee has not complied with such written request within 60 days after the receipt of the request and the offer of security and/or indemnity; and

(5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a written direction inconsistent with such request within such 60-day period.

The holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may, on behalf of the holders of all of the Notes, waive any existing Default or Event of Default and its consequences under the Indenture (except with respect to nonpayment of principal, premium or interest, or Additional Amounts, if any which may only be waived by 90% in aggregate principal amount of the outstanding Notes) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

The Parent Guarantor is required to deliver to the Trustee annually (within 120 days after the end of each fiscal year) a statement regarding compliance with the Indenture and confirmation that no Event of Default has occurred and is continuing since the delivery of the last such certificate. Within 30 days of becoming aware of any Default or Event of Default, the Parent Guarantor is required to deliver to the Trustee a statement specifying such Default or Event of Default.

Legal Defeasance and Covenant Defeasance

The Issuer or the Parent Guarantor may at any time, at the option of the Parent Guarantor's Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes and the Indenture and

all obligations of any Guarantors discharged with respect to their Note Guarantees and the Indenture ("**Legal Defeasance**") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest, Additional Amounts or premium, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee and the Security Agent, and the Issuer's and any Guarantors' obligations in connection therewith;

(4) the Issuer's obligation to maintain a Registrar and Paying Agent with respect to the Notes; and

(5) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Parent Guarantor or the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and any Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers) that are described in the Indenture ("**Covenant Defeasance**").

If the Parent Guarantor or the Issuer exercises its Legal Defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Parent Guarantor or the Issuer exercises its Covenant Defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clauses (3) through (7) under "*—Events of Default and remedies*" above or because of the failure of the Parent Guarantor or the Issuer to comply with clause (4) and clause (5) of the first and second paragraphs under "*—Certain covenants—Merger, consolidation or sale of assets*" above. In the event Covenant Defeasance occurs, all Events of Default described above under "*—Events of Default and remedies*" (except those relating to payments on the Notes or, solely with respect to the Issuer, bankruptcy, receivership, rehabilitation or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in euros, non-callable European Government Obligations, or a combination of cash in euros and European Government Obligations or a combination thereof, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest, Additional Amounts and premium, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee an Opinion of Counsel confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an Opinion of Counsel confirming that the holders and beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) the Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes over the other creditors of the Issuer or the Guarantors or with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or the Guarantors; and

(5) the Issuer must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, supplement and waiver

Except as provided in the succeeding paragraphs, the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents may be amended, supplemented or otherwise modified with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Unless consented to by the holders of at least 90% of the aggregate principal amount of then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under "—Repurchase at the option of holders");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) impair the right of any holder of Notes to receive payment of principal of and interest on such holder's Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder's Notes or any Note Guarantee in respect thereof;

(5) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts, or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration, which may, for the avoidance of doubt, both be agreed to or waived by the holders of at least a majority in aggregate principal amount of Notes then outstanding);

(6) make any Note payable in money other than that stated in the Notes;

(7) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest, Additional Amounts or premium, if any, on, the Notes;

(8) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "—Repurchase at the option of holders");

(9) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;

(10) release any Security Interests granted for the benefit of the holders in the Collateral other than in accordance with the Security Documents, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Indenture; or

(11) make any change in the preceding amendment and waiver provisions which require the holders' consent described in this sentence.

Notwithstanding the preceding, without the consent of any holder of Notes, the Issuer or any Guarantor and the Trustee and the Security Agent, as applicable, may amend or supplement the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Notes and Note Guarantees in the case of a merger, transformation or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect;

(5) to conform the text of the Indenture, the Notes, the Note Guarantees or the Security Documents to any provision of this description to the extent that such provision in this description was intended to be a verbatim recitation of a provision of the Indenture, the Notes, the Note Guarantees or the Security Documents, which intent shall be evidenced by an Officer's Certificate to that effect;

(6) to release any Note Guarantee or Collateral in accordance with the terms of the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;

(8) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee and any Security Document with respect to the Notes;

(9) to evidence and provide the acceptance of the appointment of a successor Trustee or Security Agent under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(10) to add security to or for the benefit of the Notes and enter into any Additional Intercreditor Agreement with respect thereto, or to effectuate or confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien (including the

Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement; or

(11) as provided under "*—Intercreditor Agreement*."

Satisfaction and discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Paying Agent or Registrar for cancellation; or

(b) all Notes that have not been delivered to the Paying Agent or Registrar for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in euros, non-callable European Government Obligations, or a combination of cash in euros and non-callable European Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Paying Agent or Registrar for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) the Issuer or any Guarantor has paid or caused to be paid all sums payable by the Issuer or any Guarantor, as applicable, under the Indenture; and

(3) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent in the Indenture to satisfaction and discharge have been satisfied provided that any such counsel may rely on an Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses).

No personal liability of directors, officers, employees and shareholders

No director, officer, employee, incorporator or shareholder of the Issuer, any Guarantor or any of their respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Notes, the Indenture, any Guarantees of the Notes or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Judgment Currency

The euro (the "**Required Currency**") is the sole currency of account and payment for all sums payable by the Issuer or any Guarantor under or in connection with the Notes or any Note Guarantee, including damages. Any payment which is made to or for the account of any holder

or the Trustee in lawful currency other than the Required Currency (the "**Judgment Currency**"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer's or any Guarantor's obligation under the Indenture and the Notes or the Note Guarantee, as the case may be, only to the extent of the amount of the Required Currency which such holder or the Trustee, as the case may be, could purchase with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the date of receipt of the payment in the Judgment Currency or, if it is not practicable to make that purchase on that date, on the Business day following receipt of such payment. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such holder or the Trustee, as the case may be, the Issuer and the Guarantors shall

indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. In any event, the Issuer and any Guarantors will indemnify the recipient or the Trustee on a joint and several basis against the cost of making any such purchase. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture, the Notes or any Note Guarantees, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Concerning the Trustee

Deutsche Trustee Company Limited is to be appointed the Trustee under the Indenture. If the Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *however*, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of their own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any holder or that would involve the Trustee in personal liability. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and/or indemnity satisfactory to it against any loss, claim, liability or expense. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, claim, liability, taxes and expenses incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Governing law

The Indenture will provide that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York. The application to the Notes and the

Indenture of the provisions set out in articles 86 to 94-8 of the Luxembourg law on commercial companies dated August 10, 1915, as amended, is excluded.

Consent to jurisdiction and service of process

The Indenture will provide that the Issuer and each Guarantor will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture and the Notes and the Note Guarantees brought in any federal or state court located in the Borough of Manhattan in the City of New York and will submit to such jurisdiction.

Enforceability of judgments

Since all of the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against such entities, including judgments with respect to the payment of principal, premium, interest, Additional Amounts and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Certain definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

Acquired Debt shall be deemed to have been incurred with respect to clause (1) of the preceding sentence, as applicable (i) on the date of the relevant merger or (ii) the date on which such Person becomes a Restricted Subsidiary, or, with respect to clause (2) of the preceding sentence, on the date of acquisition of the relevant asset.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling", "controlled by" and "under common control with" have correlative meanings.

"*Agreed Security Principles*" means the Agreed Security Principles as set forth in the Intercreditor Agreement (or a schedule thereto), as applied reasonably and in good faith by the Parent Guarantor.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; or

(2) the excess (to the extent positive) of:

(a) the present value at such redemption date of (i) the redemption price of the Note at April 1, 2017 (such redemption price being set forth in the table appearing above

under "—Optional Redemption") plus (ii) all required interest payments due on the Note through April 1, 2017, (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Note,

as calculated in good faith by the Issuer or on behalf of the Issuer by such Persons the Issuer may designate.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets by the Parent Guarantor or any of its Restricted Subsidiaries; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "*—Repurchase at the option of holders—Change of Control*" and/or the provisions described above under the caption "*—Certain covenants—Merger, consolidation or sale of assets*" and not by the provisions described under the caption "*—Repurchase at the option of holders—Asset Sales*"; and

(2) the issuance of Equity Interests by any Restricted Subsidiary or the sale by the Parent Guarantor or any Restricted Subsidiary of Equity Interests in any of the Restricted Subsidiaries (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than €5.0 million;

(2) a transfer of assets between or among the Parent Guarantor and any Restricted Subsidiary or among Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Parent Guarantor or to a Restricted Subsidiary (other than the issuance of Equity Interests of a Guarantor to a Restricted Subsidiary that is not a Guarantor);

(4) the sale, lease or other transfer of interests in products, services or accounts receivable, in each case, in the ordinary course of business and any sale or other disposition of surplus, damaged, worn-out or obsolete assets in the ordinary course of business (including the abandonment or other disposition of intellectual property) that is, in the reasonable judgment of the Parent Guarantor, no longer economically practicable to maintain or useful in the conduct of the business of the Parent Guarantor and its Restricted Subsidiaries taken as a whole;

(5) licenses and sublicenses by the Parent Guarantor or any Restricted Subsidiaries of software or intellectual property or other general intangibles, licenses, sub-licenses or sub-licenses of other properties, in each case in the ordinary course of business;

(6) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(7) the granting of Liens not prohibited by the covenant described above under "*—Liens*";

(8) the sale or other disposition of cash or Cash Equivalents or Temporary Cash Investments;

(9) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(10) the foreclosure, condemnation or any similar action with respect to any property or other assets;

(11) any disposition of Equity Interests of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Parent Guarantor or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(12) a Restricted Payment that does not violate the covenant described above under "*—Certain covenants—Restricted Payments*" or a Permitted Investment or a transaction specifically excluded from the definition of a Restricted Payment;

(13) sales of dispositions of Receivables in connection with any factoring or sale of future credit rights transaction (including Recourse Factoring or Securitization and Qualified Receivables Financing) arising in the ordinary course of business pursuant to customary arrangements; provided that any Indebtedness incurred in relation thereto is permitted to be incurred by clause (15) of the second paragraph of the covenant described under "*—Certain covenants—Incurrence of Indebtedness and issuance of preferred stock*"; and

(14) any disposition with respect to property built, owned or otherwise acquired by the Parent Guarantor or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture.

"*Board of Directors*" means (1) with respect to the Parent Guarantor or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof (or in connection with a determination made under the Indenture that requires action by the Board of Directors, any senior manager of the relevant entity duly delegated by the Board of Directors to take such action on the extent permitted under the relevant entity's organizational documents and applicable law); (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function.

"*Bund Rate*" means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Bunds or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Parent Guarantor in good faith)) most nearly equal to the period from the redemption date to April 1, 2017; *provided*, however, that if the period from the redemption date to April 1, 2017 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to April 1, 2017 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in Madrid, Spain, Luxembourg, Grand Duchy of Luxembourg or London, United Kingdom are authorized or required by law to close; *provided*, however, that for any payments to be made under the Indenture, such day shall also be a day on which the Trans- European Automated Real-time Gross Settlement Express Transfer ("TARGET") payment system is open for the settlement of payments.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States or Canadian governments, or any agency or instrumentality thereof, the securities of which are guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, Switzerland or Norway, or in each case any agency or instrumentality thereof, the securities of which are guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any commercial bank having capital and surplus in excess of €250.0 million;

(4) repurchase obligations for underlying securities of the types described in clauses (1), (2) and (3) entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper rated at the time of acquisition thereof at least P-1 by Moody's or at least A-1 by S&P and in each case maturing within 12 months after the date of acquisition thereof;

(6) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, any member of the European Union, Norway, Switzerland or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition;

(7) Indebtedness or preferred stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 12 months or less from the date of acquisition;

(8) cash and cash equivalents as determined in accordance with GAAP; and

(9) interests in investment funds investing at least 95% of their assets in cash or securities of the types described in clauses (1) through (8) above.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole to any Person other than one or more Permitted Holders;

(2) the consummation of any transaction, whether as a result of the issuance of securities of the Parent Guarantor, any merger or consolidation, purchase or otherwise, the result of which is that any "person" (as such term is used in Section 13(d)(3) of the Exchange Act), other than one or more Permitted Holders, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Parent Guarantor; provided that, for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Parent Guarantor becoming a Subsidiary of a Successor Parent; *provided* that, for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Parent Guarantor becoming a Subsidiary of a Successor Parent;

(3) the first day on which a majority of the members of the Board of Directors of the Parent Guarantor are not Continuing Directors;

(4) the adoption of a plan relating to the liquidation or dissolution of the Parent Guarantor; or

(5) the first day on which the Parent Guarantor or any Restricted Subsidiary ceases to directly beneficially own 100% of the Capital Stock of the Issuer.

For purposes of this definition, (a) "person" has the meaning it has in Sections 13(d) and 14(d) of the Exchange Act; (b) "beneficial owner" is used as defined in Rules 13(d) and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all shares that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time; and (c) a person will be deemed to beneficially own any Voting Stock of an entity held by a parent entity, if such person is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Voting Stock of such parent entity and the Permitted Holders beneficially own, directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent entity.

"*Collateral*" means the rights, property and assets securing the Notes and the Note Guarantees as described in the section entitled "*—Security*" and any rights, property or assets over which a Lien has been granted to secure the Obligations of the Issuer or a Guarantor under the Notes, the Note Guarantees and the Indenture, as the case may be.

"*Consolidated EBITDA*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(1) Consolidated Income Taxes, provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period; *plus*

(2) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted when computing Consolidated Net Income; *plus*

(3) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) or impairment expenses and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or

expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period), provisions for bad debt of such Person and its Restricted Subsidiaries for such period; *plus*

(4) any foreign currency transaction and translation losses (including losses related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period; *plus*

(5) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Equity Interests held by such parties; *plus*

(6) any extraordinary losses realized in connection with any Asset Sale together with any related provision for taxes on any such loss; *plus*

(7) any cash expenses, cash charges or other costs (in each case, as determined in good faith by an Officer of the Parent Guarantor) related to (A) any Equity Offering, Investment, acquisition (including one-time amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), (B) start-up costs relating to the expansion of the Parent Guarantor's or its Restricted Subsidiaries' entry into a new jurisdiction, and (C) disposition, recapitalization or the incurrence of any Indebtedness permitted by the Indenture (in each case whether or not successful); *plus*

(8) any losses, costs and expenses related to the Mostoles-Torrejon Project; *plus*

(9) overhead costs (as determined in good faith by the Parent Guarantor) incurred by the Parent Guarantor and the Restricted Subsidiaries in relation to operations of Unrestricted Subsidiaries and Qualifying Joint Ventures; *minus*

(10) any foreign currency translation gains (including gains related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period; *minus*

(11) any extraordinary gains realized in connection with any Asset Sale together with any related provision for taxes on any such gain; *minus*

(12) interest and/or financial income (other than financial income of the type described under clause (2) of the definition of Consolidated Net Income) to the extent included in the Consolidated Net Income of such Person; *minus*

(13) any income related to the Mostoles-Torrejon Project; *minus*

(14) other non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with GAAP.

"*Consolidated Income Taxes*" means taxes or other payments, including deferred Taxes, based on income, profits or capital (including withholding taxes) of any of the Parent Guarantor and its Restricted Subsidiaries whether or not paid, estimated, accured or required to be remitted to any governmental authority;

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (loss) of any Unrestricted Subsidiary

of such Person), determined in accordance with GAAP and without any reduction in respect of preferred stock dividends; *provided* that:

(1) all extraordinary gains (losses) and all gains (losses) realized in connection with the disposition of securities or the early extinguishment of Indebtedness, together with any related provision for taxes on any such gain (loss), will be excluded;

(2) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(3) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph under the caption "*—Certain covenants—Restricted Payments*", any net income or loss of any Restricted Subsidiary will be excluded if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture, (c) contractual restrictions in effect on the Issue Date with respect to the Restricted Subsidiary and other restrictions with respect to such Restricted Subsidiary that taken as a whole, are not materially less favorable to the holders of the Notes than such restrictions in effect on the Issue Date) and (d) any restriction listed under clauses (c) or (d) of the second paragraph of the covenant described above under the caption "*—Certain covenants—Dividend and other payments restrictions affecting Restricted Subsidiaries*" except that specified Person's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the specified Person or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(4) the cumulative effect of a change in accounting principles will be excluded;

(5) any extraordinary, exceptional or nonrecurring gains or losses or charges in respect of any restructuring, redundancy or severance payment or costs relating to the offering of the Notes and the entry into the Revolving Credit Facility (in each case as determined in good faith by the Parent Guarantor) will be excluded;

(6) any unrealized gains or losses in respect of Hedging Obligations will be excluded;

(7) any non-cash compensation charge or expenses arising from any grant of stock, stock options or other equity-based awards will be excluded;

(8) any goodwill or other intangible asset impairment charges, any amortization or write-off, or any gain or loss arising from a revaluation of assets or any provisions in relation thereto will be excluded;

(9) the net income (loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary which is a Subsidiary of the Person; and

(10) all deferred financing costs written off and premium paid in connection with any early extinguishment of Indebtedness and any net gain or loss from any write-off or forgiveness of Indebtedness will be excluded.

"*Consolidated Net Indebtedness*" means, with respect to any Person, (x) the sum of the aggregate outstanding Indebtedness of that Person and its Restricted Subsidiaries as of the relevant date of calculation less (y) the amount of cash, Cash Equivalents and Temporary Cash Investments (other than cash and Cash Equivalents received upon the incurrence of Indebtedness by the Parent Guarantor or the relevant Guarantor, as applicable, and not immediately or subsequently applied or used for any purpose not prohibited by the Indenture) that would be stated on the balance sheet of such Person and its Restricted Subsidiaries as of such date, in each case, on a consolidated basis on the basis of GAAP.

"*Consolidated Secured Leverage Ratio*" shall mean the Leverage Ratio of the Parent Guarantor and its Restricted Subsidiaries, but calculated by deducting from Consolidated Net Indebtedness all Indebtedness that is not secured by a Lien on the Collateral.

"*Consolidated Total Assets*" of any Person as of any date means the total assets of such Person and its Restricted Subsidiaries as of the most recent fiscal quarter end for which a consolidated balance sheet of such Person and its Restricted Subsidiaries is available, calculated on a consolidated basis in accordance with GAAP.

"*continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Continuing Directors*" means, as of any date of determination, any member of the Board of Directors of the Parent Guarantor who:

(1) was a member of such Board of Directors on the Issue Date; or

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

"*Contractual Bonds*" means performance bonds, bid bonds, procurements bonds, works tender bonds, advance payment bonds, guarantee bonds (*aval por el periodo de garantía*), retention bonds, financial bank bonds, bonds for taxes and any other similar bond or guarantee instrument, granted directly or indirectly, including by means of a counter guarantee.

"*Credit Facilities*" means one or more debt facilities, capital markets indentures, instruments (including the Revolving Credit Facility) or arrangements or commercial paper facilities, in each case with banks or other financial institutions or investors providing for revolving credit loans, term loans, receivables financings (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit or bankers' acceptances or other forms of guarantees and assurances, or other Indebtedness, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise), restructured, repaid or refinanced (whether by means of sales of debt securities to institutional investors and whether in whole or in part and whether or not with the original administrative agent or lenders or another administrative agent or agents or other bank or institutions and whether provided in one or more other credit or other agreements) and, for the avoidance of doubt, includes any agreement extending the maturity thereof or otherwise restructuring all or any portion of the indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"*Currency Agreement*" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Non-Cash Consideration*" means the Fair Market Value (as determined in good faith by the Parent Guarantor) of non-cash consideration received by the Parent Guarantor or one Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "*—Certain covenants—Assets Sales*."

"*Disqualified Stock*" means with respect to any Person any Capital Stock or such Person that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable for cash or in exchange for Indebtedness, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 180 days after the Maturity Date. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Parent Guarantor to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Parent Guarantor may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "*—Certain covenants—Restricted Payments*". The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Indenture will be the maximum amount that the Parent Guarantor and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public or private sale of ordinary shares, preference shares or other Equity Interests of the Parent Guarantor or a Parent (other than Disqualified Stock) whereby the Parent Guarantor or a Parent receives gross proceeds, together with the gross proceeds received by the Parent Guarantor or a Parent in any prior public or private sale of such Equity Interest, of not less than €50.0 million, other than public offerings with respect to common stock of the Parent Guarantor or a Parent registered on Form S-8 but, in the case of any such offering by a Parent, only to the extent the net cash proceeds thereof are contributed to the equity (other than through the issuance of Disqualified Stock) of the Parent Guarantor or its Restricted Subsidiaries.

"*European Government Obligations*" means direct obligations of, or obligations guaranteed by, a member state of the European Union, and the payment for which such member state of the European Union pledges its full faith and credit.

"*European Union*" means the members of the European Union, including any member state thereof.

"*Exchange Act*" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder.

"*Existing Facilities*" means the credit line entered into between Aldesa Holding S.A. de C.V. and Inbursa on September 9, 2013, the four mortgage loans between Aldesa Construcciones, S.A., Aguilas Residencial, S.A. and Aldesa Nuevo Madrid, S.L., Sociedad de Gestión de Activos

Procedentes de la Restructuración Bancaria, S.A. and CaixaBank, in each case as amended or novated from time to time prior to the Issue Date.

"*Existing Indebtedness*" means all Indebtedness of the Parent Guarantor and its Restricted Subsidiaries in existence on the Issue Date after giving effect to the use of proceeds of the Notes (other than the Existing Facilities), until such amounts are repaid.

"*Fair Market Value*" means with respect to any assets or property the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by an officer or the Board of Directors of the Parent Guarantor (unless otherwise provided in the Indenture).

"*Fixed Charge Coverage Ratio*" means, with respect to any Person for any period, the ratio of Consolidated EBITDA of such Person and its Restricted Subsidiaries for such period to the Fixed Charges of such Person for such period.

The Fixed Charge Coverage Ratio shall be calculated on a *pro forma* basis assuming that all Investments, acquisitions, dispositions, mergers, consolidations, amalgamations, disposed operations and other business combination transactions, as well as each repayment, repurchase, defeasance or other discharge of Indebtedness (as determined on the basis of GAAP) made or undertaken by the relevant Person, any Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the date of calculation (including the change in Fixed Charges and Consolidated EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period including any pro forma expense and cost reductions (including staff cost reductions) that have occurred or are reasonably expected to occur (regardless of whether these cost reductions could be reflected under GAAP).

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the relevant Person. If any Indebtedness bears interest at a floating rate and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of calculation had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the relevant Person to be the rate of interest implicit in such Capital Lease Obligation on the basis of GAAP. For purposes of making the computation referred to above, interest on any Indebtedness outstanding during the relevant period under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount (but not debt issuance costs, commissions, fees and expenses), non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations (but excluding any non-cash interest expense attributable under GAAP to foreign currency translations or movement in the mark to market valuation of Hedging Obligations); *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (other than Indebtedness subject to this clause (3) solely because of the existence of a Lien of the type specified under clause (25) of the definition of Permitted Liens), whether or not such guarantee or Lien is called upon (provided any interest (or other charge) relating to the guarantee by the Parent Guarantor or a Restricted Subsidiary of Contractual Bond obligations of a third party (including a Qualifying joint Venture) shall not be included in fixed charges for any period to the extent of the amount of such interest or other charge actually paid by a joint venture partner or other third party (other than the Parent Guarantor or a Restricted Subsidiary) during or with respect to such period); *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of the Parent Guarantor (other than Disqualified Stock) or to the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal; *minus*

(5) any commissions, discounts, yield and other fees and charges related to confirming, factoring, sale of future credit rights, receivables or securitization financings that do not constitute Recourse Factoring or Securitization; *minus*

(6) any interest income for such period; *minus*

(7) any interest expense related to the Mostoles-Torrejon Project;

in each case, determined on a consolidated basis in accordance with GAAP.

"*GAAP*" means generally accepted accounting principles in Spain in effect as on the date of any calculation or determination required hereunder, *provided* that at any time after the Issue Date, the Parent Guarantor may elect to apply IFRS or US GAAP for the purposes of the Indenture, and from and after such election references herein to GAAP shall be deemed to be references to IFRS or US GAAP (as applicable) in effect at the date of any calculation or determination required hereunder and all defined terms in the Indenture, and all ratios and computations based on GAAP shall be computed in conformity with IFRS or US GAAP in effect at the date of any calculation or determination required hereunder, from and after any such election; *provided*, further, that upon first reporting its fiscal year results under IFRS or US GAAP, as applicable, it shall restate its financial statements in accordance with IFRS or US GAAP for the fiscal year ending immediately prior to the first fiscal year for which financial statements have been prepared on the basis of IFRS or US GAAP, as applicable. In addition, at any time after the Issue Date, the Parent Guarantor may elect (whether then reporting pursuant to IFRS or U.S. GAAP) to establish that GAAP shall mean the GAAP as in effect on the date of such election, *provided* that any such election, once made, shall be irrevocable.

"*Guarantee*" means, with respect to any Specified Person, a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of any other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Guarantors*" means the Initial Guarantors and the Additional Guarantors and any Subsidiary of the Parent Guarantor that executes a Note Guarantee subsequent to the Issue Date in accordance with the provisions of the Indenture, and their respective successors and assigns, in

each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"*Hedging Agreement*" means any Interest Rate Agreement or Currency Agreement.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) any Hedging Agreement;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Indebtedness*" means, with respect to any specified Person, on any date of determination any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) the principal amount of obligations evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof, except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence);

(3) representing Capital Lease Obligations;

(4) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed;

(5) representing the maximum fixed purchase price of Disqualified Stock; or

(6) representing any Hedging Obligations (the amount of such indebtedness to be equal to the net aggregate payments that would be payable by such Person at such date of determination under all of its Hedging Obligations at the respective scheduled termination date),

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

The term "Indebtedness" shall not include:

(1) obligations under any concession, license or lease of property or Guarantee thereof which would be considered as an operating lease under GAAP;

(2) for the avoidance of doubt, any contingent obligations with respect to workers' compensation claims, asset retirement, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(3) obligations for the reimbursement of any obligor in relation to any confirming services, reverse factoring services and commercial discount lines in the ordinary course of business, unless and until such obligations are called upon or enforced against such obligor and are not reimbursed within 30 days thereof;

(4) any prepayments of deposits received from clients or customers in the ordinary course of business, or obligations under any concession, license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business;

(5) in connection with the purchase by the Parent Guarantor or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that if, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 60 days thereafter;

(6) obligations in respect of the Mostoles-Torrejon Project; and

(7) obligations under or in respect of Qualified Receivables Financings or other factoring, sale of future credit rights, receivables or securitization financing that do not constitute Recourse Factoring or Securitization.

For the avoidance of doubt, any Indebtedness representing Recourse Factoring or Securitization shall be deemed to be extinguished and no longer outstanding under the Indenture to the extent that the related receivable has been paid or otherwise satisfied or no longer appears as a liability upon a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with GAAP.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions or other extension of credit (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet prepared in accordance with GAAP; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Parent Guarantor such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Parent Guarantor, the Parent Guarantor will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Parent Guarantor's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the third paragraph of the covenant described above under "*—Certain covenants—Restricted Payments*". The acquisition by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Parent Guarantor or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under "—Certain covenants—Restricted Payments". Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Intercreditor Agreement*" means the intercreditor agreement that will be entered on the Issue Date by and among the Parent Guarantor, the Issuer and the other parties thereto, as amended, restated, replaced or otherwise modified or varied from time to time in accordance with the terms thereof.

"*Interest Rate Agreement*" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap

agreement (whether from fixed to floating or from floating to fixed), interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"*Issue Date*" means April 3, 2014.

"*Leverage Ratio*" means, for any Person as of any date of determination, the ratio of (x) the mathematical average of the Consolidated Net Indebtedness of such Person and its Restricted Subsidiaries at the end of each of the most recently ended full four fiscal quarters for which internal financial statements are available prior to the date of such determination to (y) the aggregate amount of Consolidated EBITDA of such Person and its Restricted Subsidiaries for the period of the most recently ended four fiscal quarters for which internal financial statements are available prior to the date of such determination, *provided, however*, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period such Person or any Restricted Subsidiary thereof will have disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "**Sale**") or if the transaction giving rise to the need to calculate the Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period;

(2) since the beginning of such period such Person or any Restricted Subsidiary thereof (by merger or otherwise) will have made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise acquires any company, any business, or any group of assets constituting an operating unit of a business or an Investment (any such Investment or acquisition, a "**Purchase**") including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period any other Person (that became a Restricted Subsidiary or was merged with or into the first Person or any Restricted Subsidiary thereof since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the first Person or a Restricted Subsidiary thereof since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

For purposes of this definition, (i) whenever pro forma effect is to be given to any transaction or calculation under this definition, the pro forma calculations will be as determined in good faith by a responsible financial or accounting officer of the relevant Person (including any pro forma expenses and cost reductions (including staff cost reductions) that have occurred or are reasonably expected to occur, regardless of whether these cost reductions could be reflected under GAAP), (ii) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness on such date and (iii) in determining Consolidated Net Indebtedness, no cash shall be included that is the proceeds of Indebtedness in respect of which the pro forma calculation is to be made.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a

security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*Management Advances*" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers or employees or consultants of any Parent, the Parent Guarantor or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Equity Interests (or similar obligations) of the Parent Guarantor, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any opening or closing or consolidation of any facility or office; or

(3) not exceeding €3.0 million in the aggregate outstanding at any time.

"*Management Investors*" means the officers, directors, employees and other members of the management of or consultants to the Parent Guarantor or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Equity Interests of the Parent Guarantor or any Restricted Subsidiary.

"*Market Capitalization*" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the entity conducting the Public Offering on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing price per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"*Maturity Date*" means April 1, 2021.

"*Moody's*" means Moody's Investors Service, Inc.

"*Mostoles-Torrejon Project*" means the Specified Project relating to the construction and development of social housing to be let with a purchase option in plots M-21-1, M-21-2, M-21-3 and M21-4 in Soto del Henares in Torrejón de Ardoz, Madrid.

"*Net Proceeds*" means the aggregate cash proceeds and Cash Equivalents received by the Parent Guarantor or any Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, and amounts required to be applied to the repayment of Indebtedness, other than any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with GAAP.

"*Non-Guarantor Leverage Ratio*" means the Leverage Ratio of the Restricted Subsidiaries excluding the Issuer and any Guarantor. Consolidated Net Indebtedness of the Restricted Subsidiaries excluding the Issuer and any Guarantor will be determined on the basis of the balance sheet of the Parent Guarantor and its Restricted Subsidiaries as of such date on a consolidated basis in accordance with GAAP and without regard for any Indebtedness of the Parent Guarantor or a Restricted Subsidiary owed to the Parent Guarantor or a Restricted

Subsidiary. For the avoidance of doubt, to the extent any Restricted Subsidiary that is not a Guarantor is a joint obligor with respect to any such Indebtedness, such Indebtedness shall not be reduced by the amount of such Indebtedness pursuant to this definition.

"*Non-Recourse Indebtedness*" means Indebtedness as to which neither the Parent Guarantor nor any of the Restricted Subsidiaries:

(1) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), or

(2) is directly or indirectly liable as a guarantor or otherwise.

in each case, other than (i) any guarantee and/or Lien in respect of such Indebtedness whereby the liability of the Parent Guarantor or any Restricted Subsidiary thereunder is limited in recourse to its interest in a Qualifying Joint Venture or an Unrestricted Subsidiary (including, without limitation on the shares, loans and other securities of such Qualifying Joint Venture or Unrestricted Subsidiary) and (ii) Project Support.

"*Note Guarantee*" means the guarantee by each Guarantor, if any, of the Parent Guarantor's obligations under the Indenture and the Notes, executed after the Issue Date pursuant to the provisions of the Indenture.

"*Officer*" means, with respect to any Person, the chief executive officer and the chief financial officer of such Person, or a responsible accounting or financial officer of such Person or, in respect of the Issuer, and if such person has not been appointed, any Director of the Issuer.

"*Officer's Certificate*" means a certificate signed by one or more Officers; provided that each certificate with respect to compliance with a condition or covenant provided for in the Indenture shall include:

(1) a statement that the Person making such certificate has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based;

(3) a statement that, in the opinion of such Person, such Person has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

"*Opinion of Counsel*" means a written opinion in form and substance reasonably satisfactory to the Trustee from legal counsel of international repute with respect to the relevant jurisdiction who is reasonably acceptable to the Trustee. Subject to the foregoing, the counsel may be an employee of or counsel to the Parent Guarantor.

"*Parent*" means any Person of which the Parent Guarantor at any time is or becomes a direct or indirect Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"*Permitted Business*" means any business that is the same as, or reasonably related, ancillary, incidental or complementary or similar to, any of the businesses in which the Parent Guarantor and its Restricted Subsidiaries are engaged on the date of the Indenture or are extensions or developments of any thereof.

"*Permitted Collateral Liens*" means the following types of Liens:

(1) Liens on the Collateral that are described in one or more of clauses (5), (6), (7), (8), (11), (12), (13), (23), (24) and (25) of the definition of "Permitted Liens" and, in each case, arising

by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interest in the Collateral;

(2) Liens on the Collateral securing the Notes issued on the Issue Date, and Additional Notes and any Permitted Refinancing Indebtedness in respect of the foregoing and the related Note Guarantees of the Notes or such Permitted Refinancing Indebtedness;

(3) Liens on the Collateral securing Indebtedness that is permitted to be incurred under clauses (2), (8) (in respect of any Interest Rate Agreements), (9) (to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and is specified in this definition of "Permitted Collateral Liens") and (18) of the definition of Permitted Indebtedness;

(4) Liens on the Collateral securing Indebtedness that is permitted to be incurred by the first paragraph of the covenant described under "*Certain covenants—Incurrence of Indebtedness and issuance of preferred stock*" and Permitted Refinancing Indebtedness in respect thereof in each case to the extent incurred by the Issuer or a Guarantor; *provided that*, in the case of this clause (4), after giving pro forma effect to such incurrence on that date and the application of the proceeds thereof, the Consolidated Secured Leverage Ratio is less than 2.75 to 1.00, *provided* that any Lien securing such Indebtedness may attach at the time of incurrence of such Indebtedness or within 180 days of the date of incurrence of such Indebtedness so long as at the date of incurrence of such Indebtedness the Consolidated Secured Leverage Ratio would have been less than 2.75 to 1.00 had such Lien attached at the date of incurrence of such Indebtedness.

"*Permitted Holder*" means:

(1) (i) Holding de Inversiones Favifam, S.L., Ferruan Inversiones, S.L.U. and Mafares Inversiones, S.L.U.; (ii) any one of Antonio Fernández Rubio, Matilde Fernández Ruiz, Isabel Fernández Ruiz, Alejandro Fernández Ruiz, Antonio Fernández Ruiz, Mercedes Fernández Ruiz (the "**Family**"); (ii) their respective spouses, children and relatives (each an "**Family Member**"); (iii) any company controlled or jointly controlled by any Family Member; (iv) any trust or other similar entity in which any Family Member whether alone or together with one or more other Family Members has all or substantially all of the beneficial interests; or (v) the Affiliates and any Related Parties of any of the Persons listed form (i) to (iv) above; and

(2) any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor;

(2) any Investment in cash and Cash Equivalents or Temporary Cash Investments;

(3) any Investment by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary of the Parent Guarantor; or

  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under "*—Repurchase at the option of holders—Asset Sales*";

(5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Parent Guarantor;

(6) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Parent Guarantor or any Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Hedging Obligations entered into in the ordinary course of business, and which obligations are permitted by clause (8) of the second paragraph of the covenant entitled "*—Certain covenants—Incurrence of Indebtedness and issuance of preferred stock*";

(8) Management Advances;

(9) repurchases of the Notes;

(10) any Guarantee of Indebtedness permitted to be incurred by the covenant entitled "—Certain covenants—Incurrence of Indebtedness and issuance of preferred stock";

(11) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; *provided* that the amount of any such Investment may be increased (a) as required by the terms of the agreement relating to such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(12) Investments acquired after the Issue Date as a result of the acquisition by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor of another Person, including by way of a merger, amalgamation or consolidation with or into the Parent Guarantor or any Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Merger, consolidation or sale of assets*" after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(13) (A) Investments in Qualifying Joint Ventures and Unrestricted Subsidiaries pursuant to commitments existing on the Issue Date, as described in this offering memorandum, (B) Investments in Qualifying Joint Ventures and Unrestricted Subsidiaries, in each case engaged in a Permitted Business and which are involved in projects in which the Parent Guarantor or any of its Restricted Subsidiaries are also involved; *provided that*, in respect of this clause (13)(B), the Leverage Ratio of the Parent Guarantor immediately preceding the date on which such Investment is made would not have exceeded 3.00 to 1.00, determined on a pro forma basis, as if such Investment had been made, at the beginning of the period and (C) Investments in Qualifying Joint Ventures and Unrestricted Subsidiaries, in each case engaged in a Permitted Business and which are involved in projects in which the Parent Guarantor or any of its Restricted Subsidiaries are also involved; provided that, in respect of this clause (13)(C), the Leverage Ratio of the Parent Guarantor immediately preceding the date of the tender or commitment for such Investment is made would not have exceeded 3.00 to 1.00, determined on a pro forma basis, as if such Investment had been made, at the beginning of the period; *provided further that*, in the case of this clause (13), the Investment is made within one year following such tender or commitment. Any default under any binding investment commitment (as permitted under this clause (13)), caused by the inability to make the Investment due to the inability to meet the Leverage Ratio set out under this clause (13) when the Investment needs to be made, shall not be deemed an Event of Default under the Indenture;

(14) Investments in Qualifying Joint Ventures and Unrestricted Subsidiaries with the Net Proceeds from Asset Sales of the type specified under clause (3) of the second paragraph of the covenant described under "*Repurchase at the option of holders—Asset Sales*."

(15) other Investments having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), in the aggregate amount when taken together with all other Investments made pursuant to this clause (15) that are at the time outstanding not to exceed €10.0 million, *provided that*, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause;

(16) Investments in receivables owing to the Parent Guarantor or any Restricted Subsidiary created or acquired in the ordinary course of business; and Investments relating to any Receivables Subsidiary or any Investment by a Receivables Subsidiary in another Person (other than an Affiliate of the Parent Guarantor which is not an Affiliate solely due to an ownership interest of the Parent Guarantor or a Restricted Subsidiary in such Person), in each case in connection with a Qualified Receivables Financing that, in the good faith determination of the Parent Guarantor, are necessary or advisable to effect or maintain such Qualified Receivables Financing;

(17) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(18) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under *"—Certain covenants—Liens*;"

(19) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Indenture;

(20) other than with respect to Indebtedness, Guarantees, keepwells and similar arrangements not prohibited by the covenant described under "*—Certain covenants—Incurrence of Indebtedness and issuance of preferred stock;*"

(21) loans or advances to sub-contractors, sub-concessionaires, suppliers or customers in the ordinary course of business and consistent with past practice;

(22) Investments in licenses, concessions, authorizations, franchises, permits or similar arrangements in the ordinary course of business that are related to the Parent Guarantor's or any Restricted Subsidiary's business; and

(23) Investments made in connection with any Recourse Factoring or Securitization and any related Indebtedness.

"*Permitted Liens*" means:

(1) Liens existing on the Issue Date or which the Parent Guarantor committed to establish pursuant to binding agreements existing on the Issue Date;

(2) Liens on assets or property of the Parent Guarantor or any Restricted Subsidiary securing Indebtedness or other obligations of the Parent Guarantor or such Restricted Subsidiary owing to the Parent Guarantor or any Restricted Subsidiary;

(3) Liens on property of a Person (including its Capital Stock) existing at the time such Person becomes a Restricted Subsidiary of the Parent Guarantor or is merged with or into or consolidated with the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary of the Parent Guarantor or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary of the Parent Guarantor or is merged with or into or consolidated with the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor;

(4) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Parent Guarantor or any Subsidiary of the Parent Guarantor; *provided* that such Liens were in existence prior to such acquisition and not incurred in contemplation of, such acquisition;

(5) Liens for the purpose of securing Capital Lease Obligations permitted by clause (4) of the second paragraph of the covenant described under the caption "*—Certain covenants—Incurrence of Indebtedness and issuance of preferred stock*" covering only the assets acquired with or financed by such Indebtedness;

(6) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(7) Liens imposed by law, such as carriers', warehousemen's, landlord's, materialmen's, repairman's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(8) (i) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person and (ii) any other encumbrance, burden, charge, restriction or condition deriving from agreements entered into with governmental authorities or other public entities pursuant to any administrative or regulatory rule, order or decree, including deeds of undertaking, concession agreements, permits, licenses, authorizations and other similar agreements, deeds, instruments and arrangements;

(9) (a) Liens created for the benefit of (or to secure) the Notes (or the Note Guarantees) and (b) Permitted Collateral Liens;

(10) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the Indenture; *provided, however*, that:

(a) the new Lien is limited to all or part of the same property and assets, plus improvements or accessions in respect thereof, that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged with such Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(11) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(12) Liens arising by virtue of filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under the laws of applicable jurisdiction) as a precautionary measure in connection with operating leases in the ordinary course of business;

(13) bankers' Liens, rights of setoff, Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(14) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(15) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(16) grants of software and other technology licenses in the ordinary course of business;

(17) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(18) Liens to secure the performance of statutory obligations; trade contracts; workers' compensation claims; Contractual Bonds and letters of credit in respect of Contractual Bonds; release, appeal, surety and similar bonds and related obligations; and completion guarantees and similar instruments in each case incurred in the ordinary course of business;

(19) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Parent Guarantor or any Restricted Subsidiary has easement rights or on any real property leased by the Parent Guarantor or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens (a) in respect of factoring of Receivables and sale of future credit rights arising in the ordinary course of business pursuant to customary arrangements; *provided* that any Indebtedness incurred in relation thereto is permitted to be incurred by clause (15) of the second paragraph of the covenant described under "*—Certain covenants—Incurrence of Indebtedness and issuance of preferred stock*"; and (b) on Receivables incurred in connection with a Qualified Receivables Financing;

(22) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(23) limited recourse Liens (including put and call arrangements) on Capital Stock or other securities of Unrestricted Subsidiaries or Qualifying Joint Ventures (that are not Restricted Subsidiaries) securing obligations of such Unrestricted Subsidiaries or Qualifying Joint Ventures, as the case may be;

(24) Liens arising from licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(25) Liens arising by virtue of any statutory or common law provisions relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(26) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash management services (including overdrafts), to implement cash pooling arrangements or to cash-collateralize letters of credit;

(27) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Parent Guarantor or a Restricted Subsidiary on condition that the cash paid into such escrow account in relation to a disposal does not represent more than 20% of the net proceeds of such disposal;

(28) Liens created on any asset of the Parent Guarantor or a Restricted Subsidiary established to hold assets of any stock option plan or any other management or employee benefit or incentive plan or unit trust of the Parent Guarantor or a Restricted Subsidiary securing any loan to finance the acquisition of such assets; and

(29) Liens securing any Indebtedness, not to exceed an aggregate amount of €15.0 million.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Parent Guarantor or any Restricted Subsidiaries issued in exchange for, or the Net Proceeds of which are used to renew, refund, refinance, replace, extend, defease or discharge other Indebtedness of the Parent Guarantor or any Restricted Subsidiaries); *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, extended, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (ii) at least after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, extended, defeased or discharged; and

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, extended, defeased or discharged is subordinated in right of payment to the Notes or the Note Guarantees, as the case may be, such Permitted Refinancing Indebtedness continues to be subordinated in right of payment to the Notes or the Note Guarantees, as the case may be, on terms at least as favorable to the holders of Notes or the Note Guarantees, as the case may be, as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, extended, defeased or discharged;

provided, however, that Permitted Refinancing Indebtedness shall not include (x) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor or the Issuer that refinances Indebtedness with respect to which the borrower thereof is the Issuer or a Guarantor or (y) Indebtedness of the Parent Guarantor or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Project Support*" means a guarantee, indemnity, liquidated damages payment, contractual, insurance or other reimbursement arrangement (a) that is related to the commercial role of the Parent Guarantor or any Restricted Subsidiary in connection with a Specified Project and (b) pursuant to which the Parent Guarantor or any Restricted Subsidiary may be required to make a payment pursuant to Contractual Bonds or other guarantees, indemnities, liquidated damages provisions, contractual insurances or other obligations that are customary in view of the particular risks or circumstances associated with such Specified Project under which payment is contingent upon the failure of a Subsidiary or a Qualifying Joint Venture to comply with an obligation undertaken in connection with the construction, maintenance, operation or management of such Specified Project.

For the purposes of this definition:

(i) "obligation" means any obligation (and any guarantee, insurance or undertaking of a similar nature in respect thereof) of a type customarily undertaken, including, but not limited to, the timely completion of construction and payment of related customary expenses and penalties, in connection with projects similar to the Specified Project in question; and

(ii) in no event shall "Project Support" include any guarantee, indemnity or contractual, insurance or other reimbursement arrangement relating to terrorism or political risks or any other risk that is not customary in nature and size in connection with a Specified Project.

"*Public Debt*" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional and other investors, in each case, that are not Affiliates of the Parent Guarantor, in accordance with Section 4(2) of and/or Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Public Offering*" means any offering of securities that are listed on an exchange and/or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the US Securities Act, to professional market investors or similar persons).

"*Qualifying Equity Interests*" means Equity Interests of the Parent Guarantor other than Disqualified Stock.

"*Qualifying Joint Venture*" means a joint venture entity (i) engaged exclusively in a Permitted Business (ii) in which the Parent Guarantor or its Restricted Subsidiaries hold, directly or indirectly, an interest of at least 5% of its Capital Stock and (iii) which is not consolidated for financial reporting purposes.

"*Qualified Receivables Financing*" means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors of the Parent Guarantor shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Parent Guarantor and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Parent Guarantor), and (3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Parent Guarantor) and may include Standard Securitization Undertakings.

"*Receivable*" means a right to receive payment arising from a sale or lease of trade or other receivables or receivables under construction or concession contracts by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for such receivables under terms that permit the purchase of such receivables on credit.

"*Receivables Assets*" are any assets that are or will be the subject of a Qualified Receivables Financing.

"*Receivables Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"*Receivables Financing*" means any transaction or series of transactions that may be entered into by the Parent Guarantor or any of its Subsidiaries pursuant to which the Parent Guarantor or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Parent Guarantor or any of its Subsidiaries), and (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Parent Guarantor or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Parent Guarantor or any such Subsidiary in connection with such accounts receivable.

"*Receivables Repurchase Obligation*" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Receivables Subsidiary*" means a Wholly Owned Restricted Subsidiary of the Parent Guarantor (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Parent Guarantor in which the Parent Guarantor or any Subsidiary of the Parent Guarantor makes an Investment and to which the Parent Guarantor or any Subsidiary of the Parent Guarantor transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Parent Guarantor and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Parent Guarantor (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Parent Guarantor or any other Restricted Subsidiary of the Parent Guarantor (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Parent Guarantor or any other Restricted Subsidiary of the Parent Guarantor in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Parent Guarantor or any other Restricted Subsidiary of the Parent Guarantor, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings,

(b) with which neither the Parent Guarantor nor any other Restricted Subsidiary of the Parent Guarantor has any contract, agreement, arrangement or understanding other than on terms which the Parent Guarantor reasonably believes to be no less favorable to the Parent Guarantor or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Parent Guarantor, and

(c) to which neither the Parent Guarantor nor any other Restricted Subsidiary of the Parent Guarantor has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Parent Guarantor shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Parent Guarantor giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*Recourse Factoring or Securitization*" means any transaction or series of transactions involving the sale, assignment, discount of receivables of the Parent Guarantor or any Restricted Subsidiaries to, or other equivalent or similar form of receivables financing with, banks or other financial institutions or special purpose entities formed to borrow from such institutions against such receivables for which the Parent Guarantor or any Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable as a guarantor or otherwise (including, without limitation, with respect to guarantees on existence of title or otherwise); provided that, for the avoidance of doubt, any non-recourse factoring or receivables financings to the extent meeting the requirements to be fully derecognized from the financial statements of the Parent Guarantor or any Restricted Subsidiaries pursuant to GAAP shall in no event be deemed to constitute a Recourse Factoring or Securitization under the Indenture.

"*Related Parties*" means any trust, corporation, partnership, limited liability company or other entity, shareholders, partners, members, owners or Persons holding 50.1% of the voting interests (including the entitlement to vote in the election of the board of directors or management of such entity) of which consists of any one or more Permitted Holders.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Parent Guarantor (including the Issuer) that is not an Unrestricted Subsidiary.

"*Revolving Credit Facility*" means the secured revolving credit facility to be dated on or prior to Issue Date between, among others, the Parent Guarantor, the Issuer and certain subsidiaries of the Parent Guarantor as guarantor and Aldesa Agrupacion as borrower, and Banco Santander S.A., as agent, providing for borrowings in an aggregate principal amount of up to €100 million.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Security Documents*" means the pledge agreements, security agreements, assignments or other documents in relation to or under which a security interest is granted to secure the payment and performance when due of the Parent Guarantor and/or the Guarantors under the Notes, the Note Guarantees and the Indenture, as the case may be.

"*S&P*" means Standard & Poor's Ratings Group.

"*Significant Subsidiary*" means, at any time, a Subsidiary of the Parent Guarantor which has:

(1) EBITDA representing 10.0% or more of the Consolidated EBITDA of the Parent Guarantor (excluding any EBITDA generated by joint ventures); or

(2) turnover representing 10.0% or more of the consolidated turnover of the Parent Guarantor and its Restricted Subsidiaries; or

(3) total assets (on a consolidated basis but excluding intra-group items) representing 10.0% or more of the Consolidated Total Assets of the Parent Guarantor and its Restricted Subsidiaries.

"*Specified Project*" means any project related to the construction, improvement, installation, design, engineering, construction, development, completion, maintenance or operation of any project for which the Parent Guarantor and its Restricted Subsidiaries has developed engineering, construction, maintenance, operation or management expertise constituting a Permitted Business.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Parent Guarantor or any Subsidiary of the Parent Guarantor which the Parent Guarantor has determined in good faith to be customary in a Receivables Financing including, without limitation, those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Obligation*" means any Indebtedness of the Parent Guarantor or any Restricted Subsidiaries (whether outstanding at the Issue Date or thereafter incurred) that is subordinate or junior in right of payment to the Notes or any Note Guarantee.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business incorporated entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company or joint venture incorporated entity of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Successor Parent*" with respect to any Person means any other Person with more than 50% (and at least an equal percentage) of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% (and at least an equal percentage) of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"*Tax*" means any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties and interest related thereto, and, for the avoidance of doubt, including any withholding or deduction for or on account of Tax).

"*Temporary Cash Investments*" means any of the following:

(1) any investment in:

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Parent Guarantor or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state, or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above; or

(b) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) or whose long-term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Parent Guarantor or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"*Trust Indenture Act*" means the U.S. Trust Indenture Act of 1939, as amended.

"*Uniform Commercial Code*" means the New York Uniform Commercial Code.

"*Unrestricted Subsidiary*" means (i) as of the Issue Date, Enersol Solar Santa Lucia S.L.U., Aldesa Eólico Olivillo, S.A.U., Sistemas Energéticos Sierra de Andévalo, S.A., Viviendas Torrejón Mostoles, S.A.U., Colegio Torrevilano, S.L., Edificio Torrevilano, S.L., Colegio Montesclaros, S.L.; Edificio Montesclaros, S.L., Gran Canal de Inversiones, S.L., Aldeturismo de México, S.A. de C.V., Aldesa Polska Diamante Plaza, Sp. z.o.o. and Concesionaria Autopista del Sureste, S.A. de C.V. and each of their respective Subsidiaries and (ii) any other Subsidiary of the Parent Guarantor (other than the Issuer or any successor to the Issuer) that is designated by the Board of Directors of the Parent Guarantor as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, and any Subsidiary of such Unrestricted subsidiary but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Parent Guarantor or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Parent Guarantor;

(3) is a Person with respect to which neither the Parent Guarantor nor any Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Parent Guarantor or any Restricted Subsidiaries.

except, in each case, as permitted by the covenants described above under the caption "*—Certain covenants*"

"*Voting Stock*" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors or management board of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

Insolvency laws and limitations on validity and enforceability of the Guarantees and security interests

European Union Insolvency Regulation

The Issuer, the Parent Guarantor and the majority of the Guarantors are incorporated and/or organized under the laws of Member States of the European Union.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings, as amended (the "*EU Insolvency Regulation*"), which applies within the European Union (other than Denmark), the courts of the Member State in which a company's "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to open main insolvency proceedings. The determination of where a company has its center of main interests is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that a company has its center of main interests in the Member State in which it has its registered office in the absence of proof to the contrary, paragraph 13 of the Preamble to the EU Insolvency Regulation states that the center of main interests of a debtor "should correspond to the place where the debtor conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties." The courts have taken into consideration a number of factors in determining the center of main interests of a company, including in particular where board meetings are held, the location where the company conducts the majority of its business or has its head office and the location where the majority of the company's creditors are established. A company's center of main interests may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition.

The EU Insolvency Regulation applies to insolvency proceedings that are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation.

If the center of main interests of a company is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open insolvency proceedings against that company only if such company has an "establishment" in the territory of such other Member State. An "establishment" is defined as a place of operations where the company carries on non-transitory economic activity with human means and goods. The effects of those insolvency proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State.

Where main proceedings have been opened in the Member State in which the company has its center of main interests, any proceedings opened subsequently in another Member State in which the company has an establishment (secondary proceedings) are limited to "winding-up proceedings" listed in Annex B of the EU Insolvency Regulation. Where main proceedings in the Member State in which the company has its center of main interests have not yet been opened, territorial insolvency proceedings can be opened in another Member State where the company has an establishment only where either: (a) insolvency proceedings cannot be opened in the Member State in which the company's center of main interests is situated under that Member State's law; or (b) the territorial insolvency proceedings are opened at the request of a creditor that is domiciled, habitually resident or has its registered office in the other Member State or whose claim arises from the operation of that establishment.

The courts of all Member States (other than Denmark) must recognize the judgment of the court opening main proceedings, which will be given the same effect in the other Member States, so long as no secondary proceedings have been opened there. The liquidator appointed

by a court in a Member State that has jurisdiction to open main proceedings (because the company's center of main interests is there) may exercise the powers conferred on him by the law of that Member State in another Member State (such as to remove assets of the company from that other Member State), subject to certain limitations, so long as no insolvency proceedings have been opened in that other Member State or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

Luxembourg

Luxembourg insolvency laws

The Notes will be issued by the Issuer, which is a *société anonyme* incorporated under Luxembourg law, with its registered office at 9, rue Gabriel Lippman, Parc d'Activités Syrdall 2, L-5365 Munsbach, Grand Duchy of Luxembourg, Grand Duchy of Luxembourg. Under Luxembourg insolvency laws, your ability to receive payments of interest and principal on the Notes may be more limited than would be the case under U.S. or other bankruptcy laws. Under Luxembourg law, the following types of proceedings (together referred to as insolvency proceedings) may be opened against a company incorporated in Luxembourg having its center of main interests (within the meaning of the EU Insolvency Regulation) or an establishment in Luxembourg (in the latter case assuming that the center of main interests is located in a jurisdiction where the EU Insolvency Regulation is applicable):

- Bankruptcy proceedings (*faillite*), the opening of which may be requested by the Luxembourg company, by any of its creditors or by the courts *ex officio*. Following such a request, the Luxembourg courts having jurisdiction may open bankruptcy proceedings if the Luxembourg company (i) is in a state of cessation of payments (*cessation des paiements*) and (ii) has lost its commercial creditworthiness (*ébranlement du crédit*). The main effect of such proceedings is the sale of the assets and allocation of the proceeds of such sale between creditors taking into account their rank of privilege, as well as the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for enforcement by secured creditors and the payment of the secured creditors in accordance with their rank upon realization of the assets. In addition, the managers or directors of a Luxembourg company that ceases its payments (i.e. is unable to pay its debts as they fall due with normal means of payment) must within a month of them having become aware of the company's cessation of payments, file a petition for bankruptcy (*faillite*) with the court clerk of the district court of the company's registered office. If the managers or directors fail to comply with such provision they may be held (i) liable towards the company or any third parties on the basis of principles of managers' / directors' liability for any loss suffered and (ii) criminally liable for simple bankruptcy (*banqueroute simple*) in accordance with article 574 of the Luxembourg commercial code.

- Controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the company and not by its creditors and under which a Luxembourg court may order the provisional stay of enforcement of claims except for certain secured creditors (see the below applicable provisions of the Collateral Act 2005); or

- Composition proceedings (*concordat préventif de la faillite*), which may be requested only by the company (subject to obtaining prior consent of the majority of its creditors representing at least three-quarters of its debts) and not by its creditors directly. The Luxembourg court's decision to admit a company to the composition proceedings triggers a provisional stay on enforcement of claims by creditors except for certain secured creditors (see the below applicable provisions of the Collateral Act 2005).

- In addition to the proceedings described above, your ability to receive payment on the Notes may be affected by a decision of a Luxembourg court to grant a stay on payments (*sursis de paiements*) or to put a Luxembourg company into judicial liquidation (*liquidation judiciaire*).

Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws, or that are in serious breach or in violation of the Luxembourg commercial code or of the Luxembourg law dated 10 August 1915 on commercial companies, as amended (the "Luxembourg Companies Law"). The management of such liquidation proceedings will generally follow similar rules as those applicable to Luxembourg bankruptcy proceedings.

The Issuer's liabilities in respect of the Notes will, in the event of a liquidation of the Issuer following, in particular, bankruptcy or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and any claims that are preferred under Luxembourg law. Preferential claims under Luxembourg law include, among others:

- amounts owed to the Luxembourg Revenue;
- value added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- employees' and employer's social security contributions;
- landlord, pledgor not under the Collateral Act 2005; and
- remuneration owed to employees (last six months' wages amounting to a maximum of six times the minimum social salary).

Assets over which a security interest has been granted will, in principle, not be available for distribution to unsecured and unpreferred creditors (except after enforcement and, only to the extent a surplus is realized).

Article 20(4) of the Collateral Act 2005 provides that, with the exception of the provisions of the Luxembourg law of December 8, 2000 on over-indebtedness (which only apply to natural persons), the provisions of Book III, Title XVII of the Luxembourg Civil Code, of Book 1, Title VIII and of Book III of the Luxembourg Commercial Code and national or foreign provisions governing reorganization measures, winding-up proceedings or other similar proceedings and attachments or other measures referred to in article 19(b) of the Collateral Act 2005 are not applicable to financial collateral arrangements (such as Luxembourg law pledges over shares or bank accounts) and shall not constitute an obstacle to the enforcement and to the performance by the parties of their obligations. Certain preferred creditors of a Luxembourg company (see above) may have a privilege that ranks senior to the rights of the secured or unsecured creditors.

Article 24 of the Collateral Act 2005 provides that foreign law security interests over claims or financial instruments granted by a Luxembourg pledgor will be valid and enforceable as a matter of Luxembourg law notwithstanding any Luxembourg insolvency proceedings, if such foreign law security interests are similar in nature to a Luxembourg security interest falling within the scope of the Collateral Act 2005. If article 24 applies, Luxembourg preference period rules are not applied (save the case of fraud).

Article 21(2) of the Collateral Act 2005 provides that where a financial collateral arrangement has been entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures, such arrangement is enforceable against third parties, administrators, insolvency receivers, liquidators and other similar persons if the collateral taker proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of such proceedings, measures or arrangement.

Impact of insolvency proceedings on transactions

During such insolvency proceedings, all enforcement measures by unsecured creditors are suspended. Other than as described above in respect of the provisions of the Collateral Act

2005, the ability of secured creditors to enforce their security interests may also be limited, in particular in the event of controlled management proceedings expressly providing that the rights of certain secured creditors are frozen until a final decision has been taken by a Luxembourg court as to the petition for controlled management and may be affected thereafter by any reorganization order given by the court. A reorganization order requires the prior approval by more than 50% of the creditors representing more than 50% of a Luxembourg company's liabilities in order to take effect.

Furthermore, you should note that declarations of default and any subsequent acceleration (such as acceleration upon the occurrence of an event of default) will not be enforceable during controlled management proceedings. However, during such controlled management proceedings a notice of default may still be served.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the Issuer during the preference period (*période suspecte*) which is a maximum of six months plus ten days preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date. In particular:

- pursuant to article 445 of the Luxembourg code of commerce (*Code de Commerce*), specified transactions (such as, in particular, the granting of a security interest for antecedent debts save in respect of financial collateral arrangements within the meaning of the Financial Collateral Law 2005; payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets without consideration or with substantially inadequate consideration) entered into during the preference period (or the ten days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;

- pursuant to article 446 of the Luxembourg code of commerce, payments made for matured debts as well as other transactions (save financial collateral arrangements within the meaning of the Financial Collateral Law 2005) concluded for consideration during the preference period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt party's cessation of payments; and

- pursuant to article 448 of the Luxembourg code of commerce and article 1167 of the Luxembourg civil code (*action paulienne*), the insolvency receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in the automatic termination of contracts except for *intuitu personae* agreements (such as employment agreements and powers of attorney). The contracts, therefore, subsist after the bankruptcy order. However, the bankruptcy receiver may choose to terminate certain contracts so as to avoid worsening the financial situation of the company. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate. Insolvency proceedings may hence have a material adverse effect on Luxembourg company's business and assets and Luxembourg company's respective obligations under the Notes.

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to the EU Insolvency Regulation. In particular, rights in rem over assets located in another jurisdiction where the EU Insolvency Regulation applies will not be affected by the opening of insolvency proceedings, without prejudice however to the applicability of rules relating to the voidness, voidability or unenforceability of legal acts detrimental to all the creditors (subject to the application of article 24 of the Collateral Law 2005 as described above and article 13 of the EU Insolvency Regulation).

Luxembourg limitations on validity and enforceability of the Guarantees and the security interests

Under Luxembourg law, contracts are in principle formed by the mere agreement (consentement) between the parties thereto. The granting of any financial collateral governed by the Collateral Act 2005 must be capable of being evidenced in writing. However, additional steps are required to enforce security interests against third parties.

According to Luxembourg conflict of law rules, Luxembourg courts will generally apply, in relation to the creation, perfection and enforcement of security interests over the assets subject to such security interests, the law of the place where such assets subject are situated. As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, cash bank accounts held with a Luxembourg bank, receivables/claims having debtors located in Luxembourg and/or governed by Luxembourg law, securities which are held through an account located (or deemed to be located) in Luxembourg and bearer securities physically held in Luxembourg.

If certain assets are located or deemed to be located in Luxembourg, the security interests over such assets will be governed by Luxembourg law and must be created, perfected and enforced in accordance with Luxembourg law. The creation, validity and enforcement of security interests such as pledges and transfer of ownership as security, granted on financial instruments and claims (in order to secure cash settlement and/or delivery of financial instruments) are notably governed by the Collateral Act 2005. Pursuant to the Collateral Act 2005, a pledge (*gage*) is effected by a transfer of possession of the pledged assets to the pledgee or to a third party acting as depository for the pledgee and the pledgee's preference rights over the pledged assets only remain in existence as long as the pledgee or the depository remains in possession of such assets.

A physical transfer of possession not being possible for intangibles such as monetary claims, the Collateral Act 2005 provides for a fictitious transfer of possession (i.e. perfection) which is effected by mechanisms which depend on the nature of the intangibles involved. In case of registered shares, the dispossession is validly realized by notifying the pledge to the issuer or by an acceptance of the pledge by the issuer who in turn will proceed to an entry of the pledge in the share register held by the issuer.

For the purposes of its creation, validity and perfection, a pledge granted over cash bank account(s) must be notified to and accepted by the relevant account bank. In addition, in order for such pledge to be first-ranking, the account bank has to waive any pre-existing security interests and other rights in respect of the relevant cash account. If any future cash bank accounts are also pledged, the perfection of the pledge over such future accounts will require additional notification to, acceptance and waiver by the account bank. Until such notifications and acceptances occur, the pledge is not perfected against the account bank and other third parties.

In case of receivables/claims, dispossession (and perfection of the pledge) is (as a matter of Luxembourg law) effected as against the debtor of the pledged claims and any third parties by the entry into and the execution (by all parties thereto) of the relevant pledge agreement. In addition, if the relevant debtor is a non-Luxembourg entity, the perfection requirements necessary to be completed under or pursuant to the relevant governing law of such debtor will also need to be accomplished in order for the pledge to be perfected. Nonetheless, the debtor of a pledged claim may validly discharge its obligation by performance rendered to the pledgor as long as it has no knowledge of the pledge (such knowledge to be acquired or deemed acquired, if the debtor has been notified of, or has accepted, the granting and creation of the pledge over the pledged claims).

The above perfection steps and actions need to be undertaken by the grantor of the security interest. If the relevant pledgor fails or is unable to take the necessary steps/actions required to take or perfect any of the above-mentioned security interests, such security interests will not have been created and/or perfected with respect to the claims arising under the Notes. Absent perfection, the Security Agent may have difficulty enforcing its rights in the Collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same collateral. Finally, since the ranking of pledges is determined by the date on which they became enforceable against third parties, a security interest created on a later date over the same Collateral, but which come into force as against third parties earlier (by way of accomplishment of the relevant perfection requirements) has priority.

Article 11 of the Collateral Act 2005 sets out the following enforcement methods, available upon the occurrence of the relevant enforcement event in respect of a pledge governed by the provisions of the Collateral Act 2005:

- appropriation by the pledgee or appropriation by a third party of the pledged assets at (i) a value determined in accordance with a valuation method agreed upon by the parties or (ii) the listing price of the pledged assets (if the pledged assets are listed on an official Luxembourg or foreign stock market or traded on a recognized regulated market open to the public);
- selling or causing the sale of the pledged assets (i) in a private transaction on commercially reasonable terms (*conditions commerciales normales*), (ii) by a public sale at the stock exchange, or (iii) by way of a public auction;
- court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court-appointed expert; or
- set-off between the secured obligations and the pledged assets.

As the Collateral Act 2005 does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourses, and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the security interests might be delayed.

Foreign law governed security interests and the powers of any receivers/administrators may not be enforceable in respect of assets located or deemed to be located in Luxembourg. Security interests/arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers/administrators may not be recognized or enforced by the Luxembourg courts, in particular where the Luxembourg security grantor becomes subject to Luxembourg insolvency proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if "main insolvency proceedings" (as defined in the EU Insolvency Regulation) are opened under Luxembourg law and such security interests/arrangements constitute rights in rem over assets located in another Member State in which the EU Insolvency Regulation applies, and in accordance of article 5 of the EU Insolvency Regulation.

The perfection of the security interests created pursuant to the pledge agreements does not prevent any third party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled in priority to the proceeds of such sale (subject to preferred rights by operation of law).

When a Luxembourg company grants guarantees and/or security interests, applicable corporate procedures normally entail that the decision be approved by a board resolution or by the decision of delegates that have been appointed for such purpose. In addition, the granting of

the envisaged guarantees and/or security interests must comply with the Luxembourg company's corporate object.

The proposed action by the company must be "in the corporate interest of the company," which is a translation of the French "*intérêt social*," an equivalent term to the English legal concept of corporate benefit. The concept of "corporate interest" is not defined by law, but has been developed by doctrine and court precedents and may be described as being "the limit of acceptable corporate behavior." Whereas the previous discussions regarding the limits of corporate power are based on objective criteria (provisions of law and of the articles of association), the concept of corporate benefit requires a subjective judgment. In a group context, the interest of our companies taken individually is not entirely eliminated.

With respect to guarantors and/or security grantors incorporated in Luxembourg, even if the Luxembourg Companies Law, does not provide for rules governing the ability of a Luxembourg company to guarantee and/or secure the indebtedness of another entity of the same group, it is generally held that within a group of companies, in the context of a group of related companies, the existence of a group interest in granting upstream or cross-stream assistance under any form (including under the form of guarantee or security) to other group companies could constitute sufficient corporate benefit to enable a Luxembourg company to grant such guarantee or security, provided that the following conditions are met (and subject in any event to all the factual circumstances of the matter): (i) such guarantee or security must be given for the purpose of promoting a common economic, social and financial interest determined in accordance with policies applicable to the entire group, (ii) the commitment to grant such guarantee or security must not be without consideration and such commitment must not be manifestly disproportionate in view of the obligations entered into by other group companies, and (iii) such guarantee or security granted or any other financial commitments must not exceed the financial capabilities of the committing company.

Although the existence of a corporate interest in the granting of a guarantee or a security interest on a group level is certainly important, the mere existence of such a group interest does not compensate for a lack of corporate interest for one or more of our companies taken individually. The concept of corporate benefit is of particular importance in the context of misuse of corporate assets provided by Article 171-1 of the Luxembourg Companies Law.

The failure to comply with the corporate benefit requirement will typically result in liability (personal and/or criminal) for the directors or managers of the guarantor concerned. The guarantees or security interests granted by a Luxembourg company could themselves be held void or unenforceable if their granting is contrary to Luxembourg public policy (*ordre public*). It should be stressed that, as is the case with all criminal offenses addressed by the Luxembourg Company Law, a director or a manager of a company will in general be prosecuted for misuse of corporate assets only if someone has lodged a complaint with the public prosecutor. This person may be an interested third party, e.g., a creditor, a minority shareholder, a liquidator or an insolvency receiver. In addition, it cannot be excluded that the public prosecutor could act on its own initiative if the existence of such a misuse of corporate assets became known to him. If there is a misuse of corporate assets criminally sanctioned by court, then this could, under general principles of law, have the effect that contracts concluded in breach of Article 171-1 of the Luxembourg Companies Law will be held null and void. The criteria mentioned above have to be applied on a case-by-case basis, and a subjective, fact-based judgment is required to be made, by the directors or managers of the Luxembourg company. As a result of the above developments, the guarantees or security interests granted by a Luxembourg company will be subject to certain limitations, which will take the form of general limitation language (limiting the guarantee obligations of such Luxembourg company to a certain percentage of, *inter alia*, its net assets (*capitaux propres*) and certain intra-group liabilities), which is inserted in the relevant finance document(s), indentures or guarantee agreements and which covers the aggregate obligations and exposure of the relevant Luxembourg company under all finance documents, indentures or guarantee agreements.

The registration of the Notes, the security interest agreements, the Indenture, the Guarantees and the transaction documents (and any document in connection therewith) with the *Administration de l'Enregistrement et des Domaines* in Luxembourg may be required in the case of legal proceedings before Luxembourg courts or in the case that the Notes, the security interest agreements, the Indenture, the Guarantees and the transaction documents (and any document in connection therewith) must be produced before an official Luxembourg authority (*autorité constituée*). In such case, either a nominal registration duty or an *ad valorem* duty (or, for instance, 0.24% of the amount of the payment obligation mentioned in the document so registered) will be payable depending on the nature of the document to be registered. No ad valorem duty is payable in respect of security interest agreements, which are subject to the Collateral Law 2005.

The Luxembourg courts or the official Luxembourg authority may require (when these are presented before them) that the Notes, the security interest agreements, the Indenture, the Guarantees and the transaction documents (and any document in connection therewith) and any judgment obtained in a foreign court be translated into French or German.

Spain

Spanish insolvency laws

Under Spanish insolvency law, your right to receive payments of interest and principal on the Notes in case of insolvency may be more limited than would be the case under U.S. bankruptcy laws.

Spanish insolvency Law 22/2003, as amended, governs certain out-of court restructurings or refinancings and court insolvency proceedings. This section summarizes the main aspects of Spanish insolvency law affecting corporations, and not individuals, as there are certain specific rules applying to the insolvency of individuals.

Under current Spanish insolvency law, a debtor shall apply for an insolvency proceeding, which are known as "*concurso de acreedores*" when it is not able to meet its current obligations or when it expects that it will shortly be unable to do so (unless the company has made a pre-insolvency filing in accordance Article 5 bis that allows for a 3 month period to close a refinancing agreement set out under the Spanish Insolvency Law with its creditors). The filing of such a declaration of insolvency may be requested by the debtor, any creditor thereof and certain interested third parties. If filed by the debtor, the insolvency is deemed "voluntary" (*concurso voluntario*) and, if filed by a third party, the insolvency is deemed "mandatory" (*concurso necesario*). In the case of voluntary insolvency, as a general rule, the debtor still maintains the management and full powers of disposal over its assets, although it is subject to the intervention (*intervención*) of the insolvency administrator (*administrador concursal*) or administrators, as applicable. In the case of mandatory insolvency, as a general rule, the debtor's management powers are suspended, and management's former power, including the power to dispose of assets, is conferred solely upon the insolvency administrators (*sustitución*). The time between the petition and the insolvency declaration by the court will depend upon a number of factors, including whether the filing has been made by the debtor or the creditor (and, in turn, whether the debtor has challenged the petition made by the creditor), whether all appropriate documentation has been submitted on a timely basis or is incomplete, and the workload of the court.

Creditors may apply for a joint insolvency declaration of two or more of its debtors if either (i) there is a confusion of assets among them, or (ii) they form part of the same group of companies. Therefore, the request for the joint insolvency of two or more legal entities may only be filed by a common creditor of the relevant companies and each of the affected companies must in fact be separately insolvent. Joint insolvency may also be requested by the companies themselves, *provided* that they form part of the same group. Any of the insolvent debtors, or any of the insolvency administrators, as the case may be, may apply for the

accumulation of insolvency proceedings already declared under certain circumstances (and, in particular, if the insolvent debtors form part of the same group of companies). In addition, creditors may apply for the accumulation of the insolvency proceedings of two or more of its debtors already declared if either (i) there is a confusion of assets among them, (ii) they form part of the same group of companies, or (iii) they are managers, shareholders, partners or members personally liable for the debts of the debtor if it is a legal entity, *provided* that a petition has not been submitted by any of the insolvent debtors or by the insolvency administrators. Insolvency proceedings declared jointly or accumulated are processed in coordination, without consolidation of the estate of the insolvent debtors. As a result, and as a general rule, a "group insolvency" does not lead to a commingling of the debtors' assets and creditors of such group. This means that the creditors of one of our companies will not have recourse against other companies of the same group (except where cross-guarantees exist). The current system is a procedural one, aimed at making the insolvency proceedings as time and cost efficient as possible. However, in certain exceptional circumstances, and for the purpose of the drafting of the insolvency report by the insolvency administrators only, assets and liabilities among the companies declared insolvent may be consolidated where there is a confusion of states, and assets and liabilities belonging to each of the companies cannot be identified.

The general principle of "no termination effect" is established such that all agreements remain effective at the time of the insolvency. Therefore, the declaration of insolvency does not impair the existence of the contracts entered into by the debtor, which would remain in force. Any contractual arrangements establishing the termination of a contract and/or entitling the relevant creditor to terminate it in the event of the declaration of insolvency of the debtor will be unenforceable.

There is a two-year clawback period starting backward from the date on which insolvency is declared, although transactions within that period will not automatically become void as a result of the initiation of insolvency proceedings but instead the insolvency administrators must expressly challenge those transactions. Also, creditors who have applied to exercise any clawback action (stating the specific action they aim to contest or revoke and their grounds), shall be entitled to exercise such action if the insolvency administrators do not do so within the two months following their request. Under such clawback action, acts detrimental (*perjudiciales*) to the debtor's estate carried out during the two years prior to the date the insolvency is declared may be rescinded, regardless of fraudulent intention (transactions taking place earlier than two years before insolvency has been declared are subject to the general regime of avoidance in accordance with Article 71.6 of the Spanish insolvency law). Acts where no consideration is received for a disposed asset and acts that result in the early repayment or settlements of obligations which would have become due after the declaration of insolvency (unless such obligations were secured by means of an *in rem* security) are considered detrimental, and this is a non-rebuttable presumption. In addition, unless the debtor or another affected party (such as a creditor) can prove otherwise to the court's satisfaction, a disposal made in favor of a "related person or entity" (as detailed in the following paragraph) as well as the creation of a security interest securing a preexisting obligation or a new obligation that replaces an existing one, and those payments or other acts extinguishing obligations that would have become due after the declaration of insolvency and which are secured by means of an *in rem* security, are presumed to be detrimental, and this is a non-rebuttable presumption. In the case of actions not covered by the presumptions above, the burden of proof is on the person bringing the action of rescission. Acts deriving from the debtor's ordinary course of business made at arm's length and certain refinancing arrangements (*acuerdos de refinanciación*) meeting certain legal requirements set forth in Article 71 bis or the Fourth Additional Provision of the Spanish Insolvency Law, as well as the business, acts and payments made in the ordinary course of business and the security created in connection therewith, may not be rescinded.

In the case of a legal entity, the following shall be deemed to be "related person": (i) shareholders with unlimited liability; (ii) limited liability shareholders holding 10% or more of the insolvent company's share capital (or 5% if the company is listed) by the time the credit right under dispute in the insolvency scenario arises; (iii) directors (including shadow directors), liquidators and those holding general powers of attorney from the insolvent company, as well as such individuals holding such positions within two years prior to the declaration of insolvency (unless proven otherwise the creditors to have entered into a refinancing agreement foreseen under clause 71 bis or the fourth additional provision of the Spanish insolvency law, shall not be considered as shadow, for the obligations undertaken by the debtor in relation with the viability plan); and (iv) companies pertaining to the same group as the debtor and their common shareholders *provided* such shareholders meet the minimum shareholding requirements set forth in (ii) above. In addition, it is established the rebuttable presumption that the assignees of the above are also "specially related persons" if the assignment has occurred within two years prior to the declaration of insolvency. Debt owed to a party that becomes a specially related entity as a result of transforming debt into capital in the context of a refinancing process established in Article 71 bis.1 or in the fourth additional provision will not be subordinated.

Accordingly, a Guarantor's act of disposal with a "related person" (such as the Issuer), as defined in the Spanish insolvency law, are presumed to be detrimental unless proved otherwise.

In any event, set-off is prohibited unless the requirements for the set-off were satisfied prior to the declaration of insolvency or the claim of the insolvent is governed by a law that permits set-off.

The current Spanish Insolvency Law makes a distinction between general debts under insolvency proceedings and debts against the insolvency estate (*créditos contra la masa*). Debts against the insolvency estate, which include, among others, (i) certain amounts of the employee payroll, (ii) costs and expenses of the insolvency proceedings, (iii) certain amounts arising from services provided by the insolvent debtor under reciprocal contracts and outstanding obligations that remain in force after insolvency proceedings are declared and deriving from obligations to return and indemnify in cases of voluntary termination or breach by the insolvent debtor, (iv) those that derive from the exercise of a clawback action within the insolvency proceedings of acts performed by the insolvent debtor and correspond to a refund of consideration received by it (except in cases of bad faith), (v) certain amounts arising from obligations created by law or from the non-contractual liability of the insolvent debtor after the declaration of insolvency and until its conclusion, (vi) 50% of the funds lent under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71 bis or the fourth additional provision of the Spanish insolvency law and (vii) certain debts incurred by the debtor following the declaration of insolvency, are not considered part of the debtor's general debt and are payable when due according to their own terms (and, therefore, are paid before other debts under insolvency proceedings).

The Spanish insolvency law procedure includes a common phase (during which, among others, insolvency administrators are appointed, an inventory of the assets and a list of creditors is prepared and claims ranked, as detailed below) and two potential results: (i) a composition agreement between the creditors and the debtor ("CVA") or (ii) the debtor's liquidation.

Upon a filing for insolvency proceedings, the court issues an insolvency order containing an express request for the creditors of the insolvent debtor to declare all debts owed to them by the debtor, providing original documentation to justify such debts, within a period of one month. Based on the documentation provided by the creditors and documentation held by the

debtor, the court receivers draw up a list of acknowledged creditors and classify them according to the categories established under law:

- Debts benefiting from special privileges (*"créditos con privilegio especial")*, representing security on certain assets (in essence, *in rem* security). These privileges may entail separate proceedings, subject to certain restrictions derived from a waiting period that may last up to one year. In general terms, privileged creditors are not subject to the restructuring arrangement or to the CVA, except if they give their express support by voting in favor of the restructuring arrangement. In the event of liquidation, they are the first to collect payment against the assets on which their debt is secured.

  However, the insolvency administrator has the option to halt any enforcement of the security and pay these claims under specific payment rules. In addition, a recent court resolution considers that dissenting creditors that (i) should be considered "privileged creditors" but who are not able to enforce their security on their own (because, for instance, their right to enforce is subject to the agreement of a majority of lenders which take part at a syndicated loan) cannot be considered "secured creditors" with regards to restructuring arrangement and its effects. This means that secured creditors may not enforce on their own security interest and may not avoid the effects of the restructuring arrangement being imposed to them (and so cannot avoid being affected by the deferral agreed therein).

- Debts benefiting from general privileges ("*créditos con privilegio general*") including, among others, labor and public debts. General privileges for public debt, other than debt relating to tax withholdings and certain social security obligations, are recognized for half of the amount of the debt. General privileges are also recognized for half of the amount of debt held by the first creditor to apply for the insolvency proceedings of the debtor. Funds lent under a refinancing arrangement entered into in compliance with the requirements set forth in Article 71.6 of the Spanish insolvency law in the amount not admitted as a debt against the insolvency estate shall be also considered as debts with general privileges. Creditors whose debt benefits from general privileges are not affected by CVA provided that they do not agree to it and, in the event of liquidation, they are the first to collect payment, in the order established under law.

- Ordinary debts (non-subordinated and non-privileged creditors). Creditors of ordinary debt ("*créditos ordinarios")* will be paid after creditors benefiting from special or general privileges on a pro rata basis vis-à-vis each other.

- Subordinated debts (classified as such by virtue of the underlying credit agreement or pursuant to law). Subordinated debts ("*créditos subordinados*") include, among others, debts communicated late (outside the specific one-month period mentioned above), credits that are contractually subordinated vis-à-vis all other credits of the debtor; credits relating to surcharge and unpaid interest claims (including default interest) except for those credits secured with an *in rem* right up to the secured amount; fines, debts held by "specially related persons," as explained above, claims resulting from acts that were set aside where the creditor was declared in the judgment to have acted in bad faith; and certain credits deriving from contracts with reciprocal obligations if the creditor attempts to prevent the fulfillment of the contract to the detriment of the insolvency interests. Subordinated creditors are not entitled to vote on the CVA and in practice usually have very limited chances of collection, as a result of the ranking established by law.

Applicable jurisdiction

The applicable jurisdiction to conduct an insolvency proceeding is the one in which the insolvent party has its "center of main interests" ("COMI"). This COMI is deemed to be where the insolvent party conducts the administration of its interests on a regular basis and which may be recognized as such by third parties. Insolvency proceedings conducted by the court of the COMI are considered "the principal insolvency proceedings" and have universal reach

affecting all the assets of the insolvent party worldwide. If the COMI is not in Spain, but the insolvent party has a permanent establishment in Spain, Spanish courts will only have jurisdiction over the assets located in Spain (the "*territorial insolvency proceedings*").

In the event Spanish courts have jurisdiction (upon a judicial consideration that the Issuer's "center of main interests" is in Spain), Article 87.6 of the current Spanish insolvency law would apply to the Issuer. Article 87.6 provides that creditors holding a third-party guarantee will be recognized in the insolvency proceedings in their full amount without any limitation and without prejudice to the fact that if the guarantor is subrogated in the creditor's place, where the guarantee is enforced the claim of the guarantor will be classified in accordance with the ranking corresponding to the creditor or the guarantor whatever is better for the insolvent's state interest.

In the event that any of the Guarantors becomes insolvent and is subject to the current Spanish insolvency law, its Guarantee will be treated as ordinary debt unless it is subordinated by application of any of the criteria indicated above. In addition, creditors may seek repayment directly from the insolvent entity's directors or attorneys-in-fact if a court determines that the bankruptcy resulted from their negligence (*concurso culpable*), if some legal requirements are met. Under the current Spanish insolvency law, the intercompany loans between the Issuer and the Parent Guarantor would be treated as subordinated debt.

Moratorium

The current Spanish insolvency law imposes a moratorium on the enforcement of secured creditor's rights (*in rem* security) in the event of insolvency. The moratorium would take effect following the declaration of insolvency until the earlier of (i) one year from the declaration of the insolvency if the insolvent company has not been placed in liquidation or (ii) the date the creditors reach an agreement that does not affect the exercise of the rights granted by the security interest, with the limitations explained above.

Additionally, once the insolvency proceedings are declared open, singular, judicial or extrajudicial enforcements may not be initiated, nor may administrative or tax demands for payment to be collected coercively against the assets of the debtor be continued.

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings. When compatible, in order to protect the interests of the debtor and creditors, the Spanish insolvency law extends the jurisdiction of the court dealing with insolvency proceedings, which is then legally authorized to handle any enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labor or administrative law).

Limited history

Finally, please note that the current Spanish insolvency law only came into effect in September 2004, and as such, there is only a limited history of its application by Spanish courts and with limited high court resolutions about it.

Spanish limitations on validity and enforcement of Guarantees and Collateral

Under Spanish law, claims may become time-barred (15 years being the general term established for obligations *in personam* under Article 1,964 of the Spanish Civil Code (*Código Civil*)) or may be or become subject to the defense of set-off or counterclaim.

The terms "enforceable," "enforceability," "valid," "legal," "binding" and "effective" (or any combination thereof) mean that all of the obligations assumed by the relevant party under the relevant documents are of a type enforced by Spanish courts; the terms do not mean that

these obligations will necessarily be enforced in all circumstances in accordance with their terms. Enforcement before the courts will in any event be subject to:

- the nature of the remedies available in the courts; and
- the availability of defenses such as (without limitation) set-off (unless validly waived) or counter-claim, circumvention of law (*fraude de ley*), abuse of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress, and abatement

In general terms, under Spanish law, any guarantee, pledge or mortgage must guarantee or secure another obligation to which it is ancillary, which must be clearly identified in the relevant guarantee or security agreement. Therefore, the guarantee or security interest follows the underlying obligation in such a way that nullity of the underlying obligation entails nullity of the guarantee or security and termination of the underlying obligation entails termination of the guarantee or security. In the event that the security providers are able to prove that there are no existing and valid guaranteed obligations, Spanish courts may consider that the security providers' obligations under the relevant guarantees or securities are not enforceable.

The obligations under Guarantees or Collateral granted by the Spanish Guarantors shall not extend to any use of the proceeds of the Notes for the purpose of acquiring shares representing the share capital of such Guarantor or shares representing the share capital of the Parent Guarantor, or refinancing a previous debt incurred for the acquisition of shares representing the share capital of such Guarantor or shares representing the share capital of the Parent Guarantor; and shall be deemed not to be undertaken or incurred by the Guarantor to the extent that the same would constitute unlawful financial assistance within the meaning of Article 150 of the Spanish Companies Law, and, in that case, all provisions of such Guarantee shall be construed accordingly in the sense that in no case can any Guarantee or security given by the Guarantor secure repayment of the above-mentioned funds.

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes will not be granted directly to the holders of the Notes but will be granted only in favor of the Security Agent. The Indenture will provide (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, who will (subject to the provisions of the Indenture and the Intercreditor Agreement) provide instructions to the Security Agent in respect of the Collateral. Notwithstanding the foregoing, if enforcement of any security interest in Spain was to be carried out by the Security Agent in Spain, it may be necessary to prove that the Security Agent is duly and expressly empowered for such purpose by means of duly notarized powers of attorney granted in favor of the Security Agent by each of the actual or future creditors, if necessary, with the Apostille of The Hague Convention dated October 5, 1961. Therefore, there could be a delay in the enforcement of the Collateral in Spain while the Security Agent obtains such powers.

Poland

Polish insolvency laws

Certain Guarantors (including entities granting pledges) are Polish companies and any bankruptcy proceedings with respect to these companies will probably be conducted in the Republic of Poland, since Polish courts have exclusive jurisdiction over bankruptcy cases if the center of a debtor's main interests (as per EU regulation) or a debtor's main center of economic activities (as per Polish insolvency law which applies to non-EU countries and Denmark) is located in the Republic of Poland. Polish courts also have jurisdiction if the debtor conducts

business activities in the Republic of Poland or resides, has its registered office or assets in the Republic of Poland.

With respect to the applicable substantive law, the *lex concursus* principle applies in international bankruptcy proceedings, whereby bankruptcy proceedings are to be governed by the law of the country where bankruptcy is declared. Nevertheless, numerous exceptions to this rule apply, concerning, for example, the effects of the declaration of bankruptcy on the bankrupt persont's assets located in Poland and on liabilities that arose or are to be discharged in Poland and also concerning matters involving the ineffectiveness of the bankrupt person's acts in law relating to his/her or its assets located in Poland that form part of the bankrupt estate. These matters are governed by Polish law.

Further in this section, an outline of the rules of conducting bankruptcy proceedings in Poland in relation to insolvent enterprises is presented, with emphasis on the special legal situation of the holders of Notes if any of the Polish Guarantors is declared bankrupt. Your right to receive payments of interest and principal on the Notes in case of insolvency may be more limited than would be the case under U.S. bankruptcy laws.

Grounds for declaring bankruptcy

Under Polish law, bankruptcy proceedings are regulated by the act dated February 28, 2003, (Journal of Laws (*Dz.U.*) 2012.1112), hereinafter referred to as the "Polish Bankruptcy Law."

Pursuant to the Polish Bankruptcy Law, the main grounds for declaring a debtor bankrupt are his/her or its insolvency. Debtors are regarded insolvent if:

(i) they fail to discharge their due and payable pecuniary obligations; or

(ii) in the case of legal entities and partnerships, if the value of their liabilities exceeds the value of their assets, even if they pay their liabilities in a timely manner.

With respect to the first of the above insolvency criteria, a failure to discharge due and payable pecuniary obligations takes place if the debtor fails to pay his/her or its debts because of insufficient funds. Polish Bankruptcy Law introduces a level of protection against premature applications for bankruptcy of the debtor allowing the court discretion to dismiss such application if the delay in payment of the pecuniary obligations is shorter than three months and the total amount of unsettled due and payable debt is lower than 10% of the debtor's total assets. In the second of the above insolvency criteria, in order to assess whether or not a given enterprise is excessively indebted, all of the indebted enterprise's claims and liabilities are taken into account, irrespective of whether they could be included in the bankrupt estate in the future, whether they are contingent or unconditional or whether they are already due and payable. As for the value of assets, according to prevailing case law, their market value rather than book value should be taken into account.

A petition of bankruptcy may be filed by the debtor, any of the debtor's creditors and other eligible petitioners specified in the Polish Bankruptcy Law (including any of the partners in the case of partnerships, any member of the management board). If filed by the debtor, a petition of bankruptcy should be lodged not later than two weeks after the date on which the grounds for declaring bankruptcy arise. If the debtor is a legal entity, this obligation rests on each person authorized to represent it acting individually or jointly with other persons. Such persons are also liable for damage caused as a result of failing to file the petition within the above time limit (which is further discussed below).

Stages of bankruptcy proceedings

Bankruptcy proceedings are divided into two stages: (i) proceedings for declaring bankruptcy (ii) proper bankruptcy proceedings.

The purpose of the proceeding for declaring bankruptcy is to establish whether there are grounds for declaring bankruptcy. Upon declaration of bankruptcy, the bankrupt person's assets become bankrupt estate to be used to satisfy the bankrupt person's creditors.

The second stage of the bankruptcy proceedings has two potential objectives: (i) entering into an arrangement or (ii) liquidating the bankrupt person's assets and distributing the bankrupt estate funds. The bankruptcy court selects one of these options in its decision to open bankruptcy. A decision declaring bankruptcy with the option to enter into an arrangement may be changed in the course of the proceedings to a decision declaring bankruptcy involving the liquidation of the bankrupt person's assets, and vice versa.

Arrangement bankruptcy

In the case of arrangement bankruptcy, the bankrupt person's assets are not liquidated, but its liabilities towards creditors are restructured. Along with a petition for arrangement bankruptcy, the debtor should submit arrangement proposals, proposing the method of payment of its liabilities to creditors and specifying the sources of financing of such payments. In the case of arrangement bankruptcy the court may deprive the bankrupt person of the right to administer its assets or, subject to the fulfilment of certain prerequisites, may allow the debtor to retain the right to administer all or some of its assets. Declaration of bankruptcy with the option to enter into an arrangement bears, among others, the following consequences for the bankrupt person's liabilities:

- From the date of declaration of bankruptcy with the option to enter into an arrangement until the date on which the decision approving the arrangement or discontinuing the proceedings becomes final and non-appealable, the bankrupt person or the administrator (*zarządca*) may not discharge liabilities under claims that are covered by the arrangement by operation of law.
- During the course of the proceedings, and until their discontinuation or termination, or until the change of the decision declaring bankruptcy with the option to enter into an arrangement is changed to a decision declaring bankruptcy involving the liquidation of the bankrupt person's assets, no set-off of mutual liabilities between the bankrupt person and a creditor is admissible if the creditor (i) has become the bankrupt person's debtor after bankruptcy was declared, (ii) while being the bankrupt person's debtor, has become the bankrupt person's creditor after bankruptcy was declared, as a result of acquiring claims arisen before the declaration of bankruptcy by assignment or endorsement. Mutual claims may be set off if they have been acquired as a result of repayment of a debt for which the acquirer was personally liable or with certain property items and if the acquirer's liability for the debt arose before the date of filing the bankruptcy petition. A creditor who intends to set off a claim should make a statement in this respect not later than when it submits such claim.
- Declaration of bankruptcy with the option to enter into an arrangement does not preclude a creditor from initiating court or administrative proceedings concerning a debt to be claimed against the bankrupt estate.
- Enforcement proceedings concerning a claim covered by the arrangement by operation of law initiated before declaration of bankruptcy, are suspended by operation of law as of the date of declaration of bankruptcy.
- Any arbitration clause entered into by the debtor will expire by operation of law upon the declaration of bankruptcy. If arbitration proceedings are pending, they will be discontinued.

Liquidation bankruptcy

As opposed to arrangement bankruptcy, liquidation bankruptcy consists in selling the debtor's assets, (whether by way of a piecemeal liquidation or as a going concern), collecting payments

on account of debtor's claims and exercising or disposing of its other rights in property and subsequently in distributing the proceeds of liquidation among creditors, in the order of priority defined in statutory laws, based on a distribution plan prepared for this purpose.

Upon declaration of bankruptcy involving the liquidation of the bankrupt person's estate, the bankrupt person loses the right to administer, use and dispose of the assets forming part of the bankrupt estate. A court appointed receiver in bankruptcy (*syndyk*) assumes the above rights of the bankrupt. Declaration of liquidation bankruptcy bears, among others, the following consequences for the bankrupt person's liabilities:

- The bankrupt person's pecuniary obligations which have not yet become due and payable, become due and payable as of the date of declaration of bankruptcy.
- Non-pecuniary obligations are converted to pecuniary obligations as of the date of declaration of bankruptcy and become due and payable as of the same date, even if their due date has not yet occurred.
- The bankrupt estate may be used to pay interest on claims due from the bankrupt for the period until the date of declaring bankruptcy (this does not apply to interest on claims secured by a pledge, entry in register, or mortgage, which may only be covered from the liquidation of encumbered assets).
- The bankrupt person's claim may be set off against a creditor's claim if both claims existed on the date of declaration of bankruptcy, regardless of whether the claims have not yet become due and payable. A set-off is not admissible if the bankrupt person's debtor acquired the claim by assignment or endorsement after bankruptcy was declared or acquired it during the year preceding the date of declaration of bankruptcy, while being aware that there were grounds for declaring bankruptcy. However, this limitation does not apply (i) if the acquirer has become the bankrupt person's creditor as a result of repaying the bankrupt person's debt, for which it was liable personally or with certain property items, and if the acquirer was not aware of the existence of grounds for declaring bankruptcy at the time of assuming liability for the bankrupt person's debt; or (ii) if the liability was assumed at least one year before the date on which bankruptcy was declared. The sum proposed to be set off on the part of the debtor is the total of the debtor's claim and on the part of the creditor it is the creditor's principal claim only, along with interests accrued until the date of declaring bankruptcy. If the bankrupt person's debt without interest had not become due and payable by the date of declaration of bankruptcy, the sum to be set-off is the amount due reduced by statutory interest, which may not exceed six percent, between the date of declaration of bankruptcy until the date of payment, and may not exceed two years. A creditor wishing to exercise the set-off right must make a statement in this respect not later than when submitting the claim.
- If bankruptcy involving the liquidation of the bankrupt person's assets has been declared, any court or administrative proceedings concerning the bankrupt estate may only be initiated and continued by the receiver in bankruptcy or against the receiver in bankruptcy. Unless separate statutory laws provide otherwise, court or administrative proceedings initiated against the bankrupt before the date of declaration of bankruptcy, concerning a debt claimable against the bankrupt estate, may be directed against the receiver in bankruptcy only if these liabilities have not been included in the list of claims in the bankruptcy proceedings once the procedures set out in law for the establishment of the list have been exhausted.
- Enforcement proceedings concerning a debt claimable against the bankrupt estate, initiated before declaration of bankruptcy, become suspended by operation of law as of the date of declaration of bankruptcy. Such proceedings are discontinued by operation of law, once the decision to declare bankruptcy has become final and non-appealable.

Satisfaction of creditors in arrangement bankruptcy and in liquidation bankruptcy

A debtor's creditor who wishes to participate in the bankruptcy proceedings and whose claim must be confirmed in order to be included in the proceedings, should submit this claim to the judge-commissioner (*sędzia-komisarz*). Claims submitted by creditors constitute the basis for preparing a list of claims. Further course of procedure varies depending on the type of bankruptcy proceedings.

In the case of arrangement proceedings, after the list of claims has been approved, a vote on the arrangement is held and its outcome is to be approved by the court. The arrangement is concluded if a majority of entitled creditors representing at least ⅔ of the claims votes in its favor. If the arrangement has not been concluded, the court shall change the method of conducting the proceedings from proceedings with the option to enter into an arrangement to proceedings involving the liquidation of the bankrupt person's assets, and shall appoint a receiver in bankruptcy.

In the case of liquidation bankruptcy, the distribution of proceeds is governed by two rules: (i) the priority rule—whereby if the sum designated for distribution is not sufficient to satisfy all claims in full, then claims ranked further down the priority order are to be satisfied only once claims ranked before them have been satisfied in full, (ii) the proportionality rule—if the assets are not sufficient to satisfy all claims ranking equally in full, these claims are to be satisfied in proportion to the amount of each of them. An exception to the above rules is the first category of priority. Claims of this category are to be satisfied "optimally quickly" (as relevant amounts are received). Unsecured claims that are to be satisfied from the bankrupt estate funds are divided into the following categories:

- The first category—the cost of the bankruptcy proceedings; maintenance payments and annuity payments on account of causing a disease, inability to work, disability or death, and payments on account of annuity granted in exchange for rights under an annuity agreement, due for the time after declaring bankruptcy; claims on account of unjust enrichment of the bankrupt estate; claims under agreements entered into by the bankrupt before declaring bankruptcy, the performance of which has been demanded by the receiver in bankruptcy; and claims that arose as a result of acts performed by the receiver or administrator, or acts performed by the bankrupt person after bankruptcy was declared, which did not require the consent of the court appointed supervisor (*nadzorca*) or were performed with the supervisor's consent.
- The second category—amounts due on account of employment relationships, amounts due to farmers under contracts for the supply of products from their own farms, maintenance payments and annuity payments on account of causing a disease, inability to work, disability or death and payments on account of annuity granted in exchange for rights under an annuity agreement, due for the period before declaration of bankruptcy; amounts due on account of social security contributions for the two years preceding the declaration of bankruptcy, along with interests and the costs of enforcement.
- The third category—taxes and other public duties and other amounts due on account of social security contributions, along with interests and the costs of enforcement.
- The fourth category—other amounts due, unless they are to be satisfied as fifth category claims, along with interests for the last year preceding the declaration of bankruptcy, along with liquidated damages, the costs of trial and the costs of enforcement.
- The fifth category—interests that are not included into any of the above categories, in the order in which claims on account of the respective principal amounts are to be satisfied, as well as court or administrative fines and amounts due on account of a gift (*darowizna*) or legacy.

A claim acquired by assignment or endorsement after the declaration of bankruptcy is to be satisfied as a third category claim, if it is not to be satisfied as a fourth category claim. This does not refer to claims arisen as a result of acts performed by the receiver or administrator or the bankrupt person's acts performed with the consent of the court appointed supervisor.

In the case of notes secured by a pledge, the situation will be different. Claims secured *in rem,* i.e., by way of mortgage, pledge, registered pledge, treasury pledge, maritime mortgage, security assignment and security transfer of ownership, are dealt with separately from unsecured claims. These are satisfied using proceeds from the sale of the encumbered asset, after deducting the costs of sale, in the applicable order of priority. If the bankrupt is at the same time a personal debtor under the secured claim, as may happen in the case of Guarantors (or, as the case may be, of the Security Agent), and the encumbered asset has not been sold yet or the secured claim has not been satisfied in full using the proceeds of sale of the encumbered asset, the claim may be satisfied also by distributing the funds of the bankrupt estate, as a fourth category claim (including interests for the last year preceding the date of declaring bankruptcy, with the remaining interest amount being treated as a fifth category claim).

There is a controversy in Polish jurisprudence as to the legal nature of the pledge administrator within the meaning of Article 4 para. 4 of the Act on the Registered Pledge and Pledge Register, dated December 6, 1996 (Journal of Laws (*Dz.U.*) 2009.569). It is not clear whether in a bankruptcy proceeding a pledge administrator (like a security agent that executed a Polish law governed agreement for administration of the pledges for and on behalf of itself and other creditors) is to act only as a representative of a group of pledgee creditors or whether it is the sole party vested with pledgee rights in lieu of a group of creditors. Depending on which concept is adopted, either each noteholder or the pledge administrator will be entitled to submit a claim under the pledge.

Under Polish law a civil guarantee (either in the form of a suretyship or a guarantee agreement) should be granted in favor of the particular creditor in relation to a specified debt. In such case the Security Agent would not be in principle authorized to enforce noteholders' rights and represent them in bankruptcy proceedings initiated in Poland. However, if the relevant civil guarantee agreement is executed under laws other than Polish and such laws provide for authorization of the Security Agent to act for and on behalf of all creditors under the note issuance, the capacity of such Security Agent to undertake such actions in bankruptcy proceedings in Poland should be tested in the light of this law, and if correct, should be deemed valid and legitimate.

A creditor who fails to satisfy his/her claim during bankruptcy proceedings may try to raise this claim directly against persons acting on behalf of the debtor company. Pursuant to the Polish Commercial Companies Code dated 15 September 2000 (Journal of Laws (*Dz.U.*) No. 94.1037), if enforcement against a company proves to be ineffective, members of the management board shall be jointly and severally liable for the company's liabilities. A member of the management board may be discharged from liability referred to above if he/she proves that the petition of bankruptcy was filed in a timely manner or that arrangement proceedings were initiated or that a failure to file a petition in bankruptcy or a failure to initiate arrangement proceedings occurred through no fault on his/her part or that despite the failure to file a petition or initiate arrangement proceedings the creditor suffered no additional damage.

Effect of a guarantor being declared bankrupt on liabilities towards a noteholder

The declaration of bankruptcy (whether liquidation bankruptcy or arrangement bankruptcy) has the following main impacts on the bankrupt person's liabilities and assets:

- Contractual terms providing for a change or termination of a legal relationship to which the bankrupt is a party, should bankruptcy be declared, are null and void.

- Contractual terms stipulated in an agreement to which the bankrupt person is a party that prevent or hinder the achievement of the goal of the bankruptcy proceedings are ineffective in relation to the bankrupt estate.
- Acts in law performed by the bankrupt during the year preceding the filing of the petition of bankruptcy, by which the bankrupt disposed of its assets, if they were performed free of charge or for a fee, but the value of the bankrupt person's performance grossly exceeded the value of the consideration received by the bankrupt or reserved for the bankrupt or a third party, are ineffective (this applies, as appropriate, to a court settlement, the acknowledgement of a claim and a waiver of a claim).
- The granting of security for a debt that is not due and payable and the payment of such debt during the two months preceding the filing of the petition in bankruptcy is ineffective (however the party that has received the payment or security interest may file a suit or raise a defense demanding that the above acts be recognized as effective, if at the time of performing them this party was not aware of the existence of grounds for declaring bankruptcy).
- Acts in law performed by a bankrupt company for consideration during the six months preceding the date of filing the petition of bankruptcy by a bankrupt company with its shareholders, representatives or their spouses, as well as with affiliated companies or partnerships, their shareholders, representatives or spouses of these parties, and to acts performed by a bankrupt company with another company or partnership, if one of them was a parent entity are ineffective.

The regulation that is the most relevant to the noteholders' situation is the regulation concerning the ineffectiveness of the payment of a debt which is not due and payable, or of the establishment of a security for such a debt, during the two months preceding the date of filing the petition in bankruptcy. Please note that this regulation refers only to the bankrupt person's own debts, whereas the repayment of another party's debt which is not due and payable, or the establishment of a security for such a debt, as in the case of granting the guarantee and establishing a pledge to secure noteholders' claims under the notes is, in principle, effective under literal interpretation. It would be effective unless it proves ineffective on other grounds, e.g. as an act performed free of charge or as a result of the establishment that the bankrupt person was not the secured creditor's personal debtor, and the encumbrance was established during the year preceding the date of declaring bankruptcy and the bankrupt received no consideration in connection with the encumbrance being established.

Recovery (rehabilitation) proceedings

In addition to the bankruptcy proceedings (which may lead to a composition or liquidation), the Polish Bankruptcy Law also provides for a separate rehabilitation (recovery) proceeding *(postępowanie naprawcze)*, designed as a pre-bankruptcy means of relief available to debtors who are still paying off their debts but anticipate their insolvency in the future. In addition, if the debtor's insolvency is "marginal" (i.e., its payments are delayed by less than 3 months and its failure to perform obligations is not "permanent," and the aggregate amount of unperformed obligations is not higher than 10% of the total assets), the court may permit the debtor to commence recovery proceedings instead of bankruptcy proceedings. The procedure is simplified and is basically carried out by the debtor itself, under the supervision of the court and a court-appointed supervisor. The debtor (and not the court) commences the proceedings by way of notice to the court, with composition proposals attached to be voted on by the creditors. Once such notice is published, the recovery proceedings are deemed commenced, any payment obligations of the debtor are suspended, and any enforcement actions by the creditors are stayed. The recovery proceedings will be terminated by operation of law if no composition is concluded within four months from the commencement date (unless the debtor is a small or medium entrepreneur, in which case the deadline is three months).

Enforcement of securities and statute of limitations on validity and enforceability of potential claims of noteholders under Polish Law

As it was mentioned, certain Guarantors (including pledgors) are Polish companies. As a consequence, potential claims of noteholders against such Guarantors would generally be subject to the jurisdiction of Polish courts. This general rule derives from the Polish Code of Civil Procedure dated November 17, 1964 (Journal of Laws (*Dz.U.)* No. 43.296) according to which, if the defendant has its place of residence or usual stay or a registered office in Poland, the domestic jurisdiction applies. The jurisdiction of Polish courts is also always applicable (i) to claims concerning obligations arising from an act in law which was performed or is or was to be performed in Poland and/or (ii) when the matter at issue is located in Poland (as the case may be regarding claims based on a registered pledge over shares in Polish companies).

Consequently, as certain assets are located or deemed to be located in Poland, certain security interests over such assets will generally be governed by Polish law and should be created, perfected and enforced in accordance with Polish law.

Under Polish law, any legal act (including a guarantee) which is in contradiction with the law or with the purpose of circumventing the law is null and void, unless there is a legal provision stating otherwise. The same principle applies to legal acts which are found to be in breach of so called "rules of social cooperation." Although it is uncommon for Polish courts to nullify a contract based on these general provisions, the risk of a third party trying to challenge the credit support granted by the Guarantors may not be ruled out. "Hardening periods" specified in Polish insolvency laws may also apply.

Civil and/or registered pledge

According to Polish law, and as opposed to a registered pledge, establishing a civil pledge will generally require a written contract between the guarantor and the creditor, in the legal form of a document with a certified date. If at the moment of establishing such pledge the asset has already been encumbered with another proprietary right, a civil pledge which came into force later will have priority over the right that has been established earlier, unless the creditor has acted in bad faith (i.e. generally with knowledge of the rights of the other creditors).

A pledge can also secure claims for the interest of the last three years prior to the enforcement or bankruptcy proceedings, the awarded proceedings costs in an amount not exceeding a tenth of the capital, as well as other claims for accessory performance, in particular a claim for damages on account of non-performance or improper performance of an obligation.

A creditor's satisfaction from the subject of the pledge will take place according to the provisions on judicial enforcement proceedings, which means that the creditor will have to initiate court proceedings against a given Guarantor in order to obtain a relevant court judgment that further needs to be awarded by the court with so called "enforcement clause." Subsequently, such legally valid judgment with the enforcement clause constitutes a basis of the enforcement proceedings which will be conducted by the relevant court enforcement officer.

In order to establish a registered pledge, the agreement providing for the establishment of such security should be executed among, in principle, the Guarantor and the creditor, and proper motion should be filed with the competent court maintaining the register of the pledges. The registered pledge comes into force upon its registration, which takes place based on a decision of a court. In the case of a registered pledge securing obligations arising from debt securities issued in series, there is an exception from the general rules (see below).

Polish law does not generally recognize the concept of "security agent" as such. However, there are certain exceptions and under some regulations entities with similar functions and capabilities may be effectively appointed. Under Polish Act on the Registered Pledge and Pledge Register, dated December 6, 1996 (Journal of Laws (Dz.U.) 2009.569), a registered

pledge may be established to secure receivables of unspecified noteholders, under the condition that the issuer will enter into an agreement with the entity that will be acting on behalf and for the benefit of the noteholders when establishing the pledges and enforcing them. This entity is called the "pledge administrator." In order to be recognized by the registration court, such agreement should be executed under Polish law. In its capacity, the pledge administrator will represent the noteholders in the process of registration and enforcement of the pledges and will be a party to the necessary pledge agreements. Under Polish law there is also a certain level of uncertainty on how the pledge administrator would be recognized in the event of insolvency of the Polish Guarantor. Please see also: *"Insolvency laws and limitations on validity and enforceability of the Guarantees and security interests—Polish insolvency laws.*"

The pledge agreement shall only be valid if made in writing. As a general rule, a registered pledge is enforced with priority over other claims.

In the event that the same asset is encumbered with more than one registered pledge, the pledge that was established later cannot be enforced with adverse effect on the pledges established earlier. The priority of the pledges is decided based on the day in which the motion to register the pledge was filed with the court. In the event that several motions were filed on the same day, it is deemed that the resulting pledges have the same priority.

Types of suretyship

Under Polish law, a suretyship may be of different types, depending on the final form of the agreement and the obligations assumed by the guarantor. The first one, called civil guaranty in the form of the suretyship (*poręczenie*), is ancillary to an obligation and should be made in writing under pain of nullity. Conversely, a guarantee in the form of the guarantee agreement (*umowa gwarancyjna*) may be non-ancillary depending on the wording of such agreement. As a rule, ancillary guarantees follow the underlying obligation in such a way that nullity of the underlying obligation may cause nullity of the guarantee and termination of the underlying obligation may cause termination of the guarantee. In such case in the event that the Guarantors are able to prove that there are no existing and valid guaranteed obligations, Polish courts may consider that the guarantors' obligations under the relevant guarantees to be non-enforceable. With certain exceptions, in principle non ancillary obligations may be enforced even if there is a nullity of the underlying obligation.

Statute of limitation period

Assuming that any potential claim under the Notes is pursued or enforced under Polish legislation or before Polish courts, noteholders' claims may become time-barred in relation to the Guarantors. The period will depend on the legal basis of a given claim:

(i) As a general rule, claims under Notes become time-barred after 10 years.

(ii) In the case claims under a guarantee, the statute of limitation may be generally either 3 years when the claim relates to the operation of a business or 10 years. Certain modifications to this rule may apply depending on the particulars of the security instrument implemented, in particular on whether the guarantee is a non-accessory guarantee agreement in relation to the relationship under the note or a personal guarantee agreement accessory in relation to the relationship under the note.

(iii) With respect to the possibility of a noteholder satisfying his/her claims from the pledge securing this noteholder's claims under the note, the fact that his/her claim secured by the pledge becomes time-barred does not prejudice the noteholder's right to satisfy the claim from the encumbered thing. Nevertheless, this right is limited to the nominal value of the claim, without interest and other accessory performances.

Proposed reform of Polish insolvency law

A proposal has been made to significantly amend the Polish bankruptcy law. This proposal sets out new types of insolvency proceedings. Its main aim is to enhance restructuring options and give priority to the survival of the debtor's business (as opposed to its liquidation).

Mexico

Mexican bankruptcy law

The Notes will be guaranteed by certain Mexican companies and secured by a pledge over the shares of certain Mexican companies. In the event that such companies fail to comply with their payment obligations in a general manner, they may be declared in "*concurso mercantil*" in accordance with the applicable law in Mexico (*Ley de Concursos Mercantiles* or Commercial Bankruptcy Law, "CBL").

Under the CBL, the "*concurso mercantil*" proceeding have two consecutive phases: "conciliation" (*conciliación*) and "bankruptcy" (*quiebra*). The purpose of the conciliation phase is to achieve the continuation of the companies' activities through the execution of an agreement with their creditors. In the bankruptcy stage, the purpose is the liquidation of the companies or their assets in order pay their creditors. Companies can request to be declared in bankruptcy directly and dispense with the conciliation stage and its benefits.

According to the CBL, a company fails to comply with its payment obligations in a general manner when it is in payment default with two or more different creditors, and either (i) requests to be declared in "*concurso mercantil*" and meets any of the two conditions described below, or (ii) any of its creditors or the public prosecutor (*Ministerio Público*) makes a claim for an insolvency declaration of the company if it meets both of the following conditions:

- The relevant obligations are at least 30 days past due and represent 35% or more of all the obligations of the company as of the date of the filing of the "*concurso mercantil*" petition.
- The company does not have certain kinds of assets in amounts sufficient to backstop at least 80% of its obligations due as of the date of the filing of the "*concurso mercantil*" petition.

Two or more companies forming part of a same corporate group ("*grupo societario*") can simultaneously file a petition in order to be jointly declared in "*concurso mercantil,*" without consolidating their assets. It is understood that both holding companies (*sociedades controladoras*) and their subsidiaries (*filiales*), each as described below, form part of the same corporate group:

- Holding Company: A holding company is defined as a company which directly or indirectly has the rights to vote more than 50% of the shares of another company, has decision-making power in its assembly, is in a position to appoint the majority of the members of the board of directors, or by any other means, has the power to make the fundamental decisions in the other company.
- Subsidiary: A subsidiary is defined as a company in which more than 50% of the voting shares are owned, either directly, indirectly or both, by a holding company, or a company in which another company has the ability to lead, directly or indirectly the management, strategy and major policies, whether through the ownership of shares, by agreements or by any other means.

The District Judge (*juez de distrito*) with jurisdiction in the place where a company has its domicile is competent to receive the petition and decide the "*concurso mercantil*," except for (i) holding companies—if any of its subsidiaries have previously initiated a "*concurso mercantil*" proceeding, or subsidiaries—in case their holding company has previously initiated a "*concurso mercantil*" proceeding, since in any of these cases the competent judge will be the one who knew about the first proceeding; and (ii) if two or more companies that form part of one

corporate group are asking to be jointly declared in "*concurso mercantil*," since in such case the competent judge will be the one with jurisdiction in the place of domicile of the company that first failed to comply with its payment obligations in a general manner.

The judgment declaring a company in "*concurso mercantil*" must contain, among other things: (i) the order to suspend the payment of debt incurred prior to the effectiveness date of the judgment, except for those that are essential to the ordinary operation of the company, (ii) the order to suspend during the conciliation stage, all writs of attachment or execution, with the exceptions set forth in the CBL, and (iii) the retroactiveness date (*fecha de retroacción*) for purposes of the acts in fraud of creditors, if any, have been executed.

Once the "*concurso mercantil*" judgment is issued and until the end of the conciliation stage, no one can run any writ of attachment or execution against the company's assets, except in such cases as are expressly set forth in the CBL.

Any contractual provision that worsens the terms of a contract to which any party declared in "*concurso mercantil*" is a party shall not be taken into account, except as expressly set forth in the CBL.

The conciliation stage lasts 185 calendar days, but the governing bodies of the "*concurso mercantil*" or certain specific majorities of creditors may authorize one or two extensions of 90 days each, if they consider that an agreement is about to be reached. The conciliation stage and its extensions shall not exceed 365 calendar days in total. If these time limits expire before the company reaches an agreement with its creditors, or at least certain specific majorities of them, and such agreement is submitted to the judge's approval, the company is declared in bankruptcy (*quiebra*). Once bankruptcy is declared, the judge starts with the liquidation of the company or its assets in order to pay the creditors' claims according to their grades.

Creditors are ranked in the following order, depending on the nature of their credits:

- First, "singularly privileged" creditors;
- Second, secured creditors;
- Third, creditors with special privilege;
- Fourth, unsecured creditors, and
- Fifth, subordinated creditors.

No payments may be made to any creditor of a certain rank before all of the creditors of a better rank have been paid off.

Secured obligations under Mexican law

Mexican law does not regulate the existence of two or more share pledges with possession transfer (*prenda con transmisión de posesión*) over the same shares, so that when there are multiple primary obligations with respect to different creditors, such as the secured creditors under the Revolving Credit Facility Agreement and the holders of the Notes, those obligations are recognized as secured obligations.

Book-entry, delivery and form

General

The Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "Rule 144A Global Notes"). The Notes sold to non-U.S. persons outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). The Global Notes will be deposited, on the Issue Date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Notes ("Rule 144A Book-Entry Interests") and ownership of interests in the Regulation S Global Notes (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. The Book-Entry Interests in Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the registered owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or its nominee), as applicable, will be considered the sole holder of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

None of the Issuer, the Guarantors or the Trustee or any of their respective affiliates will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent

fractions) or on such other basis as they deem fair and appropriate unless otherwise required by law or applicable stock exchange or depositary requirements.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Principal Paying Agent. The Principal Paying Agent will, in turn, make such payments to the common depositary or its nominee for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective customary procedures. All payments required to be made by or on behalf of the Issuer with respect to the Notes, or by any Guarantor under its applicable Guarantee, will be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Notes—Additional amounts*." If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Notes—Additional amounts,*" the Issuer or the relevant Guarantor will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding to equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the company and the Trustee and the relevant agents will treat the registered holders of the Global Notes (i.e. the common depositary for Euroclear or Clearstream (or its nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustees or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- Euroclear, Clearstream or any participant or indirect participant; or
- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes, will be paid to holders of interests in such Notes through Euroclear and/or Clearstream in euros.

Action by owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of a Note (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event

of Default (as defined herein) under the Notes, each of Euroclear and Clearstream, at the request of the holders of such Notes, reserve the right to exchange the Global Notes for definitive registered Notes in certificated form (the "Definitive Registered Notes"), and to distribute such Definitive Registered Notes to their participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of a Note requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states that require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures to be set forth in the relevant Indenture.

The Global Notes will each bear a legend to the effect set forth under "*Notice to investors*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Notice to investors*."

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form to be provided in the relevant Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the relevant Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to investors*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Notes—Transfer and exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form to be provided in the relevant Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Notice to investors*."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Definitive Registered Notes

Under the terms of each Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

(1) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture and enforcement action is being taken in respect thereof under such Indenture.

In such an event, the Issuer will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream or the Issuer (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the relevant Indenture, unless that legend is not required by such Indenture or applicable law.

To the extent permitted by law, the Issuer, the Trustee, any Paying Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

Information concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither the Issuer nor any of the Initial Purchasers are responsible for those operations or procedures.

The Issuer understands as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can act only on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability

to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global clearance and settlement under the book-entry system

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange and any permitted secondary market trading activity in such Notes will, therefore, be required to be settled in immediately available funds. The Issuer expects that secondary trading in any certificated Notes will also be settled in immediately available funds.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Guarantors, the Initial Purchasers, the Trustee, the Registrar or any Paying Agents will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary market trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream and will settle in same-day funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Tax considerations

If you are a prospective investor, you should consult your tax advisor on the possible tax consequences of buying, holding or selling any Notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold or sell Notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of the date of this offering memorandum. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

Investors should also note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisors in relation to the tax consequences for them of any such appointment.

European tax considerations

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "*Tax Directive*"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) made by a person within its jurisdiction to, or collected by such person for, an individual resident or certain other types of entities (the *"Residual Entities"* within the meaning of Article 4.2 of the Tax Directive) established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, deducting tax at the rate of 35%. In the case of Luxembourg, the recipient of the interest payment may opt for one of the two information exchange procedures available instead of the application of the above withholding system. The ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.

On April 10, 2013, Luxembourg officially announced that it will no longer apply the withholding tax system as from January 1, 2015 and will provide details of payment of interest (or similar income) as from this date.

A number of non-EU countries and territories including Switzerland and certain dependent or associated territories of certain Member States have adopted or agreed to adopt similar measures (a withholding system in the case of Switzerland). In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or a Residual Entity established in one of those territories. A consultation process is currently underway within the EU in relation to the scope of the Tax Directive and, in particular, whether the Tax Directive should also extend to payments channeled through intermediate entities and/or to payments considered to be of an interest-like nature. If any of the proposed changes are made in relation to the Tax Directive, they may amend or broaden the scope of the requirements above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts to the holders of the Notes or to otherwise compensate holders of the Notes for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax. However, the Issuer is required to maintain a paying agent in a Member

State that will not be obliged to withhold or deduct for or on account of tax pursuant to the Tax Directive.

Luxembourg tax considerations

Tax residency

A holder of Notes will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

Luxembourg withholding tax on the Notes

Under Luxembourg tax law currently in effect and except for certain individual persons and entities as described below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, except for certain individual persons and entities as described below, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident holders of Notes

Under the Luxembourg laws dated June 21, 2005 implementing the Tax Directive and several agreements concluded between Luxembourg and certain dependent and associated territories of the EU, a Luxembourg-based paying agent (within the meaning of the Tax Directive) is required since July 1, 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or resident in another Member State or in certain EU dependent and associated territories, unless the beneficiary of the interest payments elects for the exchange of information procedure or for the tax certificate procedure. The same regime applies to payments to a residual entity established in another Member State or certain EU dependent or associated territories with the meaning of article 4.2 of the Tax Directive, i.e.:

(a) entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Tax Directive are not considered as legal persons for this purpose),

(b) whose profits are not taxed under the general arrangements for the business taxation,

(c) that are not UCITS (Undertakings for Collective Investment in Transferable Securities) recognized in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands, and have not opted to be treated as UCITS recognized in accordance with the Council Directive 85/611/EEC.

The same regime applies to payments to individuals or residual entities resident in certain EU dependent and associated territories.

Where withholding tax is applied, it is currently levied at a rate of 35%. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Luxembourg laws dated June 21, 2005 would be subject to withholding tax of 35% (as from July 1, 2011). The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident holders of Notes

A 10% withholding tax is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the Tax Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognized in accordance with the Council Directive 85/611/EC or for the exchange of information regime) (the "*10% Luxembourg*

Withholding Tax"). Responsibility for the withholding of the 10% Luxembourg Withholding Tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Luxembourg law of December 23, 2005, as amended, would at present be subject to 10% Luxembourg Withholding Tax.

Luxembourg taxation of the holders of Notes

Taxation of Luxembourg non-residents

Holders of Notes who are non-residents of Luxembourg and who have neither a permanent establishment, nor a permanent representative nor a fixed base of business in Luxembourg with which the holding of the Notes is connected are not liable to pay any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon the redemption, repurchase or exchange of the Notes, or realize capital gains on the sale of any Notes.

Taxation of Luxembourg residents

General

Luxembourg resident holders of Notes, or non-resident holders of Notes who have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, will not be liable to any Luxembourg income tax on repayment of principal.

Luxembourg resident individuals

Pursuant to the Luxembourg law of December 23, 2005 as amended by the law of July 17, 2008, Luxembourg resident individuals, acting in the course of the management of their private wealth, can opt to self-declare and pay a 10% tax (the "10% Tax") on interest payments made after December 31, 2007 by paying agents (defined in the same way as in the Tax Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area (other than an EU Member State) or in a state or territory which has concluded an international agreement directly related to the Tax Directive. The 10% Luxembourg Withholding Tax or the 10% Tax represents the final tax liability on interest received for Luxembourg resident individual holders of Notes receiving the payment in the course of the management of their private wealth and can be reduced in consideration of foreign withholding tax, based on double tax treaties concluded by Luxembourg.

Luxembourg resident individual holders of Notes receiving interest as business income must include interest income in their taxable basis. If applicable, the 10% Luxembourg Withholding Tax levied will be credited against their final income tax liability.

Luxembourg resident individual holders of Notes are not subject to taxation on capital gains upon the disposal of the Notes owned in the framework of the management of their private wealth, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of their date of acquisition. Upon redemption/sale of the Notes, the portion of the redemption/sales price corresponding to accrued but unpaid interest will be subject to the 10% Luxembourg Withholding Tax or to the 10% Tax if the Luxembourg resident individuals opt for the 10% Tax. The 10% Luxembourg Withholding Tax or the 10% Tax represents the final tax liability for Luxembourg resident individual holders of Notes receiving the payment in the course of the management of their private wealth. Luxembourg resident individual holders of Notes receiving the interest as business income must include the portion of the redemption/sales price corresponding to this interest in their taxable income. The 10% Luxembourg Withholding Tax levied will be credited against their final income tax liability.

(a) Luxembourg resident companies

Luxembourg resident company (*sociétés de capitaux*) holders of Notes or foreign entities of the same type which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Notes is connected, must include in their taxable income any interest income (including accrued but unpaid interest) and the difference between the sales price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or converted.

(b) Luxembourg resident companies benefiting from a special tax regime

Luxembourg resident company holders of Notes which are companies benefiting from a special tax regime (such as holding companies subject to the Law of May 11th, 2007 on family estate management companies and undertakings for collective investment subject to the Law of December 17th, 2010 (amending the law of December 20th, 2002) or specialized investment funds subject to the Law of February 13th, 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

(c) Luxembourg net wealth tax

Luxembourg net wealth tax will not be levied on a holders of Notes, unless (i) such holder of Notes is a fully taxable Luxembourg resident company or (ii) the Notes are attributable to an enterprise or part thereof which is carried on by a non-resident company in Luxembourg through a permanent establishment.

(d) Other Luxembourg taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by holders of Notes as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, repurchase or redemption of the Notes.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes of the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

No gift, estate or inheritance taxes are levied on the transfer of the Notes upon death of a holders of Notes in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes, or in the case of a gift, the gift is neither recorded in a Luxembourg notarial deed nor registered in Luxembourg.

Spanish tax considerations

This section does not purport to deal with all aspects of Spanish taxation that relate to investment in the Notes or that may be relevant to particular investors in light of their personal investment circumstances. If you are considering buying Notes, you should consult your own tax advisor concerning the tax consequences of holding the Notes in your particular situation.

By virtue of Royal Decree-Law 20/2011, tax rates mentioned in this section were increased in principle only for 2012 and 2013. However, such increased rates were extended for 2014 by virtue of Law 22/2013, of December 23, 2013, of the General State Budget, and Royal Decree-Law 1/2014.

Tax treatment of income payments made under the Guarantees by the Parent Guarantor or other Spanish Guarantors

Although no clear precedent exists with regard to the position of the Spanish tax authorities regarding similar transactions, there is a risk that the Spanish tax authorities or courts could consider that income payments made under the Guarantees by the Parent Guarantor or other Guarantors organized under the laws of Spain (the "*Spanish Guarantors*") are Spanish source income on the basis that the Spanish Guarantors have assumed all the obligations of the Notes as Guarantors. In the event that income payments made under the Guarantees by the Spanish Guarantors were deemed to be Spanish source income, in the case of non-Spanish tax residents without a permanent establishment in Spain, tax at a 21% rate would be applicable on the part of the payments that constitute income for the beneficial owner subject to the exceptions referred to in the paragraph below. Spanish resident beneficial owners, or Spanish permanent establishments of non-resident beneficial owners, shall be subject to taxation in Spain following the general rules governing Spanish personal, corporate and non-resident income taxes.

However, in the case of beneficial owners of the Notes non-resident in Spain, any interest payments and capital gains under the Guarantees will not be subject to Spanish withholding tax if they were resident, for tax purposes, in a European Union Member State other than Spain provided that they were not acting through a territory considered as a tax haven pursuant to Royal Decree 1080/1991 of 5 July 1991 nor through a permanent establishment in Spain nor through a permanent establishment in a state that is not a member of the European Union.

In addition, Spanish withholding tax under the Guarantee payments, if any, to non-resident beneficial owners with no Spanish permanent establishment, may be reduced or eliminated pursuant to, and in accordance with, any applicable double taxation treaty to which the Kingdom of Spain is a party and that may be applicable in respect to any interest payment due or that becomes due under the Notes.

For these tax benefits to apply to non-residents without a Spanish permanent establishment, a certificate of tax residency issued by the competent tax authority of the country of residency of the beneficial owner of the Notes required by the Spanish tax authorities must be submitted to the Spanish Guarantors showing that the holders of the Notes are residents of the relevant European Union Member State or treaty state. The certificate must be dated not more than 12 months prior to the date of application. If a tax treaty benefit is applicable, the certificate must expressly state that it is issued within the meaning of the corresponding tax treaty or, if any specific form has been approved in order to apply the treaty, the certificate should be in compliance with such form.

Tax treatment of individuals with tax residence in Spain

Interest on the Notes and disposal of the Notes

Both interest periodically received and income derived from the transfer, redemption or reimbursement of the Notes constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the Personal Income Tax ("*Impuesto sobre la Renta de las Personas Físicas*" or "PIT") Law (Law 35/2006, of November 28, 2006), and therefore will form part of the so-called savings income tax base pursuant to the provisions of the PIT Law and will be taxed at 21% rate on the first €6,000, at 25% on the portion of the savings income between €6,000 and €24,000, and at 27% rate on any amount exceeding €24,000 threshold.

In the event that such interest or the income derived from the transfer, redemption or reimbursement of the Notes becomes subject to withholding tax in Luxembourg, as Luxembourg source income, individuals with tax residence in Spain would be entitled to a tax credit for the avoidance of double taxation when determining their tax liability, in accordance

with the provisions of the PIT Law or the treaty for the avoidance of double taxation with respect to taxes on income and capital and the prevention of fiscal evasion entered into between Spain and Luxembourg on June 3, 1986, as amended by the Protocol dated November 10, 2009 (the "*Spain/Luxembourg Tax Treaty*").

Spanish withholding tax on the Notes

Irrespective of the Issuer not being a Spanish tax resident entity, a withholding at a 21% rate is applicable on interest payments made to individual Spanish holders in the event the Notes are deposited before or managed by Spanish-resident entities or persons or by non-resident entities or persons operating in the Spanish territory through a permanent establishment or if the abovementioned persons or entities have been entrusted with the collection of the income derived from the Notes, provided that such income has not been previously subject to withholding tax in Spain. In addition, income obtained upon transfer or redemption of the Notes may also be subject to PIT withholdings. In any event, individual Spanish holders may credit the withholding against their final PIT liability for the relevant fiscal year.

Other tax considerations

Individuals with tax residency in Spain shall be subject to Wealth Tax in the tax year 2014, therefore they should take into account the value of the Notes which they hold as at December 31, 2014.

The transfer of the Notes to individuals by inheritance, legacy or donation shall be subject to the general rules of Inheritance and Gift Tax (Regional rules).

Notes held by individuals deposited before or managed by non-resident entities shall be subject to the general obligation to disclose information regarding assets located outside Spain by filing tax form 720 ("*Obligación de declaración sobre bienes y derechos situados en el extranjero*").

Corporations resident in Spain for tax purposes or permanent establishments in Spain of non-Spanish tax residents

Interest on the Notes

Under Spanish law, interest collected by a Spanish holder of the Notes is subject either to Corporate Income Tax ("*Impuesto sobre Sociedades*" or "*CIT*") or to Non-Residents' Income Tax ("*Impuesto sobre la Renta de no Residentes*" or "*NRIT*"), as the case may be. In the event that such interest becomes subject to withholding tax in Luxembourg, as Luxembourg source income, Spanish tax resident corporations would be entitled to a tax credit for the avoidance of double taxation when determining their tax liability, in accordance with the provisions of the CIT Law (approved by Legislative Royal Decree 4/2004, of March 5, 2004) or the Spain/ Luxembourg Tax Treaty.

In addition, in accordance with the NRIT Law (approved by Legislative Royal-Decree, of March 5, 2004), permanent establishments in Spain of non-Spanish tax residents would also be eligible for a tax credit to avoid double taxation with respect to any Luxembourg withholding tax on interest payments.

Disposal of the Notes

As a general rule, a disposal, whether in the form of a transfer, redemption or reimbursement, of the Notes by a Spanish holder may give rise to a taxable income or an allowable loss for the purposes of either CIT or NRIT, as the case may be. Some restrictions, however, may apply based on the nature of the permanent establishment.

The profit or loss arising from the disposal of the Notes for a Spanish holder (the quantification of which, as a general rule, follows accounting rules) shall be subject to either the CIT or to the NRIT, as the case may be, at the relevant applicable tax rates.

If for any reason a Spanish tax resident corporation is subject to tax in Luxembourg on the income it obtains upon the disposal of the Notes, it will be entitled to a tax credit for the avoidance of double taxation in accordance with the provisions of the CIT Law or the Spain/ Luxembourg Tax Treaty. Moreover, permanent establishments in Spain of non-Spanish tax residents are eligible for a tax credit under the NRIT Law to avoid double taxation with respect to any such Luxembourg source income.

Spanish withholding tax on the Notes

No withholding on account of Spanish CIT or NRIT is levied in Spain on any income arising from Notes held by a Spanish holder that is a corporation or a permanent establishment in Spain of a non-Spanish tax resident if the Notes are traded on an OECD country's official stock market. However, the financial institution (if resident in Spain or acting through a permanent establishment in Spain) acting as paying agent or intervening in any transfer, redemption or refund of the Notes will be obliged to calculate the taxable income of the Spanish holder arising from the relevant transaction and to report such income to the Spanish holder and to the Spanish tax authorities. In addition, the financial institution must provide the Spanish tax authorities with information regarding the persons participating in the transaction.

If the Notes are not traded on an OECD country's official stock market and the Notes are deposited with or managed by a financial institution resident in Spain, or acting through a permanent establishment in Spain, in accordance with the Spanish tax laws in force, the financial institution, acting as depositary or manager of such Notes, will be responsible for making the relevant Spanish withholding on account of tax on any payment to a Spanish holder deriving from the Notes. The financial institution acting as custodian or manager of the Notes may become obliged to comply with the formalities contained in the Spanish CIT Regulations when intervening in the repayment and/or transfer of the Notes.

Other tax considerations

Notes held by corporations or permanent establishments in Spain of non-Spanish tax residents deposited before or managed by non-resident entities shall be subject to the general obligation to disclose information regarding assets located outside Spain by filing tax form 720 (*Obligación de declaración sobre bienes y derechos situados en el extranjero*).

Beneficial owners not residents in Spain without a permanent establishment

If interest is received by the beneficial owners of the Notes when they were not resident for tax purposes in Spain and do not obtain the income through a permanent establishment located in Spain, the first issue to be determined is whether or not such interest could be considered as Spanish-source income. The Spanish Non-Resident Income Tax legislation establishes that interest that is deemed remuneration relating to capital used within the Spanish territory is regarded as Spanish-source income and subject to taxation in Spain. Although there is no clear guidance from tax administrative or judicial authorities regarding this concept, the Spanish tax authorities could consider that, due to the fact that the capital received by the Issuer is used to enter into loans with a company resident for tax purposes in Spain, interest received by the beneficial owners is related to capital used within the Spanish territory by the Issuer, at least for the portion corresponding to the financing of activities in Spain. Therefore, there is a risk that interest under the Notes could be taxed at a 21% tax rate for such persons, subject to available relief under a treaty for the avoidance of double taxation with Spain or any exemption foreseen in the Spanish Non-Resident Income Tax legislation, if applicable, and provided that corresponding formal requirements are met.

If withholding tax is imposed by the authorities on this basis, if the beneficial owners of the Notes were resident for tax purposes:

(i) in a Member State of the European Union (and prove it by delivering a valid tax residence certificate), interest would be exempt from Spanish NRIT.

(ii) in a country having in force a treaty for the avoidance of double taxation with Spain, if such treaty is applicable for the beneficial owner of the Notes and the corresponding tax residence certificate (issued within the meaning of the treaty and taking into account the corresponding required form) is duly provided, interest could be taxed at the relevant rate (if any) foreseen by the applicable treaty.

In any other country, interest would be taxed at the relevant NRIT rate (21% for the 2014 fiscal year).

U.S. federal income tax considerations

To ensure compliance with Internal Revenue Service ("IRS") Circular 230, you are hereby notified that any discussion of tax matters set forth in this offering memorandum was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of Notes as of the date hereof. This summary deals only with Notes that are held as capital assets (generally, property held for investment) by a U.S. holder (as defined below) who acquires the Notes pursuant to this offering at their issue price (the first price at which a substantial amount of the Notes is sold to investors for cash (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler)).

A "U.S. holder" means a beneficial owner of Notes that is for United States federal income tax purposes any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury Regulations ("Treasury Regulations") to be treated as a United States person.

This summary is based upon provisions of the United States Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. There can be no assurance that the IRS or a court will not take a position contrary to this summary. This summary does not address all aspects of United States federal income taxes and does not address the effects of the Medicare contribution tax on net investment income or foreign, state, local or other tax considerations that may be relevant to U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special

treatment under the United States federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, investors in partnerships or other pass-through entities for United States federal income tax purposes, tax-exempt entities or insurance companies;
- tax consequences to persons holding the Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to U.S. holders whose "functional currency" is not the U.S. dollar; or
- alternative minimum tax consequences, if any.

If an entity treated as a partnership for United States federal income tax purposes holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the Notes, you should consult your tax advisors.

If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Payments of interest

Interest on a Note will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for United States federal income tax purposes. In addition to interest on the Notes (which includes any foreign tax withheld from the interest payments you receive), you will be required to include in income any additional amounts described under "*Description of the Notes—Additional Amounts*" paid in respect of such tax withheld. You may be entitled to deduct or credit this tax, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your applicable foreign taxes for a particular tax year). Interest income (including any additional amounts described under "*Description of the Notes—Additional Amounts*") on a Note generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered passive category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

If you use the cash basis method of accounting for United States federal income tax purposes, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the euros received at the spot rate of exchange on the date of receipt regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment.

If you use the accrual method of accounting for United States federal income tax purposes, you may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the interest that has accrued during such year, determined by translating such interest at the average spot rate of exchange for the period during which such interest accrued or, in the case of an accrual period that spans two taxable

years of a U.S. holder, the part of the period within the taxable year. Under the second method, you may elect to translate interest income at the spot rate of exchange on:

- the last day of the accrual period;
- the last day of the taxable year if the accrual period straddles your taxable year; or
- the date the interest payment is received if such date is within five business days of the end of the accrual period.

This election will apply to all debt obligations you hold from year to year and cannot be changed without the consent of the IRS. You should consult your own tax advisors as to the advisability of making the above election.

Upon receipt of an interest payment on a Note (including, upon the sale of a Note, the receipt of proceeds which include amounts attributable to accrued interest previously included in income), you will recognize U.S. source ordinary income or loss in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euros received at the spot rate of exchange on the date of receipt) and the U.S. dollar value of the interest income you previously included in income with respect to such payment (as determined above).

Sale, exchange, retirement and other taxable disposition of Notes

Upon the sale, exchange, retirement or other taxable disposition of a Note, you generally will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the Note. Your adjusted tax basis in a Note will, in general, be your U.S. dollar cost for that Note. If you purchased your Note with euros, your U.S. dollar cost generally will be the U.S. dollar value of the purchase price on the date of such purchase. If your Note is sold, exchanged, retired or otherwise disposed of in a taxable transaction for an amount in euros, the amount realized generally will be the U.S. dollar value of the euros received on the date of the sale, exchange, retirement or other taxable disposition. If, however, you are a cash method taxpayer and the Notes are traded on an established securities market, euros paid or received will be translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of Notes traded on an established securities market, provided that the election is applied consistently. Such election cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, your gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition you have held the Note for more than one year. Capital gains of non-corporate U.S. holders (including individuals) derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss realized by you on the sale, exchange, retirement or other taxable disposition of a Note would generally be treated as United States source gain or loss.

A portion of your gain or loss with respect to the principal amount of a Note may be treated as foreign currency exchange gain or loss. Exchange gain or loss will be treated as ordinary income or loss and generally will be United States source gain or loss. For these purposes, the principal amount of the Note is your purchase price for the Note calculated in euros on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined on the date of the sale, exchange, retirement or other taxable disposition of the Note and (ii) the U.S. dollar value of the principal amount determined on the date you purchased the Note (or, in each

case, on the settlement date if the Notes are traded on an established securities market and you are either a cash method U.S. holder or an electing accrual method U.S. holder). The amount of exchange gain or loss (including with respect to any accrued interest) will be limited to the amount of overall gain or loss realized on the disposition of the Note.

Foreign currency exchange gain or loss with respect to euros

Your tax basis in the euros received as interest on a Note or upon the sale, exchange or other taxable disposition of a Note will be the U.S. dollar value thereof at the spot rate in effect on the date the euros are received. Any gain or loss recognized by you on a sale, exchange, retirement or other taxable disposition of the euros (including their exchange for U.S. dollars) generally will be ordinary income or loss and generally will be U.S. source gain or loss.

Tax return disclosure requirements

Treasury Regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency note, such as the Notes, or euros received in respect of a note to the extent that such sale, exchange, retirement or other taxable disposition or receipt of euros results in a tax loss in excess of a threshold amount.

Certain U.S. holders are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938 (Statement of Specified Foreign Financial Assets) to their tax return for each year in which they hold an interest in the Notes.

Holders considering the purchase of Notes should consult with their own tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including the significant penalties for non-compliance.

Backup withholding and information reporting

Generally, information reporting requirements will apply to payments of principal and interest on a Note, and the proceeds from a sale of a Note paid to you, unless you are an exempt recipient such as a corporation. Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments, fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Summary of significant differences between Spanish GAAP and IFRS

The financial information of the Parent Guarantor included this offering memorandum has been prepared and presented in accordance with accounting principles generally accepted in Spain ("Spanish GAAP").

Certain differences exist between Spanish GAAP and International Financial Reporting Standards issued by the International Accounting Standards Board, as issued by the International Accounting Standards Board ("IFRS"), that might be material to the Parent Guarantor. The following paragraphs summarize certain differences between Spanish GAAP and IFRS applicable as of December 31, 2013 that may be material. No attempt has been made to identify future differences between Spanish GAAP and IFRS that may affect the Parent Guarantor's financial statements as a result of future changes in Spanish GAAP or IFRS or transactions or events that may occur to the Parent Guarantor in the future.

We have not prepared a reconciliation of the special-purpose consolidated financial statements and related footnote disclosures between Spanish GAAP and IFRS and we have not quantified such differences. Accordingly, no assurance is provided that the following summary of certain differences between Spanish GAAP and IFRS is complete.

Had we undertaken any such quantification or reconciliation, other potential significant accounting and disclosure differences may have come to our attention, which are not identified below. Accordingly, we cannot offer any assurance that the differences described below would, in fact, be the accounting principles creating material differences between our special-purpose consolidated financial statements prepared under Spanish GAAP and under IFRS, nor that the summary below represents all principal differences related to our special-purpose consolidated financial statements. However, the effect of such differences may be, individually or in the aggregate, material, and in particular, it may be that the result for the year and net assets of the Parent Guarantor, prepared on the basis of IFRS would be materially different due to these differences.

In making an investment decision, investors must rely on their own examination of the Parent Guarantor, the terms of the Offering and the financial information included in the offering memorandum. Potential investors should consult their own professional advisers for an understanding of the differences between IFRS and Spanish GAAP, and how these differences might affect the financial information presented in the offering memorandum.

Property, plant and equipment—measurement

Under Spanish GAAP elements of property, plant and equipment are recognized at cost of acquisition or production less accumulated depreciation and accumulated impairment except for land that is presented at cost less accumulated impairment.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment. Under the cost model: property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment, except for land that is presented at cost less any accumulated impairment. Under the revaluation model, property, plant and equipment are presented at their fair value based on periodic valuations by independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Certain ERISA considerations

The following is a summary of certain considerations associated with the purchase of the Notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "*Code*") or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "*Similar Laws*"), and entities whose underlying assets are considered to include "plan assets" of such plans, accounts and arrangements pursuant to the U.S. Department of Labor "plan assets" regulation, 29 CFR Section 2510.3-101, as amended by Section 3(42) of ERISA (each, a "*Plan*").

General fiduciary matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "*ERISA Plan*") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to the fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited transaction laws

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Section 3(14) of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code.

The acquisition and/or holding of the Notes by a Plan with respect to which the Issuer is a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions ("*PTCEs*") that may apply to the acquisition and holding of the Notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. There can be no assurance that any class exemption or any other exemption will be available with respect to any particular transaction involving the Notes, or that if an exemption is available, it will cover all aspects of any particular transaction.

Representation

Accordingly, by acceptance of a Note or any interest therein, each purchaser and holder will be deemed to have represented and warranted that either (i) it is not acquiring or holding the Note with the assets of a Plan, or (ii) the acquisition and holding of the Notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the Notes.

Plan of distribution

Subject to the terms and conditions set forth in the purchase agreement (the "Purchase Agreement") to be dated as of the date of this offering memorandum, the Issuer has agreed to sell to each Initial Purchaser, and each such Initial Purchaser has agreed, severally and not jointly, to purchase the Notes, respectively, from the Issuer. The Initial Purchasers are J.P. Morgan Securities plc, Banco Santander, S.A., Banco de Sabadell, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Bankia, S.A. and CaixaBank, S.A.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to customary closing conditions.

During the period from the date of this offering memorandum through and including the date that is 90 days after the Issue Date, the Issuer, the Guarantors or any of their respective subsidiaries will not, without the prior written consent of the Initial Purchasers, directly or indirectly, offer, sell, contract to sell or otherwise dispose of any debt or convertible securities issued or guaranteed by the Issuer, any of the Guarantors or any of the Guarantors' respective subsidiaries.

The Initial Purchasers propose to offer the Notes initially at the respective offering prices set forth on the cover page of this offering memorandum and may include selling group members who might be granted a selling concession. After the initial offering, the Offering price and other selling terms of such Notes may from time to time be changed by the Initial Purchasers without notice. The Initial Purchasers may make offers and sales in the United States through their respective U.S. broker dealer affiliates.

The Purchase Agreement provides that we have agreed to indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, or to contribute to payments that they may be required to make in that respect.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and outside the United States to certain persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given them by Regulation S under the U.S. Securities Act. Resales of the Notes are restricted as described under "*Notice to investors*." Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "*Notice to investors*."

In addition, until 40 days after the commencement of an offering, an offer or sale of the Notes within the United States by a broker dealer (whether or not it is participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A under the U.S. Securities Act.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the Offering price of the Notes set forth on the cover page of this offering memorandum.

No action has been taken in any jurisdiction, including the United States, by any of the Issuer, Guarantors or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer, Guarantors or the Notes in any jurisdiction where action for this purpose is required. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform

themselves about and to observe any restrictions relating to the Offerings, the distribution of this offering memorandum and resale of Notes. See "*Notice to investors*."

The Issuer and each Guarantor have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the U.S. Securities Act or the safe harbor of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no market. The Issuer will make an application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes for trading on the Luxembourg Stock Exchange's Euro MTF market. However, we cannot assure you that the Notes will be admitted to trading or that such admission to trading will be maintained. The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obliged, however, to make a market in the Notes, and any market making activity may be discontinued at any time at their sole discretion without notice. In addition, any such market making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, or that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you.

We expect that delivery of the Notes will be made against payment therefor on or about the date specified on the cover page of this offering memorandum, which will be the fifth business day following the date of pricing of the Notes (this settlement cycle being referred to as "T+5"). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of this offering memorandum or the next succeeding business day will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisor.

The Initial Purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act.

Over-allotment involves sales in excess of the Offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker/dealer when the Notes originally sold by that broker dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

Each Initial Purchaser has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA"))

received by it in connection with the issue or sale of any of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes, in from or otherwise involving the United Kingdom.

The Issuer has agreed to pay the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses.

From time to time, the Initial Purchasers and their affiliates have provided, and may in the future provide, investment banking, commercial banking, financial advisory and other services to us and our affiliates for which they have received or may receive customary fees and commissions. Moreover, the proceeds from the Offering will be used to repay indebtedness outstanding under our Syndicated Loan, a bilateral loan with Caixabank, a framework agreement for credit lines and certain interest rate hedging, each as described in "Description of certain financing arrangements." Certain Initial Purchasers or their affiliates are arrangers and/or lenders under the foregoing agreements and, in their capacities as such, will receive a portion of the proceeds from the Offering. In addition, certain of the Initial Purchasers or their respective affiliates will be lenders and/or agents under our new Revolving Credit Facility, and will receive customary fees for their services in such capacities.

Notice to investors

General

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or any state securities laws and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes are only to be offered and sold to:

- "qualified institutional buyers," or "QIBs" in compliance with Rule 144A; and
- non-U.S. persons in offshore transactions outside the United States in reliance upon Regulation S.

We use the terms "offshore transaction," "U.S. person" and "United States" with the meanings given to them in Regulation S.

The Notes will be available initially only in Book-Entry form. The Notes will be issued in one or more Global Notes bearing the legends set forth below.

Important information about the Offering

If you purchase Notes, you will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any other securities laws, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) You are not our "affiliate" (as defined in Rule 144 under the U.S. Securities Act), you are not acting on our behalf and you are either:

   (a) a QIB and are aware that any sale of the Notes to you will be made in reliance on Rule 144A, and such acquisition will be for your own account or for the account of another QIB; or

   (b) not a "U.S. person" or purchasing for the account or benefit of a U.S. person (other than a distributor), and you are purchasing notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither the Issuer, any Guarantor, the Initial Purchasers nor any other person has made any representation to you with respect to us or the offer or sale of any of the Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that no person other than the Issuer makes any representation or warranty as to the accuracy or completeness of this offering memorandum. You have had access to such financial and other information concerning us and the Notes, including an opportunity to ask questions of, and request information from, us and any of the Initial Purchasers.

(4) You are purchasing Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a

view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any other applicable securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the U.S. Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to (x) the date which is one year (in the case of Rule 144 Notes) or 40 days (in the case of Regulation S Notes) after the later of the date of the original issue of the Notes and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the "Resale Restriction Termination Date") only:

(a) to us;

(b) pursuant to a registration statement which has been declared effective under the U.S. Securities Act;

(c) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of another QIB to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) pursuant to offshore transactions to non-U.S. persons occurring outside the United States within the meaning of Regulation S in reliance on Regulation S; or

(e) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act;

subject, in each of the foregoing cases, to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller's or account's control, and in compliance with any applicable securities laws of the states of the United States and other jurisdictions.

You acknowledge that the Issuer, the Trustee, the Registrar and the Transfer Agent reserve the right prior to any offer, sale or other transfer of the Notes (i) pursuant to clause (d) or clause (e) above prior to the Resale Restriction Termination Date of the Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the relevant Trustee, the applicable Registrar and the applicable transfer agent, and (ii) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

Each purchaser acknowledges that each Global Note will contain a legend substantially in the following form:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES

ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (2) AGREES THAT IT WILL NOT, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO, PRIOR TO (X) THE DATE WHICH IS, IN THE CASE OF THE RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF SUCH NOTE), IN THE CASE OF THE REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS NOTE (OR OF ANY PREDECESSOR OF THIS NOTE) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S, AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW (THE "RESALE RESTRICTION TERMINATION DATE"), OFFER, SELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) AND (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND."

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Notes as well as to holders of the Notes.

(5) You acknowledge that the transfer agent will not be required to accept for registration of transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth herein have been complied with.

(6) You acknowledge that:

(a) the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein, and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the Initial Purchasers promptly in writing; and

(b) if you are acquiring any Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(7) You agree that you will, and each subsequent holder is required to, give to each person to whom you transfer the Notes notice of any restrictions on the transfer of the Notes, if then applicable.

(8) If you are a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the "distribution compliance period" (as defined below), you shall not make any offer or sale of the Notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the U.S. Securities Act. The "distribution compliance period" means the 40-day period following the Issue Date for the Notes.

(9) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

(10) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth in this section of this offering memorandum and/or in the front of this offering memorandum under "*Notice to certain European investors,*" "*Notice to New Hampshire residents only*" and "*Plan of distribution*."

(11) Each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the Notes constitutes assets of any employee benefit plan subject to Title I of ERISA, any plan, individual retirement account or other arrangement subject to Section 4975 of the Code or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Law"), or any entity whose underlying assets are considered to include "plan assets" of any such plan, or account, within the meaning of U.S. Department of Labor Regulations, 29 C.F.R. §2510.3-101, as modified by Section 3(42) of ERISA or otherwise or (ii) the purchase and holding of the Notes will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law.

Legal matters

Certain legal matters relating to the validity of the Notes and the Guarantees offered hereby, with respect to U.S. federal, New York state and English laws will be passed upon for the Issuer by Simpson Thacher & Bartlett LLP, J&A Garrigues, S.L.P., as to matters of Spanish law and Garrigues Polska I Pablo Olabarri sp.k. as to matters of Polish law. Certain legal matters relating to the validity of the Notes and the Guarantees with respect to matters of U.S. federal, New York state, will be passed upon for the Initial Purchasers by Latham & Watkins LLP and Clifford Chance, S.L. as to matters of Spanish law. Certain legal matters relating to the validity of the Notes and the Guarantees offered hereby, with respect to Luxembourg law will be passed upon for both the Issuer and the Initial Purchasers by Loyens & Loeff Luxembourg, S.à r.l. Mexican law matters will be passed upon for both the Issuer and the Initial Purchasers by Gaxiola, Calvo, Sobrino y Asociados, S.C.

Independent auditors

Our audited special-purpose consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013, prepared in accordance with Spanish GAAP and contained herein have been audited by Deloitte, S.L., independent auditors, as set forth in their report appearing herein.

Where to find additional information

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this offering memorandum and any related amendments or supplements to this offering memorandum. Each person receiving this offering memorandum and any related amendments or supplements to this offering memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information here;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

For so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) of the U.S. Exchange Act, make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act upon the written request of any such holder or beneficial owner. Any request should be directed to the Parent Guarantor.

All of the above documents will be available at the offices of the listing agent in Luxembourg and the registered office of the Issuer.

We are not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. However, pursuant to the Indenture that will govern the Notes, we will agree to furnish periodic information to the Holders. See "*Description of the Notes—Certain covenants—Reports*."

Enforcement of civil liabilities

The Issuer is a public limited liability company incorporated on March 17, 2014 in Luxembourg and having its registered office at 9, rue Gabriel Lippman, Parc d'Activités Syrdall 2, L-5365 Munsbach, Grand Duchy of Luxembourg. The Guarantors of the Notes are incorporated in Spain, Mexico and Poland. The majority of the directors of the Issuer and the majority of the directors and executive officers of the Guarantors are non-residents of the United States, and a substantial portion of the assets of the Issuer and the Guarantors and such persons are located outside the United States. Although the Issuer and each of the Guarantors have submitted to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, it may not be possible for investors to effect service of process within the United States upon the Issuer, a Guarantor or such persons or to enforce against any of them in U.S. courts judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States.

If a judgment is obtained in a U.S. court against the Issuer, a Guarantor or a security provider, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. You should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

Luxembourg

We have been advised by our Luxembourg counsel that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. According to such counsel, an enforceable judgment for the payment of monies rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon the U.S. securities laws, would not be directly enforceable in Luxembourg. However, a party who received such favorable judgment from a U.S. state or federal court, may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) pursuant to Article 678 et seq. of the Luxembourg Nouveau Code de Procédure Civile. The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable U.S. Federal or state jurisdictions rules, and the jurisdiction of such U.S. court is recognized by Luxembourg private international and local law;
- the U.S. judgment is final and enforceable (*exécutoire*) in the in the United States;
- the U.S. court has applied the substantive law as designated by the Luxembourg conflict of laws rules or, at least, the court order must not contravene the principles underlying those rules;
- the U.S. court must have applied the proper law to the matter submitted to it and has acted in accordance with its own procedural laws;
- the U.S. judgment must not have been obtained subsequent to an evasion of Luxembourg law (*fraude à la loi luxembourgeoise*) and must have been granted following proceedings where the counterparty had the opportunity to appear, and if appeared, to present a defense; and
- the U.S. judgment does not contravene international public policy or order as understood under the laws of Luxembourg and has not been rendered in proceedings of a criminal, penal or tax nature (which would include awards of damages made under civil liabilities provisions of the U.S. federal securities laws, or other laws, to the extent that the same

would be classified by Luxembourg courts as being of a penal or punitive nature (for example, fines or punitive damages)).

Subject to the above conditions, Luxembourg courts tend not to review the merits of a foreign judgment, although there is no statutory prohibition.

We have also been advised by our Luxembourg counsel that if an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law (i) if the choice of such law was not made bona fide, or (ii) if the foreign law was not pleaded and proved or (iii) if pleaded and proved, such foreign law would be contrary to mandatory Luxembourg laws or manifestly incompatible with Luxembourg public policy or public order rules. In an action brought in Luxembourg on the basis of U.S. Federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought. Also, an exequatur may be refused in respect of punitive damages.

Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than Euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than Euro. However, enforcement of the judgment against any party in Luxembourg would be available only in Euro and for such purposes all claims or debts would be converted into Euro.

Spain

The Parent Guarantor and certain other of the Guarantors are organized under the laws of Spain with limited liability. The controlling shareholders of the Parent Guarantor, and the directors and the executive officers of the Parent Guarantor and the other Spanish Guarantors are non-residents of the United States and a significant portion of the assets of such persons are located outside the United States. As a result, in order to enforce in Spain a judgment entered in another jurisdiction, the service of process on such persons or the Parent Guarantor or the other Spanish Guarantors outside Spain must be made in accordance with the Law of Civil Procedure (*Ley de Enjuiciamiento Civil*). An investor may also experience difficulty in effecting service of process on or enforcing judgments against such persons or the Parent Guarantor or the other Spanish Guarantors based on civil liability provisions of the U.S. Federal and state securities laws or other laws.

We have been advised by our Spanish counsel that the United States and Spain are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments. In the absence of any such treaty or proof that similar Spanish judgments are not recognized and enforced in the jurisdiction rendering the judgment (in which case the judgment will not be recognized in Spain), such judgment will be recognized and enforced in Spain provided that it meets the following requirements:

- the U.S. foreign judgment is final, translated into Spanish and apostilled;
- the U.S. foreign judgment is not contrary to Spanish public policy;
- there is no pending proceeding between the same parties and in relation to the same issues in Spain;
- there has been no judgment rendered between the same parties and for the same cause of action in Spain or in another country provided that in this latter case the judgment has been recognized in Spain;
- where rendering the U.S. foreign judgment, the courts rendering it must not have infringed an exclusive ground of jurisdiction provided for in Spanish law or have based their jurisdiction on exorbitant grounds;

- the rights of defense of the defendant have been protected where rending the foreign judgment, including but not limited to a proper service of process carried out with sufficient time for the defendant to prepare its defense and appear before the courts;
- the legal action has been taken with acknowledgment and appearance of the defendant in the proceeding; and
- the obligation that the petitioner tries to execute is lawful in Spain.

Poland

Certain of the Guarantors are organized under the laws of Poland. The directors and the executive officers of Polish Guarantors are non-residents of the United States and a significant portion of the assets of such persons are located outside the United States.

In relation to the terms of the enforcement and procedures regarding relevant proceedings related to the recognition and enforcement of judgments in Poland, European jurisdictional quesitons will in general be addressed by either the EU law, Lugano Convention, dated October 30, 2007 or by bilateral agreements between the states. In addition to the above, in order to enforce in Poland a judgment rendered in another jurisdiction, service of process on such Polish residents or Polish Guarantors outside Poland must be made in compliance with the relevant provisions of the Polish Code of Civil Procedure (*Kodeks Postępowania Cywilnego*).

We have been advised by our Polish counsel that the United States and Poland are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments.

Based on the Polish law, in the absence of any such treaty, such foreign judgment will not be in general recognized and enforced in Poland if:

- It is not final and unappealable, translated into Polish and apostilled.
- The judgment was made within the scope of the exclusive jurisdiction of Polish courts.
- The defendant, who has not entered the dispute, was not served with the letter of service of process in a due and timely manner enabling him to undertake his/her defense.
- The party to the dispute was unable to defend itself in the course of the proceedings.
- A case regarding the same claim has been initiated in Poland before it has been brought to the courts of the foreign jurisdiction.
- The judgment is contradictory to the final, earlier verdict issued by a Polish court, or by the court of another jurisdiction that can be recognized under the laws of Poland, if issued in connection with a case regarding the same claim between the same parties.
- The recognition of the judgment would be contrary to the basic principles of the Polish legal order (public order clause).

The above principles may generally also apply to decisions taken by authorities other than courts.

Mexico

Certain Guarantors are incorporated under the laws of Mexco. In relation to the recognition and enforcement of judgments in Mexico, Mexico and the United States are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments in commercial subjects, so that the enforcement of any judgement from a court in the United States in Mexico shall be subject to the Inter—American Convention of Rogatory Letters and the Mexican Commerce Code (*Código de Comercio*).

Under the Mexican Commerce Code foreign judgments will be enforceable in the competent courts of Mexico, if:

- The initial judge sends a rogatory letter to the Mexican judge that meets the requirements of the Inter—American Convention of Rogatory Letters;
- The foreign judgment must be final, translated into Spanish and Apostilled (if it was not transmitted to the authority through judicial channels);
- Such judgment is obtained in compliance with the legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of the agreement;
- Such judgment is strictly for the payment of a certain sum of money, based on an in personam (as opposed to an *in rem*) action;
- The judge or court rendering the judgment was competent to hear and judge on the subject matter of the case in accordance with accepted principles of international law that are compatible with Mexican law;
- Service of process is made personally on the defendant or on its duly appointed process agent;
- Such judgment does not contravene Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico or generally accepted principles of international law;
- The applicable procedure under the laws of Mexico with respect to the enforcement of foreign judgments (including the issuance of a rogatory letter by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) is complied with;
- The action in respect of which such judgment is rendered is not the subject matter of a lawsuit among the same parties, pending before a Mexican court;
- Such judgment is final in the jurisdiction where obtained; and
- The judgment fulfills the necessary requirements to be considered authentic.

Notwithstanding compliance with the above conditions, a Mexican judge may still refuse enforcement if the courts of such jurisdiction do not recognize the principles of reciprocity in connection with the enforcement of Mexican judgments in such jurisdiction.

Listing and general information

Listing

Application will be made to list the Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange (the "Euro MTF").

Luxembourg listing information

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF market of that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, all notices to Holders will be supplied to the Luxembourg Stock Exchange and are expected to be published at *www.bourse.lu*.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, copies of the following documents may be obtained at the specified office of the listing agent in Luxembourg and the registered office of the Issuer during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded):

- the organizational documents of the Issuer and each of the Guarantors;
- the financial statements included in this offering memorandum as well as any future financial statements published by the Issuer;
- our most recent audited consolidated financial statements, any interim financial information published by us;
- the Indenture;
- the Intercreditor Agreement; and
- the Security Documents, which create the security interests as will be contemplated by the Indenture.

The Issuer has appointed Deutsche Bank Luxembourg S.A. as Luxembourg listing agent. The Issuer reserves the right to change this appointment in accordance with the terms of the Indenture. Application may also be made to the Euro MTF market to have the Notes removed from listing on the Euro MTF market, including if necessary to avoid any new withholding taxes in connection with the listing.

The Issuer accepts responsibility for the information contained in this offering memorandum. The Issuer declares that, having taken all reasonable care to ensure that such is the case, to the best of its knowledge, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect its import. This offering memorandum may only be used for the purposes for which it has been published.

Clearing information

The Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under the common codes 102895975 and 102895983, respectively. The international securities identification number (the "ISIN") for the Notes sold pursuant to Regulation S is XS1028959754 and the ISIN for the Notes sold pursuant to Rule 144A is XS1028959838.

General information

Except as disclosed in this offering memorandum, none of the Issuer, the Parent Guarantor nor any of their direct or indirect subsidiaries has been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes and, so far as the Issuer is aware, no such litigation, administrative proceeding or arbitration is pending or threatened. Except as disclosed in this offering memorandum, and so far as we are aware, there has been no material adverse change in the business of the Issuer, the Parent Guarantor or any of the Guarantors since the publication of our more recent financial statements.

For the avoidance of doubt, any website referred to in this offering memorandum and the information on the referenced website does not form part of this offering memorandum prepared in connection with the proposed offering of the Notes.

The issuance of the Notes and entrance into the Revolving Credit Facility has been authorized by a resolution of the Board of Directors of the Issuer on March 17, 2014.

The guarantee of the Notes and the Revolving Credit Facility by each of the Guarantors has been authorized by a resolution of the respective Board of Directors of the Guarantors on March 14 and March 18, 2014.

Material contracts

Contracts not entered into in the ordinary course of our business that could result in any of our members being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders in respect of the Notes are summarized in "*Description of the Notes*" and "*Description of certain financing agreements.*"

Prescription

Claims against the Issuer or any Guarantor for the payment of principal of, or interest, premium, or Additional Amounts, if any, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of seven years, in the case of principal, or five years, in the case of interest, premium or Additional Amounts, if any, from the applicable original payment date therefor.

The Issuer

The Issuer, Aldesa Financial Services, S.A., was formed on March 17, 2014 for the purposes of facilitating the Offering. The Issuer has an issued share capital of €31,000 consisting of 31,000 ordinary share of a nominal value of €1, fully paid up. The articles of association of the Issuer have been filed with the Luxembourg Register of Commerce and Companies. The Issuer's financial year begins on January 1 and ends on December 31 of each year. The Issuer will prepare and publish annual audited financial statements on a yearly basis as required by law. The Issuer will not prepare and publish interim financial statements. The Issuer's registered office is at 9, rue Gabriel Lippman, Parc d'Activités Syrdall 2, L-5365 Munsbach, Grand Duchy of Luxembourg. On our about the Issue Date, the Issuer will make a loan to Aldesa Agupación in a principal amount of €2.0 million, corresponding to the gross amount of the equity contribution to be made by Aldesa Agupación to the Issuer on or about the Issue Date.

The Parent Guarantor

The Parent Guarantor, Grupo Aldesa, S.A., was incorporated on November 12, 1969. The Parent Guarantor has an issued share capital of €873,844 consisting of 837,844 ordinary shares, each of a nominal value of €1, each fully paid up. The articles of association of the Parent Guarantor have been filed with the Madrid mercantile registry. The Parent Guarantor's financial year

begins on January 1 and ends on December 31 of each year. The Parent Guarantor will prepare and file with the mercantile registry consolidated financial statements. The Parent Guarantor's registered office is at Calle Bahia de Pollensa 13, 28042, Madrid.

The Guarantors

Aldesa Construcciones, S.A., has its registered address at Calle de la Bahía de Pollensa, 13, 28042 Madrid, Spain and is specialized in infrastructure and landmark buildings construction, including railways, highways and motorways. Proacón, S.A. has its registered address at Calle exposición, 34, polígono industrial PISA Mairena de Aljarafe CO 41927, Seville, Spain and is specialized in the construction of tunnels and viaducts. Aeronaval de Construcciones e Instalaciones, S.A.U. has its registered address at at Calle de la Bahía de Pollensa, 13, 28042 Madrid, Spain and is specialized in field of technological service engineering, including applications for traffic control, lighting, ground signals, and signaling. Coalvi, S.A, has its registered address at Calle Madre Rafols número 2, 6 planta, Oficinas 1 y 2, 50004 Zaragoza, Spain and is specialized in high-speed railway infrastructure. Construcciones Aldesem, S.A. de C.V. has its registered address at Plaza de Melchor Ocampo, 36 piso 9, Cuauhtemoc, Cuauhtemoc distrito federal 06500, Mexico and is specialized in infrastructure and landmark buildings construction, including railways, highways and motorways. Ingeniería y Servicios ADM, S.A. de C.V. has its registered address at Plaza de Melchor Ocampo, 36 piso 9, Cuauhtemoc, Cuauhtemoc, distrito federal 06500, Mexico and is specialized in technological service engineering, including applications for traffic control, lighting, ground signals, and signaling. Concesiones Aldesem, S.A. de C.V. has its registered address at Plaza de Melchor Ocampo, 36 piso 9, Cuauhtemoc, Cuauhtemoc, distrito federal 06500, Mexico and is specialized in the concession market. Proacon Mexico S.A. de C.V. has its registered address Plaza de Melchor Ocampo, 36 piso 9, Cuauhtemoc, Cuauhtemoc, distrito federal 06500, Mexico and is specialized in the construction of tunnels and viaducts . Aldesa Holding, S.A. de C.V. has its registered address at Plaza de Melchor Ocampo, 36 piso 9, Cuauhtemoc, Cuauhtemoc, distrito federal 06500, Mexico and is specialized in holding shares and participations of other Mexican entities. Aldesa Polska Services, sp.z.o.o. has its registered address at 18 Postępu Street, 02-676 Warszawa, Poland and is specialized in the construction of infrastructure and provision of services. Aldesa Nowa Energia, sp.z.o.o. has its registered address at 18 Postępu Street, 02-676 Warszawa, Poland and is specialized in renewable energy activities and provision of services. Aldesa Agrupación Empresarial, S.L.U. has its registered address at Calle de la Bahía de Pollensa, 13, 28042 Madrid, Spain and is specialized in financial services and in the holding of shares and assets as well as infrastructure and landmark building construction. Aldesa Home, S.L. has its registered address at Calle de la Bahía de Pollensa, 13, 28042 Madrid, Spain and is specialized in the promotion and sale of real estate.

Annex A: Intercreditor agreement

CLIFFORD CHANCE S.L.

Agreed form document: 20 March 2014

DATED 2014

GRUPO ALDESA, S.A.

BANCO SANTANDER, S.A.
AS CREDIT FACILITY AGENT

THE CREDIT FACILITY LENDERS

DEUTSCHE TRUSTEE COMPANY LIMITED
AS NOTES TRUSTEE

THE ORIGINAL DEBTORS

DEUTSCHE BANK AG, LONDON BRANCH
ACTING AS SECURITY AGENT

AND OTHERS

INTERCREDITOR AGREEMENT

Contents

This Agreement is dated 2014 and made

Between:

(1) **Banco Santander, S.A.** as the Credit Facility Agent;

(2) **The Financial Institutions** named on the signing pages as Credit Facility Lenders;

(3) **Banco de Sabadell, S.A., Banco Popular Español, S.A., Banco Santander, S.A., Bankia, S.A., Caixabank, S.A. and Instituto de Crédito Oficial** as Credit Facility Arrangers;

(4) **Deutsche Trustee Company Limited** as the Notes Trustee;

(5) **Grupo Aldesa, S.A.** (the **"Parent"**);

(6) **Aldesa Agrupación Empresarial, S.L.U.** (the **"Company"**);

(7) **The Companies** named on the signing pages as Intra-Group Lenders;

(8) **The Subsidiaries** of the Parent named on the signing pages as Debtors (together with the Parent and the Company, the **"Original Debtors"**); and

(9) **Deutsche Bank AG, London Branch** as security agent for the Secured Parties (the **"Security Agent"**).

It is agreed as follows:

Section 1
Interpretation

1. Definitions and interpretation

1.1 Definitions

In this Agreement:

"1992 ISDA Master Agreement" means the Master Agreement (Multicurrency—Cross Border) as published by the International Swaps and Derivatives Association, Inc.

"2002 ISDA Master Agreement" means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

"Acceleration Event" means:

(a) a Credit Facility Acceleration Event, a Notes Acceleration Event or a Pari Passu Debt Acceleration Event; or

(b) (without prejudice to paragraph (a)) a failure by any Debtor (subject to any applicable grace period(s) in the relevant Senior Document(s)) to pay any amount due under a Senior Document on the final maturity date under that Senior Document.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agreed Security Principles" means the principles set out in Schedule 4 (*Agreed Security Principles*).

"Ancillary Document" means a Credit Facility Ancillary Document or a Pari Passu Ancillary Document.

"Ancillary Facility" means a Credit Facility Ancillary Facility or a Pari Passu Ancillary Facility.

"Ancillary Lender" means a Credit Facility Ancillary Lender or a Pari Passu Ancillary Lender.

"Appropriation" means the appropriation (or similar process) of the shares in the capital of a member of the Group by the Security Agent, any Receiver or Delegate or (subject to Clause 10.8 (*Enforcement through Security Agent only*)) any Secured Party which is effected (to the extent permitted under the relevant Security Document and applicable law) by enforcement of the Transaction Security.

"Arranger" means each Credit Facility Arranger and each Pari Passu Arranger.

"Automatic Early Termination" means the termination or close-out of any hedging transaction prior to the maturity of that hedging transaction which is brought about automatically by the terms of the relevant Pari Passu Hedging Agreement and without any party to the relevant Pari Passu Hedging Agreement taking any action to terminate that hedging transaction.

"Borrowing Liabilities" means, in relation to a member of the Group, the liabilities and obligations (not being Guarantee Liabilities) it may have as a principal debtor to a Creditor (other than to an Arranger or a Creditor Representative) or a Debtor in respect of Liabilities arising under the Debt Documents (whether incurred solely or jointly and including, without limitation, liabilities and obligations as a borrower under the Credit Facility Documents, liabilities and obligations as an issuer under the Notes Documents and liabilities and obligations as a borrower or issuer under the Pari Passu Documents).

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Luxembourg and Madrid and:

(a) (in relation to any date for payment or purchase of a currency other than euro) the principal financial centre of the country of that currency; and

(b) (in relation to any date for payment or purchase of euro) any TARGET Day.

"**Capital Stock**" means:

(a) in the case of a corporation, corporate stock;

(b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(d) any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Cash Proceeds**" means:

(a) proceeds of the Transaction Security which are in the form of cash; and

(b) any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any proceeds of the Transaction Security which are in the form of Non-Cash Consideration.

"**Charged Property**" means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Close-Out Netting**" means:

(a) in respect of a Pari Passu Hedging Agreement or a Pari Passu Hedging Ancillary Document based on a 1992 ISDA Master Agreement, any step involved in determining the amount payable in respect of an Early Termination Date (as defined in the 1992 ISDA Master Agreement) under section 6(e) (*Payments on Early Termination*) of the 1992 ISDA Master Agreement before the application of any subsequent Set-off (as defined in the 1992 ISDA Master Agreement);

(b) in respect of a Pari Passu Hedging Agreement or a Pari Passu Hedging Ancillary Document based on a 2002 ISDA Master Agreement, any step involved in determining an Early Termination Amount (as defined in the 2002 ISDA Master Agreement) under section 6(e) (*Payments on Early Termination*) of the 2002 ISDA Master Agreement; and

(c) in respect of a Pari Passu Hedging Agreement or a Pari Passu Hedging Ancillary Document not based on an ISDA Master Agreement, any step involved on a termination of the hedging transactions under that Pari Passu Hedging Agreement or Pari Passu Hedging Ancillary Document pursuant to any provision of that Pari Passu Hedging Agreement or Pari Passu Hedging Ancillary Document which has a similar effect to either provision referenced in paragraph (a) and paragraph (b) above.

"**Common Assurance**" means any guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to any Agreed Security Principles, given to all the Secured Parties in respect of their Liabilities.

"**Common Currency**" means euro.

"**Common Currency Amount**" means, in relation to an amount, that amount converted (to the extent not already denominated in the Common Currency) into the Common Currency at the Security Agent's Spot Rate of Exchange on the Business Day prior to the relevant calculation.

"**Common Transaction Security**" means any Transaction Security which to the extent legally possible and subject to any Agreed Security Principles:

(a) is created in favour of the Security Agent as agent or trustee for the other Secured Parties in respect of their Liabilities; or

(b) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Security Agent as agent or trustee for the Secured Parties is created in favour of:

    (i) all the Secured Parties in respect of their Liabilities; or

    (ii) the Security Agent under a parallel debt structure for the benefit of all the Secured Parties,

and which (subject to the terms of this Agreement) ranks in the order of priority contemplated in Clause 2.2 (*Transaction Security*).

"**Competitive Sales Process**" means:

(a) any auction or other competitive sales process conducted with the advice of a Financial Adviser appointed by, or approved by, the Security Agent pursuant to Clause 12.6 (*Appointment of Financial Adviser*); and

(b) any enforcement of the Transaction Security carried out by way of auction or other competitive sales process pursuant to requirements of applicable law.

"**Consent**" means any consent, approval, release or waiver or agreement to any amendment.

"**Credit Facility**" means the "Facility" under and as defined in the Credit Facility Agreement.

"**Credit Facility Acceleration Event**" means the Credit Facility Agent exercising any of its rights under paragraph (b), (c), (d) or (e) of clause 23.5 (*Acceleration*) of the Credit Facility Agreement, other than the right to declare any amount payable on demand.

"**Credit Facility Agent**" means the "Agent" under and as defined in the Credit Facility Agreement.

"**Credit Facility Agreement**" means the revolving loan facility agreement made between, among others, the Company, the Credit Facility Lenders, the Credit Facility Agent and the Security Agent dated April 3, 2014.

"**Credit Facility Ancillary Document**" means each document relating to or evidencing the terms of a Credit Facility Ancillary Facility.

"**Credit Facility Ancillary Facility**" means any ancillary facility made available in accordance with the Credit Facility Agreement.

"**Credit Facility Ancillary Lender**" means each Credit Facility Lender (or Affiliate of a Credit Facility Lender) which makes available a Credit Facility Ancillary Facility.

"**Credit Facility Arranger**" means the "Arranger" under and as defined in the Credit Facility Agreement.

"**Credit Facility Borrower**" means the "Borrower" under and as defined in the Credit Facility Agreement.

"**Credit Facility Creditors**" means the Credit Facility Agent, each Credit Facility Arranger and each Credit Facility Lender.

"**Credit Facility Discharge Date**" means the first date on which all Credit Facility Liabilities have been fully and finally discharged in accordance with the terms of the Credit Facility Documents, whether or not as the result of an enforcement, and the Credit Facility Lenders are under no further obligation to provide financial accommodation to any of the Debtors under the Credit Facility Documents.

"**Credit Facility Documents**" means the "Finance Documents" under and as defined in the Credit Facility Agreement.

"**Credit Facility Guarantor**" means a "Guarantor" under, and as defined in, the Credit Facility Agreement.

"**Credit Facility Lenders**" means each "Lender" under and as defined in Credit Facility Agreement.

"**Credit Facility Liabilities**" means the Liabilities owed by any Debtor to the Credit Facility Creditors under or in connection with the Credit Facility Documents.

"**Credit Related Close-Out**" means any Permitted Hedge Close-Out which is not a Non-Credit Related Close-Out.

"**Creditor/Creditor Representative Accession Undertaking**" means:

(a) an undertaking substantially in the form set out in Schedule 2 (*Form of Creditor/Creditor Representative Accession Undertaking*);

(b) an Assignment Agreement or Increase Confirmation (each as defined in the Credit Facility Agreement) (**provided that** it contains an accession to this Agreement which is substantially in the form set out in Schedule 2 (*Form of Creditor/Creditor Representative Accession Undertaking*)); or

(c) in the case of a Pari Passu Lender which is acceding as a lender under a Pari Passu Facility Agreement, a transfer certificate, assignment agreement or increase confirmation in the form required by the relevant Pari Passu Document (**provided that** it contains an accession to this Agreement which is substantially in the form set out in Schedule 2 (*Form of Creditor/Creditor Representative Accession Undertaking*),

as the context may require, or

(d) in the case of an acceding Debtor which is expressed to accede as an Intra Group Lender in the relevant Debtor Accession Deed, that Debtor Accession Deed.

"**Creditor Representative**" means:

(a) in relation to the Credit Facility Lenders, the Credit Facility Agent;

(b) in relation to the Noteholders, the Notes Trustee; and

(c) in relation to any Pari Passu Noteholders or Pari Passu Lenders, the person which has acceded to this Agreement as the Creditor Representative of those Pari Passu Noteholders or Pari Passu Lenders pursuant to Clause 19.10 (*Accession of Pari Passu Debt Creditors under new Pari Passu Notes or Pari Passu Facilities*).

"**Creditor Representative Amounts**" means fees, costs and expenses of a Creditor Representative payable to a Creditor Representative for its own account pursuant to the relevant Debt Documents or any engagement letter between a Creditor Representative and a Debtor (including any amount payable to a Creditor Representative by way of indemnity, remuneration or reimbursement for expenses incurred), and the costs incurred by a Creditor Representative in connection with any actual or attempted Enforcement Action which is permitted by this Agreement which are recoverable pursuant to the terms of the Debt Documents.

"**Creditors**" means the Senior Creditors, the Intra-Group Lenders and the Subordinated Creditors.

"**Debt Disposal**" means any disposal of any Liabilities or Debtors' Intra-Group Receivables pursuant to paragraph (d) or (e) of Clause 12.1 (*Facilitation of Distressed Disposals and Appropriations*).

"**Debt Document**" means each of this Agreement, the Credit Facility Documents, the Notes Documents, the Pari Passu Documents, the Security Documents, any agreement evidencing the terms of the Intra-Group Liabilities or the Subordinated Liabilities and any other document designated as such by the Security Agent and the Company.

"**Debtor**" means each Original Debtor and any person which becomes a Party as a Debtor in accordance with the terms of Clause 19 (*Changes to the Parties*).

"**Debtor Accession Deed**" means:

(a) a deed substantially in the form set out in Schedule 1 (*Form of Debtor Accession Deed*); or

(b) (only in the case of a member of the Group which is acceding as a borrower, issuer or guarantor under a Credit Facility Document, a Notes Document or Pari Passu Document) an accession document in the form required by the relevant Credit Facility Document, Notes Document or Pari Passu Document (**provided that** it contains an accession to this Agreement which is substantially in the form set out in Schedule 1 (*Form of Debtor Accession Deed*)).

"**Debtor Resignation Request**" means a notice substantially in the form set out in Schedule 3 (*Form of Debtor Resignation Request*).

"**Debtors' Intra-Group Receivables**" means, in relation to a member of the Group, any liabilities and obligations owed to any Debtor (whether actual or contingent and whether incurred solely or jointly) by that member of the Group.

"**Default**" means an Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Debt Documents or any combination of any of the foregoing) be an Event of Default.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"**Distress Event**" means any of:

(a) an Acceleration Event; or

(b) the enforcement of any Transaction Security.

"**Distressed Disposal**" means a disposal of any Charged Property which is:

(a) being effected at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable;

(b) being effected by enforcement of the Transaction Security (including, without limitation, the disposal of any Property of a member of the Group, the shares in which have been subject to an Appropriation); or

(c) being effected, after the occurrence of a Distress Event, by a Debtor to a person or persons which is, or are, not a member, or members, of the Group.

"**Enforcement**" means the enforcement or disposal of any Transaction Security (other than in connection with a Non-Distressed Disposal), the requesting of a Distressed Disposal and/or the release or disposal of claims and/or Transaction Security on a Distressed Disposal under Clause 12 (*Distressed Disposals and Appropriations*), the giving of instructions as to actions with

respect to the Transaction Security and/or the Charged Property following an Insolvency Event under Clause 7.7 (*Security Agent instructions*) and the taking of any other actions consequential on (or necessary to effect) any of those actions.

"**Enforcement Action**" means:

(a) in relation to any Liabilities:

(i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Debt Documents);

(ii) to the extent legally possible, the making of any declaration that any Liabilities are payable on demand;

(iii) to the extent legally possible, the making of a demand in relation to a Liability that is payable on demand (other than a demand made by an Intra-Group Lender in relation to any Intra-Group Liabilities which are on-demand Liabilities to the extent (A) that the demand is made in the ordinary course of dealings between the relevant Debtor and Intra-Group Lender and (B) that any resulting Payment would be a Permitted Intra-Group Payment);

(iv) the making of any demand against any member of the Group in relation to any Guarantee Liabilities of that member of the Group;

(v) the exercise of any right to require any member of the Group to acquire any Liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any Liability other than in connection with an asset sale offer or a change of control offer (however defined) as set out in the Senior Documents) and excluding any such right which arises as a result of any provision of the Credit Facility Agreement or a Pari Passu Facility Agreement which allows a member of the Group to purchase, enter into any sub-participation in respect of (or enter into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of) any of the Credit Facility Liabilities or Pari Passu Debt Liabilities or any open market purchases of, or any voluntary tender offer or exchange offer for, Notes or Pari Passu Notes, in each case at a time at which no Acceleration Event is continuing;

(vi) the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Liabilities other than the exercise of any such right:

(A) as Close-Out Netting by a Pari Passu Hedge Counterparty or by a Pari Passu Hedging Ancillary Lender;

(B) as Payment Netting by a Pari Passu Hedge Counterparty or by a Pari Passu Hedging Ancillary Lender;

(C) as Inter-Hedging Agreement Netting by a Pari Passu Hedge Counterparty;

(D) as Inter-Hedging Ancillary Document Netting by a Pari Passu Hedging Ancillary Lender; or

(E) which is otherwise not prohibited under the Senior Documents to the extent that the exercise of that right gives effect to a Permitted Payment; and

(vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities;

(b) the premature termination or close-out of any hedging transaction under any Pari Passu Hedging Agreement (other than pursuant to a Permitted Automatic Early Termination);

(c) the taking of any steps to enforce or require the enforcement of any Transaction Security;

(d) the entering into of any composition, compromise, assignment or arrangement with any member of the Group which owes any Liabilities, or has given any Security, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than any action permitted under Clause 19 (*Changes to the Parties*) or any such right which arises as a result of any provision of the Credit Facility Agreement or a Pari Passu Facility Agreement which allows a member of the Group to purchase, enter into any sub-participation in respect of (or enter into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of) any of the Credit Facility Liabilities or Pari Passu Debt Liabilities or any open market purchases of, or voluntary tender offer or exchange offer for, Notes or Pari Passu Notes, in each case at a time at which no Acceleration Event is continuing); or

(e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration or reorganisation of any member of the Group which owes any Liabilities, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction, in each case other than as permitted under the Senior Debt Documents,

except that the following shall not constitute Enforcement Action:

(i) the taking of any action falling within paragraphs (a)(ii), (iii), (iv) and (vii) or (e) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods;

(ii) a Senior Creditor bringing legal proceedings against any person solely for the purpose of:

(A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any Debt Document to which it is party;

(B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or

(C) requesting judicial interpretation of any provision of any Debt Document to which it is party with no claim for damages;

(iii) bringing legal proceedings against any person in connection with any fraud, securities violation or securities or listing regulations;

(iv) allegations of material misstatements or omissions made in connection with the offering materials relating to any Notes or Pari Passu Notes or in reports furnished to the Noteholders or Pari Passu Noteholders or any exchange on which the Notes or Pari Passu Notes are listed by a member of the Group pursuant to the information and reporting requirements under the Notes Documents or Pari Passu Debt Documents; or

(v) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which

any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation.

"**Enforcement Instructions**" means instructions as to Enforcement (including the manner and timing of Enforcement) given by the Instructing Group to the Security Agent **provided that** instructions not to undertake Enforcement or an absence of instructions as to Enforcement shall not constitute "Enforcement Instructions".

"**Enforcement Proceeds**" means any amount (including, for the avoidance of doubt, Non-Cash Recoveries) paid to or otherwise realised by a Secured Party under or in connection with any Enforcement and, following the occurrence of a Distress Event, any other proceeds of, or arising from, any of the Charged Property.

"**Equivalent Provision**" means:

(a) with respect to a Pari Passu Facility Agreement, in relation to a provision or term of the Credit Facility Agreement (or, if there is no such provision or term in the Credit Facility Agreement, a provision or term of the relevant form of syndicated facilities agreement of the LMA), any equivalent provision or term in the Pari Passu Facility Agreement which is similar in meaning and effect; and

(b) with respect to a Pari Passu Note Indenture, in relation to a provision or term of the Notes Indenture, any equivalent provision or term in the Pari Passu Note Indenture which is similar in meaning and effect.

"**Event of Default**" means any event or circumstance specified as such (however defined and including any Equivalent Provision) in the Credit Facility Agreement, the Notes Indenture, a Pari Passu Note Indenture or a Pari Passu Facility Agreement.

"**Fairness Opinion**" means, in relation to a Distressed Disposal or a Liabilities Sale, an opinion that the proceeds received or recovered in connection with that Distressed Disposal or Liabilities Sale are fair from a financial point of view taking into account all relevant circumstances, including, without limitation, the method of enforcement or disposal.

"**Final Discharge Date**" means the later to occur of the Credit Facility Discharge Date, the Notes Discharge Date and the Pari Passu Discharge Date.

"**Financial Adviser**" means any:

(a) independent internationally recognised investment bank;

(b) independent internationally recognised accountancy firm; or

(c) other independent internationally recognised professional services firm which is regularly engaged in providing valuations of businesses or financial assets or, where applicable, advising on competitive sales processes,

which in each case confirms to the Company and the Security Agent that it does not have a conflict of interest.

"**Gross Outstandings**" means, in relation to a Pari Passu Multi-account Overdraft, the aggregate gross debit balance of overdrafts comprised in that Pari Passu Multi-account Overdraft.

"**Group**" means the Parent and each of its Subsidiaries for the time being.

"**Guarantee Liabilities**" means, in relation to a member of the Group, the liabilities and obligations under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have to a Creditor (other than to an Arranger or a Creditor Representative) or Debtor as or as a result of its being a guarantor or surety (including, without limitation, liabilities and obligations arising by way of guarantee, indemnity,

contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of the Debt Documents).

"**Hardening Period**" means any period during which Security or any other assurance against loss is capable of being avoided by virtue of any bankruptcy, insolvency, liquidation, corporate benefit or similar laws.

"**Hedged Currency**" means the currency in which any Pari Passu Term Outstandings are denominated and which is hedged in respect of exchange rate risk under a Pari Passu Hedging Agreement.

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"**Indenture**" means the Notes Indenture or any Pari Passu Note Indenture.

"**Insolvency Event**" means, in relation to any member of the Group:

(a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that member of the Group, a moratorium is declared in relation to any indebtedness of that member of the Group or an administrator is appointed to that member of the Group;

(b) any composition, compromise, assignment or arrangement is made with any of its creditors;

(c) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that member of the Group or any of its assets; or

(d) any analogous procedure or step is taken in any jurisdiction,

in each case other than as permitted under the Senior Debt Documents.

"**Instructing Group**" means, at any time, those Senior Creditors whose Senior Credit Participations at that time aggregate more than 50 per cent. of the total Senior Credit Participations at that time calculated in accordance with paragraph (g) of Clause 1.2 (*Construction*).

"**Intercreditor Amendment**" means any amendment or waiver which is subject to Clause 25 (*Consents, Amendments and Override*).

"**Intra-Group Lenders**" means each member of the Group which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with another member of the Group and which is named on the signing pages as an Intra-Group Lender or which becomes a Party as an Intra-Group Lender in accordance with the terms of Clause 19 (*Changes to the Parties*).

"**Intra-Group Liabilities**" means the Liabilities owed by any member of the Group to any of the Intra-Group Lenders.

"**Inter-Hedging Agreement Netting**" means the exercise of any right of set-off, account combination, close-out netting or payment netting (whether arising out of a cross agreement netting agreement or otherwise) by a Pari Passu Hedge Counterparty against liabilities owed to a Debtor by that Pari Passu Hedge Counterparty under a Pari Passu Hedging Agreement in respect of Pari Passu Hedging Liabilities owed to that Pari Passu Hedge Counterparty by that Debtor under another Pari Passu Hedging Agreement.

"**Inter-Hedging Ancillary Document Netting**" means the exercise of any right of set-off, account combination, close-out netting or payment netting (whether arising out of a cross agreement netting agreement or otherwise) by a Pari Passu Hedging Ancillary Lender against liabilities

owed to a Debtor by that Pari Passu Hedging Ancillary Lender under a Pari Passu Hedging Ancillary Document in respect of Pari Passu Liabilities owed to that Pari Passu Hedging Ancillary Lender by that Debtor under another Pari Passu Hedging Ancillary Document.

"**Investor Affiliate**" means any person which is from time to time a direct or indirect Holding Company of the Parent, or any Affiliate of any such person (other than a member of the Group).

"**ISDA Master Agreement**" means a 1992 ISDA Master Agreement or a 2002 ISDA Master Agreement.

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under applicable limitation laws, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

(c) the principle that default interest may be unenforceable if held to be a penalty;

(d) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(e) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to the Senior Creditors under the Debt Documents.

"**Liabilities**" means all present and future liabilities and obligations at any time of any member of the Group to the Security Agent or any Creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

(a) any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any Debtor of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"**Liabilities Acquisition**" means, in relation to a person and to any Liabilities, a transaction where that person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

the rights in respect of those Liabilities.

"**Liabilities Sale**" means a Debt Disposal pursuant to paragraph (e) of Clause 12.1 (*Facilitation of Distressed Disposals and Appropriations*).

"**Net Outstandings**" means, in relation to a Pari Passu Multi-account Overdraft, the aggregate debit balance of overdrafts comprised in that Pari Passu Multi-account Overdraft, net of any credit balances on any account comprised in that Pari Passu Multi-account Overdraft, to the extent that the credit balances are freely available to be set-off by the relevant Pari Passu Ancillary Lender against Liabilities owed to it by the relevant Debtor under that Pari Passu Multi-account Overdraft.

"**Non-Cash Consideration**" means consideration in a form other than cash.

"**Non-Cash Recoveries**" means:

(a) any proceeds of a Distressed Disposal or a Debt Disposal (including, for the avoidance of doubt, any shares received by a Secured Party on an enforcement of the Transaction Security over those shares (whether by Appropriation or otherwise)); or

(b) any amount distributed to or to the order of the Security Agent pursuant to Clause 8.2 (*Turnover by the Creditors*) or 8.3 (*Turnover by the other Creditors*),

which are, or is, in the form of Non-Cash Consideration.

"**Non-Credit Related Close-Out**" means a Permitted Hedge Close-Out described in any of paragraphs (a)(i), (a)(ii) or (a)(iii) of Clause 4.9 (*Permitted Enforcement: Pari Passu Hedge Counterparties*).

"**Non-Distressed Disposal**" has the meaning given to that term in Clause 11 (*Non-Distressed Disposals*).

"**Noteholders**" means the holders from time to time of the Notes (as determined in accordance with the Notes Indenture).

"**Notes**" means:

(a) the EUR 250,000,000 7.25 per cent. senior secured notes due 2021 issued or to be issued by the Notes Issuer pursuant to the Notes Indenture; and

(b) any other senior secured notes issued by the Notes Issuer pursuant to the Notes Indenture, provided that the Company confirms in writing to the Security Agent at the time at which those additional notes are issued that:

(i) the issuance of those notes will not breach the terms of any of its existing Senior Documents (in their form as at the date of the issue of those additional notes); and

(ii) those additional notes are permitted under the terms of the existing Senior Documents (in their form as at the date of the issue of those additional notes) to share in the Transaction Security.

"**Notes Acceleration Event**" means the Notes Trustee (or the requisite Noteholders under the Notes Indenture) exercising any of its or their rights to accelerate any amounts outstanding under the Notes Documents or any acceleration provisions being automatically invoked in each case under section [●] of the Notes Indenture.

"**Notes Creditors**" means the Noteholders and the Notes Trustee.

"**Notes Discharge Date**" means the first date on which all Notes Liabilities have been fully and finally discharged in accordance with the terms of the Notes Documents (including by way of legal defeasance in accordance with the Notes Indenture), whether or not as the result of an enforcement, and the Noteholders are under no further obligation to provide financial accommodation to any of the Debtors under the Notes Documents.

"**Notes Documents**" means the Notes Indenture, the Notes, the Security Documents, the Notes Guarantees (whether contained in the Notes Indenture, as a notation of guarantee attached to the Notes or otherwise) and this Agreement.

"**Notes Guarantees**" means the "Note Guarantees" as defined in the Notes Indenture.

"**Notes Guarantor**" means any member of the Group which is a guarantor under a Notes Guarantee.

"**Notes Indenture**" means the indenture governing the Notes dated on or about the date of this Agreement and made between, among others, the Notes Trustee, the Security Agent, the Notes Issuer and the Notes Guarantors, as amended or supplemented from time to time.

"**Notes Issuer**" means Aldesa Financial Services S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered office at 9, rue Gabriel Lippman, Parc d'Activites Syrdall 2, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B185597.

"**Notes Liabilities**" means the Liabilities owed by any Debtor to the Notes Creditors under or in connection with the Notes Documents.

"**Notes Trustee**" means the note trustee in respect of the Notes.

"**Other Liabilities**" means, in relation to a member of the Group, any trading and other liabilities and obligations (not being Borrowing Liabilities or Guarantee Liabilities) it may have to a Subordinated Creditor, Intra-Group Lender or Debtor.

"**Pari Passu Ancillary Document**" means each document relating to or evidencing the terms of a Pari Passu Ancillary Facility.

"**Pari Passu Ancillary Facility**" means any ancillary facility made available in accordance with a Pari Passu Facility Agreement.

"**Pari Passu Ancillary Lender**" means each Pari Passu Lender (or Affiliate of a Pari Passu Lender) which makes available a Pari Passu Ancillary Facility.

"**Pari Passu Arranger**" means any arranger of a credit facility which creates or evidences any Pari Passu Debt Liabilities which becomes a Party pursuant to Clause 19.10 (*Accession of Pari Passu Debt Creditors under new Pari Passu Notes or Pari Passu Facilities*).

"**Pari Passu Creditors**" means the Pari Passu Debt Creditors and the Pari Passu Hedge Counterparties.

"**Pari Passu Debt Acceleration Event**" means:

(a) the Creditor Representative of any Pari Passu Lender(s) (or the requisite Pari Passu Lenders) exercising any of its or their rights to declare amounts under any Pari Passu Facility Documents to be immediately due and payable, or to make a demand in relation to amounts under any Pari Passu Facility Documents that have previously been declared payable on demand, under an Equivalent Provision of the relevant Pari Passu Facility Agreement to paragraphs (b), (c), (d) or (e) of clause 23.5 (*Acceleration*) of the Credit Facility Agreement or any acceleration provisions being automatically invoked; or

(b) the Creditor Representative of any Pari Passu Noteholder(s) (or the requisite Pari Passu Noteholders under any Pari Passu Note Indenture) exercising any of its or their rights to accelerate any amounts outstanding under any Pari Passu Note Documents or any acceleration provisions being automatically invoked in each case under an Equivalent Provision of the relevant Pari Passu Note Indenture to section [●] of the Notes Indenture.

"Pari Passu Debt Creditors" means each Creditor Representative in relation to any Pari Passu Debt Liabilities, each Pari Passu Arranger, each Pari Passu Noteholder and each Pari Passu Lender.

"Pari Passu Debt Discharge Date" means the first date on which all Pari Passu Debt Liabilities have been fully and finally discharged in accordance with the terms of the relevant Pari Passu Debt Documents, whether or not as the result of an enforcement, and the Pari Passu Debt Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Pari Passu Debt Documents.

"Pari Passu Debt Documents" means each Pari Passu Facility Document and each Pari Passu Note Document.

"Pari Passu Debt Liabilities" means the Liabilities owed by the Debtors to the Pari Passu Debt Creditors under or in connection with the Pari Passu Debt Documents.

"Pari Passu Discharge Date" means the first date on which all Pari Passu Liabilities have been fully and finally discharged in accordance with the terms of the relevant Pari Passu Documents, whether or not as the result of an enforcement, and the Pari Passu Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Pari Passu Documents.

"Pari Passu Documents" means the Pari Passu Debt Documents and the Pari Passu Hedging Agreements.

"Pari Passu Exchange Rate Hedge Excess" means the amount by which the Total Pari Passu Exchange Rate Hedging exceeds the relevant Pari Passu Term Outstandings.

"Pari Passu Exchange Rate Hedging" means, in relation to a Pari Passu Hedge Counterparty, the aggregate of the notional amounts denominated in a Hedged Currency hedged by the relevant Debtors under each Pari Passu Hedging Agreement which is an exchange rate hedge transaction and to which that Pari Passu Hedge Counterparty is party.

"Pari Passu Exchange Rate Hedging Proportion" means, in relation to a Pari Passu Hedge Counterparty and that Pari Passu Hedge Counterparty's Pari Passu Exchange Rate Hedging, the proportion (expressed as a percentage) borne by that Pari Passu Hedge Counterparty's Pari Passu Exchange Rate Hedging to the Total Pari Passu Exchange Rate Hedging.

"Pari Passu Facility" means any credit facility made available to a member of the Group under a Pari Passu Facility Agreement.

"Pari Passu Facility Agreement" means a facility agreement setting out the terms of any credit facility which creates or evidences any Pari Passu Debt Liabilities where any:

(a) agent of the lenders in respect of the credit facility becomes a Party as a Creditor Representative;

(b) arranger of the credit facility has become a party as a Pari Passu Arranger; and

(c) lender in respect of the credit facility has become a Party as a Pari Passu Lender,

in respect of that credit facility pursuant to Clause 19.10 (*Accession of Pari Passu Debt Creditors under new Pari Passu Notes or Pari Passu Facilities*), and provided that the Company has confirmed in writing to the Security Agent at the time at which the facility agreement is entered into that:

(i) the entry into that facility agreement and related documents and the borrowing of the facility will not breach the terms of any of its existing Senior Documents (in their form as at the date of the relevant facility agreement); and

(ii) the facility is permitted under the terms of the existing Senior Documents (in their form as at the date of the issue of those additional notes) to share in the Transaction Security.

"Pari Passu Facility Cash Cover" means "cash cover" (however defined and including any Equivalent Provision) under a Pari Passu Facility Agreement.

"Pari Passu Facility Cash Cover Document" means, in relation to any Pari Passu Facility Cash Cover, any Pari Passu Debt Document which creates or evidences, or is expressed to create or evidence, the Security required to be provided over that Pari Passu Facility Cash Cover by the relevant Pari Passu Facility Agreement.

"Pari Passu Facility Documents" means the "Finance Documents" (however defined and including any Equivalent Provision) under a Pari Passu Facility Agreement.

"Pari Passu Facility Liabilities" means the Liabilities owed by any Debtor to the Pari Passu Facility Creditors under or in connection with the Pari Passu Facility Documents.

"Pari Passu Hedge Counterparty" means any entity which becomes a Party as a Pari Passu Hedge Counterparty pursuant to Clause 19 (*Changes to the Parties*).

"Pari Passu Hedge Counterparty Obligations" means the liabilities and obligations owed by any Pari Passu Hedge Counterparty to the Debtors under or in connection with the Pari Passu Hedging Agreements.

"Pari Passu Hedge Credit Participation" means, in relation to a Pari Passu Hedge Counterparty, the aggregate of:

(a) in respect of any hedging transaction of that Pari Passu Hedge Counterparty under any Pari Passu Hedging Agreement that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms of this Agreement, the amount, if any, payable to it under any Pari Passu Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out) to the extent that amount is unpaid (that amount to be certified by the relevant Pari Passu Hedge Counterparty and as calculated in accordance with the relevant Pari Passu Hedging Agreement); and

(b) in respect of any hedging transaction of that Pari Passu Hedge Counterparty under any Pari Passu Hedging Agreement that has, as of the date the calculation is made, not been terminated or closed out:

(i) if the relevant Pari Passu Hedging Agreement is based on an ISDA Master Agreement the amount, if any, which would be payable to it under that Pari Passu Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

(ii) if the relevant Pari Passu Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Pari Passu Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Pari Passu Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Pari Passu Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Pari Passu Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Pari Passu Hedge Counterparty and as calculated in accordance with the relevant Pari Passu Hedging Agreement.

"Pari Passu Hedging Agreement" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by a member of the Group and a Pari Passu Hedge Counterparty (where the member of the Group and the hedging counterparty have each become a Party in the appropriate capacity pursuant to Clause 19 (*Changes to the Parties*)), for the purpose of hedging interest rate or exchange rate risk in relation to a Pari Passu Debt Document, and **provided that** the Company has confirmed in writing to the Security Agent at the time at which the hedging agreement is entered into that:

(a) the entry into that hedging agreement and related documents will not breach the terms of any of its existing Senior Documents (in their form as at the date of the relevant facility agreement); and

(b) the hedging is permitted under the terms of the existing Senior Documents (in their form as at the date of the issue of those additional notes) to share in the Transaction Security.

"Pari Passu Hedging Ancillary Document" means a Pari Passu Ancillary Document which relates to or evidences the terms of a Pari Passu Hedging Ancillary Facility.

"Pari Passu Hedging Ancillary Facility" means a Pari Passu Ancillary Facility which is made available by way of a hedging facility.

"Pari Passu Hedging Ancillary Lender" means a Pari Passu Ancillary Lender to the extent that Pari Passu Ancillary Lender makes available a Pari Passu Hedging Ancillary Facility.

"Pari Passu Hedging Force Majeure" means:

(a) in relation to a Pari Passu Hedging Agreement which is based on the 1992 ISDA Master Agreement:

  (i) an Illegality or Tax Event or Tax Event Upon Merger (each as defined in the 1992 ISDA Master Agreement); or

  (ii) an event similar in meaning and effect to a "Force Majeure Event" (as referred to in paragraph (b) below);

(b) in relation to a Pari Passu Hedging Agreement which is based on the 2002 ISDA Master Agreement, an Illegality or Tax Event, Tax Event Upon Merger or a Force Majeure Event (each as defined in the 2002 ISDA Master Agreement); or

(c) in relation to a Pari Passu Hedging Agreement which is not based on an ISDA Master Agreement, any event similar in meaning and effect to an event described in paragraph (a) or (b) above.

"Pari Passu Hedging Liabilities" means the Liabilities owed by any Debtor to the Pari Passu Hedge Counterparties under or in connection with the Pari Passu Hedging Agreements.

"Pari Passu Interest Rate Hedge Excess" means the amount by which the Total Pari Passu Interest Rate Hedging exceeds the relevant Pari Passu Term Outstandings.

"Pari Passu Interest Rate Hedging" means, in relation to a Pari Passu Hedge Counterparty, the aggregate of the notional amounts hedged by the relevant Debtors under each Pari Passu Hedging Agreement which is an interest rate hedge transaction and to which that Pari Passu Hedge Counterparty is party.

"Pari Passu Interest Rate Hedging Proportion" means, in relation to a Pari Passu Hedge Counterparty and that Pari Passu Hedge Counterparty's Pari Passu Interest Rate Hedging, the

proportion (expressed as a percentage) borne by that Pari Passu Hedge Counterparty's Pari Passu Interest Rate Hedging to the Total Pari Passu Interest Rate Hedging.

"**Pari Passu Issuing Bank**" means any "Pari Passu Issuing Bank" (however defined and including any Equivalent Provision) under the relevant Pari Passu Facility Agreement.

"**Pari Passu Lender**" means each "Lender" (however defined and including any Equivalent Provision) under the relevant Pari Passu Facility Agreement which has become a Party as a Pari Passu Lender pursuant to Clause 19 (*Changes to the Parties*).

"**Pari Passu Lender Cash Collateral**" means any cash collateral provided by a Pari Passu Lender to a Pari Passu Issuing Bank pursuant to the terms of the relevant Pari Passu Facility Agreement.

"**Pari Passu Letter of Credit**" means any "Letter of Credit" (however defined and including any Equivalent Provision) under the relevant Pari Passu Facility Agreement.

"**Pari Passu Liabilities**" means the Pari Passu Debt Liabilities and the Pari Passu Hedging Liabilities.

"**Pari Passu Multi-account Overdraft**" means a Pari Passu Ancillary Facility which is an overdraft facility comprising more than one account.

"**Pari Passu Multi-account Overdraft Liabilities**" means the Liabilities arising under any Pari Passu Multi-account Overdraft.

"**Pari Passu Note Creditors**" means each Pari Passu Note Trustee and each Pari Passu Noteholder.

"**Pari Passu Note Documents**" means each Pari Passu Note Indenture, the Pari Passu Notes, the Security Documents, the Pari Passu Note Guarantees (whether contained in a Pari Passu Note Indenture, as a notation of guarantee attached to any Pari Passu Notes or otherwise) and this Agreement.

"**Pari Passu Note Guarantee**" means the "Notes Guarantee" (however defined and including any Equivalent Provision) under a Pari Passu Note Indenture, or any guarantee or other surety under which a member of the Group assumes Guarantee Obligations in respect of Pari Passu Notes.

"**Pari Passu Note Guarantor**" means any member of the Group which is a guarantor under a Pari Passu Note Guarantee.

"**Pari Passu Note Indenture**" means any note indenture or other document setting out the terms of any debt security which creates or evidences any Pari Passu Note Liabilities.

"**Pari Passu Noteholder**" means any holder from time to time of any Pari Passu Notes (as determined in accordance with the relevant Pari Passu Note Indenture).

"**Pari Passu Note Issuer**" means, in respect of any Pari Passu Notes, the member of the Group which issues those Pari Passu Notes and which has become a Party as a Debtor in respect of those Pari Passu Notes pursuant to Clause 19.14 (*New Debtor*).

"**Pari Passu Note Liabilities**" means the Liabilities owed by any Debtor to the Pari Passu Note Creditors under or in connection with the Pari Passu Note Documents.

"**Pari Passu Notes**" means any senior secured notes issued or to be issued by a Pari Passu Note Issuer under a Pari Passu Note Indenture where any:

(a) issuer of those notes has become a Party as a Debtor in respect of those notes pursuant to Clause 19.14 (*New Debtor*); and

(b) trustee in respect of those notes has become a Party as a Creditor Representative in respect of those notes pursuant to Clause 19.10 (*Accession of Pari Passu Debt Creditors under new Pari Passu Notes or Pari Passu Facilities*),

and provided that the Company has confirmed in writing to the Security Agent at the time at which the relevant note indenture is entered into that:

(i) the incurrence of those notes will not breach the terms of any of its existing Senior Documents (in their form as at the date of the relevant note indenture); and

(ii) those notes are permitted under the terms of the existing Senior Documents (in their form as at the date of the issue of those additional notes) to share in the Transaction Security

"**Pari Passu Note Trustee**" means any note trustee in respect of Pari Passu Notes which has acceded to this Agreement as a Creditor Representative pursuant to Clause 19.10 (*Accession of Pari Passu Debt Creditors under new Pari Passu Notes or Pari Passu Facilities*).

"**Pari Passu Term Outstandings**" means, in relation to any Pari Passu Debt Document in respect of which a Debtor has entered into a Pari Passu Hedging Agreement for the purposes of hedging interest rate risk or exchange rate risk under that Pari Passu Debt Document, at any time, the aggregate of the amounts of principal (not including any capitalised or deferred interest) then outstanding under that Pari Passu Debt Document.

"**Party**" means a party to this Agreement.

"**Payment**" means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, defeasance or discharge of those Liabilities (or other liabilities or obligations).

"**Payment Netting**" means:

(a) in respect of a Pari Passu Hedging Agreement or a Pari Passu Hedging Ancillary Document based on an ISDA Master Agreement, netting under section 2(c) of the relevant ISDA Master Agreement; and

(b) in respect of a Pari Passu Hedging Agreement or a Pari Passu Hedging Ancillary Document not based on an ISDA Master Agreement, netting pursuant to any provision of that Pari Passu Hedging Agreement or a Pari Passu Hedging Ancillary Document which has a similar effect to the provision referenced in paragraph (a) above.

"**Perfection Requirements**" "means, in relation to any Security:

(a) the making or procuring of any registrations, filings, endorsements, notarisations, stampings and/or notifications; and/or

(b) the taking of any other steps required,

in any Relevant Jurisdiction in order to perfect or (subject to the Legal Reservations) achieve the relevant priority for that Security.

"**Permitted Automatic Early Termination**" means an Automatic Early Termination of a hedging transaction under a Pari Passu Hedging Agreement, the provision of which is permitted under Clause 4.12 (*Terms of Pari Passu Hedging Agreements*).

"**Permitted Hedge Close-Out**" means, in relation to a hedging transaction under a Pari Passu Hedging Agreement, a termination or close-out of that hedging transaction which is permitted pursuant to Clause 4.9 (*Permitted Enforcement: Pari Passu Hedge Counterparties*).

"**Permitted Hedge Payments**" means the Payments permitted by Clause 4.3 (*Permitted Payments: Pari Passu Hedging Liabilities*).

"Permitted Intra-Group Payments" means the Payments permitted by Clause 5.2 (*Permitted Payments: Intra-Group Liabilities*).

"Permitted Payment" means a Permitted Intra-Group Payment, a Permitted Subordinated Payment, a Permitted Hedge Payment or a Permitted Senior Debt Payment.

"Permitted Senior Debt Payments" means the Payments permitted by Clause 3.1 (*Payment of Senior Debt Liabilities*).

"Permitted Subordinated Payments" means the Payments permitted by Clause 6.2 (*Permitted Payments: Subordinated Liabilities*).

"Property" of a member of the Group or of a Debtor means:

(a) any asset of that member of the Group or of that Debtor;

(b) any Subsidiary of that member of the Group or of that Debtor; and

(c) any asset of any such Subsidiary.

"Qualifying Senior Debt Refinancing" means a refinancing of any Senior Debt Liabilities where:

(a) the net proceeds of that refinancing discharge those Senior Debt Liabilities;

(b) the indebtedness created as a result of such refinancing ranks, or is expressed to rank, in relation to the other Senior Liabilities, in the same manner and to the same extent as the Senior Debt Liabilities being refinanced;

(c) each agent, trustee and/or arranger of the refinancing, each provider of the refinancing (other than any Noteholder or Pari Passu Noteholder), and each borrower, issuer or guarantor of the indebtedness made available under the refinancing is a Party or has acceded to this Agreement in the appropriate capacity pursuant to Clause 19 (*Changes to the Parties*);

(d) the indebtedness made available under the refinancing does not benefit from any Security, guarantee, indemnity or other assurance against loss other than that which is permitted to be taken by the Senior Debt Creditors in respect of the Senior Debt Liabilities pursuant to Clause 3.3 (*Security: Senior Debt Creditors*) and Clause 3.4 (*Security: Ancillary Lenders and Pari Passu Issuing Banks*); and

(e) the Company has confirmed in writing to the Security Agent that the refinancing of the credit facility or (as applicable) debt securities and their designation as Pari Passu Debt Liabilities under this Agreement will not breach the terms of any of its existing Senior Documents which will remain in place after the refinancing has occurred.

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Recoveries" has the meaning given to that term in Clause 15.1 (*Order of Application*).

"Refinancing Equivalent" means, on and after the completion of a Qualifying Senior Debt Refinancing and in relation to a provision or term of the Senior Debt Document being refinanced, any equivalent provision or term in the relevant Refinancing Senior Debt Document which is similar in meaning and effect.

"Refinancing Senior Debt Liabilities" means the Senior Debt Liabilities owed by the Debtors to the Senior Debt Creditors under the Refinancing Senior Debt Documents.

"Refinancing Senior Debt Documents" means, in relation to a Qualifying Senior Debt Refinancing, any documents relating to the indebtedness created by, or the terms of, that Qualifying Senior Debt Refinancing.

"Relevant Jurisdiction" means, in relation to a member of the Group:

(a) its jurisdiction of incorporation; and

(b) the jurisdiction whose laws govern any of the Security Documents to be entered into by it.

"Relevant Liabilities" means:

(a) in the case of a Creditor or the Security Agent:

  (i) the Liabilities owed to Creditors ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Creditor (as the case may be); and

  (ii) all present and future liabilities and obligations, actual and contingent, of the Debtors to the Security Agent; and

(b) in the case of a Debtor, the Liabilities owed to the Creditors together with all present and future liabilities and obligations, actual and contingent, of the Debtors to the Security Agent.

"Relevant Pari Passu Ancillary Lender" means, in respect of any Pari Passu Facility Cash Cover, the Pari Passu Ancillary Lender (if any) for which that Pari Passu Facility Cash Cover is provided.

"Relevant Pari Passu Issuing Bank" means, in respect of any Pari Passu Facility Cash Cover, the Pari Passu Issuing Bank (if any) for which that Pari Passu Facility Cash Cover is provided.

"Secured Obligations" means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

"Secured Parties" means the Security Agent, any Receiver or Delegate and each of the Senior Creditors from time to time but, in the case of each Senior Creditor, only if it (or, in the case of a Noteholder or a Pari Passu Noteholder, its Creditor Representative) is a Party or has acceded to this Agreement in the appropriate capacity pursuant to Clause 19 (*Changes to the Parties*).

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Agent's Spot Rate of Exchange" means, in respect of the conversion of one currency (the "First Currency") into another currency (the "Second Currency") the Security Agent's spot rate of exchange for the purchase of the Second Currency with the First Currency in the London foreign exchange market at or about 11:00 am (London time) on a particular day, which shall be notified by the Security Agent in accordance with paragraph (e) of Clause 17.3 (*Duties of the Security Agent*).

"Security Documents" means:

(a) each of the Transaction Security Documents;

(b) any other document entered into at any time by any of the Debtors creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Obligations; and

(c) any Security granted under any covenant for further assurance in any of the documents referred to in paragraphs (a) and (b) above.

"Security Property" means:

(a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;

(b) all obligations expressed to be undertaken by a Debtor to pay amounts in respect of the Liabilities to or to the order of the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by a Debtor in favour of the Security Agent as trustee for the Secured Parties;

(c) to the extent legally possible, the Security Agent's interest in any trust fund created pursuant to Clause 8 (*Turnover of Receipts*); and

(d) to the extent legally possible, any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Debt Documents to hold as trustee on trust for the Secured Parties.

"**Senior Credit Participation**" means, at any time:

(a) in relation to a Credit Facility Lender, its aggregate participation in the outstanding principal amount of all Loans under (and as defined in) the Credit Facility Agreement at that time;

(b) in relation to a Noteholder, the aggregate outstanding principal amount of the Notes held by it at that time;

(c) in relation to a Pari Passu Lender, its aggregate participation in the outstanding principal amount of all loans under any Pari Passu Facility Agreement at that time;

(d) in relation to a Pari Passu Noteholder, the aggregate outstanding principal amount of any Pari Passu Notes held by it at that time; and

(e) in relation to a Pari Passu Hedge Counterparty, its aggregate Pari Passu Hedge Credit Participation at that time.

"**Senior Creditors**" means the Credit Facility Creditors, the Notes Creditors and the Pari Passu Creditors.

"**Senior Debt Creditors**" means the Credit Facility Creditors, the Notes Creditors and the Pari Passu Debt Creditors.

"**Senior Debt Discharge Date**" means the later to occur of the Credit Facility Discharge Date, the Notes Discharge Date and the Pari Passu Debt Discharge Date.

"**Senior Debt Documents**" means the Credit Facility Documents, the Notes Documents and the Pari Passu Debt Documents.

"**Senior Debt Liabilities**" means the Liabilities under the Senior Debt Documents.

"**Senior Documents**" means the Credit Facility Documents, the Notes Documents and the Pari Passu Documents.

"**Senior Liabilities**" means the Credit Facility Liabilities, the Notes Liabilities and the Pari Passu Liabilities.

"**Spanish Public Document**" means a public document (*documento público*) for the purposes of Spanish law (being either an *escritura pública* or a *póliza o efecto intervenido por notario español*).

"**Subordinated Creditors**" means any Investor Affiliate which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with a member of the Group and which becomes a Party as a Subordinated Creditor in accordance with the terms of Clause 19 (*Changes to the Parties*).

"**Subordinated Liabilities**" means the Liabilities owed by any member of the Group to any of the Subordinated Creditors.

"**Subsidiary**" means, with respect to any specified person:

(a) any corporation, association or other business incorporated entity of which more than 50 per cent. of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that person or one or more of the other Subsidiaries of that person (or a combination thereof); and

(b) any partnership or limited liability company or joint venture incorporated entity of which:

    (i) more than 50 per cent. of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such person or one or more of the other Subsidiaries of that person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise; and

    (ii) such person or any Subsidiary of such person is a controlling general partner or otherwise controls such entity.

A Subsidiary shall include any person the shares or ownership interests in which are subject to Security and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such Security.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilities a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payment in euro.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Total Pari Passu Exchange Rate Hedging**" means, in relation to any Pari Passu Debt Document, at any time, the aggregate at that time of each Pari Passu Hedge Counterparty's Pari Passu Exchange Rate Hedging entered into in relation to that Pari Passu Debt Document.

"**Total Pari Passu Interest Rate Hedging**" means, in relation to any Pari Passu Debt Document, at any time, the aggregate at that time of each Pari Passu Hedge Counterparty's Pari Passu Interest Rate Hedging entered into in relation to that Pari Passu Debt Document.

"**Transaction Security**" means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

"**Transaction Security Documents**" means the "Transaction Security Documents" as defined in the original form of the Credit Facility Agreement.

"**Trustee**" means the Notes Trustee or a Pari Passu Note Trustee.

"**Unrestricted Subsidiary**" has the meaning given to that term in the Notes Indenture.

"**VAT**" means:

(a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) any **"Arranger"**, **"Company"**, **"Credit Facility Agent"**, **"Credit Facility Ancillary Lender"**, **"Credit Facility Arranger"**, **"Credit Facility Borrower"**, **"Credit Facility Creditor"**, **"Credit Facility Guarantor"**, **"Credit Facility Lender"**, **"Creditor Representative"**, **"Creditor"**, **"Debtor"**, **"Intra Group Lender"**, **"Investor Affiliate"**, **"Noteholder"**, **"Notes Creditor"**, **"Notes Guarantor"**, **"Notes Issuer"**, **"Notes Trustee"**, **"Pari Passu Ancillary Lender"**, **"Pari Passu Arranger"**, **"Pari Passu Creditor"**, **"Pari Passu Debt Creditor"**, **"Pari Passu Hedge Counterparty"**, **"Pari Passu Issuing Bank"**, **"Pari Passu Note Guarantor"**, **"Pari Passu Noteholder"**, **"Pari Passu Note Issuer"**, **"Pari Passu Note Trustee"**, **"Parent"**, **"Party"**, **"Security Agent"**, **"Senior Creditor"** or **"Subordinated Creditor"** shall be construed to be a reference to it in its capacity as such and not in any other capacity;

(ii) any **"Arranger"**, **"Company"**, **"Credit Facility Agent"**, **"Credit Facility Ancillary Lender"**, **"Credit Facility Arranger"**, **"Credit Facility Borrower"**, **"Credit Facility Creditor"**, **"Credit Facility Guarantor"**, **"Credit Facility Lender"**, **"Creditor Representative"**, **"Creditor"**, **"Debtor"**, **"Intra Group Lender"**, **"Investor Affiliate"**, **"Noteholder"**, **"Notes Creditor"**, **"Notes Guarantor"**, **"Notes Issuer"**, **"Notes Trustee"**, **"Pari Passu Ancillary Lender"**, **"Pari Passu Arranger"**, **"Pari Passu Creditor"**, **"Pari Passu Debt Creditor"**, **"Pari Passu Hedge Counterparty"**, **"Pari Passu Issuing Bank"**, **"Pari Passu Note Guarantor"**, **"Pari Passu Noteholder"**, **"Pari Passu Note Issuer"**, **"Pari Passu Note Trustee"**, **"Parent"**, **"Party"**, **"Security Agent"**, **"Senior Creditor"** or **"Subordinated Creditor"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Debt Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with this Agreement;

(iii) an **"amendment"** to a term of a Debt Document includes the entry into a new document, or designation of another document as a Debt Document of the relevant type, or the taking of any other action which would have the effect of amending a term of that Debt Document;

(iv) **"assets"** includes present and future properties, revenues and rights of every description;

(v) an **"amount"** includes an amount of cash and an amount of Non-Cash Consideration;

(vi) a **"Debt Document"** or any other agreement or instrument is (other than a reference to a **"Debt Document"** or any other agreement or instrument in **"original form"**) a reference to that Debt Document, or other agreement or instrument, as amended, novated, supplemented, extended or restated (including for the purpose of increasing the amount of, extending or otherwise amending the terms of any indebtedness or commitment for indebtedness thereunder) as permitted by this Agreement, and a reference to any term of a Senior Debt Document includes a reference to any Refinancing Equivalent;

(vii) a **"distribution"** of or out of the assets of a member of the Group, includes a distribution of cash and a distribution of Non-Cash Consideration;

(viii) **"enforcing"** (or any derivation) the Transaction Security includes, to the extent legally possible, the appointment of an administrator (or any analogous officer in any jurisdiction) of a Debtor by the Security Agent;

(ix) a **"group of Creditors"** includes all the Creditors and a **"group of Senior Creditors"** includes all the Senior Creditors;

(x) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(xi) the **"original form"** of a **"Debt Document"** or any other agreement or instrument is a reference to that Debt Document, agreement or instrument as originally entered into;

(xii) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(xiii) **"proceeds"** of a Distressed Disposal or of a Debt Disposal includes proceeds in cash and in Non-Cash Consideration;

(xiv) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and

(xv) a provision of law is a reference to that provision as amended or re-enacted.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) A Default (other than an Event of Default) is **"continuing"** if it has not been remedied or waived and an Event of Default is **"continuing"** if it has not been waived.

(d) An Acceleration Event is **"continuing"** if it has occurred and all amounts which are, or are declared to be, due and payable in relation to that Acceleration Event have not been discharged in full (and the Acceleration Event has not been waived or withdrawn by the relevant Senior Creditors in accordance with the terms of the relevant Debt Documents).

(e) A Pari Passu Lender providing **"cash cover"** for a Pari Passu Letter of Credit means a Pari Passu Lender paying an amount in the currency of the Pari Passu Letter of Credit to an interest-bearing account in the name of the Pari Passu Lender and the following conditions being met:

(i) the account is with the Pari Passu Issuing Bank;

(ii) until no amount is or may be outstanding under that Pari Passu Letter of Credit withdrawals from the account may only be made to pay a Pari Passu Issuing Bank amounts due and payable to it under the Pari Passu Facility Documents in respect of that Pari Passu Letter of Credit; and

(iii) the Pari Passu Lender has executed a security document over the account, in form and substance satisfactory to the Pari Passu Issuing Bank with which that account is held, creating a first ranking security interest over that account.

(f) References to a Creditor Representative acting on behalf of the Creditors of which it is the Creditor Representative means such Creditor Representative acting on behalf of the Creditors of which it is the Creditor Representative with, if applicable, the consent of the proportion of such Creditors required under and in accordance with the applicable Debt Documents (**provided that** if the relevant Debt Documents do not specify a voting threshold for a particular matter, the threshold will be a simple majority of the outstanding principal amount under those Debt Documents (excluding any Liabilities owned by a member of the Group or an Investor Affiliate)). A Creditor Representative will be entitled to seek instructions from the Creditors of which it is the Credit Representative to the extent required by the applicable Debt Documents, as the case may be, as to any action to be taken by it under this Agreement.

(g) For the purposes of determining whether the Instructing Group has given any Consent or instructions under this Agreement:

(i) in the case of any Senior Debt Creditors, each Creditor Representative shall provide one vote acting on behalf of the Senior Debt Creditors of which it is the Creditor Representative (in accordance with paragraph (f) above), in an amount equal to the Senior Credit Participations of all of the Senior Debt Creditors of which it is the Creditor Representative; and

(ii) in the case of a Pari Passu Hedge Counterparty, that Pari Passu Hedge Counterparty shall notify the Security Agent of the amount of its Pari Passu Hedge Credit Participation at the same time as notifying the Security Agent as to whether or not it gives that Consent or those instructions.

(h) In relation to any Debt Document, following the date on which all Liabilities under that Debt Document and any related Debt Documents have been fully and finally discharged in accordance with the terms of those Debt Documents, whether or not as a result of an enforcement, and the Creditors in respect of that Debt Document or any related Debt Document are not under any further obligations to provide financial accommodation to any of the Debtors under such Debt Document or any related Debt Documents, any requirement in this Agreement:

(i) for a Consent of any of the Creditors in respect of that Debt Document or any related Debt Document; or

(ii) that any term of another document or any action must not be prohibited by, must be permitted by or must not conflict with the terms of that Debt Document or any related Debt Document,

shall not apply.

1.3 Security Agent

Where in this Agreement or in any other Debt Document:

(a) the Security Agent is referred to as acting "**reasonably**" or in a "**reasonable**" manner or is required to come to an opinion or determination that is "**reasonable**"; or

(b) any item or evidence is required to be to the Security Agent's "**satisfaction**" or "**satisfactory**" to the Security Agent (or any similar or analogous wording is used),

this shall mean the Security Agent acting, or coming to an opinion or determination on the instructions of:

(i) (in relation to any action, opinion or determination under or in relation to this Agreement or any Transaction Security) the Instructing Group; or

(ii) (in relation to any action, opinion or determination under or in relation to any other Debt Document), the Creditor Representative or (as applicable) Creditors or applicable group of Creditors specified as the relevant instructing group for that purpose under that Debt Document (provided that if the relevant Debt Documents do not specify an instructing group for a particular matter, the instructing group for that matter will be a simple majority of the outstanding principal amount under those Debt Documents (excluding any Liabilities owned by a member of the Group or an Investor Affiliate)),

and the Security Agent shall be under no obligation to determine the reasonableness of such instructions (or, as applicable, whether such instructions are satisfactory) or whether in giving such instructions, the Instructing Group (or applicable Creditor Representative or Creditor(s)) is or are acting in a reasonable manner.

1.4 Spanish terms

In this Agreement, where it relates to a Spanish entity, a reference to:

(a) an insolvency proceeding includes a *declaración de concurso, con independencia de su carácter necesario o voluntario*, (including, with respect to a member of the Group incorporated in Spain, any notice to a competent court pursuant to article 5 bis of the Spanish Insolvency Law and its "*solicitud de inicio de procedimiento de concurso, auto de declaracion de concurso, convenio judicial o extrajudicial con acreedores and transacción judicial o extrajudicial*");

(b) a winding-up, administration or dissolution includes *disolución*, *liquidación*, *procedimiento concursal* or any other similar proceedings;

(c) a receiver, administrative receiver, administrator or the like includes *administración del concurso* or any other person performing the same function;

(d) a composition, compromise, assignment or arrangement with any creditor includes a *convenio*;

(e) a matured obligation includes any *crédito líquido, vencido y exigible*;

(f) Security includes any *prenda*, *hipoteca* and any other *garantía real o personal*, *derecho de retención* or other transaction having the same effect as each of the foregoing; and

(g) a person being unable to pay its debts includes that person being in a state of *insolvencia* or *concurso*.

1.5 No personal liability

To the extent permitted by law, no director, officer or employee of a Debtor or other individual will be personally liable (including, without limitation, for negligence or any other category of liability whatsoever) for any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of any certification, representation or statement made or deemed to be made by a Debtor in or pursuant to any Debt Document or any other document delivered by or on behalf of any Debtor under or in connection with any Debt Document being or proving to have been incorrect or misleading in any respect when made or deemed to be made, and any director, officer or employee of a Debtor or other individual may rely on this Clause 1.5 (*No personal liability*) in accordance with Clause 1.6 (*Third Party Rights*) and the provisions of the Third Parties Act.

1.6 Third party rights

(a) Unless expressly provided to the contrary in this Agreement, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of this Agreement, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

(c) Any Receiver, Delegate or any other person described in paragraph (b) of Clause 17.10 (*Exclusion of liability*) may, subject to this Clause 1.5 and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

(d) The Third Parties Act shall apply to this Agreement in respect of any Noteholder or Pari Passu Noteholder. For the purposes of paragraph (b) above and this paragraph (d), upon any person becoming a Noteholder or Pari Passu Noteholder, such person shall be deemed to be a Party to this Agreement and shall be bound by the provisions of this Agreement and be deemed to receive the benefits of this Agreement, and be subject to the terms and conditions hereof, as if such person were a Party hereto.

Section 2
Ranking and Senior Creditors

2. Ranking and Priority

2.1 Senior Liabilities

Each of the Parties agrees that the Credit Facility Liabilities, the Notes Liabilities, the Pari Passu Debt Liabilities and the Pari Passu Hedging Liabilities owed by the Debtors to the Senior Creditors shall rank in right and priority of payment *pari passu* and without any preference between them.

2.2 Transaction Security

Each of the Parties agrees that the Transaction Security shall rank and secure the Credit Facility Liabilities, the Notes Liabilities, the Pari Passu Debt Liabilities and the Pari Passu Hedging Liabilities (subject to the terms of this Agreement) *pari passu* and without any preference between them (but only to the extent that such Transaction Security is expressed to secure those Liabilities).

2.3 Intra-Group and Subordinated Liabilities

(a) Each of the Parties agrees that the Intra-Group Liabilities and the Subordinated Liabilities are postponed and subordinated to the Liabilities owed by the Debtors to the Senior Creditors.

(b) This Agreement does not purport to rank any of the Intra-Group Liabilities or the Subordinated Liabilities as between themselves.

2.4 Creditor Representative Amounts etc.

Subject to Clause 15 (*Application of Proceeds*) where applicable, nothing in this Agreement will prevent payment by the Company or any Debtor of:

(a) the Creditor Representative Amounts or the receipt and retention of such Creditor Representative Amounts by the relevant Creditor Representative(s); or

(b) any amounts payable to the Security Agent, any Receiver or any Delegate for its own account pursuant to any Debt Documents or the receipt and retention of such amounts by the Security Agent, Receiver or Delegate.

3. Senior Debt Creditors and Senior Debt Liabilities

3.1 Payment of Senior Debt Liabilities

(a) Subject to paragraph (b) below, the Debtors may make Payments of the Senior Debt Liabilities at any time in accordance with, and subject to the provisions of, the relevant Senior Debt Documents.

(b) Following the occurrence of a Distress Event but, for the avoidance of doubt, subject to paragraph (b) of Clause 3.6 (*Permitted Enforcement: Ancillary Lenders and Pari Passu Issuing Banks*), paragraph (b) of Clause 7.3 (*Set Off*) and Clause 15.3 (*Treatment of Pari Passu Facility Cash Cover and Pari Passu Lender Cash Collateral*) (unless, at any time at which the Security Agent is instructed to act in accordance with Enforcement Instructions issued by the Instructing Group pursuant to Clause 10.2 (*Instructions to enforce*), the Instructing Group gives notice to the Security Agent that the restrictions in each of paragraph (b) of Clause 3.1 (*Payment of Senior Debt Liabilities*) and the proviso to Clause 4.2 (*Restriction on Payments: Pari Passu Hedging Liabilities*) will cease to apply) no member of the Group may make Payments of the Senior Debt Liabilities except from Enforcement Proceeds distributed in accordance with Clause 15 (*Application of Proceeds*), other than any distribution or dividend out of any Debtor's unsecured assets (*pro rata* to

each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets.

3.2 Amendments and waivers: Senior Debt Documents

The Senior Debt Creditors may not, at any time, amend or waive any term of a Senior Debt Document if that amendment or waiver would breach another term of this Agreement.

3.3 Security: Senior Debt Creditors

Other than as set out in Clause 3.4 (*Security: Ancillary Lenders and Pari Passu Issuing Banks*), the Senior Debt Creditors may take, accept or receive the benefit of:

(a) any Security in respect of the Senior Debt Liabilities from any member of the Group in addition to the Common Transaction Security which (except for any Security permitted under Clause 3.4 (*Security: Ancillary Lenders and Pari Passu Issuing Banks*)) to the extent legally possible and subject to any Agreed Security Principles is, at the same time, also offered either:

(i) to the Security Agent as agent or trustee for the other Secured Parties in respect of their Liabilities; or

(ii) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Security Agent as agent or trustee for the Secured Parties:

(A) to the other Secured Parties in respect of their Liabilities; or

(B) to the Security Agent under a parallel debt structure for the benefit of the other Secured Parties,

and ranks in the same order of priority as that contemplated in Clause 2.2 (*Transaction Security*); and

(b) any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Senior Debt Liabilities in addition to those in:

(i) the original forms of the Credit Facility Agreement and the Notes Indenture (or any Equivalent Provision in any Pari Passu Debt Document);

(ii) this Agreement; or

(iii) any Common Assurance,

if (except for any guarantee, indemnity or other assurance against loss permitted under Clause 3.4 (*Security: Ancillary Lenders and Pari Passu Issuing Banks*)) and to the extent legally possible and subject to any Agreed Security Principles, at the same time it is also offered to the other Secured Parties in respect of their Liabilities and ranks in the same order of priority as that contemplated in Clause 2 (*Ranking and Priority*).

3.4 Security: Ancillary Lenders and Pari Passu Issuing Banks

No Ancillary Lender or Pari Passu Issuing Bank will, unless the prior consent of the Instructing Group is obtained, take, accept or receive from any member of the Group the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities owed to it other than:

(a) the Common Transaction Security;

(b) guarantees, indemnities and assurances against loss contained in the Ancillary Documents no greater in extent than any of those contained in:

(i) the original form of the Credit Facility Agreement and the Notes Indenture (or any Equivalent Provision in any Pari Passu Debt Document);

(ii) this Agreement; or

(iii) any Common Assurance;

(c) any Pari Passu Facility Cash Cover permitted under the Pari Passu Facility Documents relating to any Pari Passu Ancillary Facility or for any Pari Passu Letter of Credit issued by a Pari Passu Issuing Bank;

(d) the indemnities contained in an ISDA Master Agreement (in the case of a Hedging Ancillary Document which is based on an ISDA Master Agreement) or any indemnities which are similar in meaning and effect to those indemnities (in the case of a Hedging Ancillary Document which is not based on an ISDA Master Agreement); or

(e) any Security, guarantee, indemnity or other assurance against loss giving effect to, or arising as a result of the effect of, any netting or set-off arrangement relating to the Pari Passu Ancillary Facilities for the purpose of netting debit and credit balances arising under the Pari Passu Ancillary Facilities.

3.5 Restriction on Enforcement: Ancillary Lenders and Pari Passu Issuing Banks

Subject to Clause 3.6 (*Permitted Enforcement: Ancillary Lenders and Pari Passu Issuing Banks*), so long as any of the Senior Debt Liabilities (other than any Liabilities owed to the Ancillary Lenders or Pari Passu Issuing Banks) are or may be outstanding, none of the Ancillary Lenders nor the Pari Passu Issuing Banks shall be entitled to take any Enforcement Action in respect of any of the Liabilities owed to it.

3.6 Permitted Enforcement: Ancillary Lenders and Pari Passu Issuing Banks

(a) Each Ancillary Lender and Pari Passu Issuing Bank may take Enforcement Action which would be available to it but for Clause 3.5 (*Restriction on Enforcement: Ancillary Lenders and Pari Passu Issuing Banks*) if:

(i) at the same time as, or prior to, that action, Enforcement Action has been taken in respect of the Credit Facility Liabilities or (as applicable) Pari Passu Facility Liabilities (excluding the Liabilities owing to Ancillary Lenders and the Pari Passu Issuing Banks), in which case the Ancillary Lenders and the Pari Passu Issuing Banks may take the same Enforcement Action as has been taken in respect of those Credit Facility Liabilities or (as applicable) Pari Passu Facility Liabilities;

(ii) that action is contemplated by the Credit Facility Agreement or (as applicable) related Pari Passu Facility Agreement or Clause 3.4 (*Security: Ancillary Lenders and Pari Passu Issuing Banks*);

(iii) that Enforcement Action is taken in respect of Pari Passu Facility Cash Cover which has been provided in accordance with the related Pari Passu Facility Agreement;

(iv) at the same time as or prior to, that action, the consent of the Instructing Group is obtained; or

(v) an Insolvency Event has occurred in relation to any member of the Group, in which case after the occurrence of that Insolvency Event, each Ancillary Lender and each Pari Passu

Issuing Bank shall be entitled (if it has not already done so) to exercise any right it may otherwise have in respect of that member of the Group to:

(A) accelerate any of that member of the Group's Credit Facility Liabilities or (as applicable) Pari Passu Facility Liabilities or declare them prematurely due and payable on demand (to the extent legally possible);

(B) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Credit Facility Liabilities or (as applicable) Pari Passu Facility Liabilities;

(C) to the extent legally possible, exercise any right of set-off or take or receive any Payment in respect of any Credit Facility Liabilities or (as applicable) Pari Passu Facility Liabilities of that member of the Group; or

(D) claim and prove in the liquidation of that member of the Group for the Credit Facility Liabilities or (as applicable) Pari Passu Facility Liabilities owing to it.

(b) Clause 3.5 (*Restriction on Enforcement: Ancillary Lenders and Pari Passu Issuing Banks*) shall not restrict any right of a Pari Passu Ancillary Lender:

(i) to demand repayment or prepayment of any of the Liabilities owed to it prior to the expiry date of the relevant Pari Passu Ancillary Facility; or

(ii) to net or set off in relation to a Pari Passu Multi-account Overdraft,

in accordance with the terms of the relevant Pari Passu Facility Agreement and to the extent that the demand is required to reduce, or the netting or set-off represents a reduction from, the Gross Outstandings of that Pari Passu Multi-account Overdraft to or towards an amount equal to its Net Outstandings.

4. Pari Passu Hedge Counterparties and Pari Passu Hedging Liabilities

4.1 Identity of Pari Passu Hedge Counterparties

(a) Subject to paragraph (b) below, no entity providing hedging arrangements to any Debtor shall be entitled to share in any of the Transaction Security or in the benefit of any guarantee or indemnity in respect of any of the liabilities and obligations arising in relation to those hedging arrangements nor shall those liabilities and obligations be treated as Pari Passu Hedging Liabilities unless that entity is or becomes:

(i) a Party as a Pari Passu Hedge Counterparty; and

(ii) if required under the Pari Passu Debt Documents in relation to which the hedging arrangements are being entered into, a party to the relevant Pari Passu Debt Document.

(b) Paragraph (a) above shall not apply to a Pari Passu Hedging Ancillary Lender.

4.2 Restriction on Payments: Pari Passu Hedging Liabilities

The Debtors shall not, and shall procure that no other member of the Group will, make any Payment of the Pari Passu Hedging Liabilities at any time unless:

(a) that Payment is permitted under Clause 4.3 (*Permitted Payments: Pari Passu Hedging Liabilities*); or

(b) the taking or receipt of that Payment is permitted under paragraph (c) of Clause 4.9 (*Permitted Enforcement: Pari Passu Hedge Counterparties*),

provided that (unless, at any time at which the Security Agent is instructed to act in accordance with Enforcement Instructions issued by the Instructing Group pursuant to Clause 10.2

(*Instructions to enforce*), the Instructing Group gives notice to the Security Agent that the restrictions in each of paragraph (b) of Clause 3.1 (*Payment of Senior Debt Liabilities*) and this proviso will cease to apply), following the occurrence of a Distress Event (until the occurrence of the Senior Debt Discharge Date), no member of the Group may make Payments of the Pari Passu Hedging Liabilities except from Enforcement Proceeds distributed in accordance with Clause 15 (*Application of Proceeds*), other than any distribution or dividend out of any Debtor's unsecured assets (*pro rata* to each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets.

4.3 Permitted Payments: Pari Passu Hedging Liabilities

(a) Subject to paragraph (b) below, the Debtors may make Payments to any Pari Passu Hedge Counterparty in respect of the Pari Passu Hedging Liabilities then due to that Pari Passu Hedge Counterparty under any Pari Passu Hedging Agreement in accordance with the terms of that Pari Passu Hedging Agreement:

(i) if the Payment is a scheduled Payment arising under the relevant Pari Passu Hedging Agreement;

(ii) to the extent that the relevant Debtor's obligation to make the Payment arises as a result of the operation of:

(A) any of sections 2(d) (*Deduction or Withholding for Tax*), 2(e) (*Default Interest; Other Amounts*), 8(a) (*Payment in the Contractual Currency*), 8(b) (*Judgments*) and 11 (*Expenses*) of the 1992 ISDA Master Agreement (if the Pari Passu Hedging Agreement is based on a 1992 ISDA Master Agreement);

(B) any of sections 2(d) (*Deduction or Withholding for Tax*), 8(a) (*Payment in the Contractual Currency*), 8(b) (*Judgments*), 9(h)(i) (*Prior to Early Termination*) and 11 (*Expenses*) of the 2002 ISDA Master Agreement (if the Pari Passu Hedging Agreement is based on a 2002 ISDA Master Agreement); or

(C) any provision of a Pari Passu Hedging Agreement which is similar in meaning and effect to any provision listed in paragraph (A) or (B) above (if the Pari Passu Hedging Agreement is not based on an ISDA Master Agreement);

(iii) to the extent that the relevant Debtor's obligation to make the Payment arises from a Non-Credit Related Close-Out;

(iv) to the extent that:

(A) the relevant Debtor's obligation to make the Payment arises from:

(1) a Credit Related Close-Out in relation to that Pari Passu Hedging Agreement; or

(2) a Permitted Automatic Early Termination under that Pari Passu Hedging Agreement which arises as a result of an event relating to a Debtor; and

(B) no Acceleration Event is continuing at the time of that Payment and no Event of Default would result from that Payment;

(v) to the extent that no Acceleration Event is continuing and no Event of Default would result from that Payment and the relevant Debtor's obligation to make the Payment arises as a result of a close-out or termination arising as a result of:

(A) section 5(a)(vii) (*Bankruptcy*) of the 1992 ISDA Master Agreement (if the relevant Pari Passu Hedging Agreement is based on a 1992 ISDA Master Agreement) and the

Event of Default (as defined in the relevant Pari Passu Hedging Agreement) has occurred with respect to the relevant Pari Passu Hedge Counterparty;

(B) section 5(a)(vii) (*Bankruptcy*) of the 2002 ISDA Master Agreement (if the relevant Pari Passu Hedging Agreement is based on a 2002 ISDA Master Agreement) and the Event of Default (as defined in the relevant Pari Passu Hedging Agreement) has occurred with respect to the relevant Pari Passu Hedge Counterparty;

(C) any provision of a Pari Passu Hedging Agreement which is similar in meaning and effect to any provision listed in paragraph (A) or (B) above (if the Pari Passu Hedging Agreement is not based on an ISDA Master Agreement) and the equivalent event of default has occurred with respect to the relevant Pari Passu Hedge Counterparty; or

(D) the relevant Debtor terminating or closing-out the relevant Pari Passu Hedging Agreement as a result of a Pari Passu Hedging Force Majeure and the Termination Event (as defined in the relevant Pari Passu Hedging Agreement in the case of a Pari Passu Hedging Agreement based on an ISDA Master Agreement) or the equivalent termination event (in the case of a Pari Passu Hedging Agreement not based on an ISDA Master Agreement) has occurred with respect to the relevant Pari Passu Hedge Counterparty; or

(vi) if the Instructing Group give prior consent to the Payment being made.

(b) No Payment may be made to a Pari Passu Hedge Counterparty under paragraph (a) above if any scheduled Payment due from that Pari Passu Hedge Counterparty to a Debtor under a Pari Passu Hedging Agreement to which they are both party is due and unpaid unless the prior consent of the Instructing Group is obtained.

(c) Failure by a Debtor to make a Payment to a Pari Passu Hedge Counterparty which results solely from the operation of paragraph (b) above shall, without prejudice to Clause 4.4 (*Payment obligations continue*), not result in a default (however described) in respect of that Debtor under that Pari Passu Hedging Agreement.

4.4 Payment obligations continue

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 4.2 (*Restriction on Payment: Pari Passu Hedging Liabilities*) and 4.3 (*Permitted Payments: Pari Passu Hedging Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

4.5 No acquisition of Pari Passu Hedging Liabilities

The Debtors shall not, and shall procure that no other member of the Group will:

(a) enter into any Liabilities Acquisition; or

(b) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any of the Pari Passu Hedging Liabilities, unless the prior consent of the Instructing Group is obtained.

4.6 Amendments and Waivers: Pari Passu Hedging Agreements

(a) Subject to paragraph (b) below, the Pari Passu Hedge Counterparties may not, at any time, amend or waive any term of the Pari Passu Hedging Agreements.

(b) A Pari Passu Hedge Counterparty may amend or waive any term of a Pari Passu Hedging Agreement in accordance with the terms of that Pari Passu Hedging Agreement if:

(i) the Company has confirmed in writing to the Security Agent at the time at which the amendment or waiver is made that the amendment or waiver will not breach the terms of this Agreement or any of its existing Senior Documents (in their form as at the date of the amendment or waiver); or

(ii) the prior consent of the Instructing Group is obtained.

4.7 Security: Pari Passu Hedge Counterparties

The Pari Passu Hedge Counterparties may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Pari Passu Hedging Liabilities other than:

(a) the Common Transaction Security;

(b) any guarantee, indemnity or other assurance against loss contained in:

(i) the original form of the Credit Facility Agreement and the Notes Indenture (or any Equivalent Provision in any Pari Passu Debt Document);

(ii) this Agreement (other than Schedule 5 (*Pari Passu Hedge Counterparties' Guarantee and Indemnity*));

(iii) any Common Assurance; or

(iv) the relevant Pari Passu Hedging Agreement no greater in extent than any of those referred to in paragraph (i) to (iii) above;

(c) as otherwise contemplated by Clauses 3.3 (*Security: Credit Facility Creditors*); and

(d) the indemnities contained in the ISDA Master Agreements (in the case of a Pari Passu Hedging Agreement which is based on an ISDA Master Agreement) or any indemnities which are similar in meaning and effect to those indemnities (in the case of a Pari Passu Hedging Agreement which is not based on an ISDA Master Agreement).

4.8 Restriction on Enforcement: Pari Passu Hedge Counterparties

Subject to Clause 4.9 (*Permitted Enforcement: Pari Passu Hedge Counterparties*) and Clause 4.10 (*Required Enforcement: Pari Passu Hedge Counterparties*) and without prejudice to each Pari Passu Hedge Counterparty's rights under Clauses 10.3 (*Enforcement Instructions*) and 10.4 (*Manner of enforcement*), the Pari Passu Hedge Counterparties shall not take any Enforcement Action in respect of any of the Pari Passu Hedging Liabilities or any of the hedging transactions under any of the Pari Passu Hedging Agreements at any time.

4.9 Permitted Enforcement: Pari Passu Hedge Counterparties

(a) To the extent it is able to do so under the relevant Pari Passu Hedging Agreement, a Pari Passu Hedge Counterparty may terminate or close-out in whole or in part any hedging transaction under that Pari Passu Hedging Agreement prior to its stated maturity:

Non-Credit Related Close-Outs

(i) if, prior to a Distress Event, the Company has certified to that Pari Passu Hedge Counterparty that that termination or close-out would not result in a breach of any term of a Senior Document;

(ii) if a Pari Passu Hedging Force Majeure has occurred in respect of that Pari Passu Hedging Agreement;

(iii) to the extent necessary to comply with paragraph (c) of Clause 4.13 (*Total Pari Passu Interest Rate Hedging and Total Pari Passu Exchange Rate Hedging*);

Credit Related Close-Outs

(iv) if a Distress Event has occurred;

(v) if an Event of Default has occurred under paragraph 1(f) of schedule 12 (*Events of Default*) to the Credit Facility Agreement or section [●] of the Notes Indenture (or, in each case, any Equivalent Provision of a Pari Passu Facility Agreement or Pari Passu Note Indenture) in relation to a Debtor which is party to that Pari Passu Hedging Agreement;

(vi) if the Instructing Group give prior consent to that termination or close-out being made; and

(vii) on or immediately following a refinancing (or repayment) and cancellation in full of the Pari Passu Debt Document to which that Pari Passu Hedging Agreement relates.

(b) If a Debtor has defaulted on any Payment due under a Pari Passu Hedging Agreement (after allowing any applicable notice or grace periods) and the default has continued unwaived for more than five Business Days after notice of that default has been given to the Security Agent pursuant to paragraph (e) of Clause 22.3 (*Notification of prescribed events*), the relevant Pari Passu Hedge Counterparty:

(i) may, to the extent it is able to do so under the relevant Pari Passu Hedging Agreement, terminate or close-out in whole or in part any hedging transaction under that Pari Passu Hedging Agreement; and

(ii) until such time as the Security Agent has given notice to that Pari Passu Hedge Counterparty that the Transaction Security is being enforced (or that any formal steps are being taken to enforce the Transaction Security), shall be entitled to exercise any right it might otherwise have to sue for, commence or join legal or arbitration proceedings against any Debtor to recover any Pari Passu Hedging Liabilities due under that Pari Passu Hedging Agreement.

(c) After the occurrence of an Insolvency Event in relation to any member of the Group, each Pari Passu Hedge Counterparty shall be entitled to exercise any right it may otherwise have in respect of that member of the Group to:

(i) prematurely close-out or terminate any Pari Passu Hedging Liabilities of that member of the Group;

(ii) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Pari Passu Hedging Liabilities;

(iii) to the extent legally permissible, exercise any right of set-off or take or receive any Payment in respect of any Pari Passu Hedging Liabilities of that member of the Group; or

(iv) claim and prove in the liquidation of that member of the Group for the Pari Passu Hedging Liabilities owing to it.

4.10 Required Enforcement: Pari Passu Hedge Counterparties

(a) Subject to paragraph (b) below, a Pari Passu Hedge Counterparty shall promptly terminate or close-out in full any hedging transaction under all or any of the Pari Passu Hedging Agreements to which it is party prior to their stated maturity, following:

(i) the occurrence of an Acceleration Event and delivery to it of a notice from the Security Agent that that Acceleration Event has occurred; and

(ii) delivery to it of a subsequent notice from the Security Agent (acting on the instructions of the Instructing Group) instructing it to do so.

(b) Paragraph (a) above shall not apply to the extent that that Acceleration Event occurred as a result of an arrangement made between any Debtor and any Senior Creditor with the purpose of bringing about that Acceleration Event.

(c) If a Pari Passu Hedge Counterparty is entitled to terminate or close-out any hedging transaction under paragraph (b) of Clause 4.9 (*Permitted Enforcement: Pari Passu Hedge Counterparties*) (or would have been able to if that Pari Passu Hedge Counterparty had given the notice referred to in that paragraph) but has not terminated or closed out each such hedging transaction, that Pari Passu Hedge Counterparty shall promptly terminate or close-out in full each such hedging transaction following a request to do so by the Security Agent (acting on the instructions of the Instructing Group).

4.11 Treatment of Payments due to Debtors on termination of hedging transactions

(a) If, on termination of any hedging transaction under any Pari Passu Hedging Agreement occurring after a Distress Event, a settlement amount or other amount (following the application of any Close-Out Netting, Payment Netting or Inter-Hedging Agreement Netting in respect of that Pari Passu Hedging Agreement) falls due from a Pari Passu Hedge Counterparty to the relevant Debtor then, to the extent legally permissible, that amount shall be paid by that Pari Passu Hedge Counterparty to or to the order of the Security Agent, treated as the proceeds of enforcement of the Transaction Security and applied in accordance with the terms of this Agreement.

(b) The payment of that amount by the Pari Passu Hedge Counterparty to or to the order of the Security Agent in accordance with paragraph (a) above shall discharge the Pari Passu Hedge Counterparty's obligation to pay that amount to that Debtor.

4.12 Terms of Pari Passu Hedging Agreements

The Pari Passu Hedge Counterparties (to the extent party to the Pari Passu Hedging Agreement in question) and the Debtors party to the Pari Passu Hedging Agreements shall ensure that, at all times:

(a) each Pari Passu Hedging Agreement documents only hedging arrangements entered into for the purpose of hedging the types of liabilities described in the definition of "Pari Passu Hedging Agreement" and that no other hedging arrangements are carried out under or pursuant to a Pari Passu Hedging Agreement;

(b) each Pari Passu Hedging Agreement is based either:

(i) on an ISDA Master Agreement; or

(ii) on another framework agreement which is similar in effect to an ISDA Master Agreement;

(c) in the event of a termination of the hedging transaction entered into under a Pari Passu Hedging Agreement, whether as a result of:

(i) a Termination Event or an Event of Default, each as defined in the relevant Pari Passu Hedging Agreement (in the case of a Pari Passu Hedging Agreement which is based on an ISDA Master Agreement); or

(ii) an event similar in meaning and effect to either of those described in paragraph (i) above (in the case of a Pari Passu Hedging Agreement which is not based on an ISDA Master Agreement),

that Pari Passu Hedging Agreement will:

(A) if it is based on a 1992 ISDA Master Agreement, provide for payments under the "Second Method" and will make no material amendment to section 6(e) (*Payments on Early Termination*) of the ISDA Master Agreement;

(B) if it is based on a 2002 ISDA Master Agreement, make no material amendment to section 6(e) (*Payments on Early Termination*) of the ISDA Master Agreement; or

(C) if it is not based on an ISDA Master Agreement, provide for any other method the effect of which is that the party to which that event is referable will be entitled to receive payment under the relevant termination provisions if the net replacement value of all terminated transactions entered into under that Pari Passu Hedging Agreement is in its favour;

(d) each Pari Passu Hedging Agreement will not provide for Automatic Early Termination other than to the extent that:

(i) the provision of Automatic Early Termination is consistent with practice in the relevant derivatives market, taking into account the legal status and jurisdiction of incorporation of the parties to that Pari Passu Hedging Agreement; and

(ii) that Automatic Early Termination is:

(A) as provided for in section 6(a) (*Right to Terminate following Event of Default*) of the 1992 ISDA Master Agreement (if the Pari Passu Hedging Agreement is based on a 1992 ISDA Master Agreement);

(B) as provided for in section 6(a) (*Right to Terminate Following Event of Default*) of the 2002 ISDA Master Agreement (if the Pari Passu Hedging Agreement is based on a 2002 ISDA Master Agreement); or

(C) similar in effect to that described in paragraph (A) or (B) above (if the Pari Passu Hedging Agreement is not based on an ISDA Master Agreement);

(e) each Pari Passu Hedging Agreement will provide that the relevant Pari Passu Hedge Counterparty will be entitled to designate an Early Termination Date or otherwise be able to terminate each transaction under such Pari Passu Hedging Agreement if so required pursuant to Clause 4.10 (*Required Enforcement: Pari Passu Hedge Counterparties*); and

(f) each Pari Passu Hedging Agreement will permit the relevant Pari Passu Hedge Counterparty and each relevant Debtor to take such action as may be necessary to comply with Clause 4.13 (*Total Pari Passu Interest Rate Hedging and Total Pari Passu Exchange Rate Hedging*).

4.13 Total Pari Passu Interest Rate Hedging and Total Pari Passu Exchange Rate Hedging

(a) The Parent shall procure that, subject to paragraph (c) below, in relation to any Pari Passu Debt Document:

(i) the Total Pari Passu Interest Rate Hedging does not exceed the relevant Pari Passu Term Outstandings; or (as applicable)

(ii) the Total Pari Passu Exchange Rate Hedging does not exceed the relevant Pari Passu Term Outstandings.

(b) Subject to paragraph (a) above, if in relation to any Pari Passu Debt Document:

(i) the Total Pari Passu Interest Rate Hedging is less than the relevant Pari Passu Term Outstandings, a Debtor may (but, subject to any requirement in that Pari Passu Debt

Document, shall be under no obligation to) enter into additional hedging arrangements to increase the Total Pari Passu Interest Rate Hedging; or

(ii) the Total Pari Passu Exchange Rate Hedging is less than the Pari Passu Term Outstandings, a Debtor may (but, subject to any requirement in that Pari Passu Debt Document, shall be under no obligation to) enter into additional hedging arrangements to increase the Total Pari Passu Exchange Rate Hedging.

(c) If any reduction in any Pari Passu Term Outstandings results in:

(i) a Pari Passu Interest Rate Hedge Excess then, on the same day as that reduction becomes effective in accordance with the terms of the relevant Pari Passu Debt Document, the relevant Debtor(s) shall, and the Parent shall procure that the relevant Debtor(s) shall, reduce each Pari Passu Hedge Counterparty's Pari Passu Interest Rate Hedging by that Pari Passu Hedge Counterparty's Pari Passu Interest Rate Hedging Proportion of that Pari Passu Interest Rate Hedge Excess by terminating or closing out any relevant hedging transaction(s) in full or in part, as may be necessary; or

(ii) a Pari Passu Exchange Rate Hedge Excess then, on the same day as that reduction becomes effective in accordance with the terms of the relevant Pari Passu Debt Document, the relevant Debtor(s) shall, and the Parent shall procure that the relevant Debtor(s) shall, reduce each Pari Passu Hedge Counterparty's Pari Passu Exchange Rate Hedging by that Pari Passu Hedge Counterparty's Pari Passu Exchange Rate Hedging Proportion of that Pari Passu Exchange Rate Hedge Excess by terminating or closing out any relevant hedging transaction(s) in full or in part, as may be necessary.

(d) The relevant Debtor(s) shall, and the Parent shall procure that the relevant Debtor(s) will, pay to that Pari Passu Hedge Counterparty (in accordance with the relevant Pari Passu Hedging Agreement) an amount equal to the sum of all payments (if any) that become due from each relevant Debtor to a Pari Passu Hedge Counterparty under the relevant Pari Passu Hedging Agreement(s) as a result of any action described in paragraph (c) above.

(e) Each Pari Passu Hedge Counterparty shall co-operate in any process described in paragraph (d) above and shall pay (in accordance with the relevant Pari Passu Hedging Agreement(s)) any amount that becomes due from it under the relevant Pari Passu Hedging Agreement(s) to a Debtor as a result of any action described in paragraph (c) above.

4.14 Pari Passu Hedge Counterparties' Guarantee and Indemnity

Each Debtor agrees that it will be bound by the obligations set out in Schedule 5 (*Pari Passu Hedge Counterparties' Guarantee and Indemnity*).

Section 3
Other Creditors

5. Intra-group lenders and Intra-Group Liabilities

5.1 Restriction on Payment: Intra-Group Liabilities

Prior to the Final Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will, make any Payments of the Intra-Group Liabilities at any time unless:

(a) that Payment is permitted under Clause 5.2 (*Permitted Payments: Intra-Group Liabilities*); or

(b) the taking or receipt of that Payment is permitted under Clause 5.8 (*Permitted Enforcement: Intra-Group Lenders*).

5.2 Permitted Payments: Intra-Group Liabilities

(a) Subject to paragraph (b) below, the Debtors may make Payments in respect of the Intra-Group Liabilities (whether of principal, interest or otherwise) from time to time when due.

(b) Payments in respect of the Intra-Group Liabilities may not be made pursuant to paragraph (a) above if, at the time of the Payment, an Acceleration Event is continuing or an Event of Default would occur under any of the Debt Documents unless:

(i) the Instructing Group consent to that Payment being made; or

(ii) that Payment is made to facilitate the making of a Permitted Senior Debt Payment or a Permitted Hedge Payment.

5.3 Payment obligations continue

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 5.1 (*Restriction on Payment: Intra-Group Liabilities*) and 5.2 (*Permitted Payments: Intra-Group Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

5.4 Acquisition of Intra-Group Liabilities

(a) Subject to paragraph (b) below, each Debtor may, and may permit any other member of the Group to:

(i) enter into any Liabilities Acquisition; or

(ii) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any Intra-Group Liabilities at any time.

(b) Subject to paragraph (c) below, no action described in paragraph (a) above may take place in respect of any Intra-Group Liabilities if:

(i) that action would result in a breach of any of the Senior Documents; or

(ii) at the time of that action, an Acceleration Event is continuing or an Event of Default would occur under any of the Debt Documents.

(c) The restrictions in paragraph (b) above shall not apply if:

(i) the Instructing Group consent to that action; or

(ii) that action is taken to facilitate the making of a Permitted Senior Debt Payment or a Permitted Hedge Payment.

5.5 Debt Documents: Intra-Group Liabilities

Prior to the Final Discharge Date, neither the Parent nor any other Debtor shall, and the Parent shall procure that no other member of the Group will agree, amend or waive any term of any document or instrument pursuant to which the Intra-Group are constituted, or of the Intra-Group Liabilities, unless:

(a) the agreement, amendment or waiver is not prohibited by the Senior Documents; or

(b) the prior consent of the Instructing Group is obtained.

5.6 Security: Intra-Group Lenders

Prior to the Final Discharge Date, the Intra-Group Lenders may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Intra-Group Liabilities unless:

(a) that Security, guarantee, indemnity or other assurance against loss is not prohibited by the Senior Documents; or

(b) the prior consent of the Instructing Group is obtained.

5.7 Restriction on enforcement: Intra-Group Lenders

Subject to Clause 5.8 (*Permitted Enforcement: Intra-Group Lenders*), none of the Intra-Group Lenders shall be entitled to take any Enforcement Action in respect of any of the Intra-Group Liabilities at any time prior to the Final Discharge Date.

5.8 Permitted Enforcement: Intra-Group Lenders

After the occurrence of an Insolvency Event in relation to any member of the Group, each Intra-Group Lender may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra-Group Lender in accordance with Clause 7.5 (*Filing of claims*)), exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that member of the Group's Intra-Group Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra-Group Liabilities;

(c) to the extent legally permissible, exercise any right of set-off or take or receive any Payment in respect of any Intra-Group Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Intra-Group Liabilities owing to it.

5.9 Representations: Intra-Group Lenders

Each Intra-Group Lender which is not a Debtor represents and warrants to the Senior Creditors and the Security Agent that:

(a) it is a corporation, duly incorporated or formed and validly existing under the laws of its jurisdiction of incorporation or formation;

(b) the obligations expressed to be assumed by it in this Agreement are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations; and

(c) the entry into and performance by it of this Agreement does not:

    (i) conflict with any law or regulation applicable to it or its constitutional documents in any material respect; or

(ii) constitute a default or termination event (however described) under any agreement or instrument binding on it or any of its assets to an extent or in a manner which has or is reasonably likely to have a material adverse effect on the interests of the Security Agent or the Senior Creditors under the Senior Documents.

6. Subordinated creditors and subordinated liabilities

6.1 Restriction on Payment: Subordinated Liabilities

Prior to the Final Discharge Date, neither the Parent nor any other Debtor shall, and the Parent shall procure that no other member of the Group will, make any Payment of the Subordinated Liabilities at any time unless:

(a) that Payment is permitted under Clause 6.2 (*Permitted Payments: Subordinated Liabilities*); or

(b) the taking or receipt of that Payment is permitted under Clause 6.8 (*Permitted Enforcement: Subordinated Creditors*).

6.2 Permitted Payments: Subordinated Liabilities

The Parent and the other Debtors may make Payments in respect of the Subordinated Liabilities then due if:

(a) the Payment is not prohibited by the Senior Documents; or

(b) the Instructing Group consent to that Payment being made.

6.3 Payment obligations continue

Neither the Parent nor any other Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 6.1 (*Restriction on Payment: Subordinated Liabilities*) and 6.2 (*Permitted Payments: Subordinated Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

6.4 No acquisition of Subordinated Liabilities

Prior to the Final Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will:

(a) enter into any Liabilities Acquisition; or

(b) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any of the Subordinated Liabilities, unless the prior consent of the Instructing Group is obtained.

6.5 Amendments and waivers: Subordinated Creditors

Prior to the Final Discharge Date, neither the Parent nor any other Debtor shall, and the Parent shall procure that no other member of the Group will agree, amend or waive any term of any document or instrument pursuant to which the Subordinated Liabilities are constituted, or of the Subordinated Liabilities, unless:

(a) the agreement, amendment or waiver is not prohibited by the Senior Documents; or

(b) the prior consent of the Instructing Group is obtained.

6.6 Security: Subordinated Creditors

(a) Subject to paragraph (b) below, the Parent shall procure that the Subordinated Creditors do not take, accept or receive the benefit of any Security, guarantee, indemnity or other

assurance against loss from any member of the Group in respect of any of the Subordinated Liabilities prior to the Final Discharge Date.

(b) The restrictions in paragraph (a) above shall not apply to the extent that the prior consent of the Instructing Group is obtained.

6.7 Restriction on Enforcement: Subordinated Creditors

Subject to Clause 6.8 (*Permitted Enforcement: Subordinated Creditors*), no Subordinated Creditor shall be entitled to take any Enforcement Action in respect of any of the Subordinated Liabilities at any time prior to the Final Discharge Date.

6.8 Permitted Enforcement: Subordinated Creditors

After the occurrence of an Insolvency Event in relation to any member of the Group, each Subordinated Creditor may (unless otherwise directed by the Security Agent or unless the Security Agent has taken, or has given notice that it intends to take, to the extent legally permissible, action on behalf of that Subordinated Creditor in accordance with Clause 7.5 (*Filing of claims*)) exercise any right it may otherwise have in respect of that member of the Group to:

(a) accelerate any of that member of the Group's Subordinated Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Subordinated Liabilities;

(c) to the extent legally permissible, exercise any right of set-off or take or receive any Payment in respect of any Subordinated Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Subordinated Liabilities owing to it.

6.9 Representations: Subordinated Creditors

Each Subordinated Creditor represents and warrants to the Senior Creditors and the Security Agent on the date on which it becomes a Party that:

(a) it is a corporation, duly incorporated or formed and validly existing under the laws of its jurisdiction of incorporation or formation;

(b) the obligations expressed to be assumed by it in this Agreement are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations; and

(c) the entry into and performance by it of this Agreement does not:

(i) conflict with any law or regulation applicable to it or its constitutional documents in any material respect; or

(ii) constitute a default or termination event (however described) under any agreement or instrument binding on it or any of its assets to an extent or in a manner which has or is reasonably likely to have a material adverse effect on the interests of the Security Agent or the Senior Creditors under the Senior Documents.

Section 4
Insolvency, Turnover and Enforcement

7. Effect of insolvency event

7.1 Pari Passu Facility Cash Cover

This Clause 7 (*Effect of Insolvency Event*) is subject to Clause 15.3 (*Treatment of Pari Passu Facility Cash Cover and Pari Passu Lender Cash Collateral*) and Clause 18.5 (*Turnover obligations*).

7.2 Distributions

(a) After the occurrence of an Insolvency Event in relation to any member of the Group, any Party entitled to receive a distribution out of the assets of that member of the Group (in the case of a Senior Creditor, only to the extent that such amount constitutes Enforcement Proceeds) in respect of Liabilities owed to that Party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to make that distribution to the Security Agent (or to such other person as the Security Agent shall direct) until the Liabilities owing to the Secured Parties have been paid in full.

(b) The Security Agent shall apply distributions made to it under paragraph (a) above in accordance with Clause 15 (*Application of Proceeds*).

7.3 Set-Off

(a) Subject to paragraph (b) below, to the extent that any member of the Group's Liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any Creditor which benefited from that set-off shall (in the case of a Senior Creditor, only to the extent that such amount constitutes Enforcement Proceeds) pay an amount equal to the amount of the Liabilities owed to it which are discharged by that set-off to or to the order of the Security Agent for application in accordance with Clause 15 (*Application of Proceeds*).

(b) Paragraph (a) above shall not apply to:

(i) any such discharge of the Pari Passu Multi-account Overdraft Liabilities to the extent that the relevant discharge represents a reduction of the Gross Outstandings of a Pari Passu Multi-account Overdraft to or towards an amount equal to its Net Outstandings;

(ii) any Close-Out Netting by a Pari Passu Hedge Counterparty or a Pari Passu Hedging Ancillary Lender;

(iii) any Payment Netting by a Pari Passu Hedge Counterparty or a Pari Passu Hedging Ancillary Lender;

(iv) any Inter-Hedging Agreement Netting by a Pari Passu Hedge Counterparty; and

(v) any Inter-Hedging Ancillary Document Netting by a Pari Passu Hedging Ancillary Lender.

7.4 Non-cash distributions

If the Security Agent or any other Secured Party receives a distribution in the form of Non-Cash Consideration in respect of any of the Liabilities (other than any distribution of Non-Cash Recoveries), the Liabilities will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Liabilities.

7.5 Filing of claims

Without prejudice to any Pari Passu Ancillary Lender's right of netting or set-off relating to a Pari Passu Multi-account Overdraft (to the extent that the netting or set-off represents a reduction of the the Gross Outstandings of that Pari Passu Multi-account Overdraft to or

towards an amount equal to its Net Outstandings), and to the extent legally permissible, after the occurrence of an Insolvency Event in relation to any member of the Group, each Creditor irrevocably authorises the Security Agent, on its behalf, to:

(a) take any Enforcement Action (in accordance with the terms of this Agreement) against that member of the Group;

(b) demand, sue, prove and give receipt for any or all of that member of the Group's Liabilities;

(c) collect and receive all distributions on, or on account of, any or all of that member of the Group's Liabilities; and

(d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of the Group's Liabilities.

7.6 Further assurance—Insolvency Event

Each Creditor will:

(a) do all things that the Security Agent requests in order to give effect to this Clause 7 (*Effect of Insolvency Event*); and

(b) if the Security Agent is not entitled to take any of the actions contemplated by this Clause 7 (*Effect of Insolvency Event*) or if the Security Agent requests that a Creditor take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent may reasonably require) to enable the Security Agent to take such action.

7.7 Security Agent instructions

For the purposes of Clause 7.2 (*Distributions*), Clause 7.5 (*Filing of claims*) and Clause 7.6 (*Further assurance—Insolvency Event*) the Security Agent shall act on the instructions of the Instructing Group in accordance with Clause 17.2 (*Instructions*).

8. Turnover of receipts

8.1 Pari Passu Facility Cash Cover

This Clause 8 (*Turnover of Receipts*) is subject to Clause 15.3 (*Treatment of Pari Passu Facility Cash Cover and Pari Passu Lender Cash Collateral*) and Clause 18.5 (*Turnover Obligations*).

8.2 Turnover by the Senior Creditors

Subject to Clause 8.4 (*Exclusions*) and to Clause 8.5 (*Permitted assurance and receipts*), if at any time prior to the Final Discharge Date, any Senior Creditor receives or recovers any Enforcement Proceeds except in accordance with Clause 15 (*Application of Proceeds*), that Senior Creditor will:

(a) in relation to receipts and recoveries not received or recovered by way of set-off:

  (i) to the extent legally permissible, hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay or distribute that amount to or to the order of the Security Agent for application in accordance with the terms of this Agreement; and

  (ii) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to or to the order of the Security Agent for application in accordance with the terms of this Agreement; and

(b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to or to the order of the Security Agent for application in accordance with the terms of this Agreement.

8.3 Turnover by the other Creditors

Subject to Clause 8.4 (*Exclusions*) and to Clause 8.5 (*Permitted assurance and receipts*), if at any time prior to the Final Discharge Date, any Creditor other than a Senior Creditor receives or recovers:

(a) any Payment or distribution of, or on account of or in relation to, any of the Liabilities which is not either:

  (i) a Permitted Payment; or

  (ii) made in accordance with Clause 15 (*Application of Proceeds*);

(b) other than where paragraph (a) of Clause 7.3 (*Set-Off*) applies, any amount by way of set-off in respect of any of the Liabilities owed to it which does not give effect to a Permitted Payment;

(c) notwithstanding paragraphs (a) and (b) above, and other than where paragraph (a) of Clause 7.3 (*Set-Off*) applies, any amount:

  (i) on account of, or in relation to, any of the Liabilities:

    (A) after the occurrence of a Distress Event; or

    (B) as a result of any other litigation or proceedings against a member of the Group (other than after the occurrence of an Insolvency Event in respect of that member of the Group); or

  (ii) by way of set-off in respect of any of the Liabilities owed to it after the occurrence of a Distress Event,

  other than, in each case, any amount received or recovered in accordance with Clause 15 (*Application of Proceeds*);

(d) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 15 (*Application of Proceeds*); or

(e) other than where paragraph (a) of Clause 7.3 (*Set-Off*) applies, any distribution or Payment of, or on account of or in relation to, any of the Liabilities owed by any member of the Group which is not in accordance with Clause 15 (*Application of Proceeds*) and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of the Group,

that Creditor will:

  (i) in relation to receipts and recoveries not received or recovered by way of set-off:

    (A) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for (to the extent legally possible and otherwise for the benefit of) the Security Agent and promptly pay or distribute that amount to or to the order of the Security Agent for application in accordance with the terms of this Agreement; and

    (B) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to or to the order of the Security Agent for application in accordance with the terms of this Agreement; and

  (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to or to the order of the Security Agent for application in accordance with the terms of this Agreement.

8.4 Exclusions

Clause 8.2 (*Turnover by the Senior Creditors*) and Clause 8.3 (*Turnover by other Creditors*) shall not apply to any receipt or recovery:

(a) by way of:

(i) Close-Out Netting by a Pari Passu Hedge Counterparty or a Pari Passu Hedging Ancillary Lender;

(ii) Payment Netting by a Pari Passu Hedge Counterparty or a Pari Passu Hedging Ancillary Lender;

(iii) Inter-Hedging Agreement Netting by a Pari Passu Hedge Counterparty; or

(iv) Inter-Hedging Ancillary Document Netting by a Pari Passu Hedging Ancillary Lender; or

(b) by a Pari Passu Ancillary Lender by way of that Pari Passu Ancillary Lender's right of netting or set-off relating to a Pari Passu Multi-account Overdraft (to the extent that that netting or set-off represents a reduction of the Permitted Gross Outstandings of that Pari Passu Multi-account Overdraft to or towards an amount equal to its Designated Net Amount).

8.5 Permitted assurance and receipts

Nothing in this Agreement shall restrict the ability of any Senior Creditor to:

(a) arrange with any person which is not a member of the Group any assurance against loss in respect of, or reduction of its credit exposure to, a Debtor (including assurance by way of credit based derivative or sub-participation); or

(b) make any assignment or transfer permitted by Clause 19 (*Changes to the Parties*),

which:

(i) is not prohibited by the Senior Documents to which it is a party; and

(ii) is not in breach of:

(A) Clause 4.5 (*No acquisition of Pari Passu Hedging Liabilities*); or

(B) Clause 6.4 (*No acquisition of Subordinated Liabilities*),

and that Senior Creditor shall not be obliged to account to any other Party for any sum received by it as a result of that action.

8.6 Amounts received by Debtors

If any of the Debtors receives or recovers any amount which, under the terms of any of the Debt Documents, should have been paid to the Security Agent, that Debtor will:

(a) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for (to the extent legally possible and otherwise for the benefit of) the Security Agent and promptly pay that amount to or to the order of the Security Agent for application in accordance with the terms of this Agreement; and

(b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to or to the order of the Security Agent for application in accordance with the terms of this Agreement.

8.7 Saving provision

If, for any reason, any of the trusts expressed to be created in this Clause 8 (*Turnover of Receipts*) should fail or be unenforceable, the affected Creditor or Debtor will promptly pay or distribute an amount equal to that receipt or recovery to or to the order of the Security Agent

to be held (on trust to the extent legally possible) by the Security Agent for application in accordance with the terms of this Agreement.

8.8 Turnover of Non-Cash Consideration

For the purposes of this Clause 8 (*Turnover of Receipts*), if any Creditor receives or recovers any amount or distribution in the form of Non-Cash Consideration which is subject to Clause 8.2 (*Turnover by the Senior Creditors*) or Clause 8.3 (*Turnover by the other Creditors*) the cash value of that Non-Cash Consideration shall be determined in accordance with Clause 13.2 (*Cash value of Non-Cash Recoveries*).

9. Redistribution

9.1 Recovering Creditor's rights

(a) Any amount paid or distributed by a Creditor (a "**Recovering Creditor**") to or to the order of the Security Agent under Clause 7 (*Effect of Insolvency Event*) or Clause 8 (*Turnover of Receipts*) shall be treated as having been paid or distributed by the relevant Debtor and distributed to the Security Agent and Senior Creditors (each a "**Sharing Creditor**") in accordance with the terms of this Agreement.

(b) On a distribution by the Security Agent under paragraph (a) above of a Payment or distribution received by a Recovering Creditor from a Debtor, as between the relevant Debtor and the Recovering Creditor an amount equal to the amount received or recovered by the Recovering Creditor and paid or distributed to the Security Agent (the "**Shared Amount**") will be treated as not having been paid or distributed by that Debtor.

9.2 Reversal of redistribution

(a) If any part of the Shared Amount received or recovered by a Recovering Creditor becomes repayable or returnable to a Debtor and is repaid or returned by that Recovering Creditor to that Debtor, then:

(i) each Sharing Creditor shall (subject to Clause 18 (*Trustee Protections*)), upon request of the Security Agent, pay or distribute to or to the order of the Security Agent for the account of that Recovering Creditor an amount equal to the appropriate part of its share of the Shared Amount (together with an amount as is necessary to reimburse that Recovering Creditor for its proportion of any interest on the Shared Amount which that Recovering Creditor is required to pay) (the "**Redistributed Amount**"); and

(ii) as between the relevant Debtor and each relevant Sharing Creditor, an amount equal to the relevant Redistributed Amount will be treated as not having been paid or distributed by that Debtor.

(b) The Security Agent shall not be obliged to pay or distribute any Redistributed Amount to a Recovering Creditor under paragraph (a)(i) above until it has been able to establish to its satisfaction that it has actually received that Redistributed Amount from the relevant Sharing Creditor.

9.3 Deferral of subrogation

(a) No Creditor (other than a Subordinated Creditor) or Debtor will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor (other than a Subordinated Creditor) which ranks ahead of it in accordance with the priorities set out in Clause 2 (*Ranking and Priority*) or the order of application in Clause 15 (*Application of Proceeds*) until such time as all of the Liabilities owing to each prior ranking Creditor (or, in the case of any Debtor, owing to each Creditor (other than a Subordinated Creditor)) have been irrevocably discharged in full.

(b) No Subordinated Creditor will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor until such time as all of the Liabilities owing to each Creditor (other than a Subordinated Creditor) have been irrevocably discharged in full.

10. Enforcement of transaction security

10.1 Pari Passu Facility Cash Cover

This Clause 10 is subject to Clause 15.3 (*Treatment of Pari Passu Facility Cash Cover and Pari Passu Lender Cash Collateral*).

10.2 Instructions to enforce

(a) Subject to paragraph (b) below, before giving any Enforcement Instructions, the Creditor Representatives and Pari Passu Hedge Counterparties shall consult with each other (for a period of not more than 15 Business Days or such shorter period as each Creditor Representative and Pari Passu Hedge Counterparty may agree) with a view to making a determination as to the method of Enforcement they wish to instruct the Security Agent to pursue (if any).

(b) No Creditor Representative or Senior Creditor shall be obliged to consult in accordance with paragraph (a) above and the Instructing Group shall be entitled to give any Enforcement Instructions before the end of any period referred to in paragraph (a) above if:

(i) the Transaction Security has become enforceable as a result of an Insolvency Event; or

(ii) the Instructing Group determines (in its absolute discretion) that a delay in the commencement of Enforcement Action could reasonably be expected to have a material adverse effect on:

(A) the Security Agent's ability to undertake any Enforcement; or

(B) the realisation of any Enforcement Proceeds.

10.3 Enforcement Instructions

(a) The Security Agent may refrain from enforcing the Transaction Security or taking any other action as to Enforcement unless instructed otherwise by the Instructing Group in accordance with this Clause 10.3 (*Enforcement Instructions*).

(b) Subject to the Transaction Security having become enforceable in accordance with its terms, the Instructing Group may give or refrain from giving instructions to the Security Agent to take action as to Enforcement as they see fit by way of the issuance of Enforcement Instructions.

(c) The Security Agent is entitled to rely on and comply with instructions given in accordance with this Clause 10.3 (*Enforcement Instructions*).

10.4 Manner of enforcement

If the Transaction Security is being enforced or other action as to Enforcement is being taken pursuant to Clause 10.3 (*Enforcement Instructions*), the Security Agent shall, subject to the terms of this Agreement, enforce the Transaction Security or take other action as to Enforcement in such manner (including, without limitation, the selection of any administrator (or any analogous officer in any jurisdiction where applicable) of any Debtor to be appointed by the Security Agent) as the Instructing Group shall instruct.

10.5 Exercise of voting rights

(a) Subject to paragraph (c) below, each Creditor (other than each Creditor Representative and each Arranger) will cast its vote(s) in the relevant capacity/ies in any proposal put to the

vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Agent.

(b) Subject to paragraph (c) below, the Security Agent shall give instructions for the purposes of paragraph (a) above in accordance with any instructions given to it by the Instructing Group in accordance with Clause 10.3 (*Enforcement Instructions*).

(c) Nothing in this Clause 10.5 (*Exercise of voting rights*) entitles any party to exercise or require any other Senior Creditor to exercise such power of voting or representation to waive, reduce, discharge, extend the due date for (or change the basis for accrual of any) payment of or reschedule any of the Liabilities owed to that Senior Creditor.

10.6 Waiver of rights

To the extent permitted under applicable law and subject to Clause 10.3 (*Enforcement Instructions*), Clause 10.4 (*Manner of enforcement*), Clause 12.3 (*Proceeds of Distressed Disposals and Debt Proposals*), Clause 12.4 (*Fair value*) and Clause 15 (*Application of Proceeds*), each of the Secured Parties and the Debtors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

10.7 Duties owed

(a) Each of the Secured Parties and the Debtors acknowledges that, in the event that the Security Agent enforces or is instructed to enforce the Transaction Security, the duties of the Security Agent and of any Receiver or Delegate owed to them in respect of the method, type and timing of that enforcement or of the exploitation, management or realisation of any of that Transaction Security shall, subject to Clause 12.3 (*Proceeds of Distressed Disposals and Debt Proposals*) and Clause 12.4 (*Fair value*), be no different to or greater than the duty that is owed by the Security Agent, Receiver or Delegate to the Debtors under general law.

(b) None of the Debtors, Intra-Group Lenders or Subordinated Creditors shall have any right to be consulted in relation to any Enforcement Action taken or to be taken by the Secured Parties or the Security Agent in relation to the Senior Documents or the Senior Liabilities.

10.8 Enforcement through Security Agent only

(a) The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent.

(b) If necessary, the Secured Parties unconditionally and irrevocably undertake to grant in favour of the Security Agent, by means of a power of attorney raised to the status of Spanish Public Document (and apostilled if necessary) (or, if required under the laws of any other relevant jurisdiction, a power of attorney duly issued in that jurisdiction), as many powers as the Security Agent may reasonably request in order to take all necessary action in order to enforce any of the Transaction Security pursuant to this Agreement. Alternatively, any Secured Parties shall be entitled to appear individually in the enforcement procedures, if they deem it appropriate, provided that such Secured Parties consult with the Security Agent and always following the Security Agent's instructions.

10.9 Alternative Enforcement Actions

After the Security Agent has commenced Enforcement, it shall not accept any subsequent instructions as to Enforcement from anyone other than the Instructing Group that instructed it to commence such enforcement of the Transaction Security, regarding any other enforcement of the Transaction Security over or relating to shares or assets directly or indirectly the subject of the enforcement of the Transaction Security which has been commenced.

Section 5
Non-Distressed Disposals, Distressed Disposals and Claims

11. Non-Distressed Disposals

11.1

Definitions

In this Clause 11 (*Non-Distressed Disposals*):

(a) "**Disposal Proceeds**" means the proceeds of a Non-Distressed Disposal; and

(b) "**Non-Distressed Disposal**" means a disposal of:

(i) an asset of a member of the Group; or

(ii) an asset which is subject to the Transaction Security,

to a person or persons outside the Group where:

(A) a director or senior officer of the Company certifies on behalf of the Company for the benefit of the Security Agent that the disposal and, if the disposal is of Charged Property, the release of Transaction Security is not prohibited under the Senior Documents; and

(B) that disposal is not a Distressed Disposal.

11.2 Facilitation of Non-Distressed Disposals

(a) If a disposal of an asset is a Non-Distressed Disposal, the Security Agent is irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor) but subject to paragraph (b) below:

(i) to release the Transaction Security or any other claim (relating to a Debt Document) over that asset;

(ii) where that asset consists of shares in the capital of a member of the Group, to release the Transaction Security or any other claim (relating to a Debt Document) over that member of the Group's Property;

(iii) where that asset consists of shares in the capital of any Holding Company of any Debtor, to release any Transaction Security or any other claim relating to a Debt Document over the shares of, or over any Subsidiary of, that Holding Company; and

(iv) to execute and deliver or enter into any release of the Transaction Security or any claim described in paragraphs (i) and (ii) above and issue any certificates of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable.

(b) Each release of Transaction Security or any claim described in paragraph (a) above shall become effective only on the making of the relevant Non-Distressed Disposal.

11.3 Disposal Proceeds

If any Disposal Proceeds are required to be applied in mandatory prepayment of the Senior Debt Liabilities then those Disposal Proceeds shall be applied in accordance with the Debt Documents and the consent of any other Party shall not be required for that application.

11.4 Release of Unrestricted Subsidiaries

If a member of the Restricted Group is designated as an Unrestricted Subsidiary in accordance with the terms of the Credit Facility Agreement and the Notes Indenture (and any Equivalent Provision in any Pari Passu Debt Document), the Security Agent is irrevocably authorised and obliged, subject to the terms of this Agreement, (at the cost of the relevant Debtor or the Company and (provided that the Company has confirmed in writing to the Security Agent that such action is not prohibited by the terms of any other Senior Document) without any consent, sanction, authority or further confirmation from any Creditor or Debtor):

(a) to release the Transaction Security or any other claim (relating to a Debt Document) over that member of the Group's assets; and

(b) to execute and deliver or enter into any release of the Transaction Security or any claim described in paragraph (a) above and issue any certificates of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable or as requested by the Company.

12. Distressed Disposals and Appropriations

12.1 Facilitation of Distressed Disposals and Appropriations

Subject to Clause 12.5 (*Restriction on enforcement*), if a Distressed Disposal or an Appropriation is being effected the Security Agent is irrevocably authorised (at the cost of the Company and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor):

(a) ***release of Transaction Security/non-crystallisation certificates***: to release the Transaction Security or any other claim over the asset subject to the Distressed Disposal or Appropriation and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(b) ***release of liabilities and Transaction Security on a share sale/Appropriation (Debtor)***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor, to release:

(i) that Debtor and any Subsidiary of that Debtor from all or any part of:

(A) its Borrowing Liabilities;

(B) its Guarantee Liabilities; and

(C) its Other Liabilities;

(ii) any Transaction Security granted by that Debtor or any Subsidiary of that Debtor over any of its assets; and

(iii) any other claim of a Subordinated Creditor, an Intra-Group Lender, or another Debtor over that Debtor's assets or over the assets of any Subsidiary of that Debtor,

on behalf of the relevant Creditors and Debtors;

(c) ***release of liabilities and Transaction Security on a share sale/Appropriation (Holding Company)***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of any Holding Company of a Debtor, to release:

(i) that Holding Company and any Subsidiary of that Holding Company from all or any part of:

(A) its Borrowing Liabilities;

(B) its Guarantee Liabilities; and

(C) its Other Liabilities;

(ii) any Transaction Security granted by any Subsidiary of that Holding Company over any of its assets; and

(iii) any other claim of a Subordinated Creditor, an Intra-Group Lender or another Debtor over the assets of any Subsidiary of that Holding Company,

on behalf of the relevant Creditors and Debtors;

(d) ***facilitative disposal of liabilities on a share sale/Appropriation***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the Holding Company of a Debtor and the Security Agent decides to dispose of all or any part of:

(i) the Liabilities (other than Liabilities due to any Creditor Representative or Arranger); or

(ii) the Debtors' Intra-Group Receivables,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company on the basis that any transferee of those Liabilities or Debtors' Intra-Group Receivables (the "**Transferee**") will not be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those Liabilities or Debtors' Intra-Group Receivables on behalf of the relevant Creditors and Debtors **provided that** notwithstanding any other provision of any Debt Document the Transferee shall not be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement;

(e) ***sale of liabilities on a share sale/Appropriation***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a Debtor or the Holding Company of a Debtor and the Security Agent decides to dispose of all or any part of:

(i) the Liabilities (other than Liabilities due to any Creditor Representative or Arranger); or

(ii) the Debtors' Intra-Group Receivables,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company on the basis that any transferee of those Liabilities or Debtors' Intra-Group Receivables will be treated as a Senior Creditor or a Secured Party for the purposes of this Agreement, to execute and deliver or enter into any agreement to dispose of:

(A) all (and not part only) of the Liabilities owed to the Senior Creditors (other than to any Creditor Representative or Arranger); and

(B) all or part of any other Liabilities (other than Liabilities owed to any Creditor Representative or Arranger) and the Debtors' Intra-Group Receivables,

on behalf of, in each case, the relevant Creditors and Debtors;

(f) ***transfer of obligations in respect of liabilities on a share sale/Appropriation***: if the asset subject to the Distressed Disposal or Appropriation consists of shares in the capital of a

Debtor or the Holding Company of a Debtor (the "**Disposed Entity**") and the Security Agent decides to transfer to another Debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of:

(i) the Intra-Group Liabilities; or

(ii) the Debtors' Intra-Group Receivables,

to execute and deliver or enter into any agreement to:

(iii) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables on behalf of the relevant Intra-Group Lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

(iv) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables are to be transferred.

12.2 Form of consideration for Distressed Disposals and Debt Disposals

Subject to Clause 13.5 (*Security Agent protection*), a Distressed Disposal or a Debt Disposal may be made in whole or in part for consideration in the form of cash or, if not for cash, for Non-Cash Consideration which is acceptable to the Security Agent.

12.3 Proceeds of Distressed Disposals and Debt Disposals

The net proceeds of each Distressed Disposal and each Debt Disposal shall be paid, or distributed, to or to the order of the Security Agent for application in accordance with Clause 15 (*Application of Proceeds*) and, to the extent that:

(a) any Liabilities Sale has occurred; or

(b) any Appropriation has occurred,

as if that Liabilities Sale, or any reduction in the Secured Obligations resulting from that Appropriation, had not occurred.

12.4 Fair value

(a) In the case of:

(i) a Distressed Disposal; or

(ii) a Liabilities Sale,

effected by, or at the request of, the Security Agent, the Security Agent shall take reasonable care to obtain a fair market price having regard to the prevailing market conditions (though the Security Agent shall have no obligation to postpone (or request the postponement of) any Distressed Disposal or Liabilities Sale in order to achieve a higher price).

(b) The requirement in paragraph (a) above shall be satisfied (and as between the Creditors and the Debtors shall be conclusively presumed to be satisfied) and the Security Agent will be taken to have discharged all its obligations in this respect under this Agreement, the other Debt Documents and generally at law if:

(i) that Distressed Disposal or Liabilities Sale is made pursuant to any process or proceedings approved or supervised by or on behalf of any court of law;

(ii) that Distressed Disposal or Liabilities Sale is made by, at the direction of or under the control of, a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer (or any analogous officer in any jurisdiction) appointed in respect of a member of the Group or the assets of a member of the Group;

(iii) that Distressed Disposal or Liabilities Sale is made pursuant to a Competitive Sales Process; or

(iv) a Financial Adviser appointed by the Security Agent pursuant to Clause 12.6 (*Appointment of Financial Adviser*) has delivered a Fairness Opinion to the Security Agent in respect of that Distressed Disposal or Liabilities Sale.

12.5 Restriction on enforcement

If a Distressed Disposal or a Debt Disposal is being effected:

(a) the Security Agent is not authorised to release any Debtor, Subsidiary or Holding Company from any Borrowing Liabilities or Guarantee Liabilities owed to any Senior Creditor except in accordance with this Clause 12 (*Distressed Disposals and Appropriations*); and

(b) the relevant Senior Creditors shall simultaneously effect the unconditional release (or unconditional transfer to the purchaser of the relevant member of the Group) of all Borrowing Liabilities, Guarantee Liabilities and Other Liabilities owing to the Senior Creditors by the relevant Debtor and each of its direct and indirect Subsidiaries.

12.6 Appointment of Financial Adviser

(a) Without prejudice to Clause 17.7 (*Rights and discretions*), the Security Agent may engage, or approve the engagement of, (in each case on such terms as it may consider appropriate (including, without limitation, restrictions on that Financial Adviser's liability and the extent to which any advice, valuation or opinion may be relied on or disclosed)), pay for and rely on the services of a Financial Adviser to provide advice, a valuation or an opinion in connection with:

(i) a Distressed Disposal or a Debt Disposal;

(ii) the application or distribution of any proceeds of a Distressed Disposal or a Debt Disposal; or

(iii) any amount of Non-Cash Consideration which is subject to Clause 8.2 (*Turnover by the Senior Creditors*) or Clause 8.3 (*Turnover by other Creditors*).

(b) For the purposes of paragraph (a) above, the Security Agent shall act:

(i) on the instructions of the Instructing Group if the Financial Adviser is providing a valuation for the purposes of Clause 13.2 (*Cash value of Non-Cash Recoveries*); or

(ii) otherwise in accordance with Clause 12.7 (*Security Agent's actions*).

12.7 Security Agent's actions

For the purposes of Clause 12.1 (*Facilitation of Distressed Disposals and Appropriations*), Clause 12.2 (*Form of consideration for Distressed Disposals and Debt Disposals*) and Clause 12.4 (*Fair Value*) the Security Agent shall act on the instructions of the Instructing Group.

13. Non-Cash Recoveries

13.1 Security Agent and Non-Cash Recoveries

To the extent the Security Agent receives or recovers any Non-Cash Recoveries, it may (acting on the instructions of the Instructing Group) but without prejudice to its ability to exercise discretion under Clause 15.2 (*Prospective liabilities*)):

(a) distribute those Non-Cash Recoveries pursuant to Clause 15 (*Application of Proceeds*) as if they were Cash Proceeds;

(b) to the extent legally permissible, hold, manage, exploit, collect, realise and dispose of those Non-Cash Recoveries; and

(c) to the extent legally permissible, hold, manage, exploit, collect, realise and distribute any resulting Cash Proceeds.

13.2 Cash value of Non-Cash Recoveries

(a) The cash value of any Non-Cash Recoveries shall be determined by reference to a valuation obtained by the Security Agent from a Financial Adviser appointed by the Security Agent pursuant to Clause 12.6 (*Appointment of Financial Adviser*) taking into account any notional conversion made pursuant to Clause 15.5 (*Currency conversion*).

(b) If any Non-Cash Recoveries are distributed pursuant to Clause 15 (*Application of Proceeds*), the extent to which such distribution is treated as discharging the Liabilities shall be determined by reference to the cash value of those Non-Cash Recoveries determined pursuant to paragraph (a) above.

13.3 Creditor Representatives and Non-Cash Recoveries

(a) Subject to paragraph (b) below and to Clause 13.4 (*Alternative to Non-Cash Consideration*), if, pursuant to Clause 15.1 (*Order of application*), a Creditor Representative receives Non-Cash Recoveries for application towards the discharge of any Liabilities, that Creditor Representative shall apply those Non-Cash Recoveries in accordance with the relevant Debt Documents as if they were Cash Proceeds.

(b) The Creditor Representative may:

(i) use any reasonably suitable method of distribution, as it may determine in its discretion, to distribute those Non-Cash Recoveries in the order of priority that would apply under the relevant Debt Documents if those Non-Cash Recoveries were Cash Proceeds;

(ii) to the extent legally permissible, hold any Non-Cash Recoveries through another person; and

(iii) to the extent legally permissible, hold any amount of Non-Cash Recoveries for so long as that Creditor Representative shall think fit for later application pursuant to paragraph (a) above.

13.4 Alternative to Non-Cash Consideration

(a) If any Non-Cash Recoveries are to be distributed pursuant to Clause 15 (*Application of Proceeds*), the Security Agent shall (prior to that distribution and taking into account the Liabilities then outstanding and the cash value of those Non-Cash Recoveries) notify the Senior Creditors entitled to receive those Non-Cash Recoveries pursuant to that distribution (the "**Entitled Creditors**").

(b) If:

(i) it would be unlawful for an Entitled Creditor to receive such Non-Cash Recoveries (or it would otherwise conflict with that Entitled Creditor's constitutional documents for it to do so); and

(ii) that Entitled Creditor promptly so notifies the Security Agent and supplies such supporting evidence as the Security Agent may reasonably require,

that Senior Creditor shall be a "**Cash Only Creditor**" and the Non-Cash Recoveries to which it is entitled shall be "**Retained Non-Cash**".

(c) To the extent that, in relation to any distribution of Non-Cash Recoveries, there is a Cash Only Creditor:

(i) the Security Agent shall not distribute any Retained Non-Cash to that Cash Only Creditor (or to any Creditor Representative on behalf of that Cash Only Creditor) but shall otherwise treat the Non-Cash Recoveries in accordance with this Agreement;

(ii) the Security Agent shall notify any relevant Creditor Representative of that Cash Only Creditor's identity and its status as a Cash Only Creditor; and

(iii) to the extent notified pursuant to paragraph (ii) above, no Creditor Representative shall distribute any of those Non-Cash Recoveries to that Cash Only Creditor.

(d) Subject to Clause 13.5 (*Security Agent protection*), the Security Agent shall, subject to the terms of this Agreement, hold any Retained Non-Cash and, acting on the instructions of the Cash Only Creditor entitled to it, manage, exploit, collect, realise and dispose of that Retained Non-Cash for cash consideration and distribute any Cash Proceeds of that Retained Non-Cash to that Cash Only Creditor in accordance with Clause 15 (*Application of Proceeds*).

(e) On any such distribution of Cash Proceeds which are attributable to a disposal of any Retained Non-Cash, the extent to which such distribution is treated as discharging the Liabilities due to the relevant Cash Only Creditor shall be determined by reference to:

(i) the valuation which determined the extent to which the distribution of the Non-Cash Recoveries to the other Entitled Creditors discharged the Liabilities due to those Entitled Creditors; and

(ii) the Retained Non-Cash to which those Cash Proceeds are attributable.

(f) Each Senior Creditor shall, following a request by the Security Agent (acting in accordance with Clause 12.7 (*Security Agent's actions*)), notify the Security Agent of the extent to which paragraph (b)(i) above would apply to it in relation to any distribution or proposed distribution of Non-Cash Recoveries.

13.5 Security Agent protection

(a) No Distressed Disposal or Debt Disposal may be made in whole or part for Non-Cash Consideration if the Security Agent has reasonable grounds for believing that its receiving, distributing, holding, managing, exploiting, collecting, realising or disposing of that Non-Cash Consideration would have an adverse effect on it.

(b) If Non-Cash Consideration is distributed to the Security Agent pursuant to Clause 8.2 (*Turnover by the Senior Creditors*) or Clause 8.3 (*Turnover by the other Creditors*) the Security Agent may, at any time after notifying the Creditors entitled to that Non-Cash Consideration and notwithstanding any instruction from a Creditor or group of Creditors pursuant to the terms of any Debt Document, immediately realise and dispose of that Non-Cash Consideration for cash consideration (and distribute any Cash Proceeds of that

Non-Cash Consideration to the relevant Creditors in accordance with Clause 15 (*Application of Proceeds*)) if the Security Agent has reasonable grounds for believing that holding, managing, exploiting or collecting that Non-Cash Consideration would have an adverse effect on it.

(c) If the Security Agent holds Retained Non-Cash for a Cash Only Creditor (each as defined in Clause 13.4 (*Alternative to Non-Cash Consideration*)) the Security Agent may at any time, after notifying that Cash Only Creditor and notwithstanding any instruction from a Creditor or group of Creditors pursuant to the terms of any Debt Document, immediately realise and dispose of that Retained Non-Cash for cash consideration (and distribute any Cash Proceeds of that Retained Non-Cash to that Cash Only Creditor in accordance with Clause 15 (*Application of Proceeds*)) if the Security Agent has reasonable grounds for believing that holding, managing, exploiting or collecting that Retained Non-Cash would have an adverse effect on it.

14. Further Assurance—Disposals and Releases

Each Creditor and Debtor will:

(a) do all things that the Security Agent requests in order to give effect to Clause 11 (*Non-Distressed Disposals*) and Clause 12 (*Distressed Disposals and Appropriations*) (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Security Agent may consider to be necessary to give effect to the releases or disposals contemplated by those Clauses); and

(b) if the Security Agent is not entitled to take any of the actions contemplated by those Clauses or if the Security Agent requests that any Creditor or Debtor take any such action, take that action itself in accordance with the instructions of the Security Agent,

provided that the proceeds of those disposals are applied in accordance with Clause 11 (*Non-Distressed Disposals*) or Clause 12 (*Distressed Disposals and Appropriations*) as the case may be.

Section 6
Proceeds and qualifying refinancing

15. Application of proceeds

15.1 Order of application

Subject to Clause 15.2 (*Prospective liabilities*) and Clause 15.3 (*Treatment of Pari Passu Facility Cash Cover and Pari Passu Lender Cash Collateral*), all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Debt Document or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 15, the "**Recoveries**") shall be held by the Security Agent (on trust, to the extent legally possible) to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 15), in the following order of priority:

(a) in discharging any sums owing to the Security Agent, any Receiver or any Delegate;

(b) on a *pro rata* and *pari passu* basis, in payment to the Creditor Representatives of the Creditor Representative Amounts;

(c) in discharging all costs and expenses incurred by any Senior Creditor in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement or any action taken at the request of the Security Agent under Clause 7.6 (*Further assurance—Insolvency Event*);

(d) in payment or distribution to:

(i) each Creditor Representative in respect of a Senior Debt Document on its own behalf (to the extent not already reimbursed under paragraphs (a), (b) or (c) above) and on behalf of the Senior Creditors for which it is the Creditor Representative; and

(ii) the Pari Passu Hedge Counterparties,

for application towards the discharge of:

(A) the Senior Debt Liabilities (in accordance with the terms of the Senior Debt Documents) on a *pro rata* basis between Senior Debt Liabilities incurred under separate Senior Debt Documents; and

(B) the Pari Passu Hedging Liabilities (on a *pro rata* basis between the Pari Passu Hedging Liabilities of each Pari Passu Hedge Counterparty),

on a *pro rata* basis between paragraph (A) and paragraph (B) above;

(e) if none of the Debtors is under any further actual or contingent liability under any Senior Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Debtor; and

(f) the balance, if any, in payment or distribution to the relevant Debtor.

15.2 Prospective liabilities

Following a Distress Event the Security Agent may, in its discretion and to the extent legally permissible:

(a) hold any amount of the Recoveries which is in the form of cash, and any cash which is generated by holding, managing, exploiting, collecting, realising or disposing of any Non-Cash Consideration, in one or more interest bearing suspense or impersonal accounts

in the name of the Security Agent with such financial institution (including itself) as the Security Agent shall think fit (the interest being credited to the relevant account); and

(b) hold, manage, exploit, collect and realise any amount of the Recoveries which is in the form of Non-Cash Consideration,

in each case for so long as the Security Agent shall think fit for later application under Clause 15.1 (*Order of application*) in respect of:

(i) any sum to any Security Agent, any Receiver or any Delegate; and

(ii) any part of the Liabilities,

that the Security Agent considers, in each case, might become due or owing at any time in the future.

15.3 Treatment of Pari Passu Facility Cash Cover and Pari Passu Lender Cash Collateral

(a) Nothing in this Agreement shall prevent any Pari Passu Issuing Bank or Pari Passu Ancillary Lender taking any Enforcement Action in respect of any Pari Passu Facility Cash Cover which has been provided for it in accordance with the relevant Pari Passu Facility Agreement.

(b) To the extent that any Pari Passu Facility Cash Cover is not held with the Relevant Pari Passu Issuing Bank or Relevant Pari Passu Ancillary Lender, all amounts from time to time received or recovered in connection with the realisation or enforcement of that Pari Passu Facility Cash Cover shall be paid to or to the order of the Security Agent and shall be held by the Security Agent (on trust, to the extent legally possible) to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

(i) to the Relevant Pari Passu Issuing Bank or Relevant Pari Passu Ancillary Lender towards the discharge of the Pari Passu Facility Liabilities for which that Pari Passu Facility Cash Cover was provided; and

(ii) the balance, if any, in accordance with Clause 15.1 (*Order of application*).

(c) To the extent that any Pari Passu Facility Cash Cover is held with the Relevant Pari Passu Issuing Bank or Relevant Pari Passu Ancillary Lender, nothing in this Agreement shall prevent that Relevant Pari Passu Issuing Bank or Relevant Pari Passu Ancillary Lender receiving and retaining any amount in respect of that Pari Passu Facility Cash Cover.

(d) Nothing in this Agreement shall prevent any Pari Passu Issuing Bank receiving and retaining any amount in respect of any Pari Passu Lender Cash Collateral provided for it in accordance with the relevant Pari Passu Facility Agreement.

15.4 Investment of Cash Proceeds

Prior to the application of the proceeds of the Security Property in accordance with Clause 15.1 (*Order of Application*) the Security Agent may, in its discretion and to the extent legally permissible, hold all or part of any Cash Proceeds in one or more interest bearing suspense or impersonal accounts in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Security Agent's discretion in accordance with the provisions of this Clause 15 (*Application of Proceeds*).

15.5 Currency conversion

(a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may:

(i) convert any moneys received or recovered by the Security Agent (including, without limitation, any Cash Proceeds) from one currency to another, at the Security Agent's Spot Rate of Exchange; and

(ii) notionally convert the valuation provided in any opinion or valuation from one currency to another, at the Security Agent's Spot Rate of Exchange.

(b) The obligations of any Debtor to pay in the due currency shall only be satisfied:

(i) in the case of paragraph (a)(i) above, to the extent of the amount of the due currency purchased after deducting the costs of conversion; and

(ii) in the case of paragraph (a)(ii) above, to the extent of the amount of the due currency which results from the notional conversion referred to in that paragraph.

15.6 Permitted Deductions

The Security Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties or exercising its rights, powers, authorities and discretions, or by virtue of its capacity as Security Agent under any of the Debt Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

15.7 Good Discharge

(a) Any distribution or payment to be made in respect of the Secured Obligations by the Security Agent:

(i) may be made to the relevant Creditor Representative on behalf of its Senior Creditors;

(ii) may be made to the Relevant Pari Passu Issuing Bank or Relevant Pari Passu Ancillary Lender in accordance with paragraph (b)(i) of Clause 15.3 (*Treatment of Pari Passu Facility Cash Cover and Pari Passu Lender Cash Collateral*); or

(iii) shall be made directly to the Pari Passu Hedge Counterparties.

(b) Any distribution or payment made as described in paragraph (a) above shall be a good discharge, to the extent of that payment or distribution, by the Security Agent:

(i) in the case of a payment made in cash, to the extent of that payment; and

(ii) in the case of a distribution of Non-Cash Recoveries, as determined by Clause 13.2 (*Cash value of Non-Cash Recoveries*).

(c) The Security Agent is under no obligation to make the payments to the Creditor Representatives or the Pari Passu Hedge Counterparties under paragraph (a) above in the same currency as that in which the Liabilities owing to the relevant Senior Creditor are denominated pursuant to the relevant Debt Document.

15.8 Calculation of Amounts

For the purpose of calculating any person's share of any amount payable to or by it, the Security Agent shall be entitled to:

(a) notionally convert the Liabilities owed to any person into a common base currency (decided in its discretion by the Security Agent), that notional conversion to be made at the spot

rate at which the Security Agent is able to purchase the notional base currency with the actual currency of the Liabilities owed to that person at the time at which that calculation is to be made; and

(b) assume that all amounts received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Liabilities in accordance with the terms of the Debt Documents under which those Liabilities have arisen.

16. Facilitation of refinancings, etc.

16.1 Facilitation of refinancings

Subject to Clause 16.4 (*Exceptions*), each Party shall (subject, in the case of the Security Agent or a Trustee, to paragraph (b) of Clause 25.4 (*Exceptions*)), at the request (and cost) of the Company, promptly execute such documents and give such instructions to the Security Agent as are reasonably necessary to provide substantially the same rights and remedies to the providers of any Qualifying Senior Debt Refinancing as those provided under this Agreement and the Security Documents to the providers of the Senior Debt Liabilities being refinanced, including, without limitation, entering into further security, priority and intercreditor agreements, any amendment required to the terms of this Agreement and any amendment, consent, waiver or release in respect of any Security Document and any grant of security pursuant to a new Security Document.

16.2 Amendments to and increases in Senior Liabilities

If, in relation to any amendment, novation, supplement, extension (whether of maturity or otherwise), replacement, restatement, variation or increase of any Senior Debt Document or of any Senior Liabilities thereunder (including any addition of a new facility or further issuance of debt securities), the Company confirms to the Security Agent in writing at the time thereof that:

(a) the amendment, novation, supplement, extension, replacement, restatement, variation or increase in question will not breach the terms of any of its existing Senior Documents (in their form as at that date); and

(b) any increased or varied Liabilities are permitted under the terms of the existing Senior Documents (in their form as at that date) to share in the Transaction Security,

each Party shall (subject, in the case of the Security Agent or a Trustee, to paragraph (b) of Clause 25.4 (*Exceptions*)), at the request (and cost) of the Company, promptly execute such documents and give such instructions to the Security Agent as are reasonably necessary, to provide, preserve or extend the rights and remedies contemplated by this Agreement and the Security Documents to the creditors and representatives in respect of those increased or varied Liabilities including, without limitation, entering into further security, priority and intercreditor agreements, any amendment required to the terms of this Agreement and any amendment, consent, waiver or release in respect of any Security Document and any grant of security pursuant to a new Security Document.

16.3 Facilitation of new pari passu financings

Subject to Clause 16.4 (*Exceptions*), each Party shall (subject, in the case of the Security Agent or a Trustee, to paragraph (b) of Clause 25.4 (*Exceptions*)), at the request (and cost) of the Company, promptly execute such documents and give such instructions to the Security Agent as are reasonably necessary, to provide the rights and remedies contemplated by this Agreement and the Security Documents to the creditors and representatives in respect of any financing which, in accordance with the terms of this Agreement, is permitted to be designated as Pari Passu Liabilities, including, without limitation, entering into further security, priority and intercreditor agreements, any amendment required to the terms of this Agreement and any

amendment, consent, waiver or release in respect of any Security Document and any grant of security pursuant to a new Security Document.

16.4 Exceptions

(a) This Clause 16 (*Facilitation of Refinancings, etc.*) is subject, in the case of the Security Agent, to paragraph (b) of Clause 25.4 (*Exceptions*) and shall not require any Secured Party to facilitate a release of, or amendment to, the Transaction Security or any guarantee, indemnity or other assurance against loss if so doing would have a material adverse effect on any Security Agent, Receiver, Delegate, or any Creditor Representative (in each case in their capacity as such) under the Refinancing Senior Debt Documents provided that the retaking of Security or assurance against loss, and the restarting of any related Hardening Period, shall not, in itself, constitute such a material adverse effect.

(b) This Clause 16 (*Facilitation of Refinancings, etc.*) shall not require any Party to provide financial accommodation to any member of the Group in connection with, or otherwise to participate in, a Qualifying Senior Debt Refinancing.

Section 7
The parties

17. The Security Agent

17.1 Security Agent as trustee

(a) Each Secured Party appoints the Security Agent to act as its agent and, to the extent permitted by law, trustee under and in connection with the Debt Documents.

(b) The Security Agent declares that, to the extent legally permissible, it holds the Security Property on trust for the Secured Parties on the terms contained in this Agreement.

(c) Each of the Senior Creditors authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under or in connection with the Debt Documents together with any other incidental rights, powers, authorities and discretions.

17.2 Instructions

(a) The Security Agent shall:

(i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by the Instructing Group; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if this Agreement stipulates the matter is a decision for any other Creditor or group of Creditors, in accordance with instructions given to it by that Creditor or group of Creditors).

(b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Instructing Group (or, if this Agreement stipulates the matter is a decision for any other Creditor or group of Creditors, from that Creditor or group of Creditors) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives those instructions or that clarification.

(c) Save in the case of decisions stipulated to be a matter for any other Creditor or group of Creditors under this Agreement and unless a contrary intention appears in this Agreement, any instructions given to the Security Agent by the Instructing Group shall override any conflicting instructions given by any other Parties and will be binding on all Secured Parties.

(d) Paragraph (a) above shall not apply:

(i) where this Agreement requires the Security Agent to act in a specified manner or to take a specified action;

(ii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, Clause 17 (*The Security Agent*), Clause 20 (*Costs and Expenses*) and Clause 21 (*Other Indemnities*); and

(iii) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:

(A) Clause 11 (*Non-Distressed Disposals*);

(B) Clause 15.1 (*Order of application*);

(C) Clause 15.2 (*Prospective liabilities*);

(D) Clause 15.3 (*Treatment of Pari Passu Facility Cash Cover and Pari Passu Lender Cash Collateral*); and

(E) Clause 15.6 (*Permitted Deductions*).

(e) If giving effect to instructions given by the Instructing Group would on their face have an effect equivalent to an Intercreditor Amendment, the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that Intercreditor Amendment. Nothing in this Clause 17.2 (*Instructions*) shall oblige the Security Agent to consider or monitor the effect of any instructions delivered to it in accordance with this Agreement and the Security Agent shall have no liability to any Party whatsoever (including as a result of any corresponding delay), if in fact, such instructions do or do not have the effect of an Intercreditor Amendment.

(f) The Security Agent may refrain from acting in accordance with any instructions of any Creditor or group of Creditors until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Debt Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

(g) Notwithstanding anything to the contrary in this Agreement or any Debt Document, any reference to the Security Agent acting in its discretion, as it sees fit or any analogous term shall not oblige the Security Agent to exercise any such discretion and the Security Agent shall be required at all times (subject to being indemnified and/or secured to its satisfaction and except insofar as such determination is for the purpose of enabling the Security Agent to protect its own interests or receive sums for its own account) to act or refrain from acting in accordance with the instructions of the Instructing Group (or, if this Agreement stipulates the matter is a decision for any Creditor Representative or (as applicable) Creditors or applicable group of Creditors specified as the relevant instructing group for that purpose under a Debt Document (provided that if the relevant Debt Documents do not specify an instructing group for a particular matter, the instructing group for that matter will be a simple majority of the outstanding principal amount under those Debt Documents (excluding any Liabilities owned by a member of the Group or an Investor Affiliate)) in accordance with instructions given to it by that Creditor Representative or (as applicable) Creditors or applicable group of Creditors specified as the relevant instructing group for that purpose under that Debt Document (provided that if the relevant Debt Documents do not specify an instructing group for a particular matter, the instructing group for that matter will be a simple majority of the outstanding principal amount under those Debt Documents (excluding any Liabilities owned by a member of the Group or an Investor Affiliate)) entitled to instruct the Security Agent in accordance with the terms of this Agreement) and in doing so, the Security Agent shall be acting in a purely mechanical and administrative capacity. The Security Agent shall not be responsible for any Party as a consequence of so acting, including for any delay in receiving such instructions or requesting clarification nor if any such delay causes another Party's instructions to prevail or become excluded pursuant to the terms of this Agreement.

17.3 Duties of the Security Agent

(a) The Security Agent's duties under the Debt Documents are solely mechanical and administrative in nature.

(b) The Security Agent shall promptly:

(i) forward to each Creditor Representative and to each Pari Passu Hedge Counterparty a copy of any document received by the Security Agent from any Debtor under any Debt Document; and

(ii) forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.

(c) Except where a Debt Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) Without prejudice to Clause 22.3 (*Notification of prescribed events*), if the Security Agent receives notice from a Party referring to any Debt Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Senior Creditors.

(e) To the extent that a Party (other than the Security Agent) is required to calculate a Common Currency Amount, the Security Agent shall upon a request by that Party, promptly notify that Party of the relevant Security Agent's Spot Rate of Exchange.

(f) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Debt Documents to which it is expressed to be a party (and no others shall be implied).

(g) In exercising its rights, powers, discretions and authorities under this Agreement and any other Debt Document to which the Security Agent is party, the Security Agent shall act subject to and in accordance with the provisions of this Clause 17.3 (*Duties of the Security Agent*). If there is any conflict between the provisions of this Clause 17.3 (*Duties of the Security Agent*) and any other Debt Document to which the Security Agent is party, the provisions of this Clause 17.3 (*Duties of the Security Agent*) shall prevail.

17.4 No fiduciary duties to Debtors, Intra-Group Lenders, Subordinated Creditors or members of the Group

Nothing in this Agreement constitutes the Security Agent as an agent, trustee or fiduciary of any Debtor, Intra-Group Lender, Subordinated Creditor or any other member of the Group.

17.5 No duty to account

The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

17.6 Business with the Group

The Security Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

17.7 Rights and discretions

(a) The Security Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Instructing Group, any Creditors or any group of Creditors are duly given in accordance with the terms of the Debt Documents;

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Debt Documents for so acting have been satisfied;

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate; and

(iv) instead of acting personally, employ and pay any agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Security Agent (including the receipt and payment of money) and the Security Agent shall not be responsible for any misconduct on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

(b) The Security Agent may assume (unless it has received notice to the contrary in its capacity as Security Agent for the Secured Parties) that:

(i) no Default has occurred;

(ii) no Debtor is in breach of or in default of its obligations under any of the Debt Documents;

(iii) any right, power, authority or discretion vested in any Party or any group of Creditors has not been exercised; and

(iv) any notice made by the Company is made on behalf of and with the consent and knowledge of all the Debtors.

(c) Without prejudice to the generality of paragraph (d) below, the Security Agent may at any time engage, pay for and rely on the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by any Senior Creditor) if the Security Agent deems this to be desirable.

(d) The Security Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(e) The Security Agent, any Receiver and any Delegate may act in relation to the Debt Documents and the Security Property through its officers, employees and agents and shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Security Agent's, Receiver's or Delegate's gross negligence or wilful default.

(f) Unless this Agreement expressly specifies otherwise, the Security Agent may disclose to any other Party any information it reasonably believes it has received as Security Agent under this Agreement.

(g) Notwithstanding any other provision of any Debt Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(h) Notwithstanding any provision of any Debt Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

17.8 Responsibility for documentation

None of the Security Agent, any Receiver nor any Delegate is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent, a Debtor or any other person in or in connection with any Debt Document or the transactions contemplated in the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Transaction Security; or

(c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

17.9 No duty to monitor

The Security Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Debt Document; or

(c) whether any other event specified in any Debt Document has occurred.

17.10 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Debt Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate), none of the Security Agent, any Receiver nor any Delegate will be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Debt Document or the Transaction Security unless directly caused by its gross negligence or wilful default;

(ii) exercising or not exercising any right, power, authority or discretion given to it by, or in connection with, any Debt Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Debt Document or the Transaction Security;

(iii) any shortfall which arises on the enforcement or realisation of the Transaction Security; or

(iv) without prejudice to the generality of paragraph (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Security Agent, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Debt Document or any Transaction Security and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.6 (*Third party rights*) and the provisions of the Third Parties Act.

(c) Nothing in this Agreement shall oblige the Security Agent to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Senior Creditor,

on behalf of any Senior Creditor and each Senior Creditor confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

(d) Without prejudice to any provision of any Debt Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate, any liability of the Security Agent, any Receiver or Delegate arising under or in connection with any Debt Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of liability of the Security Agent, Receiver or Delegate (as the case may be) or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the amount of that loss. Notwithstanding any provision of this Agreement or the Debt Documents, in no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

17.11 Senior Creditors' indemnity to the Security Agent

(a) Each Senior Creditor (other than any Creditor Representative) shall (in the proportion that the Liabilities due to it bear to the aggregate of the Liabilities due to all the Senior Creditors (other than any Creditor Representative) for the time being (or, if the Liabilities due to the Senior Creditors (other than any Creditor Representative) are zero, immediately

prior to their being reduced to zero)), indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any fees, claims, expenses, cost, loss or liability incurred by any of them (otherwise than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful default) in acting as Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Debt Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by a Debtor pursuant to a Debt Document).

(b) For the purposes only of paragraph (a) above, to the extent that any hedging transaction under a Pari Passu Hedging Agreement has not been terminated or closed-out, the Pari Passu Hedging Liabilities due to any Pari Passu Hedge Counterparty in respect of that hedging transaction will be deemed to be:

(i) if the relevant Pari Passu Hedging Agreement is based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Pari Passu Hedging Agreement in respect of those hedging transactions, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

(ii) if the relevant Pari Passu Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Pari Passu Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Pari Passu Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Pari Passu Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Pari Passu Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case as calculated in accordance with the relevant Pari Passu Hedging Agreement.

(c) Subject to paragraph (d) below, the Company shall immediately on demand reimburse any Senior Creditor for any payment that Senior Creditor makes to the Security Agent pursuant to paragraph (a) above.

(d) Paragraph (c) above shall not apply to the extent that the indemnity payment in respect of which the Senior Creditor claims reimbursement relates to a liability of the Security Agent to a Debtor.

This Clause 17.11 (*Senior Creditors' indemnity to Security Agent*) shall continue in full force and effect notwithstanding termination of this Agreement or any other Debt Document and whether or not the Security Agent is then security agent hereunder or thereunder.

17.12 Discretion of the Security Agent

Notwithstanding anything to the contrary in any Debt Document, the Security Agent is not obliged to hold and/or enforce any Transaction Security if it considers to do so would be contrary to its internal policies or would expose it to any liability (including reputational or environmental liability). In such circumstances, the Security Agent shall resign in accordance with Clause 17.13 (*Resignation of the Security Agent*) or delegate or appoint a co-trustee in respect of the relevant Transaction Security, which Delegate or co-trustee shall assume the responsibilities of the Security Agent in respect of the relevant Transaction Security and the obligations owed to the Parties hereunder as if named herein as Security Agent. The identity of any such Delegate or co-trustee will be approved by the Security Agent (acting in its sole discretion). The Security Agent will not be required to provide an indemnity to such Delegate or co-trustee, be responsible for their actions or the consequences of any delay in the

identification or appointment of such Delegate or co-trustee and the Parties acknowledge and agree that the provisions of Clause 17.22 (*Delegation by the Security Agent*) or 17.23 (*Additional Security Agents*) shall apply to the appointment of any such Delegate or co-trustee, as applicable.

17.13 Resignation of the Security Agent

(a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the Senior Creditors and the Company.

(b) Alternatively the Security Agent may resign by giving 30 days' notice to the Senior Creditors and the Company, in which case the Instructing Group may (after consultation with the Company) appoint a successor Security Agent.

(c) If the Instructing Group has not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent may appoint a successor Security Agent.

(d) The retiring Security Agent shall, at the cost of the Company, make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Debt Documents and transferring its role as Security Agent and its interest in the Transaction Security to that successor including by delegating in a notarial document, where necessary, the powers of attorney that had been granted in a Spanish Public Document to it by any Debtor as Security Agent in accordance with Clause 17.22 (*Delegation by the Security Agent*). The Company shall, within three Business Days of demand, reimburse the retiring Security Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

(e) The Security Agent's resignation notice shall only take effect upon:

(i) the appointment of a successor; and

(ii) the transfer of all the Security Property to that successor.

(f) Upon the appointment of a successor, the retiring Security Agent shall be discharged from any further obligation in respect of the Debt Documents (other than its obligations under paragraph (b) of Clause 17.25 (*Winding up of Security*) and paragraph (d) above) but shall remain entitled to the benefit of this Clause 17 (*The Security Agent*) and Clause 21.1 (*Indemnity to the Security Agent*) (and any Security Agent fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.

(g) The Instructing Group may (after consultation with the Company), by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above.

17.14 Confidentiality

(a) In acting as Security Agent for the Secured Parties, the Security Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Debt Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or

(ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

17.15 Information from the Creditors

Each Creditor shall supply the Security Agent with any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent.

17.16 Credit appraisal by the Secured Parties

Without affecting the responsibility of any Debtor for information supplied by it or on its behalf in connection with any Debt Document, each Secured Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Debt Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Transaction Security;

(c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Debt Document, the Transaction Security, the transactions contemplated by the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Transaction Security;

(d) the adequacy, accuracy or completeness of any information provided by the Security Agent, any Party or by any other person under or in connection with any Debt Document, the transactions contemplated by any Debt Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

17.17 Security Agent's management time and additional remuneration

(a) Any amount payable to the Security Agent under Clause 17.11 (*Senior Creditors' indemnity to the Security Agent*), Clause 20 (*Costs and Expenses*) or Clause 21.1 (*Indemnity to the Security Agent*) shall include the cost of utilising the Security Agent's management time or other resources and will be calculated on the basis of such daily or hourly rates as the Security Agent may notify to the Company and the Senior Creditors, and is in addition to any other fee paid or payable to the Security Agent.

(b) Without prejudice to paragraph (a) above, in the event of:

(i) a Default;

(ii) the Security Agent being requested by a Debtor or the Instructing Group to undertake duties which the Security Agent and the Company agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Debt Documents;

(iii) the proposed accession of any Pari Passu Debt Creditors pursuant to Clause 19.10 (*Accession of Pari Passu Debt Creditors under new Pari Passu Notes or Pari Passu Facilities*); or

(iv) the Security Agent and the Company agreeing that it is otherwise appropriate in the circumstances,

the Company shall pay to the Security Agent any additional remuneration (together with any applicable VAT) that may be agreed between them or determined pursuant to paragraph (c) below.

(c) If the Security Agent and the Company fail to agree upon the nature of the duties or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Company or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Company) and the determination of any investment bank shall be final and binding upon the Parties.

17.18 Reliance and engagement letters

The Security Agent may obtain and rely on any certificate or report from any Debtor's auditor and may enter into any reliance letter or engagement letter relating to that certificate or report on such terms as it may consider appropriate (including, without limitation, restrictions on the auditor's liability and the extent to which that certificate or report may be relied on or disclosed).

17.19 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

(a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Debtor to any of the Charged Property;

(b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Debt Document or the Transaction Security;

(c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Debt Document or of the Transaction Security;

(d) take, or to require any Debtor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or

(e) require any further assurance in relation to any Security Document.

17.20 Insurance by Security Agent

(a) The Security Agent shall not be obliged:

(i) to insure any of the Charged Property;

(ii) to require any other person to maintain any insurance; or

(iii) to verify any obligation to arrange or maintain insurance contained in any Debt Document,

and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

(b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Instructing Group requests it to do so in writing and the Security Agent fails to do so within fourteen days after receipt of that request.

17.21 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

17.22 Delegation by the Security Agent

(a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.

(b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may specify.

(c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

17.23 Additional Security Agents

(a) The Security Agent may at any time appoint (and subsequently remove) any person to act, in relation to those jurisdictions where applicable, as a separate trustee or as a co-trustee jointly with it:

(i) if it considers that appointment to be in the interests of the Secured Parties;

(ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant;

(iii) for obtaining or enforcing any judgment in any jurisdiction; or

(iv) in relation to any Transaction Security, if it considers that any action required including for the perfection of that Transaction Security would be of a type or in a jurisdiction which the Security Agent determines does not comply with its internal regulations or policies or with any law or regulation, or which would or would be reasonably likely to expose the Security Agent to increased liabilities, including reputational or environmental liability,

and the Security Agent shall give prior notice to the Company and the Senior Creditors of that appointment.

(b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Debt Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.

(c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its

functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

17.24 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Debtor may have to any of the Charged Property and shall not be liable for, or bound to require any Debtor to remedy, any defect in its right or title.

17.25 Winding up of Security

If the Security Agent, with the approval of each Creditor Representative and each Pari Passu Hedge Counterparty, determines that:

(a) all of the Secured Obligations and all other obligations secured by the Security Documents have been fully and finally discharged; and

(b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Debtor pursuant to the Debt Documents,

then:

(i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse, warranty or representation as to title, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents; and

(ii) any Security Agent which has resigned pursuant to Clause 17.13 (*Resignation of the Security Agent*) shall release, without recourse, warranty or representation as to title, all of its rights under each Security Document.

17.26 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Debt Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

17.27 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

17.28 Intra-Group Lenders and Debtors: Power of Attorney

Each Intra-Group Lender, Subordinated Creditor and Debtor by way of security for its obligations under this Agreement irrevocably appoints the Security Agent to be its attorney to do anything which that Intra-Group Lender, Subordinated Creditor or Debtor has authorised the Security Agent or any other Party to do under this Agreement or is itself required to do under this Agreement but has failed to do (and the Security Agent may delegate that power on such terms as it sees fit).

18. Trustee protections

18.1 Limitation of Trustee Liability

(a) It is expressly understood and agreed by the Parties that this Agreement is executed and delivered by each Trustee not individually or personally but solely in its capacity as a Trustee in the exercise of the powers and authority conferred and vested in it under the relevant Debt Documents. Nothing contained in this Agreement or any other Debt Document to which a Trustee is a party shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion, if it has grounds for believing the repayment of such funds is not reasonably assured to it. Prior to taking (or refraining from taking) any action under this Agreement, a Trustee may request and rely upon an officer's certificate and an opinion of counsel or opinion of another qualified expert, at the expense of the Company.

(b) It is further understood by the Parties that in no case shall a Trustee be (i) responsible or accountable in damages or otherwise to any other Party for any loss, damage or claim incurred by reason of any act or omission performed or omitted by it in good faith in accordance with this Agreement or any of the Debt Documents and in a manner that the relevant Trustee believed to be within the scope of the authority conferred on that Trustee by this Agreement and the relevant Debt Documents or by law, or (ii) liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other Party, all such liability, if any, being expressly waived by the Parties and any person claiming by, through or under such Party, **provided however**, **that** a Trustee shall be liable under this Agreement for its own gross negligence or wilful default. Notwithstanding any other provisions in this Agreement or any other Debt Document to which a Trustee is a party, in no event shall a Trustee be liable for special, indirect, punitive or consequential loss or damages of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profits) whether or not foreseeable even if the Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

(c) It is also acknowledged that a Trustee shall not have any responsibility for the actions of any individual Noteholder or (as applicable) Pari Passu Noteholder.

18.2 Note Trustee not fiduciary for other Creditors

No Trustee shall be deemed to owe any fiduciary duty to the Security Agent or any of the Creditors (other than the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative), any of the Subordinated Creditors or any member of the Group and shall not be liable to the Security Agent or any Creditor (other than the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative) any Subordinated Creditor or any member of the Group if the Trustee shall in good faith mistakenly pay over or distribute to the Noteholders or (as applicable) Pari Passu Noteholders or to any other person cash, property or securities to which the Security Agent or any Creditor (other than the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative) shall be entitled by virtue of this Agreement or otherwise. With respect to the Security Agent or the Creditors (other than the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative) and any Intra-Group Lender or Subordinated Creditor, each Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in the relevant Debt Documents (including this Agreement) and no implied agreements, covenants or obligations with respect to the Security Agent or the Creditors (other than the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative) and any Intra-Group Lender or Subordinated Creditor shall be read into this Agreement against a Trustee.

18.3 Reliance on certificates

A Trustee may at all times be entitled to and may rely without enquiry on any notice, consent, document or certificate given or granted by the Security Agent, any other Creditor Representative or any Pari Passu Hedge Counterparty or any other Party as to the matters certified therein, without being under any obligation to enquire or otherwise determine whether any such notice, consent, document or certificate has been given or granted by the Security Agent, any other relevant Creditor Representative, Pari Passu Hedge Counterparty or any other Party and shall not be, in any circumstances, held liable for so relying.

18.4 Trustee

In acting hereunder, the Trustee does so pursuant to and in accordance with the relevant Indenture and is entitled to seek instructions from the relevant Noteholders or (as applicable) Pari Passu Noteholders, to the extent provided for, and in accordance with, the relevant Indenture, and where it so acts on the instructions of the Noteholders or (as applicable) Pari Passu Noteholders, the Trustee shall not incur any liability to any person for so acting other than in accordance with the Indenture. A Trustee shall not be liable to any person for any loss suffered as a result of any delay caused as a result of it seeking instructions from the Noteholders or (as applicable) Pari Passu Noteholders including, for the avoidance of doubt, for the purpose of consulting pursuant to Clause 10.2 (*Instructions to enforce*) of this Agreement. Furthermore, prior to taking any action under this Agreement or the relevant Debt Documents, as the case may be, the Trustee may request and rely upon an officer's certificate and an opinion of counsel or opinion of another qualified expert, at the Company's expense, as applicable.

18.5 Turnover obligations

Notwithstanding any provision in this Agreement to the contrary, a Trustee shall only have an obligation to turn over or repay amounts received or recovered by it under this Agreement or to hold any such amount on trust (i) if it had actual knowledge that the receipt or recovery is an amount received in breach of a provision of this Agreement (a "**Turnover Receipt**") and (ii) to the extent that, prior to receiving that knowledge, it has not distributed the amount of the Turnover Receipt to the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative in accordance with the provisions of the relevant Indenture. For the purpose of this Clause 18.5 (*Turnover obligations*), (i) "actual knowledge" of the Trustee shall be construed to mean the Trustee shall not be charged with knowledge (actual or otherwise) of the existence of facts that would impose an obligation on it to make any payment or prohibit it from making any payment unless a responsible officer of such Trustee has received, not less than two Business Days' prior to the date of such payment, a written notice that such payments are prohibited by this Agreement; and (ii) "responsible officer" when used in relation to the Trustee means any person who is an officer within the corporate trust and agency department of the Trustee, including any director, associate director, vice president, assistance vice president, senior associate, assistant treasurer, trust officer, or any other officer of the Trustee who customarily performs functions similar to those performed by such officers, or to whom any corporate trust matter is referred because of such individual's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Agreement.

18.6 Creditors and Trustee

In acting pursuant to this Agreement and the relevant Indenture, the Trustee is not required to have any regard to the interests of the Creditors (other than the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative) or any Intra-Group Lender or Subordinated Creditor.

18.7 Trustee; reliance and information

(a) A Trustee may (i) rely and shall be fully protected in acting or refraining from acting upon any notice or other document reasonably believed by it to be genuine and correct and to

have been signed by, or with the authority of, the proper person, (ii) rely and shall be fully protected in acting or refraining from acting upon any written statement made by any person reasonably believed by it to be genuine and correct and regarding any matters which may be assumed to be within such person's powers to verify, and (iii) engage and pay for professional advisers selected by it, and rely and be fully protected in acting or refraining from acting upon the advice of such professional advisers or those representing a person other than that Trustee.

(b) Without affecting the responsibility of any Debtor for information supplied by it or on its behalf in connection with any Debt Document, each Senior Creditor (other than the Noteholders or (as applicable) Pari Passu Noteholders for which a Trustee is the Creditor Representative) confirms that it has not relied exclusively on any information provided to it by that Trustee in connection with any Debt Document. A Trustee is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party.

(c) A Trustee is not responsible for:

(i) providing any Senior Creditor (including the Noteholders or (as applicable) Pari Passu Noteholders for which a Trustee is the Creditor Representative) with any credit or other information concerning the risks arising under or in connection with the Debt Documents (including any information relating to the financial condition or affairs or any Debtor or their related entities or the nature or extent of recourse against any Party or its assets) whether coming into its possession before, on or after the date of this Agreement; or

(ii) obtaining any certificate or other documents from any Debtor.

(d) A Trustee is entitled to assume that:

(i) any payment or other distribution made in respect of the Liabilities, respectively, has been made in accordance with the provisions of this Agreement;

(ii) any Security granted in respect of the Note Liabilities or Pari Passu Note Liabilities is in accordance with Clause 3.3 (*Security: Senior Debt Creditors*);

(iii) no Default has occurred; and

(iv) the Senior Debt Discharge Date has not occurred,

unless it has actual knowledge to the contrary (on the same basis as referred to in Clause 18.5 (*Turnover obligations*) above). A Trustee is not obliged to monitor or enquire whether any such default has occurred, or enquire as to the performance by the Parties of their obligations under any of the Debt Documents.

18.8 No action

A Trustee shall not have any obligation to take any action under this Agreement unless it is indemnified and/or secured and/or prefunded to its satisfaction (whether by way of payment in advance or otherwise) by the Debtors or the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative, as applicable, in accordance with the terms of the relevant Indenture. A Trustee is not required to indemnify any other person, whether or not a Party in respect of the transactions contemplated by this Agreement. In no event shall the permissive right of a Trustee to take the actions permitted by this Agreement be construed as an obligation or duty to do so.

18.9 Departmentalisation

In acting as a Trustee, a Trustee shall be treated as acting through its agency division which shall be treated as a separate entity from its other divisions and departments. Any information received or acquired by a Trustee which is received or acquired by some other division or

department or otherwise than in its capacity as Trustee may be treated as confidential by that Trustee and will not be treated as information possessed by that Trustee in its capacity as such.

18.10 Other parties not affected

This Clause 18 (*Trustee Protections*) is intended to afford protection to each Trustee only and no provision of this Clause 18 (*Trustee Protections*) shall alter or change the rights and obligations as between the other Parties in respect of each other.

18.11 Security Agent and Trustees

(a) A Trustee is not responsible for the appointment or for monitoring the performance of the Security Agent.

(b) A Trustee shall be under no obligation to instruct or direct the Security Agent to take any Security enforcement action unless it shall have been instructed to do so by the Noteholders or (as applicable) Pari Passu Noteholders for which it is the Creditor Representative and indemnified and/or secured and/or prefunded to its satisfaction.

(c) The Security Agent acknowledges and agrees that it has no claims for any fees, costs or expenses from, or indemnification against, a Trustee.

18.12 Exclusion of liability

The provisions of Clauses 17.6 (*Business with the Group*), 17.8 (*Responsibility for documentation*), 17.10 (*Exclusion of liability*) and 17.16 (*Credit appraisal by the Secured Parties*) that apply to the Security Agent shall also apply *mutatis mutandis* to a Trustee.

18.13 Security

A Trustee shall have no liability whatsoever for the Transaction Security, including for the avoidance of doubt, and without limitation, as regards title, insurance, registration, adequacy, and/or loss in respect thereof and all of the protections that apply to the Security Agent as set out in Clauses 17.8 (*Responsibility for documentation*), 17.10 (*Exclusion of liability*), 17.19 (*No responsibility to perfect Transaction Security*), 17.20 (*Insurance by Security Agent*) and 17.24 (*Acceptance of title*) shall also apply, *mutatis mutandis* to a Trustee.

18.14 Provision of information

A Trustee is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party. A Trustee is not responsible for:

(a) providing any Creditor with any credit or other information concerning the risks arising under or in connection with the Transaction Security Documents or Debt Documents (including any information relating to the financial condition or affairs of any Debtor or their related entities or the nature or extent of recourse against any party or its assets) whether coming into its possession before, on or after the date of this Agreement; or

(b) obtaining any certificate or other document from any Creditor.

18.15 Disclosure of information

Each Debtor irrevocably authorises a Trustee to disclose to the Security Agent or any other Debtor any information that is received by that Trustee in its capacity as Trustee.

18.16 Illegality

Notwithstanding anything to the contrary in any other Debt Document, a Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would or would be reasonably likely to, in its opinion based upon legal advice in any relevant jurisdiction, be contrary to any law, directive or regulation of any jurisdiction, and may do anything which is necessary in order to comply with such law, directive or regulation. Furthermore, a Trustee may also refrain from taking such action if it would otherwise render it liable to any person in an applicable jurisdiction or if, in its opinion based on such legal advice,

it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law or regulation in that jurisdiction or in England or if it is determined by any court or other competent authority in that jurisdiction or in England and Wales that it does not have such power.

18.17 Resignation of Trustee

A Trustee may resign or be removed in accordance with the terms of the relevant Indenture, **provided that** a replacement of such Trustee agrees with the Parties to become the replacement Trustee under this Agreement by the execution of a Creditor/Creditor Representative Accession Undertaking.

18.18 Agents

A Trustee may act through its attorneys and agents and shall not be responsible for any loss, liability, cost or expense incurred as a result of the misconduct, omission, default or negligence of any attorney or agent properly appointed by it.

18.19 No Requirement for Bond or Security

A Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Agreement.

18.20 Provisions Survive Termination

The provisions of this Clause 18 (*Trustee Protections*) shall survive any termination or discharge of this Agreement or replacement of a Trustee hereunder.

19. Changes to the parties

19.1 Assignments and transfers

No Party may:

(a) assign any of its rights; or

(b) transfer any of its rights and obligations,

in respect of any Debt Documents or the Liabilities except:

(i) as permitted by this Clause 19 (*Changes to the Parties*); or

(ii) (in the case of the Security Agent or a Trustee) as permitted by Clause 17.13 (*Resignation of the Security Agent*) or (as applicable) Clause 18.17 (*Resignation of Trustee*).

19.2 No change of Parent or Company

Neither the Parent nor the Company may:

(a) assign any of its rights; or

(b) transfer any of its rights and obligations,

under this Agreement until after the Final Discharge Date.

19.3 Change of Subordinated Creditor

Subject to Clause 6.4 (*No acquisition of Subordinated Liabilities*), a Subordinated Creditor may:

(a) assign any of its rights; or

(b) transfer any of its rights and obligations,

in respect of the Subordinated Liabilities owed to it if any assignee or transferee has (if not already party to this Agreement as a Subordinated Creditor) acceded to this Agreement, as a

Subordinated Creditor, pursuant to Clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*).

19.4 Change of Credit Facility Lender or Pari Passu Lender under an existing Credit Facility or Pari Passu Facility

(a) A Credit Facility Lender or Pari Passu Lender under an existing Credit Facility or Pari Passu Facility may:

(i) assign any of its rights; or

(ii) transfer by novation any of its rights and obligations,

in respect of any Debt Documents or the Liabilities if:

(A) that assignment or transfer is in accordance with the terms of the Credit Facility Agreement or Pari Passu Facility Agreement to which it is a party; and

(B) subject to paragraph (b) below, any assignee or transferee has (if not already a Party as a Credit Facility Lender or Pari Passu Lender, as applicable) acceded to this Agreement, as a Credit Facility Lender or Pari Passu Lender, as applicable, pursuant to Clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*).

(b) Paragraph (a)(B) above shall not apply in respect of:

(i) any transaction which arises as a result of any provision of the Credit Facility Agreement or a Pari Passu Facility Agreement which allows a member of the Group or Investor Affiliate to purchase, enter into any sub-participation in respect of (or enter into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of) any of the Credit Facility Liabilities or Pari Passu Debt Liabilities; and

(ii) any Liabilities Acquisition of the Credit Facility Liabilities or Pari Passu Facility Liabilities by a member of the Group permitted under the relevant Credit Facility Agreement or Pari Passu Facility Agreement and pursuant to which the relevant Liabilities are discharged,

effected in accordance with the terms of the Debt Documents.

19.5 Change of Noteholder or Pari Passu Noteholder

Any Noteholder or Pari Passu Noteholder may assign, transfer or novate any of its rights and obligations to any person without the need for such person to execute and deliver to the Security Agent a Creditor / Creditor Representative Accession Undertaking.

19.6 Change of Pari Passu Hedge Counterparty

A Pari Passu Hedge Counterparty may (in accordance with the terms of the relevant Pari Passu Hedging Agreement and subject to any consent required under that Pari Passu Hedging Agreement) transfer any of its rights or obligations in respect of the Pari Passu Hedging Agreements to which it is a party if any transferee has (if not already a Party as a Pari Passu Hedge Counterparty) acceded to this Agreement pursuant to Clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*) as a Pari Passu Hedge Counterparty.

19.7 Change of Creditor Representative

No person shall become a Creditor Representative unless at the same time, it accedes to this Agreement as a Creditor Representative pursuant to Clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*).

19.8 Change of Intra-Group Lender

Subject to Clause 5.4 (*Acquisition of Intra-Group Liabilities*) and to the terms of the other Debt Documents, any Intra-Group Lender may:

(a) assign any of its rights; or

(b) transfer any of its rights and obligations,

in respect of the Intra-Group Liabilities to another member of the Group if that member of the Group has (if not already a Party as an Intra-Group Lender) acceded to this Agreement as an Intra-Group Lender, pursuant to Clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*).

19.9New Intra-Group Lender or Subordinated Creditor

If any Intra-Group Lender, any Investor Affiliate or any member of the Group makes any loan to or grants any credit to or makes any other financial arrangement having similar effect with any Debtor, in an aggregate outstanding amount of EUR 10,000,000 (or its equivalent in another currency or other currencies) or more, the Parent will procure that the person giving that loan, granting that credit or making that other financial arrangement (if not already a Party as an Intra-Group Lender or Subordinated Creditor) accedes to this Agreement as an Intra-Group Lender or, as applicable, Subordinated Creditor, pursuant to Clause 19.12 (*Creditor/ Creditor Representative Accession Undertaking*).

19.10 Accession of Pari Passu Debt Creditors under new Pari Passu Notes or Pari Passu Facilities

(a) In order for indebtedness in respect of any issuance of debt securities to constitute "Pari Passu Debt Liabilities" for the purposes of this Agreement:

  (i) the Company shall designate that issuance of debt securities as Pari Passu Notes and confirm in writing to the Security Agent that the incurrence of those debt securities as Pari Passu Debt Liabilities under this Agreement will not breach the terms of any of its existing Senior Documents (other than any Senior Documents which relate to facilities or other indebtedness which are or will be refinanced in full by the proceeds of that issuance of debt securities); and

  (ii) the trustee in respect of those debt securities shall accede to this Agreement as the Creditor Representative in relation to those Pari Passu Debt Liabilities pursuant to Clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*); and

  (iii) any additional remuneration for the Security Agent in connection with the accession shall have been determined pursuant to Clause 17.17 (*Security Agent's management time and additional remuneration*).

(b) In order for indebtedness under any credit facility to constitute "Pari Passu Debt Liabilities" for the purposes of this Agreement:

  (i) the Company shall designate that credit facility as a Pari Passu Facility and confirm in writing to the Security Agent that the establishment of that Pari Passu Facility as Pari Passu Debt Liabilities under this Agreement will not breach the terms of any of its existing Senior Documents (other than any Senior Documents which relate to facilities or other indebtedness which are or will be refinanced in full by the loan(s) under that credit facility);

  (ii) each creditor in respect of that credit facility shall accede to this Agreement as a Pari Passu Lender;

  (iii) each arranger in respect of that credit facility shall accede to this Agreement as a Pari Passu Arranger; and

(iv) the facility agent in respect of that credit facility shall accede to this Agreement as the Creditor Representative in relation to that credit facility pursuant to Clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*); and

(v) any additional remuneration for the Security Agent in connection with the accession shall have been determined pursuant to Clause 17.17 (*Security Agent's management time and additional remuneration*).

19.11 New Pari Passu Ancillary Lender

If any Affiliate of a Credit Facility Lender or of a Pari Passu Lender becomes a Credit Facility Ancillary Lender or (as applicable) Pari Passu Ancillary Lender in accordance with the Credit Facility Agreement or (as applicable) relevant Pari Passu Facility Agreement, it shall not be entitled to share in any of the Transaction Security or in the benefit of any guarantee or indemnity in respect of any of the liabilities arising in relation to its Ancillary Facilities unless it has (if not already a Party as a Credit Facility Lender or (as applicable) Pari Passu Lender) acceded to this Agreement as a Credit Facility Lender or (as applicable) Pari Passu Lender pursuant to Clause 19.12 (*Creditor/Creditor Representative Accession Undertaking*) and, to the extent required by the Credit Facility Agreement or (as applicable) Pari Passu Facility Agreement, to the Credit Facility Agreement or (as applicable) Pari Passu Facility Agreement as a Credit Facility Lender or (as applicable) Pari Passu Ancillary Lender.

19.12 Accession of Pari Passu Hedge Counterparties under new Pari Passu Hedging Agreements

In order for indebtedness under any hedging agreement to constitute "Pari Passu Hedging Liabilities" for the purposes of this Agreement:

(a) the Company shall designate that hedging agreement as a Pari Passu Hedging Agreement and confirm in writing to the Security Agent that the establishment of that Pari Passu Hedging Agreement as Pari Passu Hedging Liabilities under this Agreement will not breach the terms of any of its existing Senior Documents; and

(b) the hedging counterparty in respect of that hedging agreement shall accede to this Agreement as a Pari Passu Hedge Counterparty.

19.13 Creditor/Creditor Representative Accession Undertaking

With effect from the date of acceptance by the Security Agent of a Creditor/Creditor Representative Accession Undertaking duly executed and delivered to the Security Agent by the relevant acceding party or, if later, the date specified in that Creditor/Creditor Representative Accession Undertaking:

(a) any Party ceasing entirely to be a Creditor shall be discharged from further obligations towards the Security Agent and other Parties under this Agreement and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date);

(b) as from that date, the replacement or new Creditor shall assume the same obligations and become entitled to the same rights, as if it had been an original Party in the capacity specified in the Creditor/Creditor Representative Accession Undertaking; and

(c) to the extent envisaged by the Credit Facility Agreement or (as applicable) relevant Pari Passu Debt Document, any new Credit Facility Ancillary Lender or (as applicable) Pari Passu Ancillary Lender (which is an Affiliate of a Credit Facility Lender or (as applicable) Pari Passu Lender) or any party acceding to this Agreement as a Pari Passu Hedge Counterparty shall also become party to the Credit Facility Agreement or (as applicable) relevant Pari Passu Debt Document as a Credit Facility Ancillary Lender, Pari Passu Ancillary Lender or (as applicable) Pari Passu Hedge Counterparty and shall assume the same obligations and become entitled to the same rights as if it had been an original party to the Credit Facility

Agreement or (as applicable) Pari Passu Debt Document as a Credit Facility Ancillary Lender, Pari Passu Ancillary Lender or (as applicable) Pari Passu Hedge Counterparty.

19.14 New Debtor

(a) If any member of the Group:

(i) incurs any Liabilities; or

(ii) gives any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities,

the Debtors will procure that the person incurring those Liabilities or giving that assurance accedes to this Agreement as a Debtor, in accordance with paragraph (c) below, no later than contemporaneously with the incurrence of those Liabilities or the giving of that assurance.

(b) If any Affiliate of a borrower under a Pari Passu Facility becomes a borrower of a Pari Passu Ancillary Facility in accordance with the relevant Pari Passu Facility Agreement, the relevant borrower under the Pari Passu Facility shall procure that such Affiliate accedes to this Agreement as a Debtor no later than contemporaneously with the date on which it becomes a borrower.

(c) With effect from the date of acceptance by the Security Agent of a Debtor Accession Deed duly executed and delivered to the Security Agent by the new Debtor or, if later, the date specified in the Debtor Accession Deed, the new Debtor shall assume the same obligations and become entitled to the same rights as if it had been an original Party as a Debtor.

19.15 Additional parties

(a) Each of the Parties appoints the Security Agent to receive on its behalf each Debtor Accession Deed and Creditor/Creditor Representative Accession Undertaking delivered to the Security Agent and the Security Agent shall, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Agreement or, where applicable, by the relevant Debt Document.

(b) In the case of a Creditor/Creditor Representative Accession Undertaking delivered to the Security Agent by any new Credit Facility Ancillary Lender or Pari Passu Ancillary Lender (which is an Affiliate of a Credit Facility Lender or (as applicable) Pari Passu Lender):

(i) the Security Agent shall, as soon as practicable after signing and accepting that Creditor/Creditor Representative Accession Undertaking in accordance with paragraph (a) above, deliver that Creditor/Creditor Representative Accession Undertaking to the relevant Creditor Representative; and

(ii) the relevant Creditor Representative shall, as soon as practicable after receipt by it, sign and accept that Creditor/Creditor Representative Accession Undertaking if it appears on its face to have been completed, executed and delivered in the form contemplated by this Agreement.

19.16 Resignation of a Debtor

(a) The Company may request that a Debtor ceases to be a Debtor by delivering to the Security Agent a Debtor Resignation Request.

(b) The Security Agent shall accept a Debtor Resignation Request and promptly notify the Company and each other Party of its acceptance if:

(i) the Company has confirmed that no Default is continuing or would result from the acceptance of the Debtor Resignation Request;

(ii) to the extent that the Credit Facility Discharge Date has not occurred, the Credit Facility Agent notifies the Security Agent that that Debtor is not, or has ceased to be, a Credit Facility Borrower or a Credit Facility Guarantor;

(iii) to the extent that the Notes Discharge Date has not occurred, the Notes Trustee notifies the Security Agent that that Debtor is not, or has ceased to be, a Notes Issuer or a Notes Guarantor;

(iv) each Pari Passu Hedge Counterparty notifies the Security Agent that that Debtor is under no actual or contingent obligations to that Pari Passu Hedge Counterparty in respect of the Pari Passu Hedging Liabilities;

(v) to the extent that the Pari Passu Debt Discharge Date has not occurred, each relevant Creditor Representative notifies the Security Agent that the Debtor is not, or has ceased to be, an issuer, borrower or guarantor of the Pari Passu Debt Liabilities for which it is the Creditor Representative; and

(vi) the Company confirms that that Debtor is under no actual or contingent obligations in respect of the Intra-Group Liabilities and the Subordinated Liabilities.

(c) Each Party required to provide a notification to the Security Agent pursuant to paragraphs (b)(ii) to (b)(v) above shall provide such notification to the Security Agent promptly upon request by the Security Agent and the Security Agent shall request such notifications promptly upon receipt of the relevant Debtor Resignation Request from the Company.

(d) Upon notification by the Security Agent to the Company of its acceptance of the resignation of a Debtor, that member of the Group shall cease to be a Debtor and shall have no further rights or obligations under this Agreement as a Debtor (except for those obligations which arose prior to such date and which are expressed to survive removal or termination).

Section 8
Additional Payment Obligations

20. Costs and expenses

20.1 Transaction expenses

The Company shall, within fifteen days of demand, pay the Security Agent the amount of all costs and expenses (including legal fees) (together with any applicable VAT) properly incurred by the Security Agent and by any Receiver or Delegate in connection with the negotiation, preparation, printing, execution and perfection of:

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Debt Documents executed after the date of this Agreement.

20.2 Amendment costs

If a Debtor requests an amendment, waiver or consent, the Company shall, within fifteen days of demand, reimburse the Security Agent for the amount of all costs and expenses (including legal fees) (together with any applicable VAT) properly incurred by the Security Agent (and by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

20.3 Enforcement and preservation costs

The Company shall, within five Business Days of demand, pay to the Security Agent the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it in connection with the enforcement of or the preservation of any rights under any Debt Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

20.4 Stamp taxes

The Company shall pay and, within three Business Days of demand, indemnify the Security Agent against any cost, loss or liability the Security Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Debt Document.

20.5 Interest on demand

If any Creditor or Debtor fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at the rate which is two per cent. per annum over the rate at which the Security Agent was being offered, by leading banks in the European interbank market, deposits in an amount comparable to the unpaid amounts in the currencies of those amounts for any period(s) that the Security Agent may from time to time select **provided that** if any such rate is below zero, that rate will be deemed to be zero.

21. Other indemnities

21.1 Indemnity to the Security Agent

(a) To the extent permitted by law, each Debtor jointly and severally shall within five Business Days of demand indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them as a result of:

(i) any failure by the Company to comply with its obligations under Clause 20 (*Costs and expenses*);

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(iii) the taking, holding, protection or enforcement of the Transaction Security;

(iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent, each Receiver and each Delegate by the Debt Documents or by law;

(v) any default by any Debtor in the performance of any of the obligations expressed to be assumed by it in the Debt Documents;

(vi) instructing lawyers, accountants, tax advisers, surveyors, a Financial Adviser or other professional advisers or experts as permitted under this Agreement; or

(vii) acting as Security Agent, Receiver or Delegate under the Debt Documents or which otherwise relates to any of the Security Property (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful default).

(b) Each Debtor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 21.1 (*Indemnity to the Security Agent*) will not be prejudiced by any release or disposal under Clause 12 (*Distressed Disposals and Appropriations*) taking into account the operation of that Clause 12 (*Distressed Disposals and Appropriations*).

(c) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 21.1 (*Indemnity to the Security Agent*) and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

This Clause 21.1 (*Indemnity to the Security Agent*) shall continue in full force and effect notwithstanding termination of this Agreement or any other Debt Document and whether or not the Security Agent is then Security Agent hereunder or thereunder.

21.2 Company's indemnity to Senior Creditors

The Company shall promptly and as principal obligor indemnify each Senior Creditor against any cost, loss or liability (together with any applicable VAT), whether or not reasonably foreseeable, incurred by any of them in relation to or arising out of the operation of Clause 12 (*Distressed Disposals and Appropriations*) otherwise than by reason of the Senior Creditor's gross negligence or wilful misconduct.

Section 9
Administration

22. Information

22.1 Dealings with Security Agent and Creditor Representatives

(a) Subject to clause 32.5 (*Communication when Agent is Impaired Agent*) of the Credit Facility Agreement and to any Equivalent Provision of any other Senior Debt Document, each Credit Facility Lender, Noteholder, Pari Passu Noteholder and Pari Passu Lender shall deal with the Security Agent exclusively through its Creditor Representative and the Pari Passu Hedge Counterparties shall deal directly with the Security Agent and shall not deal through any Creditor Representative.

(b) No Creditor Representative shall be under any obligation to act as agent or otherwise on behalf of any Pari Passu Hedge Counterparty except as expressly provided for in, and for the purposes of, this Agreement.

22.2 Diclosure between Senior Creditors and Security Agent

Notwithstanding any agreement to the contrary, each of the Debtors and the Subordinated Creditors and each other member of the Group consents, until the Final Discharge Date, to the disclosure (to the extent permitted by law and regulation) by any Senior Creditor and the Security Agent to each other (whether or not through a Creditor Representative or the Security Agent) of such information concerning the Debtors, the Subordinated Creditors and the Group as any Senior Creditor or the Security Agent shall see fit.

22.3 Notification of prescribed events

(a) If an Event of Default or Default under a Credit Facility Document, Notes Document or Pari Passu Debt Document either occurs or ceases to be continuing the relevant Creditor Representative shall, upon becoming aware of that occurrence or cessation, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Senior Creditor.

(b) If an Acceleration Event occurs the relevant Creditor Representative(s) shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each other Party.

(c) If the Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify each Party of that action.

(d) If any Senior Creditor exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Party of that action.

(e) If a Debtor defaults on any Payment due under a Pari Passu Hedging Agreement, the Pari Passu Hedge Counterparty which is party to that Pari Passu Hedging Agreement shall, upon becoming aware of that default, notify the Security Agent and the Security Agent shall, upon receiving that notification, notify the Creditor Representatives and each other Pari Passu Hedge Counterparty.

(f) If a Pari Passu Hedge Counterparty terminates or closes-out, in whole or in part, any hedging transaction under any Pari Passu Hedging Agreement under Clause 4.9 (*Permitted Enforcement: Pari Passu Hedge Counterparties*) it shall notify the Security Agent and the Security Agent shall, upon receiving that notification, notify each Creditor Representative and each other Pari Passu Hedge Counterparty.

(g) If any of the Pari Passu Term Outstandings are to be reduced (whether by way of repayment, prepayment, cancellation or otherwise) the Company shall notify each Pari Passu Hedge Counterparty of:

(i) the date and amount of that proposed reduction;

(ii) any Pari Passu Interest Rate Hedge Excess that would result from that proposed reduction and that Pari Passu Hedge Counterparty's Pari Passu Interest Rate Hedging Proportion (if any) of that Pari Passu Interest Rate Hedge Excess; and

(iii) any Pari Passu Exchange Rate Hedge Excess that would result from that proposed reduction and that Pari Passu Hedge Counterparty's Pari Passu Exchange Rate Hedging Proportion (if any) of that Pari Passu Exchange Rate Hedge Excess.

23. Notices

23.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

23.2 Security Agent's communications with Senior Creditors

The Security Agent shall be entitled to carry out all dealings:

(a) with the Credit Facility Lenders, Noteholders, Pari Passu Noteholders and Pari Passu Lenders through their respective Creditor Representatives and may give to the Creditor Representatives, as applicable, any notice or other communication required to be given by the Security Agent to a Credit Facility Lender, Noteholder, Pari Passu Noteholder or Pari Passu Lender; and

(b) with each Pari Passu Hedge Counterparty directly with that Pari Passu Hedge Counterparty.

23.3 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

(a) in the case of the Company, that identified with its name below;

(b) in the case of the Security Agent, that identified with its name below; and

(c) in the case of each other Party, that notified in writing to the Security Agent on or prior to the date on which it becomes a Party,

or any substitute address, fax number or department or officer which that Party may notify to the Security Agent (or the Security Agent may notify to the other Parties, if a change is made by the Security Agent) by not less than five Business Days' notice.

23.4 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 23.3 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

(c) Any communication or document made or delivered to the Company in accordance with this Clause 23.4 (*Delivery*) will be deemed to have been made or delivered to each of the Debtors.

(d) Any communication or document which becomes effective, in accordance with paragraph (a) to (c) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

23.5 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 23.3 (*Addresses*) or changing its own address or fax number, the Security Agent shall notify the other Parties.

23.6 Electronic communication

(a) Any communication to be made between any two Parties under or in connection with this Agreement may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

(b) The Security Agent and the Company agree, for the purposes of paragraph (a) above, that until either Party notifies the other to the contrary, all communications between them may be made by electronic mail. Both the Company and the Security Agent acknowledge that as of the date of this Agreement, they have notified each other of the information required to be provided by them under paragraph (a)(i) above.

(c) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

(d) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

23.7 English language

(a) Any notice given under or in connection with this Agreement must be in English.

(b) All other documents provided under or in connection with this Agreement must be:

(i) in English; or

(ii) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

24. Preservation

24.1 Partial invalidity

If, at any time, any provision of a Debt Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

24.2 No impairment

If, at any time after its date, any provision of a Debt Document (including this Agreement) is not binding on or enforceable in accordance with its terms against a person expressed to be a party to that Debt Document, neither the binding nature nor the enforceability of that provision or any other provision of that Debt Document will be impaired as against the other party(ies) to that Debt Document.

24.3 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Party, any right or remedy under a Debt Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Debt Document. No election to affirm any Debt Document on the part of a Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Debt Document are cumulative and not exclusive of any rights or remedies provided by law.

24.4 Waiver of defences

The provisions of this Agreement or any Transaction Security will not be affected by an act, omission, matter or thing which, but for this Clause 24.4 (*Waiver of defences*), would reduce, release or prejudice the subordination and priorities expressed to be created by this Agreement including (without limitation and whether or not known to any Party):

(a) any time, waiver or consent granted to, or composition with, any Debtor or other person;

(b) the release of any Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Debtor or other person;

(e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Debt Document or any other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security;

(g) any intermediate Payment of any of the Liabilities owing to the Senior Creditors in whole or in part; or

(h) any insolvency or similar proceedings.

24.5 Priorities not affected

Except as otherwise provided in this Agreement the priorities referred to in Clause 2 (*Ranking and Priority*) will:

(a) not be affected by any reduction or increase in the principal amount secured by the Transaction Security in respect of the Liabilities owing to the Senior Creditors or by any intermediate reduction or increase in, amendment or variation to any of the Debt Documents, or by any variation or satisfaction of, any of the Liabilities or any other circumstances;

(b) apply regardless of the order in which or dates upon which this Agreement and the other Debt Documents are executed or registered or notice of them is given to any person; and

(c) secure the Liabilities owing to the Security Agent or the Senior Creditors in the order specified, regardless of the date upon which any of the Liabilities arise or of any fluctuations in the amount of any of the Liabilities outstanding.

25. Consents, amendments and override

25.1 Required consents

(a) Subject to paragraph (b) below, to Clause 25.4 (*Exceptions*), to Clause 25.5 (*Disenfranchisement of Investor Affiliates*) and to Clause 16 (*Facilitation of Refinancings, etc.*), this Agreement may be amended or waived only with the consent of the Company and the Security Agent and:

(i) each Creditor Representative acting on behalf of the Senior Debt Creditors in respect of which it is the Creditor Representative; and

(ii) those Pari Passu Hedge Counterparties whose Pari Passu Hedge Credit Participations at that time aggregate more than 50 per cent. of the total Pari Passu Hedge Credit Participations at that time,

and provided that, for the purposes of this paragraph (a), the Security Agent shall, subject to being indemnified and/or secured to its satisfaction and to paragraph (b) of Clause 25.4 (*Exceptions*), act on the instructions of the Creditors entitled to agree such amendment or waiver under sub-paragraphs (a)(i) and (ii) above and shall not be required to consider the interests of any other Secured Parties and can rely on those instructions having been properly given.

(b) An amendment or waiver that has the effect of changing or which relates to:

(i) Clause 9 (*Redistribution*), Clause 10 (*Enforcement of Transaction Security*), Clause 15 (*Application of Proceeds*) or this Clause 25 (*Consents, Amendments and Override*);

(ii) Clause 17.2 (*Instructions*); or

(iii) the order of priority or subordination under this Agreement,

shall not be made without the prior consent of:

(A) the Creditor Representatives;

(B) the Credit Facility Lenders;

(C) each Trustee on behalf of the Noteholders or (as applicable) Pari Passu Noteholders in respect of which it is the Creditor Representative;

(D) the Pari Passu Lenders;

(E) each Pari Passu Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Pari Passu Hedge Counterparty); and

(F) the Security Agent.

25.2 Amendments and Waivers: Transaction Security Documents

(a) Subject to paragraph (b) below, to Clause 25.4 (*Exceptions*) and to Clause 16 (*Facilitation of Refinancings, etc.*), and unless the provisions of any Debt Document expressly provide otherwise, the Security Agent shall, if authorised by:

(i) each Creditor Representative acting on behalf of the Senior Debt Creditors in respect of which it is the Creditor Representative; and

(ii) those Pari Passu Hedge Counterparties whose Pari Passu Hedge Credit Participations at that time aggregate more than 50 per cent. of the total Pari Passu Hedge Credit Participations at that time,

in accordance with the terms of this Agreement and if the Company consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Transaction Security Documents which shall be binding on each Party.

(b) Subject to paragraph (c) of Clause 25.4 (*Exceptions*), any amendment or waiver of, or consent under, any Transaction Security Document which has the effect of changing or which relates to:

(i) (other than as expressly permitted by the Senior Debt Documents) the nature or scope of the Charged Property;

(ii) the manner in which the proceeds of enforcement of the Transaction Security are distributed; or

(iii) (other than as expressly permitted by the Senior Debt Documents) the release of any Transaction Security,

shall not be made without the prior consent of:

(A) the Credit Facility Lenders;

(B) each Trustee on behalf of the Noteholders or (as applicable) Pari Passu Noteholders in respect of which it is the Creditor Representative;

(C) the Pari Passu Lenders;

(D) each Pari Passu Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Pari Passu Hedge Counterparty); and

(E) the Security Agent.

25.3 Effectiveness

(a) Any amendment, waiver or consent given in accordance with this Clause 25 (*Consents, Amendments and Override*) will be binding on all Parties and the Security Agent shall effect, in accordance with the terms of this Agreement, on behalf of any Senior Creditor, any amendment, waiver or consent permitted by this Clause 25 (*Consents, Amendments and Override*).

(b) If the Security Agent is requested to provide its consent or agree to an amendment or waiver of a Debt Document that is not governed by this Clause 25 (*Consents, Amendments and Override*), the Security Agent shall, subject to being indemnified, secured or prefunded to its satisfaction and except where it is necessary to protect its own position, do so on the instructions of the relevant Creditor or Group of Creditors entitled to so instruct it in

accordance with the terms of those Debt Documents and the Security Agent shall not be required to consider the interests of any other Secured Parties and can rely on those instructions having been properly given.

25.4 Exceptions

(a) Subject to paragraphs (c) and (d) below, if the amendment, waiver or consent would impose new or additional obligations on or withdraw or reduce the rights of any Party other than:

(i) in the case of a Senior Creditor (other than any Creditor Representative or any Arranger), in a way which affects or would affect Senior Creditors of that Party's class generally; or

(ii) in the case of a Debtor, to the extent consented to by the Company under paragraph (a) of Clause 25.2 (*Amendments and Waivers: Transaction Security Documents*),

the consent of that Party is required.

(b) Subject to paragraphs (c) and (d) below, an amendment, waiver or consent which relates to or is capable of affecting the rights or obligations of a Creditor Representative, an Arranger, the Security Agent (including, without limitation, any ability of the Security Agent to act in its discretion under this Agreement) or a Pari Passu Hedge Counterparty may not be effected without the consent of that Creditor Representative or, as the case may be, that Arranger, the Security Agent or that Pari Passu Hedge Counterparty.

(c) Neither paragraph (a) nor (b) above, nor paragraph (b) of Clause 25.2 (*Amendments and Waivers: Transaction Security Documents*) shall apply:

(i) to any release of Transaction Security, claim or Liabilities; or

(ii) to any consent,

which, in each case, the Security Agent gives in accordance with Clause 11 (*Non-Distressed Disposals*) or Clause 12 (*Distressed Disposals and Appropriations*).

(d) Paragraphs (a) and (b) above shall apply to an Arranger only to the extent that Liabilities are then owed to that Arranger.

(e) If an amendment, waiver or consent has the effect of changing or relates to the rights or obligations of Senior Creditors of a particular class or particular classes only, and does not relate to and is not capable of affecting the rights or obligations of any other Party, the amendment, waiver or consent may be made or given by the Security Agent with the consent of the Company and the Senior Creditors of the affected class (or classes).

25.5 Disenfranchisement of members of the Group and Investor Affiliates

(a) For so long as a member of the Group or an Investor Affiliate (i) beneficially owns a Senior Credit Participation or (ii) has entered into a sub-participation agreement relating to a Senior Credit Participation or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated:

(i) in ascertaining:

(A) the Instructing Group; or

(B) whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Senior Credit Participations, or the agreement of any specified group of Senior Creditors,

has been obtained to approve any request for a Consent or to carry any other vote or approve any action under this Agreement,

that Senior Credit Participation shall be deemed to be zero and, subject to paragraph (ii) below, that member of the Group or Investor Affiliate (or the person with whom it has entered into that sub-participation, other agreement or arrangement (a "**Counterparty**")) shall be deemed not to be a Senior Creditor.

(b) Each member of the Group or Investor Affiliate that is a Senior Creditor agrees that:

(i) in relation to any meeting or conference call to which all the Senior Creditors or any group of Senior Creditors are invited to attend or participate, it shall not attend or participate in the same if so requested by the Security Agent or, unless the Security Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

(ii) it shall not, unless the Security Agent otherwise agrees, be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Security Agent or one or more of the Senior Creditors.

25.6 Calculation of Senior Credit Participations

For the purpose of ascertaining whether any relevant percentage of Senior Credit Participations has been obtained under this Agreement, the Security Agent may notionally convert the Senior Credit Participations into their Common Currency Amounts.

25.7 Deemed consent

If, at any time prior to the Final Discharge Date, the Senior Creditors give a Consent in respect of their respective Debt Documents then, if that action was permitted by the terms of this Agreement, the Intra-Group Lenders and the Subordinated Creditors will (or will be deemed to):

(a) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and

(b) do anything (including executing any document) that the Senior Creditors may reasonably require to give effect to this Clause 25.7 (*Deemed consent*).

25.8 Excluded consents

Clause 25.7 (*Deemed consent*) does not apply to any Consent which has the effect of:

(a) increasing or decreasing the Liabilities;

(b) changing the basis upon which any Permitted Payments are calculated (including the timing, currency or amount of such Payments); or

(c) changing the terms of this Agreement or of any Security Document.

25.9 No liability

None of the Senior Creditors will be liable to any other Creditor, or Debtor for any Consent given or deemed to be given under this Clause 25 (*Consents, Amendments and Override*).

25.10 Agreement to override

(a) Subject to paragraph (b) below, unless expressly stated otherwise in this Agreement, this Agreement overrides anything in the Debt Documents to the contrary.

(b) Notwithstanding anything to the contrary in this Agreement, paragraph (a) above will not cure, postpone, waive or negate in any manner any default or event of default (however described) under any Debt Document as between any Creditor and any Debtor that are party to that Debt Document.

26. Counterparts, etc.

26.1

Counterparts This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

26.2 Notarial documents

This Agreement and each Debtor Accession Letter in respect of any Debtor incorporated in Spain (a "**Spanish Debtor**") as well as any amendments hereto or thereto will, in each case on or before the date falling fifteen Business Days after the date of the relevant agreement (or, if later, the date falling fifteen Business Days after the Notes Closing Date (as defined in the Credit Facility Agreement)), be formalised in a Spanish Public Document by, at least, the Debtors incorporated in Spain and party to such agreements (and for the avoidance of doubt all of the Obligors hereby agree that such documents can be raised to the status of a Spanish Public Document by the Debtors incorporated in Spain only) at the cost of the Company, so that they may have the status of a notarial document for all purposes contemplated in Article 517 of the Spanish Civil Procedural Law (Law 1/2000 of 7th January) (Ley de Enjuiciamiento Civil) (the "**Spanish Civil Procedure Law**").

26.3 Determination of Debt

For the purpose of the provisions of Article 572 et seq. of the Spanish Civil Procedural Law, it is expressly agreed by the Parties that the determination of the due amounts to be claimed through executive proceedings shall be calculated by the Security Agent (or the relevant Creditor Representative, as the case may be) following its accounting provisions and that any amounts so calculated shall be deemed true, net, due and payable.

26.4 Authority to obtain notarised copies

Each Debtor undertakes, at the request of the Security Agent, to grant as many public or private documents as are required in order for any Debt Document and/or any amendments to any of them to be raised to the status of Spanish Public Document. The Debtors expressly authorise the Security Agent and each Creditor Representative, as appropriate, to request and obtain certificates evidencing the entry of this Agreement in the Register of Transactions of the Notary authorising the same.

Section 10
Governing Law and Enforcement

27. Governing Law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

28. Enforcement

28.1 Jurisdiction

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a **"Dispute"**).

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

28.2 Service of process

Each Debtor (unless incorporated in England and Wales) agrees that the documents which start any proceedings in relation to any Debt Document, and any other documents required to be served in connection with those proceedings, may be served on it by being delivered to 7th Floor, 11 Old Jewry, London EC2R 8DU, England (c/o Intertrust (UK) Limited), or to such other address in England and Wales as each such Debtor may specify by notice in writing to the Security Agent. Nothing in this paragraph shall affect the right of any Party to serve process in any other manner permitted by law. This Clause applies to proceedings in England and proceedings elsewhere (other than Spain).

This Agreement has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Debtors and any Intra-Group Lenders and is intended to be and is delivered by them as a deed on the date specified above.

Schedule 1
Form of Debtor Accession Deed

THIS AGREEMENT is made on [ ] and made between:

(1) [*Full Name of New Debtor*] (the "**Acceding Debtor**"); and

(2) [*Full Name of Current Security Agent*] (the "**Security Agent**"), for itself and each of the other parties to the intercreditor agreement referred to below.

This agreement is made on [*date*] by the Acceding Debtor in relation to an intercreditor agreement (the "**Intercreditor Agreement**") dated [●] 2014 between, amongst others, Grupo Aldesa, S.A. as parent, Deutsche Bank AG, London Branch as security agent, Banco Santander, S.A. as credit facility agent, Deutsche Trustee Company Limited as senior secured note trustee, the other Creditors and the other Debtors (each as defined in the Intercreditor Agreement).

The Acceding Debtor intends to [incur Liabilities under the following documents]/[give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents]:

[*Insert details (date, parties and description) of relevant documents*]

the "**Relevant Documents**".

IT IS AGREED as follows:

1. Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Agreement, bear the same meaning when used in this Agreement.

2. The Acceding Debtor and the Security Agent agree that the Security Agent shall, in those jurisdictions where applicable, hold:

   (a) any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;

   (b) all proceeds of that Security; and

   (c) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Security Agent as trustee for the Secured Parties,

   for and on behalf of or in favour of the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

3. The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

4. [In consideration of the Acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions

of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement].*

[4]/[5] This Agreement and any non-contractual obligations arising out of or in connection with it are is governed by, English law.

THIS AGREEMENT has been signed on behalf of the Security Agent and executed as a deed by the Acceding Debtor and is delivered on the date stated above.

The Acceding Debtor

[**EXECUTED** as a **DEED**)
By: [*Full Name of Acceding Debtor*])

. . . . . Director

. . . . . Director/Secretary

OR

[**EXECUTED** as a **DEED**)
By: [*Full Name of Acceding Debtor*])

. . . . . Signature of Director

. . . . . Name of Director

in the presence of

. . . . . Signature of witness

. . . . . Name of witness

. . . . . Address of witness

. . . . . .

. . . . . .

. . . . . Occupation of witness]

Address for notices:

Address:

Fax:

The Security Agent

By: [*Full Name of Current Security Agent*]

. . . . . .

Date: . . . . . .

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* Include this paragraph in the relevant Debtor Accession Deed if the Acceding Debtor is also to accede as an Intra-Group Lender to the Intercreditor Agreement.

Schedule 2
Form of Creditor/Creditor Representative Accession Undertaking

To: [*Full name of current Security Agent*] for itself and each of the other parties to the Intercreditor Agreement referred to below.

From: [*Acceding Creditor*]

THIS UNDERTAKING is made on [*date*] by [*insert full name of new Credit Facility Lender/Pari Passu Lender/Pari Passu Hedge Counterparty/Creditor Representative/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor*] (the "**Acceding [Credit Facility Lender/Pari Passu Lender/ Pari Passu Hedge Counterparty/Creditor Representative/ Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor]**") in relation to the intercreditor agreement (the "**Intercreditor Agreement**") dated [●] 2014 between, amongst others, Grupo Aldesa, S.A. as parent, Deutsche Bank AG, London Branch as security agent, Banco Santander, S.A. as credit facility agent, Deutsche Trustee Company Limited as senior secured note trustee, the other Creditors and the other Debtors (each as defined in the Intercreditor Agreement). Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Undertaking, bear the same meanings when used in this Undertaking.

In consideration of the Acceding [Credit Facility Lender/Pari Passu Lender/Pari Passu Hedge Counterparty/Creditor Representative/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor] being accepted as a [Credit Facility Lender/Pari Passu Lender/Pari Passu Hedge Counterparty/Creditor Representative/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor] for the purposes of the Intercreditor Agreement, the Acceding [Credit Facility Lender/ Pari Passu Lender/Pari Passu Hedge Counterparty/Creditor Representative/Pari Passu Arranger/ Intra-Group Lender/Subordinated Creditor] confirms that, as from [date], it intends to be party to the Intercreditor Agreement as a [Credit Facility Lender/Pari Passu Lender/Pari Passu Hedge Counterparty/Creditor Representative/ Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor] and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a [Credit Facility Lender/Pari Passu Lender/Pari Passu Hedge Counterparty/Creditor Representative/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor] and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

[The Acceding [Credit Facility/Pari Passu] Ancillary Lender is an Affiliate of a [Credit Facility/Pari Passu] Lender and has become a provider of a [Credit Facility/Pari Passu] Ancillary Facility. In consideration of the Acceding Lender being accepted as a [Credit Facility/Pari Passu] Ancillary Lender for the purposes of the relevant [Credit Facility/Pari Passu] Facility Agreement, the Acceding Lender confirms, for the benefit of the parties to the [Credit Facility/Pari Passu] Facility Agreement, that, as from [date], it intends to be party to the [Credit Facility/Pari Passu] Facility Agreement as a [Credit Facility/Pari Passu] Ancillary Lender, and undertakes to perform all the obligations expressed in the [Credit Facility/Pari Passu] Facility Agreement to be assumed by a Finance Party (as defined in the [Credit Facility/Pari Passu] Facility Agreement) and agrees that it shall be bound by all the provisions of the [Credit Facility/Pari Passu] Facility Agreement, as if it had been an original party to the [Credit Facility/Pari Passu] Facility Agreement as a [Credit Facility/Pari Passu] Ancillary Lender.]*

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* Include only in the case of an Pari Passu Ancillary Lender which is an Affiliate of a Pari Passu Lender which is using this undertaking to accede to the relevant Pari Passu Facility Agreement in accordance with paragraph (c) of Clause 19.13 (*Creditor/Creditor Representative Accession Undertaking*).

[The Acceding Pari Passu Hedge Counterparty has become a provider of hedging arrangements to [●]. In consideration of the Acceding Pari Passu Hedge Counterparty being accepted as a Pari Passu Hedge Counterparty for the purposes of the relevant Pari Passu Debt Document, the Acceding Pari Passu Hedge Counterparty confirms, for the benefit of the parties to the Pari Passu Debt Document, that, as from [date], it intends to be party to the Pari Passu Debt Document as a Pari Passu Hedge Counterparty, and undertakes to perform all the obligations expressed in the Pari Passu Debt Document to be assumed by a Pari Passu Hedge Counterparty and agrees that it shall be bound by all the provisions of the Pari Passu Debt Document, as if it had been an original party to the Pari Passu Debt Document as a Pari Passu Hedge Counterparty.]**

This Undertaking and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS UNDERTAKING has been entered into on the date stated above and is executed as a deed by the Acceding Creditor, if it is acceding as an Intra-Group Lender or a Subordinated Creditor and is delivered on the date stated above.

Acceding [Creditor]

[**EXECUTED** as a **DEED**]
[*insert full name of Acceding Creditor*]

By:

Address:

Fax:

Accepted by the Security Agent	[Accepted by the relevant Creditor Representative]
. . . . .	. . . . .
for and on behalf of [*Insert full name of current Security Agent*]	for and on behalf of [*Insert full name of relevant Creditor Representative*]
Date:	Date:]***

** Include only in the case of a Hedge Counterparty which is using this undertaking to accede to the Pari Passu Facility Agreement in accordance with paragraph (c) of Clause 19.13 (*Creditor/Creditor Representative Accession Undertaking*).

**** Include only in the case of (i) a Pari Passu Hedge Counterparty or (ii) an Ancillary Lender which is an Affiliate of a Pari Passu Lender, which is using this undertaking to accede to the relevant Debt Document.

Schedule 3
Form of Debtor Resignation Request

To: [ ] as Security Agent

From: [*resigning Debtor*] and Aldesa Agrupación Empresarial, S.L.U.

Dated:

Dear Sirs

Aldesa Agrupación Empresarial, S.L.U. – Intercreditor Agreement dated [●] 2014 (the "Intercreditor Agreement")

1. We refer to the Intercreditor Agreement. This is a Debtor Resignation Request. Terms defined in the Intercreditor Agreement have the same meaning in this Debtor Resignation Request unless given a different meaning in this Debtor Resignation Request.

2. Pursuant to Clause 19.16 (*Resignation of a Debtor*) of the Intercreditor Agreement we request that [*resigning Debtor*] be released from its obligations as a Debtor under the Intercreditor Agreement.

3. We confirm that:

   (a) no Default is continuing or would result from the acceptance of this request; and

   (b) [*resigning Debtor*] is under no actual or contingent obligations in respect of the Intra-Group Liabilities and the Subordinated Liabilities.

4. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Aldesa Agrupación Empresarial, S.L.U.

. . . . . .
By:

[*resigning Debtor*]

. . . . . .
By:

Schedule 4
Agreed security principles

1. Considerations

In determining what guarantees and Security will be provided in support of the Senior Liabilities, the following matters will be taken into account. Guarantees and Security shall not be created or perfected if:

(a) it would be prohibited by applicable law, general statutory limitations, regulatory requirements or restrictions, financial assistance, corporate benefit, fraudulent preference, "earnings stripping", "controlled foreign corporation" or thin capitalisation laws or rules, tax restrictions, retention of title claims, capital maintenance rules and similar principles, fiduciary duties of management or similar matters;

(b) it would be outside the grantor's capacity or conflict with fiduciary duties or would contravene any legal prohibition, contractual restriction or regulatory condition;

(c) it would result in a material risk, in the opinion of the Company (acting reasonably), to the officers of the relevant guarantor or grantor of Security of contravention of their fiduciary duties and/or of civil or criminal liability;

(d) it would result in costs that are disproportionate to the benefit obtained by the beneficiaries of that Security; or

(e) it requires the consent of a third party and such consent cannot be obtained after the use of reasonable endeavours which would not jeopardise the relevant commercial relationships.

For the avoidance of doubt, in these Agreed Security Principles, "cost" includes, but is not limited to, income tax cost, impact on deductibility of interest for tax purposes, registration taxes payable on the creation or enforcement or for the continuance of any guarantee or Security, stamp duties, out-of-pocket expenses, notary's fees and other fees and expenses directly incurred by the relevant guarantor or grantor of Security or any of its direct or indirect owners, subsidiaries or Affiliates.

The Parent and other members of the Group shall not be obliged to procure that a member of the Group in which other members of the Group hold less than 90 per cent. of the shares (or equivalent ownership interests) provides any guarantee or Security in support of the Senior Liabilities (without prejudice to any requirement in a Senior Debt Document that the Parent or any other member of the Group makes efforts to do so).

No Debtor shall be obliged to grant any Transaction Security over any asset located in any jurisdiction other than Mexico, Peru, Poland or Spain (or over the shares or equivalent ownership interests in any company incorporated in a jurisdiction other than Mexico, Peru, Poland or Spain.

A member of the Group incorporated in Spain (other than the Specified Additional Guarantors) which is not a *Sociedad Anónima* will not be required to provide guarantees or Security in support of the Senior Liabilities.

For the avoidance of doubt, these Agreed Security Principles shall not apply to release any of the guarantees or Security which are contained in the original forms of the Credit Facility Documents or the Notes Documents or are specifically required to be granted as conditions precedent or subsequent under those documents.

2. Obligations to be Secured

2.1 Subject to paragraph 1 (*Considerations*) and to paragraph 2.2 below, the obligations to be secured are the Secured Obligations.

To the extent permitted by law, the Security is to be granted in favour of the Security Agent as agent or trustee for the other Secured Parties in respect of their Liabilities. In the case of any jurisdiction in which effective Security cannot be granted in favour of the Security Agent as agent or trustee for the other Secured Parties, the Security is to be granted to the Secured Parties in respect of their Liabilities.

For ease of reference, the following definitions should, to the extent legally possible, be incorporated into each Security Document (with the capitalised terms used in them having the meaning given to them in this Agreement):

"**Secured Obligations**" means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by the Chargor to any Secured Party under the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

"**Secured Parties**" means the Security Agent, any Receiver or Delegate and each of the Senior Creditors from time to time but, in the case of each Senior Creditor, only if it (or, in the case of a Noteholder or a Pari Passu Noteholder, its Creditor Representative) is a party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement in the appropriate capacity pursuant to clause 19 (*Changes to the Parties*) of the Intercreditor Agreement.

2.2 The secured obligations will be limited:

(a) to avoid any breach of corporate benefit, financial assistance, fraudulent preference, thin capitalisation rules or the laws or regulations (or analogous restrictions) of any applicable jurisdiction; and

(b) to avoid any risk to officers of the relevant member of the Group that is granting Transaction Security of contravention of their fiduciary duties and/or civil or criminal or personal liability.

3. General

Where appropriate, defined terms in the Security Documents should mirror those in this Agreement.

The parties to this Agreement agree to negotiate the form of each Security Document in good faith.

Subject to the provisions of this Agreement, the Transaction Security shall, to the extent possible under local law, only be enforceable upon the occurrence of an Acceleration Event.

The Security Agent shall only be able to exercise any power of attorney granted to it under the Security Documents when the Transaction Security has become enforceable or if a Debtor, having been given reasonable notice by the Security Agent of any failure to comply, has failed to comply with any Perfection Requirement in relation to the Transaction Security.

4. Undertakings/Representations and Warranties and Indemnities

The Security Documents shall only operate as instruments creating Security rather than to impose new commercial obligations. Accordingly they will not contain any representations, warranties, undertakings or indemnities (such as in respect of title, ranking, insurance, maintenance or protection of assets, information or the payment of costs) other than those which (and any representations and warranties in the Security Documents shall only repeat to

the extent that) the Secured Parties' local counsel deem necessary for the creation, perfection, protection or preservation of the Security granted to the Secured Parties.

To the extent to which the subject matter of any representation, warranty or undertaking required to be included in a Security Document is the same as the corresponding representation, warranty or undertaking in the relevant Senior Debt Document(s), the representation, warranty or undertaking in the Security Document shall reflect (and be no more onerous than) the corresponding representation, warranty or undertaking in the relevant Senior Debt Document(s).

The Security Documents shall not operate so as to prevent any transaction otherwise permitted under the Senior Debt Documents, including a disposal of the assets subject to the Transaction Security (and the relevant Security Document will include assurances that, where such disposal is permitted under the Senior Debt Documents, the Security Agent and the Secured Parties will promptly do all such things as reasonably requested (at the cost of the Group) to release security over the assets the subject of such disposal.

5. Changes to the Secured Parties

All costs and expenses (including legal fees), and any cost, loss or liability incurred by any Party in relation to any stamp duty, registration or other similar Taxes, notary's fees or other fees payable in relation to the Transaction Security or Debt Documents, where any Secured Party transfers or assigns any of its participation in the Credit Facility or a Pari Passu Facility will be for the account of the relevant assignee or transferee (and no Debtor or other member of the Group shall be required to incur any costs or expenses in connection with such transfer or assignment).

6. Security over shares (or equivalent ownership interests)

(a) In relation to any shares (or equivalent ownership interests) which are subject to Transaction Security, until the Transaction Security over shares becomes enforceable the provider(s) of the Transaction Security shall be permitted to retain and to exercise voting rights in relation to those shares (or equivalent ownership interests) in a manner which does not materially adversely affect the validity or enforceability of the Transaction Security or which results or is reasonably likely to result in an Event of Default, and shall be permitted to receive payment of dividends and other distributions in relation to those shares (or equivalent ownership interests) to the extent permitted by the Senior Debt Documents.

(b) To the extent applicable and notwithstanding any other provision of this Agreement or any other Debt Document, the Security Agent may in its sole discretion and without any consent or authority from the other Secured Parties or the relevant Debtor by notice in accordance with the Security Documents (which notice shall be irrevocable) elect to give up the right to exercise (or refrain from exercising) voting rights and other rights and powers in respect of the Security.

(c) The other Secured Parties unconditionally waive any rights they may otherwise have to require the Security Agent not to make an election in paragraph (b) above or to require the Security Agent to indemnify, compensate or otherwise make them good for any losses, costs or liabilities incurred by any of them in relation to or as a consequence of the Security Agent making such election.

Schedule 5
Pari Passu Hedge Counterparties' Guarantee and Indemnity

1. Guarantee

Each Debtor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Pari Passu Hedge Counterparty punctual performance by each other Debtor of all that Debtor's payment obligations under the Pari Passu Hedging Agreements;

(b) undertakes with each Pari Passu Hedge Counterparty that whenever another Debtor does not pay any amount when due under or in connection with any Pari Passu Hedging Agreement, that Debtor shall immediately on demand pay that amount as if it was the principal Debtor; and

(c) agrees with each Pari Passu Hedge Counterparty that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Pari Passu Hedge Counterparty immediately on demand against any cost, loss or liability it incurs as a result of a Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Pari Passu Hedging Agreement on the date when it would have been due. The amount payable by a Debtor under this indemnity will not exceed the amount it would have had to pay under this Schedule 5 if the amount claimed had been recoverable on the basis of a guarantee,

subject, in each case, in relation to any Debtor, to any limitations referred to in paragraph 11 (*Guarantee limitations*) or, in relation to any Debtor other than an Original Debtor, in the Debtor Accession Deed by which the Debtor becomes a Party.

2. Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Debtor under the Pari Passu Hedging Agreements, regardless of any intermediate payment or discharge in whole or in part.

3. Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or any security for those obligations or otherwise) is made by a Pari Passu Hedge Counterparty in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Debtor under this Schedule 5 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

4. Waiver of defences

The obligations of each Debtor under this Schedule 5 will not be affected by an act, omission, matter or thing which, but for this Schedule 5, would reduce, release or prejudice any of its obligations under this Schedule 5 (without limitation and whether or not known to it or any Pari Passu Hedge Counterparty) including:

(a) any time, waiver or consent granted to, or composition with, any Debtor or other person;

(b) the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or

other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Pari Passu Hedging Agreement or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any hedging arrangements or the addition of any new hedging arrangements under any Pari Passu Hedging Agreement or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Pari Passu Hedging Agreement or any other document or security; or

(g) any insolvency or similar proceedings.

5. Debtor intent

Without prejudice to the generality of paragraph 4 (*Waiver of defences*), each Debtor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Pari Passu Hedging Agreements and/or any hedging made available for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

6. Immediate recourse

Each Debtor waives any right it may have of first requiring any Pari Passu Hedge Counterparty (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Debtor under this Schedule 5. This waiver applies irrespective of any law or any provision of a Pari Passu Hedging Agreement to the contrary.

7. Appropriations

Until all amounts which may be or become payable by the Debtors under or in connection with the Pari Passu Hedging Agreements have been irrevocably paid in full, each Pari Passu Hedge Counterparty (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Pari Passu Hedge Counterparty (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Debtor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Debtor or on account of any Debtor's liability under this Schedule 5.

8. Deferral of Debtors' rights

Until all amounts which may be or become payable by the Debtors under or in connection with the Pari Passu Hedging Agreements have been irrevocably paid in full, no Debtor will exercise

any rights which it may have by reason of performance by it of its obligations under the Pari Passu Hedging Agreements or by reason of any amount being payable, or liability arising, under this Schedule 5:

(a) to be indemnified by a Debtor;

(b) to claim any contribution from any other guarantor of any Debtor's obligations under the Pari Passu Hedging Agreements;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Pari Passu Hedge Counterparties under the Pari Passu Hedging Agreements or of any other guarantee or security taken pursuant to, or in connection with, the Pari Passu Hedging Agreements by any Pari Passu Hedge Counterparty;

(d) to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of which any Debtor has given a guarantee, undertaking or indemnity under paragraph 1 (*Guarantee*);

(e) to exercise any right of set-off against any Debtor; and/or

(f) to claim or prove as a creditor of any Debtor in competition with any Pari Passu Hedge Counterparty.

If a Debtor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Pari Passu Hedge Counterparties by the Debtors under or in connection with the Pari Passu Hedging Agreements to be repaid in full on trust for the Pari Passu Hedge Counterparties and shall promptly pay or transfer the same to the Relevant Pari Passu Hedge Counterparty.

9. Release of Debtors' right of contribution

If any Debtor (a "**Retiring Debtor**") ceases to be a Debtor in accordance with the terms of the Pari Passu Hedging Agreements for the purpose of any sale or other disposal of that Retiring Debtor then on the date such Retiring Debtor ceases to be a Debtor:

(a) that Retiring Debtor is released by each other Debtor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Debtor arising by reason of the performance by any other Debtor of its obligations under the Pari Passu Hedging Agreements; and

(b) each other Debtor waives any rights it may have by reason of the performance of its obligations under the Pari Passu Hedging Agreements to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Pari Passu Hedge Counterparties under any Pari Passu Hedging Agreement or of any other security taken pursuant to, or in connection with, any Pari Passu Hedging Agreement where such rights or security are granted by or in relation to the assets of the Retiring Debtor.

10. Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Pari Passu Hedge Counterparty.

11. Guarantee Limitations

(a) Spain

The obligations of any Debtor incorporated in Spain under this Schedule 5 or under any Security Document governed by Spanish law shall not include and shall not extend to any

obligations or amounts that would render such obligations in contravention of Section 150 of the Spanish Capital Companies Act (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*). In particular, no Debtor incorporated in Spain may secure any payment, prepayment, repayment or reimbursement obligations derived from any Debt Document used or that may be used for the purposes of payment of acquisition debt (within the meaning of Section 150 of the Spanish Capital Companies Act), payment of any costs or transaction expenses related to or paying the purchase price for such acquisition.

(b) Luxembourg

(i) Notwithstanding any other provisions to the contrary in the Debt Documents (but subject to paragraph (iv) below), the guarantee granted by any Debtor which is incorporated and established in Luxembourg (a "**Luxembourg Debtor**") under this Schedule 5 for the obligations of any Debtor which is not a direct or indirect Subsidiary or any other subsidiary of such Luxembourg Debtor shall, together with any similar guarantee obligations of such Luxembourg Debtor arising under the Debt Documents for the obligations of any person which is not a direct or indirect Subsidiary or any other subsidiary of such Luxembourg Debtor be limited at any time to an aggregate amount not exceeding the higher of:

(A) 95 per cent. of such Luxembourg Debtor's Net Assets (*actif net*) determined as at the date on which a demand is made under this guarantee, increased by the amount of any Intercompany Liabilities (as defined below); and

(B) 95 per cent. of such Luxembourg Debtor's Net Assets (*actif net*) determined as at the date of this Agreement, increased by the amount of any Intercompany Liabilities (as defined below).

(ii) For the purpose of determining the amount of the Net Assets (*actif net*) under this paragraph (b) (*Luxembourg*), the assets of the Luxembourg Debtor will be valued at their market value rather than their book value, as determined by an external expert to be appointed at the cost of the Luxembourg Debtor (such determination to be provided to the Security Agent). Each Luxembourg Debtor acknowledges that it is not entitled to challenge such a determination made by the external expert.

(iii) For the purposes of this paragraph (b) (*Luxembourg*):

(A) "**Net Assets (*actif net*)**" shall mean the assets of the Luxembourg Debtor less all its outstanding debts, and

(B) "**Intercompany Liabilities**" shall mean any amounts owed by the Luxembourg Debtor to any other member of the group of companies to which it belongs (including, for the avoidance of doubt, any amounts owed that are represented by hybrid instruments such as preferred equity certificates) and that have not been financed (directly or indirectly) by a borrowing under the Debt Documents.

(iv) The guarantee limitation in paragraphs (i) to (iii) above shall not apply to:

(A) any amounts borrowed by a Luxembourg Debtor or any of its direct or indirect Subsidiaries or any other of its subsidiaries under any Debt Documents; or

(B) any amounts borrowed under any Debt Documents and on-lent, or otherwise made available, to the Luxembourg Debtor or any of its direct or indirect Subsidiaries or any other of its subsidiaries (in any form whatsoever).

(c) Poland

The obligations of any Debtor incorporated in Poland under this Schedule 5:

(i) shall not include any liability to the extent it would result in a reduction of the assets of such Debtor necessary to cover in full its share capital pursuant to Article 189 §2 of the Polish Commercial Companies Code of 15 September 2000 (Journal of Laws No. 94, item 1037);

(ii) shall be limited to the obligations which are not contrary to the general principles of legal order of the Republic of Poland within the meaning of Article 1146 1 part 7 of the Polish Code of Civil Procedure of 17 November 1964 (Journal of Laws, No 43, item 296 as amended or changed); and

(iii) shall be limited to the extent that they do not result in its insolvency within the meaning of Article 11 § 2 of the Polish Bankruptcy and Restructuring Law dated 28 February 2003 (Journal of Laws No. 60, item 535, as amended) ("**Polish Bankruptcy and Restructuring Law**"). The limitation in this paragraph (iii) shall not apply if at least one of the following circumstances occurs:

(A) an Event of Default occurs and is continuing, irrespective of whether it occurred before or after the Debtor became insolvent within the meaning of Article 11 § 2 of the Polish Bankruptcy and Restructuring Law;

(B) the liabilities of the Debtor other than those under the Finance Documents result in its insolvency within the meaning of Article 11 § 2 of the Polish Bankruptcy and Restructuring Law; or

(C) Polish law is amended in such manner that balance sheet insolvency (*stan nadmiernego zadłużenia*) as provided for in Article 11 § 2 of the Polish Bankruptcy and Restructuring Law (as in force on the date of this Agreement) no longer gives grounds for bankruptcy or no longer obliges the representatives of such Debtor to file for bankruptcy.

Signatures

Index to the financial statements

ALDESA FINANCIAL SERVICES S.A.
UNAUDITED BALANCE SHEET
AS AT MARCH 17, 2014 (DATE OF INCORPORATION)

9, Gabriel Lippman, Parc d'Activites Syrdall 2
L-5365 Munsbach

ALDESA FINANCIAL SERVICES S.A.
UNAUDITED BALANCE SHEET
AS AT MARCH 17, 2014 (DATE OF INCORPORATION)
(Expressed in EUR)

		17/03/2014
ASSETS		
A—CURRENT ASSETS		
I. Cash at bank	31,000	
		31,000
TOTAL ASSETS		**31,000**
LIABILITIES		
A—CAPITAL AND RESERVES		
I. Subscribed capital	31,000	
		31,000
TOTAL LIABILITIES		**31,000**

Ms. Matilde Fernandez Ruiz
Class A Director

Fabrice Rota
Class B Director

Deloitte.

Deloitte. S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

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Translation of a report originally issued in Spanish based on our work performed in accordance with international Standards on Auditing and of accompanying special-purpose consolidated financial statements, originally issued in Spanish and prepared in accordance with the Spanish financial reporting framework applicable to the Group. In the event of a discrepancy, the Spanish-language version prevails.

Independent auditor's report on special-purpose consolidated financial statements

To the Shareholders of GRUPO ALDESA, S.A.:

We have audited the accompanying special-purpose consolidated financial statements of Grupo Aldesa, S.A. and subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2013, 2012 and 2011, and the related consolidated income statements, consolidated statements of changes in equity, consolidated statements of cash flows, and the explanatory notes thereto for the years then ended.

Directors' responsibility for the financial statements

The Parent's Directors are responsible for the preparation and fair presentation of these special-purpose consolidated financial statements in accordance with the Spanish financial reporting framework applicable to the Group as identified in Note 3.1 to the accompanying special-purpose consolidated financial statements and for such internal control as management determines is necessary to enable the preparation of special-purpose consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these special-purpose consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Thus, this report should not be understood to be subject to the audit regulation in force in Spain. The International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special-purpose consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special-purpose consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

Deloitte, S.L Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188. hoja M-54414, inscripión 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso,1, Torre Picasso, 28020, Madrid.

accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

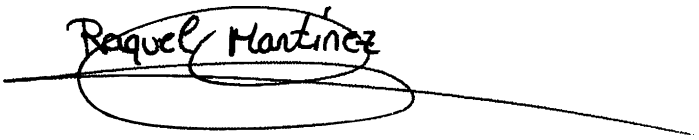
In our opinion, the special-purpose consolidated financial statements present fairly, in all material respects, the financial position of Grupo Aldesa, S.A and subsidiaries as of December 31, 2013, 2012 and 2011 and their financial performance and cash flows for the years then ended, in accordance with the Spanish financial reporting framework applicable to the Group as identified in Note 3.1 to the accompanying special-purpose consolidated financial statements.

Emphasis of matter (basis of accounting)

Without modifying our opinion, we draw attention to Note 3 to the special-purpose consolidated financial statements, which describes the basis of accounting and presentation and to the fact that the special-purpose consolidated financial statements were prepared to assist Grupo Aldesa, S.A. and subsidiaries to meet the requirements of financial information in connection with the transaction, which relates to the issuance of bonds in the High Yield Market, described in Note 3.2. As a result, the special-purpose consolidated financial statements may not be suitable for another purpose.

In particular, the accompanying special-purpose consolidated financial statements have not been prepared pursuant to legal or statutory requirements. Grupo Aldesa, S.A. and subsidiaries have prepared separate sets of consolidated financial statements as of and for the years ended December 31, 2013, 2012 and 2011 in accordance with the regulatory financial reporting framework applicable to the Group and, in particular with the accounting principles and rules contained therein, on which separate statutory auditor's reports dated March 10, 2014, March 22, 2013 and April 2, 2012, respectively, were issued to the shareholders of Grupo Aldesa, S.A.

DELOITTE, S.L.



Raquel Martinez Armendáriz
March, 10 2014

Grupo Aldesa, S.A. and Subsidiaries
Consolidated balance sheet of financial years ended at 31 December 2013, 2012 and 2011
(Thousand euros)

	Explanatory notes	2013.12.31	2012.12.31	2011.12.31	2010.12.31
ASSETS					
NON-CURRENT ASSETS		**783,518**	**860,537**	**846,742**	**859,540**
Intangible fixed assets	**Note 8**	**279,629**	**322,315**	**309,825**	**114,096**
Research and Development		39	81	75	89
Concessions, patents and trade marks		27,047	67,715	79,025	112,804
Intangible assets, concession agreements		172,323	187,120	173,519	—
Intangible assets, concession agreements, deferred financial charge		79,454	66,373	47,379	—
IT Applications		766	1,026	946	1,203
Other intangible fixed assets		—	—	8,881	—
Consolidated companies goodwill	**Note 7**	**42,657**	**49,019**	**52,019**	**55,222**
Property, Plant and Equipment	**Note 9**	**268,681**	**300,651**	**316,378**	**527,991**
Land and buildings		236,556	266,751	281,021	464,155
Technical installations and other tangible fixed assets		23,517	25,579	31,334	45,448
Fixed assets in progress and advances		8,608	8,321	4,023	18,388
Real estate investments	**Note 10**	**73,802**	**76,173**	**76,864**	**80,853**
Land		14,251	14,277	14,586	13,948
Buildings		59,551	61,896	62,278	66,905
Investments in related companies	**Note 12.1**	**2,967**	**18**	**18**	**692**
Holdings in equity method		2,967	18	18	692
Long-term financial investments	**Note 12.2**	**26,924**	**23,162**	**20,915**	**22,217**
Equity instruments		123	123	123	—
Long term loans to third parties		24,748	21,819	19,315	20,967
Derivatives	**Note 18**	8	—	46	386
Other financial assets		2,045	1,220	1,431	864
Deferred tax assets	**Note 19.4**	**83,890**	**83,930**	**65,170**	**37,664**
Long-term debtors		**4,968**	**5,269**	**5,553**	**—**
Long-term accruals		**—**	**—**	**—**	**20,805**
CURRENT ASSETS		603,152	699,100	816,342	883,183
Stock	**Note 13**	**90,563**	**98,062**	**100,684**	**110,700**
Commercial		806	1,264	2,321	8,297
Land and construction materials		56,694	57,474	63,504	63,106
Products in progress		—	—	—	13,089
Finished products		6,530	7,285	7,996	7,196
By-products, waste and recovered materials		471	502	515	164
Advances to suppliers		26,062	31,537	26,348	18,848
Trade and other receivables	**Note 14**	**297,060**	**286,627**	**369,140**	**379,508**
Clients through sales and services provided		248,158	244,366	335,201	357,967
Sundry debtors		10,251	10,604	1,300	871
Personnel		1,199	971	752	537
Current tax asset	**Note 19.1**	12,908	12,817	9,724	896
Other credits with Public Authorities	**Note 19.1**	24,544	17,869	22,163	19,237
Short-term investments in related companies		**—**	**2**	**—**	**222**
Other financial assets		—	2	—	222
Short-term financial investments	**Note 12.3**	**5,642**	**5,638**	**5,095**	**3,538**
Equity instruments		1,270	486	—	—
Loans to companies		2,322	1,173	1,755	1,702
Derivatives		185	49	—	—
Other financial assets		1,865	3,930	3,340	1,836
Short-term accruals and deferrals		**2,733**	**1,918**	**1,324**	**3,066**
Cash and other equivalent liquid assets	**Note 15**	**207,154**	**306,853**	**340,099**	**386,149**
Cash		110,832	98,809	128,728	133,705
Other equivalent liquid assets		96,322	208,044	211,371	252,444
TOTAL ASSETS		**1,386,670**	**1,559,637**	**1,663,084**	**1,742,723**

Grupo Aldesa, S.A. and Subsidiaries
Consolidated balance sheet of financial years ended at 31 December 2013, 2012 and 2011 (continued)
(Thousand euros)

	Explanatory notes	2013.12.31	2012.12.31	2011.12.31	2010.12.31
NET WORTH AND LIABILITIES					
NET WORTH		**46,118**	**92,281**	**109,973**	**128,704**
EQUITY—	**Note 16**	**88,307**	**139,716**	**152,710**	**155,206**
Capital		**874**	**874**	**874**	**874**
Issued capital		874	874	874	874
Share premium		**1,150**	**1,150**	**1,150**	**1,150**
Reserves y results from previous years		**3,698**	**4,082**	**(236)**	**176**
Non-distributable reserves		175	175	175	175
Distributable reserves		3,523	3,907	(411)	1
Reserves in companies accounted in equity method		**123,442**	**132,009**	**144,085**	**131,706**
Reserves in companies accounted in equity method		8	8	8	75
Profits and losses attributable to the Parent Company		**(40,865)**	**1,593**	**8,829**	**21,225**
Consolidated losses and profits (profit)		(41,171)	1,329	8,564	20,674
Profits and losses attributed to outside interests		306	264	265	551
Interim dividend		**—**	**—**	**(2,000)**	**—**
OUTSIDE INTERESTS		(745)	652	926	1,191
ADJUSTMENTS THROUGH CHANGES IN VALUE—		**(41,444)**	**(48,237)**	**(44,323)**	**(28,066)**
Hedging operations		(29,860)	(45,547)	(33,558)	(28,468)
Translation differences		(11,584)	(2,690)	(10,765)	402
SUBSIDIES, DONATIONS AND BEQUESTS RECEIVED—		**—**	**150**	**660**	**373**
Subsidies, donations and bequests received		—	150	660	373
NON-CURRENT LIABILITIES		**784,779**	**959,863**	**930,017**	**897,831**
Long-term provisions	**Note 17.1**	**19,744**	**19,299**	**19,378**	**31,564**
Other provisions		19,744	19,299	19,378	31,564
Long-term debts	**Note 18.1**	**728,102**	**893,692**	**865,621**	**833,913**
Debts with credit institutions		162,950	271,003	277,035	316,648
Debts with credit institutions through project finance		270,416	281,946	289,941	429,273
Debentures and other tradeable securities		199,037	208,912	191,943	—
Other long-term debts		13,312	13,017	12,771	—
Credit policies		752	21,697	—	—
Creditors through long-term financial leasing	**Note 11.1**	678	1,379	2,087	2,448
Derivatives		43,708	61,148	48,172	41,761
Other financial liabilities		37,249	34,590	43,672	43,783
Deferred tax liabilities	**Note 19.5**	**34,511**	**44,331**	**42,362**	**25,754**
Long-term accruals/deferrals		**2,422**	**2,541**	**2,656**	**2,766**
Other long-term debts with Public Administrations		**—**	**—**	**—**	**3,834**
CURRENT LIABILITIES		**555,773**	**507,493**	**623,094**	**716,188**
Short-term provisions	**Note 17.2**	**12,075**	**7,632**	**8,169**	**8,744**
Current financial liabilities		**49,071**	**36,276**	**36,648**	**64,212**
Current debts with credit institutions	**Notes 18.1 y 18.2**	23,930	13,832	17,897	40,197
Debts with credit institutions through project finance	**Note 18.2**	13,503	12,825	13,486	12,019
Debentures and other tradeable securities	**Note 18.2**	3,586	3,768	2,872	—
Transferable mortgage loans		5,770	355	491	8,759
Creditors through short-term financial leasing	**Notes 11.1 y 18.2**	768	822	1,004	2,280
Derivatives	**Note 18.1 e)**	1,034	3,581	—	—
Other financial liabilities		480	1,093	898	957
Trade and other payables		**494,421**	**463,565**	**578,277**	**642,892**
Suppliers		306,121	273,578	379,046	486,820
Sundry creditors		13,268	7,519	10,131	24,132
Personnel		2,543	6,599	8,235	10,126
Liabilities through current tax	**Note 19.1**	8,699	25,656	12,956	5,732
Other debts with Public Authorities	**Note 19.1**	35,961	37,830	66,227	75,055
Client advances	**Note 14 a)**	127,829	112,383	101,682	41,027
Short-term accruals and deferrals		**206**	**20**	**—**	**340**
TOTAL NET EQUITY AND LIABILITIES		**1,386,670**	**1,559,637**	**1,633,084**	**1,742,723**

The Explanatory Notes 1 to 27 to the consolidated report hereto attached and Annexes 1, 2 and 3 form an integral part of the consolidated balance sheet for the 2013, 2012 and 2011 financial years

Grupo Aldesa, S.A. and Subsidiaries
Consolidated income statement of financial years ended at 31 December 2013, 2012 and 2011
(Thousand euros)

	Explanatory notes	Financial year 2013	Financial year 2012	Financial year 2011	Financial year 2010
ONGOING OPERATIONS					
Net turnover	**Note 21.1**	**704,039**	**769,212**	**839,686**	**923,412**
Sales		665,815	731,294	609,753	840,396
Service provision		38,224	37,918	229,933	83,016
Changes in stocks of finished goods and in the process of manufacture	**Note 13**	**(514)**	**1,643**	**(4,269)**	**(8,282)**
Work performed by the company for its assets	**Note 5.4**	**2,646**	**3,019**	**955**	**6,536**
Total Income		**706,171**	**773,874**	**836,372**	**921,666**
Supplies	**Note 21.2**	**(382,630)**	**(442,462)**	**(478,223)**	**(554,180)**
Goods consumed		(14,636)	(18,988)	(61,745)	—
Raw materials and other materials consumed		(127,545)	(115,550)	(94,702)	(171,717)
Work performed for other companies		(239,411)	(303,090)	(321,776)	(382,463)
Impairment of commodities, raw materials and other supplies	**Note 13**	(1,038)	(4,834)	—	—
Other operating revenue		**8,415**	**4,919**	**4,016**	**11,968**
Accessory and other operating revenues		8,362	4,472	3,912	11,918
Operating subsidies incorporated in result for the financial year		53	447	104	50
Personnel costs		**(122,329)**	**(139,290)**	**(168,706)**	**(180,996)**
Wages, salaries and related costs		(97,837)	(109,029)	(132,319)	(142,880)
Social Charges	**Note 21.3**	(24,492)	(30,261)	(36,387)	(38,116)
Other operating expenses		**(124,605)**	**(107,892)**	**(105,880)**	**(115,601)**
External services		(106,898)	(95,626)	(88,019)	(84,669)
Taxes		(7,612)	(7,457)	(10,053)	(10,737)
Losses, impairment and changes in provisions from trade operations	**Note 14 y 17**	(5,240)	(1,480)	(6,276)	(17,724)
Other operating expenses		(4,855)	(3,329)	(1,532)	(2,471)
Amortisation of fixed assets	**Notes 8, 9 y 10**	**(35,820)**	**(40,852)**	**(38,134)**	**(33,505)**
Registration of non financial fixed assets subsidies and others		**743**	**568**	**598**	**330**
Impairment and profit/(loss) from disposals of fixed assets		**(48,074)**	**(8,810)**	**(4,979)**	**(2,111)**
Impairments and losses	**Note 21.6**	(48,063)	(8,164)	(4,910)	(2,006)
Results from sales and others		(11)	(646)	(69)	(105)
Other results		**41**	**22**	**1,013**	**324**
OPERATING RESULT		**1,912**	**40,077**	**46,077**	**47,895**
Financial revenue	**Note 21.5**	**12,133**	**11,760**	**12,288**	**10,415**
From stakes in equity instruments		—	1	1	—
— In third parties		—	1	1	—
Tradeable securities and other financial instruments		12,133	11,759	12,287	10,415
— In third parties		12,133	11,759	12,287	10,415
Financial Expenses	**Note 21.5**	**(52,161)**	**(47,042)**	**(47,932)**	**(37,515)**
Through debts with third parties		(52,161)	(47,042)	(47,932)	(37,515)
Change in fair value in financial instruments		**399**	**(974)**	**(84)**	**(15)**
Tradeable portfolio and others		399	(974)	(84)	(15)
Exchange rate differences		**2,798**	**(247)**	**(610)**	**441**
Impairment and result through disposal of financial instruments		**(4,793)**	**(1,177)**	**(659)**	**(4,807)**
Impairment and losses		—	—	(1,227)	—
Results from sales and others	**Notes 21.7**	(4,793)	(1,177)	568	(4,807)
FINANCIAL RESULT		**(41,624)**	**(37,680)**	**(36,997)**	**(31,481)**
Stake in profits (losses) in equity-method companies	**Notes 12.1 y 17**	**(89)**	**(54)**	**(10)**	**—**
PRE-TAX RESULT		**(39,801)**	**2,343**	**9,070**	**16,414**
Profits Tax	**Note 19.2**	(1,370)	(1,014)	(506)	4,260
RESULT FOR FINANCIAL YEAR FROM ONGOING OPERATIONS		**(41,171)**	**1,329**	**8,564**	**20,674**
RESULT OF THE YEAR	**Note 21.4**	**(41,171)**	**1,329**	**8,564**	**20,674**
Profit allocated to the Parent Company		**(40,865)**	**1,593**	**8,829**	**21,225**
Profit allocated to outside interests	**Note 16.4**	**(306)**	**(264)**	**(265)**	**(551)**

The Explanatory Notes 1 to 27 to the consolidated report hereto attached and Annexes 1, 2 and 3 form an integral part of the consolidated balance sheet for the 2013, 2012 and 2011 financial years

Grupo Aldesa, S.A. and Subsidiaries
Consolidated statement of changes in net worth in the 2013, 2012 and 2011 financial years
A) Statement of recognised revenue and expenditure
(Thousand euros)

	Financial year 2013	Financial year 2012	Financial year 2011	Financial year 2010
RESULT OF INCOME STATEMENT(I)	**(41,171)**	**1,329**	**8,564**	**20,674**
Revenue and expenditure directly attributed to net worth				
—Subsidies, donations and bequests received	—	(729)	410	—
—Through cash-flow hedges and net investment of businesses abroad	10,159	(27,590)	(19,300)	(16,741)
—Through translation differences	(8,894)	8,075	(11,167)	10,184
—Tax effect	(3,048)	8,496	5,667	5,022
TOTAL INCOME AND EXPENSES RECORDED DIRECTLY AS NET EQUITY(II)	**(1,783)**	**(11,748)**	**(24,390)**	**(1,535)**
Sums transferred to the profit and loss account				
—Subsidies, donations and bequests received	—	—	—	(514)
—Through cash-flow hedges and net investment of businesses abroad	12,251	10,463	12,029	14,707
—Subsidies, donations and bequests received	(214)	—	—	—
—Tax effect	(3,611)	(3,139)	(3,609)	(4,258)
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT(III)	**8,426**	**7,324**	**8,420**	**9,935**
TOTAL RECOGNISED INCOME AND EXPENSES(I+II+III)	**(34,528)**	**(3,095)**	**(7,406)**	**29,074**
Total revenue and expenses attributed to the Parent Company	**(34,222)**	**(2,831)**	**(7,141)**	**29,625**
Total revenue and expenses attributed to outside interests	**(306)**	**(264)**	**(265)**	**(551)**

The Explanatory Notes 1 to 27 to the consolidated report hereto attached and Annexes 1, 2 and 3 form an integral part of the consolidated balance sheet for the 2013, 2012 and 2011 financial years

Grupo Aldesa, S.A. and Subsidiaries
Consolidated statement of changes in net worth in the 2013, 2012
B) Consolidated overall statement of changes in n
(Thousand euros)

	Issued capital	Share premium	Parent Company reserves	Subsidiaries reserves	Reserves equity-method companies	Result for the financial year	Interim dividend	Outsid interes
BALANCE AT THE END OF YEAR 2009	**874**	**4,476**	**1,252**	**116,220**	**95**	**21,121**	**—**	**7,47**
Total recognised income and expenses	**—**	**—**	**—**	**—**	**—**	**21,225**	**—**	**(5**
Operations with shareholders								
—Distribution of results 2009	—	—	(323)	21,464	(20)	(21,121)	—	
—Dividend and premium distribution	—	(3,326)	(753)	—	—	—	—	
—Perimeter variation	—	—	—	(2,459)	—	—	—	(8,3
—Other movements	—	—	—	(3,519)	—	—	—	2,5
BALANCE AT THE END OF YEAR 2010	**874**	**1,150**	**176**	**131,706**	**75**	**21,225**	**—**	**1,1**
Total recognised income and expenses	**—**	**—**	**—**	**—**	**—**	**8,829**	**—**	**(2**
Operations with shareholders								
—Distribution of results 2010	—	—	(412)	21,638	(1)	(21,225)	—	
—Dividend distribution	—	—	—	—	—	—	(2,000)	
—Perimeter variation	—	—	—	66	(66)	—	—	
—Other movements	—	—	—	(9,325)	—	—	—	
BALANCE AT THE END OF YEAR 2011	**874**	**1,150**	**(236)**	**144,085**	**8**	**8,829**	**(2,000)**	**92**
Total recognised income and expenses	**—**	**—**	**—**	**—**	**—**	**1,593**		**(2**
Operations with shareholders								
—Distribution of results 2011	—	—	5,318	1,511	—	(8,829)	2,000	
—Dividend distribution	—	—	(1,000)	—	—	—	—	
—Other movements	—	—	—	(13,587)	—	—	—	(1
BALANCE AT THE END OF YEAR 2012	**874**	**1,150**	**4,082**	**132,009**	**8**	**1,593**	**—**	**6**
Total recognised income and expenses	**—**	**—**	**—**	**—**	**—**	**(40,865)**	**—**	**(3**
Operations with shareholders								
—Distribución de resultados 2012	—	—	(384)	1,977	—	(1,593)	—	
—Dividend distribution	—	—	—	—	—	—	—	
—Other movements	—	—	—	(10,544)	—	—	—	(1,0
BALANCE AT THE END OF YEAR 2013	**874**	**1,150**	**3,698**	**123,442**	**8**	**(40,865)**	**—**	**(7**

The Explanatory Notes 1 to 27 to the consolidated report hereto attached and Annexes 1, 2 and 3 form an integral part of the consolidated ba

Grupo Aldesa, S.A. and Subsidiaries
Consolidated cash-flow statement corresponding to financial year 2013, 2012, 2011
(Thousands euros)

	Financial year 2013	Financial year 2012	Financial year 2011	Financial year 2010
CASH FLOW FROM OPERATING ACTIVITIES(I)	**41,861**	**(18,482)**	**(13,136)**	**50,611**
Result for financial year before tax	**(39,801)**	**2,343**	**9,070**	**16,414**
Adjustments to the result:	**132,070**	**89,436**	**85,093**	**84,446**
—Amortisation of fixed assets	35,820	40,852	38,134	33,505
—Value corrections from impairment	54,341	12,998	4,910	2,006
—Results through deregistration and others	—	—	—	105
—Changes in provisions	—	(133)	5,567	17,724
—Imputation of subsidies	(214)	(510)	287	(360)
—Results from disposal and sales of fixed assets and financial investments	4,804	646	(69)	4,807
—Financial Income	(12,133)	(11,760)	(12,288)	(10,415)
—Financial expenses	52,161	47,042	47,932	37,515
—Exchange rate differences	(2,798)	247	610	(441)
—Results of consolidated by equity method	89	54	10	—
Changes in working capital	**22,572**	**(42,196)**	**(52,803)**	**(8,356)**
—Stock	6,461	(2,212)	10,016	(2)
—Debtors and other accounts receivable	(11,956)	85,308	(89,149)	(1,182)
—Other current assets	(815)	(1,139)	185	8,166
—Creditors and other accounts payable	29,417	(124,153)	26,145	(15,338)
—Current and non-current provisions	(416)	—	—	—
—Other non-current assets and liabilities	(119)	—	—	—
Other cash flows from operating activities	**(72,980)**	**(68,065)**	**(54,496)**	**(41,893)**
—Interest payments	(69,298)	(63,660)	(60,832)	(50,163)
—Interest received	12,133	11,760	12,288	10,415
—Receipts (payments) through taxation of profits	(15,815)	(16,165)	(5,952)	(2,145)
CASH FLOW FROM INVESTMENTS ACTIVITIES(II)	**(13,373)**	**(16,245)**	**(19,746)**	**(51,241)**
Payments through investments	**(16,177)**	**(19,421)**	**(22,293)**	**(59,600)**
—Group and associated companies	(2,949)	—	(1,350)	(7,082)
—Intangible fixed assets	(2,379)	(9,913)	(16,320)	(2,096)
—Property, plant and equipment	(5,157)	(6,892)	(4,056)	(49,457)
—Real estate investments	(5)	(112)	—	(965)
—Other assets	(5,687)	(2,504)	(567)	—
Sums received through divestitures	**2,804**	**3,176**	**2,547**	**8,359**
—Intangible fixed assets	3	—	1,652	—
—Property, plant and equipment	655	2,092	457	154
—Real estate investments	79	873	438	5,043
—Other financial assets	—	—	—	1,730
—Other assets	2,067	211	—	1,432
CASH FLOW FROM FINANCING ACTIVITIES(III)	**(132,808)**	**10,414**	**(19,489)**	**79,768**
Sums received and paid through financial liability instruments	**(132,808)**	**11,414**	**(17,489)**	**83,847**
—Issuance (Return) of debts with credit institutions through project finance	(10,852)	(8,656)	(161,526)	5,107
—Issuance (Return) of debts with credit institutions through financial leasing	(755)	(890)	(1,637)	590
—Issuance (Return) of debts with credit institutions	(113,485)	11,464	(61,913)	75,384
—Issuance (Return) of Debentures and other tradeable securities	(10,057)	17,865	194,815	—
—Issuance (Return) of Other debts	—	828	12,993	—
—Other current liabilities	2,341	(9,197)	(221)	2,766
Dividend payments and remuneration on other equity instruments	**—**	**(1,000)**	**(2,000)**	**(4,079)**
—Dividends	—	(1,000)	(2,000)	(4,079)
CHANGES IN CONSOLIDATION PERIMETER(IV)	**(564)**	**(4,543)**	**(325)**	**46,049**
EFFECT OF EXCHANGE RATE VARIATIONS(V)	**5,185**	**(4,390)**	**6,646**	**441**
CASH AND EQUIVALENTS NET INCREASE/ REDUCTION(I+II+III+IV+V)	**(99,699)**	**(33,246)**	**(46,050)**	**125,628**
Cash or cash equivalents at the beginning of the year	306,853	340,099	386,149	260,521
Cash or cash equivalents at the end of the year	207,154	306,853	340,099	386,149

The Explanatory Notes 1 to 27 to the consolidated report hereto attached and Annexes 1, 2 and 3 form an integral part of the consolidated balance sheet for the 2013, 2012 and 2011 financial years

Grupo Aldesa, S.A. and Subsidiaries

Special purpose consolidated financial statements and explanatory notes for financial years ended at 31 December 2013, 2012 and 2011

Grupo Aldesa, S.A. and Subsidiaries
Explanatory notes for fiscal year 2011, 2012 and 2013

1 Company business

The Parent Company was incorporated as a limited liability company on 24 December 2007 by means of the deed executed before the Notary Mr Juan Álvarez-Sala Walther. Its registered company office is located at Calle Bahía de Pollensa, 13, Madrid. Subsequently, on 14 November 2008, it was transformed into a public limited company by means of a deed executed before the Notary Mr Ignacio Paz-Ares Rodríguez.

On 24 December 2007 a merger process was performed, comprising the absorption of "Catalana de Construcciones Civiles, S.L.", "Cincoserra, S.L.", "Tilisos, S.L." and "Suministros Técnicos del Norte, S.A.", by "Montearco, S.L." together with the total demerger of the aforementioned "Montearco, S.L." (Demerged Company) in favour of, among other companies, "Grupo Aldesa, S.L. (subsequently transformed into an 'S.A.')" (Beneficiary Company).

This demerger was performed on an overall basis, by separating and transferring en masse the elements of the assets and liabilities in favour of the Beneficiary Companies (including "Grupo Aldesa, S.A.") for the net book value of the Demerged Company.

The activities undertaken by the Group comprise:

a) The acquisition and transfer of land, plots and buildings, whether rural, urban or industrial.

b) The construction, both in Spain and abroad, of all manner of works, whether public or private, whether buildings, industrial facilities, urban development or civil engineering, by means of direct contracts, tenders, competitive tenders, public authority contracts or in any other way.

c) The operation of all manner of quarries and workshops connected with the construction sector.

d) The execution and manufacture of any supplementary elements required for the full outfitting of real estate properties.

e) The operation and leasing of buildings, included those intended for public performances.

f) The operation of public services by any means.

g) The sale, purchase and operation of countryside, woodland and forestry operations.

h) The sale and purchase of timber and materials for construction, joinery, and, in general, any materials directly connected with the construction sector.

i) The sale and purchase, leasing and operation by any means of machinery and equipment connected with construction operations.

j) Stakes in other companies or any type of grouping, association or joint venture the purpose of which is identical or analogous to that of the Company itself, through the subscription of shares or stock, upon the establishment thereof by any title, and guarantees or surety for their obligations before third parties.

k) The holding, development, sale and purchase and operation of real estate properties, whether rural or urban properties, which may be operated by any means and under any title, including for subsequent sale or leasing to third parties, in addition to any form of real estate consultancy. Financial leasing is in all cases excluded.

l) The execution of airborne and terrestrial transport services, for both goods and people, and the provision of airport ground support services, as an agent.

m) The design, planning, administration, management and operation of all manner of industrial facilities, and the installation and maintenance thereof and, in particular, subsequent lighting, illumination and light beacon installations; high, medium and low voltage distribution, installation of telecommunications and radio-electric installations, ventilation installations, heating and climate control, plumbing and sanitation installations and fire-fighting installations.

n) Usage of explosives in civil engineering works, tunnels, quarries, blasting in trenches, etc.

o) Provision of the following services:

- The provision of auxiliary services for administrative, archiving and similar tasks; the provision of payment collection management and meter reading services; the organisation and promotion of conventions, trade fairs and exhibitions; the conducting of surveys, data gathering and analogous services, and the provision of doorkeeper, access control and information services.
- The provision of all manner of specialist services, including hygiene, disinfection and pest and rodent control; the provision of security, safekeeping and protection services, and the installation and management of security installations; the provision of hospitality and catering services; the prevention of forest fires and wildlife protection services.
- The provision of all manner of qualified services, including the provision of medical and healthcare activities; the health inspection of installations; the provision of veterinary health services; the provision of healthcare materials sterilisation services and the restoration of artworks and the maintenance, preservation and restoration of cinematic and audiovisual materials.
- The provision of preservation and maintenance services for real estate properties, buildings, highways, tracks, motorways, freeways and road services; the preservation and maintenance of water and drainage networks; the preservation and maintenance of urban furniture, countryside areas and gardens, and the preservation and maintenance of monuments and landmark buildings.
- The provision of maintenance and repair services for all manner of equipment and installations, specifically electrical and electronic, plumbing, water and gas pipeline, heating and air conditioning, electrical medicine, safety and fire-fighting equipment and installations, office equipment and machinery and lifting and horizontal transportation equipment or device installations.
- The provision of maintenance and repair services for vehicles, automotive elements, including ships and aircraft, the decommissioning of armaments, destruction of munitions and scrapping operations.
- The provision of transport services in general, including the transportation of patients by any means of transport; transportation and safekeeping of funds; transportation of artworks; collection and transportation of all manner of waste; provision of airborne fumigation, control, airborne surveillance and firefighting services; provision of tow truck and ship towing services and courier, correspondence and distribution services.
- The provision of all manner of services for the processing of waste and refuse, including the provision of services for the treatment and incineration of urban waste and refuse, sludge treatment, radioactive and acidic waste treatment, treatment of waste from healthcare institutions and veterinary clinics and treatment of malodorous waste.
- The provision of cleaning, laundry and dying services; the provision of storage services; the provision of travel agency services, childcare and collection of luggage trolleys at stations and airports.

- All types of provision of information and communications technology services, including the provision of services for the capture of information by electronic, information technology and remote electronic means, the provision of services for the development and maintenance of computer programs; the provision of telecommunications maintenance and repair services, the provision of operations and control services for IT systems and remote electronic infrastructure, the provision of electronic certification services, the provision of evaluation and technological certification services, and any other IT or telecommunications services.

Given the activities in which the Group is engaged, it has no liabilities, expenses, or provisions and contingencies of an environmental nature which could prove significant with reference to its net worth, its financial situation and its results. Note 23 describes the Group's environmental policy and the environmentally related expenses arising during the financial year.

2 Subsidiaries, associated and multi-group companies

2.1. Subsidiaries

Consolidation was performed by applying the full integration method to all subsidiaries, namely those over which the Group exerts or could exert control, directly or indirectly, this being understood as the power to direct financial and operating policies of a company in order to obtain economic benefits from its activities. This circumstance is generally reflected, although not solely, by direct or indirect ownership of more than 50% of the voting rights in the company.

The stake of outside shareholders in the equity and results of consolidated subsidiaries is presented under the heading "Outside interests" under the caption "Shareholder equity" on the consolidated balance sheet, and under "Result attributed to outside interests" in the consolidated income statements, respectively.

Annex 1 details the subsidiaries included within the consolidation perimeter. The financial and taxation year of all the consolidated companies coincides with the calendar year, except for the companies Colegio Montesclaros, S.L., Edificio Montesclaros, S.L.U., Colegio Torrevilano, S.L., and Edificio Torrevilano, S.L., the financial year of which ends on 31 August each year. The relevant timing unification was therefore required. The relevant timing unification was therefore required.

2.2. Multi-group companies

Multi-group companies are those which represent a joint business and are consolidated by means of the proportional integration method, involving the inclusion in the special purpose consolidated financial statements of the proportional part of the assets, liabilities, expenses and revenue of these companies, in accordance with the Group's stake therein. Joint businesses are understood as those in which joint control is exerted together with other stakeholders, which occurs where there is an agreement in the bylaws or a shareholder agreement on the basis of which strategic decisions regarding activities, both financial and operational, require the unanimous consent of the parties sharing control. In this sense, the companies Autopista de la Mancha Concesionaria Española, S.A. (in the 2013, 2012, 2011 and 2010 financial years) and Águilas Residencia, S.A. (in the 2011 and 2010 financial years) are integrated under the proportional method, the latter being fully integrated in consolidation in 2012 (See Note 6.2). Equally, within the Aldesa Energías Renovales, S.L.U. Subgroup, the Enersol Solar Santa Lucía, S.L. Subgroup and the companies Eólico Alijar, S.A. and Valdivia Energía Eólica, S.A. are integrated under the proporcional method, also as a result of the joint management agreements established with the rest of shareholders.

The assets, liabilities, revenue and expenses corresponding to joint businesses are presented on the consolidated balance sheet and in the consolidated income statement in accordance with the specific nature thereof.

Annex 2 details the multi-group companies included within the consolidation perimeter. All of these have the same financial year as the Group.

2.3. Associated companies

Associated companies are consolidated by means of the equity method. These are companies over which significant management influence is exerted, understood as the ability to intervene in the financial and operational policy decisions of the investee, without enjoying either control or joint control. Significant influence over a company is assumed to exist at those where the stake held is equal to or greater than 20%, unless otherwise demonstrated.

The equity method comprises the incorporation within the line of the consolidated balance sheet "Investments in related companies—Holdings in equitiy methhod" of the value of the net assets and any goodwill corresponding to the stake held in the associated company. The net result obtained each year corresponding to the percentage stake in such companies is reflected in the consolidated income statements as "Stake in profits (losses) of equity-method companies".

Annex 3 details the associated companies included within the consolidation perimeter. All of these have the same financial year as the Group.

2.4. Variation in the consolidation perimeter

The main movement occurring during the 2013 financial year corresponds to the following operation:

- On 25 September 2013 the purchase and sale agreement by which Aldesa Construcciones, S.A. and Grupo Aldesa, S.A. sold 100% of their share in Aldesa Servicios y Mantenimiento, S.A., for the amount of 7,345 thousand euros was filed as public deed. The loss arising from the sale operation amounted to 4,507 thousand euros, recorded under the caption "Impairment and results from disposal of financial instruments" in the income statement appended (see Note 21.7). At the time of sale, the company Aldesa Servicios y Mantenimiento, S.A. owned assets for the amount of 23,661 thousand euros, liabilities for 17,664 thousand euros, and a net turnover of 33,498 thousand euros.

During the 2013 and financial year a number of restructuring processes were undertaken within the Group in order to establish a better organised corporate structure. These processes are detailed in the corresponding individual annual financial statements of the Group companies affected, the key aspects being:

- In order to bring the Polish companies under one caption, on August 7, 2013 Aldesa Construcciones, S.A. took part in the capital increase of Aldesa Polska Services, Sp.z.o.o, contributing its stake, equal to 100% of the share capital of Aldesa Nowa Energia, Sp.z.o.o. and Aldesa Construcciones Polska Sp.z.o.o.

- In order to bring the Mexican companies under one caption, on December 4, 2013 Aldesa Construcciones, S.A. took part in the capital increase of Consorcio Carretero S.A. de C.V., contributing its stake, equal to 99.99% of the share capital to Aldesa Holding S.A. de C.V. and the remaining 0.01% to Partner Aldesem, S.A. de C.V.

In addition, and likewise in 2013, the following were included within the perimeter:

- On July 17, 2013, the company Aldesa India Construcciones, P.L. was incorporated with a capital of 105 thousand rupees (1 thousand euros), 99% of which was fully subscribed and paid by Aldesa Construcciones, S.A. and 0.01% by Aldesa Partner S.L.U. Two capital increases later took place, which were fully subscribed by Aldesa Construcciones, S.A.: the first on July 1, 2013, for the amount of 3,855 thousand rupees (50 thousand euros), and the second one on September 30, 2013, for the amount of 5,974 thousand rupees (71 thousand euros). This company belongs to the construction division.

- On February 14, 2013, the company Aldesa PRU S.A.C. was incorporated with a capital of 60 thousand soles (17 thousand euros), 99% of which was fully subscribed and paid by Grupo Aldesa, S.A. and 0.01% of which by Aldesa Partner, S.L.U. This company belongs to the construction division.

- On March 12, 2013 the company Aldesa Perú Aparcamiento, S.A.C. was incorporated with a capital of 1 thousand soles (0.2 thousand euros), 99% of which was fully subscribed and paid by Aldesa Construcciones S.A. and 0.01% of which by Aldesa Partner, S.L.U. This company belongs to the construction division.

- On June 5, 2013 the company Aldesa San Martín, S.A.C. was incorporated with a capital of 3 thousand soles (1 thousand euros), 99% of which was fully subscribed and paid by Aldesa Construcciones S.A. and 0.01% of which by Aldesa Partner S.L.U. This company belongs to the construction division.

- On June 5, 2013 the company Aldesa Hospital Sergio Bernales, S.A.C. was incorporated with a capital of 3 thousand soles (1 thousand euros), 99% of which was fully subscribed and paid by Aldesa Construcciones S.A. and 0.01% of which by Aldesa Partner, S.L.U. This company belongs to the construction division.

- On June 5, 2013 the company Aldesa Hospital Ate Vitarte S.A.C. was incorporated with a capital of 3 thousand soles (1 thousand euros), 99% of which was fully subscribed and paid by Aldesa Construcciones, S.A. and 0.01% of which by Aldesa Partner, S.L.U. This company belongs to the construction division.

- On December 13, 2013 the company Concesionaria de Autopistas de Morelos, S.A. de C.V. was incorporated with a capital of 5 thousand pesos (0.2 thousand euros), 20% of which was fully subscribed and paid by companies owned by Aldesa Holding, S.A. de C.V. The shareholders of the incorporated company then made a shareholder contribution for future capital increases, in the same proportion in which they took part in its incorporation, for a total amount of 265,518 thousand Mexican pesos (14,743 thousand euros). This company is integrated by the equity method in the Aldesa Holding, S.A. de C.V. Subgroup.

The main movement occurring in the perimeter during the 2012 financial year corresponds to the following operation:

- On 14 September 2012 a public deed was executed recording the sale agreement by means of which Aldesa Construcciones, S.A. sold its 100% stake in Maquivías, S.L. to Cosmafer, S.L. for a sum of 113 thousand euros. The Group registered a negative result of 3,751 thousand euros, which was registered under the caption "Impairment and result through disposal of financial instruments" in the income statement for the 2012 business year (See Note **21.8**).

During the 2011 and financial year a number of restructuring processes were undertaken within the Group in order to establish a better organised corporate structure. These processes are detailed in the corresponding individual annual financial statements of the Group companies affected, the key aspects being:

- On 12 August 2011, registration was performed at the Companies Register of the merger by absorption of Ingeniería Geotécnica, S.A. (Sole Shareholder Public Limited Company or S.A.U.) and Investigaciones Geotécnicas, S.L. (Sole Shareholder Private Limited Company or S.L.U.) by Aldesa Construcciones, S.A., which held 100% of the stock and shares in the companies taken over. This merger took effect for accounting purposes from 1 January 2011. The merger agreement was approved by the General Shareholders' Meeting on 16 June 2011 at each of the companies, employing as the merger balance sheets those closed at 31 December 2010. In this regard, the merger balance sheets of the absorbed companies were presented as an Annex to the individual annual financial statements of Aldesa Construcciones, S.A.

- In order to bring the Mexican companies together under one parent company, on 20 December 2011 the Parent Company, together with the Subsidiaries Aldesa Servicios y Mantenimiento, S.A. (company sold during the financial year 2013), Aldesa Home, S.L. and Proacon, S.A., incorporated the company Aldesa Holding S.A. de C.V. by means of the contribution of its shares in Construcciones Aldesem, S.A. de C.V., Concesiones Aldesem, S.A. de C.V., Ingeniería y Servicios ADM, S.A. de C.V. and Proacon México, S.A. de C.V.

In addition, and likewise in 2011, the following were included within the perimeter:

- On 18 July 2011 the incorporation of the company Inversiones en Infraestructuras Andaluzas, S.L.U. was registered with the Companies Register, the capital stock being 3 thousand euros, fully subscribed and paid up by the Parent Company of the Group. This company belongs to the construction division.

- On 12 September 2011 the incorporation of the company Inversiones en Gestión Autopistas Internacionales, S.L.U. was registered with the Companies Register, the capital stock being 3 thousand euros, fully subscribed and paid up by the Parent Company of the Group. This company belongs to the concessions division. Subsequently, on 15 September 2011 the purchase of 33.33% of the shares in favour of Sociedad Anónima de Obras y Servicios, Copasa, was registered with the Companies Register.

The main withdrawals occurring during the 2011 financial year corresponded to the following operations:

- On 30 June 2011, the subsidiary Aldesa Energías Renovables, S.L.U. sold 100% of its shares in the companies Promociones Eólicas del Altiplano, S.A.U. and Aldesa Eólico Palomarejo, S.A.U. to Ampere Spain Wind, S.L.U.; as a result, these companies no longer lie within the Group's consolidation perimeter. The sale price amounted to 660 thousand euros, representing a loss of 16,816 thousand euros for the group, recorded under the caption "Impairment and results through disposal of fixed assets" on the attached consolidated income statement for financial year 2011 (see Note **21.7**).

During the 2010 and financial year a number of restructuring processes were undertaken within the Group in order to establish a better organised corporate structure. These processes are detailed in the corresponding individual annual financial statements of the Group companies concerned, the key aspects being: In addition, the following inclusions and exclusions occurred with regard to the perimeter:

- On 12 March 2010, the incorporation of the company Polideportivo El Álamo, S.L.U. by simultaneous foundation by Aldesa Construcciones S.A. was registered in the Companies Registry. This incorporation was a result of the contribution of the title and the real estate property corresponding to the administrative concessions whose purpose was the construction and later operation of a sports centre. On 30 July 2010, the capital increase of Aldesa Concesiones, S.L. was registered in the Companies Registry. This capital increase was fully subscribed by Aldesa Construcciones, S.A. through the contribution of its shares in the company Polideportivo El Álamo, S.L.U. In this way, the company Polideportivo El Álamo, S.L.U. is 100% owned by Aldesa Concesiones, S.L.

- On 2 August 2010, the incorporation of the company Puerto Deportivo de Torrevieja, S.A.U. was registered in the Companies Registry. This incorporation took place though the partial demerger from the activity of the company Aldesa Construcciones, S.A. of all the assets and liabilities lilnked to the contract for Management of Public Harbour Services in Sporting and Nautical Area 3 in Torrevieja Harbour (Alicante) by concession.

- In order to bring the energy division companies under one parent company, on 26 April 2010 the subsidiary Aldesa Energías Renovables, S.L.U. incorporated the company Aldesa Gestión de Energías Renovables, S.L.U.

- On 22 January 2010, the subsidiary Colegio Torrevilano, S.L. performed a capital increase for 0.1 thousand euros and a premium of 150 thousand euros. The share capital was subscribed by shareholders proportionally to their share and paid in cash. The issue premium was generated through payment by Doctus Servicios Educativos, S.L.U. of shareholders' loans which had been granted to Colegio Torrevilano, S.L. for said amount. As a result of this payment, consolidation reserves decreased and the caption "outside interest" increased by approximately 73 thousand euros.

- On 22 January 2010, the subsidiary Edificio Torrevilano, S.L. performed a capital increase for 0.1 thousand euros and a premium of 2,150 thousand euros. The share capital was subscribed by shareholders proportionally to their share and paid in cash. The issue premium was generated through payment by Aldesa Construcciones, S.A. of shareholders' loans which had been granted to Edificio Torrevilano, S.L. for said amount. As a result of this payment, consolidation reserves decreased and the caption "outside interest" increased by approximately 1,053 thousand euros.

- On 15 March 2010, the Mexican company "Agrupación de Compañías Constructoras de Veracruz, S.A. de C.V." (ACCSA), exercised its put option with respect to Aldesa Construcciones, S.A. for el 25% of its share in Concesionaria de Autopistas del Sureste, S.A. de C.V. Said put option entailed the payment of 12,292 thousand euros.

- On 14 October 2010, Aldesa Construcciones, S.A. sold 11.37% of the share capital of the company Concesionaria Carretero del Sureste, S.A. de C.V. for 6,500 thousand euros.

- On 9 April 2010, the subsidiary Colegio Montesclaros S.L. increased the capital for the amount of 0.1 thousand euros and premium of 288 thousand euros. The share capital was subscribed by the shareholders in proportion to their percentage stakes and paid in cash. The issue premium was generated by means of the compensation of equity loans for the amount of 287,624 euros by Aldesa Construcciones S.A. and of 52,276 euros by contributions in cash of the Gestión de Centros Educativos, S.L. shareholder. As a consquence of the compensation, the consolidated reserves decreased in 120 thousand euros and the caption "outside interests" increased in 167 thousand euros approximately.

- On 9 April 2010, the subsidiary Edificio Montesclaros S.L. increased the capital for the amount of 0.1 thousand euros and premium of 1,997 thousand euros. The share capital was subscribed by the shareholders in proportion to their percentage stakes and paid in cash. The issue premium was generated by means of the compensation of equity loans for the amount of 1,997 thousand euros by Aldesa Construcciones S.A. and of 366 thousand euros by contributions in cash of the Promoción del Suelo Educativo, S.L. shareholder. As a consquence of the compensation, the consolidated reserves decreased in 832 thousand euros and the caption "outside interests" increased in 1,158 thousand euros approximately.

The following operations involved, also in 2010, modifications in the percentage of control of the Parent Company in its stake:

- On 30 March 2010, the subsidiary Pebian Inversiones S.L.U. acquired the 9.35% of the share capital of Construcciones Pai, S.A. for the price of 1,290 thousand euros. Such price was paid in the 2010 financial year. Given that no change in control took place in Construcciones Pai, S.A. there was no variation in the goodwill (see Note 6.1).

- On 26 July 2010, Aldesa Construcciones, S.A. acquired the 20% of the share capital of Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U. from the minority shareholders Antonio Macías Sánchez and Bam Gestión y Administración de Empresas, S.L. for the price of 4,312 thousand euros. Such price was paid by means of the compensation of the amounts due between purchasers and sellers. Given that Aldesa Construcciones, S.A. already held 80% of the capital of the company subject to the sale, no change in control took place and there was no variation in the goodwill of Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U. (see Note 6.1).

- On 19 January 2010, the sale to NIBC European Infraestructure Fund (NIBC Infrastructure Partners) and Ampere Equity Fund (Triodos Bank) of 49% of the plot business portfolio of the Group, centered on the company Enersol Solar Santa Lucía, S.L., was concluded. Together with the sale of 49% of the share capital 49% of the loans that Grupo Aldesa had granted to Enersol Solar Santa Lucía, S.L. was transferred. The total amount of this operations (shares and loans) increased to 41,047 thousand euros, amount which was entirely charged in January 2010. The operation generated in 2010 a loss of 1,268 thousand euros, recorded under the caption "Results from disposal and others" of the consolidated loss and profit account of the financial year 2010 attached. The operation included a purchase option in favour of NIBC and Ampere, for two years, for the remaining 51% held by Grupo Aldesa, which has not been executed at its maturity.

Lastly, the key withdrawals occurring during the 2010 financial year corresponds to the following operations:

- On 15 June 2010, the subsidiary Aldesa Energías Renovables, S.L.U. sold 100% of its shares in the companies Fuente de Piedra Gestión, S.A.U and Biomasa Fuente de Piedra, S.A.U. to Neoelectra Al Andalus, S.L. (Sole Shareholder) as a result, these companies no longer lie within the Group's consolidation perimeter. The sale price amounted to 5,362 thousand euros, representing a loss of 3,911 thousand euros for the Group, recorded under the caption "Impairment and results through disposal of fixed assets" on the attached consolidated income statement.

- Likewise, during the financial year in the restructuring process of the Group, the subsidiary Aldesa Energías Renovables, S.L.U. sold to Grupo Aldesa, S.A. 100% of the stakes of the companies Solar Arillo, S.L.U., Solar Aguado, S.L.U., Enersol Solar 3, S.L.U. and San Javier S.L.U. Such companies were released from the consolidation perimeter of the Grupo Aldesa Construcciones; however, given its inactivity the impact on the consolidation was insignificant.

3 Bases for the presentation of the special purpose consolidated financial statements

3.1. Regulatory financial reporting framework applicable to the Group

These special purpose consolidated financial statements have been drawn up by the Directors in accordance with the regulatory financial reporting framework applicable to the Group, as laid down in:

a) Code of Commerce and all other commercial legislation.

b) The Regulations for Presentation of Consolidated Annual Financial Statements approved by Royal Decree 1159/2010, and the Spanish General Chart of Accounts approved by Royal Decree 1514/2007. Furthermore, given that its main business is construction, the accounting standards set out in the Order of the Ministry of Economy and Finance of 27 January 1993, approving the Standards for Adaptation of the Spanish General Chart of Accounts for construction companies, were also followed. With regard to real estate operations, the terms of the Order of the Ministry of Economy and Finance of 28 December 1994, approving the Standards for Adaptation of the Spanish General Chart of Accounts for real estate companies, were applied, while with regard to concession operations, the terms applied were those of Order EHA/3362/2010, of the Ministry of Economy and Finance, of 23 December 2010, approving the Standards for Adaptation of the Spanish General Chart of Accounts for public infrastructure concession companies, in all aspects not running counter to Royal Decree 1514/2007, in order to present a true image of the consolidated net worth, the consolidated financial situation and the consolidated results of operations.

c) The mandatory standards approved by the Institute of Accounting and Accounts Auditing, in furtherance of the Spanish General Chart of Accounts and supplementary regulations.

d) All other applicable Spanish accounting regulations.

3.2. Bases for the preparation of the financial statements and true image

These special purpose consolidated financial statements were drawn up by the Directors of the Parent Company in accordance with the financial reporting framework applicable to the Group (Note 3.1), for the sole purpose of being included in the Offering Memorandum associated with the issuance of High Yield bonds currently in the process of analysis and development, so as to present past financial information on the Group in a grouped manner to facilitate overall comprehension and reading, for which reason this past information has been prepared in one single set of comparative financial statements corresponding to the financial years ended on 31 December 2011, 2012 and 2013.

These financial statements have been prepared in accordance with the applicable regulatory financial reporting framework, and in particular the accounting criteria and principles set out therein, so as to present a true reflection of the net worth, the financial situation of the Group at 31 December 2011, 2012 and 2013, and the results of the Group and the cash flows occurring during the corresponding financial years.

The set of attached special purpose financial statements may not be understood to have been drawn up in order to fulfil the purposes laid down in law or the corporate bylaws. In this regard, in accordance with the regulations in force in Spain, the Group drew up separately for each of the years 2011, 2012 and 2013 its annual accounts as required in the bylaws on 30 March 2012, 22 March 2013 and 10 March 2014.

In addition, although the information contained in these consolidated special purpose financial statements is derived from that contained in the mandatory consolidated annual accounts of the Group for each of the financial years, it does reveal certain differences with regard to the mandatory financial information as a result of certain re-expressions performed in order to facilitate the comparison of information between years, essentially as follows:

- The figures in the statement of cash flows for the 2012 financial year involve a reclassification of the presentation of certain items, with an effect of 9 million euros on certain captions comprising operating flows (essentially changes to circulating capital and effects on other cash flows from operational activities), with a counterpart in reclassifications under the caption “amounts collected through divestments/perimeter variations” for the same amount.
- The figures in the statement of cash flows for the 2011 financial year involve a reclassification of the presentation of certain items, with an effect of 21.9 million euros on certain captions comprising operating flows (essentially adjustments to the result and effects on other cash flows from operational activities), with a counterpart in reclassifications under the caption “amounts collected through divestments/perimeter variations” for the same amount.

As a result, the figures presented under these captions do not coincide with those drawn up for the financial years 2011 and 2012 by the aforementioned amounts. Said modifications were of little significance, and do not affect the reliability of the financial statements.

The attached special purpose consolidated financial statements were drawn up on the basis of the consolidated annual accounts, which were obtained from the accounting records of the Parent Company and of its investee companies, were presented in accordance with the regulatory financial reporting framework applicable to it, and in particular the accounting principles and criteria set out therein, so as to present a true image of the net equity, the financial situation, the results of the Group and the cash flows occurring during the corresponding financial years.

The annual accounts at 31 December 2013 of the various companies which make up Grupo Aldesa, S.A. and Subsidiaries are pending approval by the corresponding General Shareholders’

or Stockholders' Meetings. However, no modifications to them are expected to occur as a result of said approval process. These special purpuse consolidated financial statements of Grupo Aldesa, for the financial years 2013, 2012 and 2011 were formulated by the Directors of the Parent Company, in the meeting of its Board of Directors held on 7 March 2014.

3.3. Non-mandatory accounting principles applied

No non-mandatory accounting principles were applied. Furthermore, the Directors have drawn up these special purpose consolidated financial statements taking into consideration all accounting standards and principles of mandatory application with a significant impact on them. There is no accounting principle that, being mandatory, has failed to be applied.

3.4. Critical aspects of valuation and estimation of uncertainty

The preparation of the enclosed special purpose consolidated financial statements involved estimates made by the Group Directors in order to value certain assets, liabilities, revenue, expenditure and commitments recorded in the accounts. Basically, these estimates refer to:

- The assessment of possible losses from impairment of certain assets and goodwill (see Notes 5.2, 5.6, 5.8 and 5.9).
- The service life of intangible assets, property, plant and equipment and real estate investments (see Notes 5.3, 5.4 and 5.5).
- The recognition of revenue in construction contracts, and in particular the evaluation of the recoverability of works executed and in process (see Note 5.12).
- The evaluation of the recoverability of tax credits and other assets due to deferred taxes (see Note 5.11).
- Estimation of contingent liabilities (see Note 5.13).
- The hypotheses for the calculation of the fair value of the financial instruments.

In spite of the fact that these estimations are based on the best available information, at the close of the corresponding years, future events might make it necessary to modify them (upwards or downwards) in subsequent years, which would be done in a prospective way.

3.5. Comparison of information

The information included in theses special purpose consolidated financial statements and explanatory notes for financial year 2010 is presented for comparison purposes with financial year 2011.

3.6. Transition to new accounting standards during the periods concerned

On 23 December 2010, by means of the Ministry of Economy and Finances Order EHA/3362/2010, the Standards for Adaptation of the Spanish National Chart of Accounts to the public infrastructure concessionary companies. Pursuant to the transition rules established, these standards were applied prospectively from 1 January 2011. Equally, according to such standards, the Group decided to submit the comparative figures of 2010 without adapting to the new regulation, so the annual accounts of 2011 were considered initial regarding the principles of uniformity and comparability.

The new accounting standards involve, regarding that in force on 31 December 2010, important change in the accounting policies, changes in estimation, format of presentation and information to be included in the annual accounts, in relation with the agreements subject to

concession. Specifically, the main differences between the accounting criteria applied in 2010 and those applied from 2011 onwards are the following:

Reclasification of the real estate assets arisen from the concession agreements signed and of the deferred financial charge (see Notes 8 and 9)

Pursuant to the new regulations, the Group proceeded to classify the investments on the highways carried out for a net amount of 203,144 thousand euros, with the corresponding cumulative amortisation for an amount of 13,771 thousand euros and the deferred financial charge activated, on 31 December 2010, for an amount of 20,805 thousand euros, which were classified on such date under the captions "Tangible Fixed Assets" and "Long-term Accruals" of the consolidated balance sheet, respectively, under the caption "Intangible asset, concession agreements", given that the consideration that the Group receives consists of the right to charge the corresponding tariffs depending on the level of the use of the highways.

Actions on the infraestructure during the term of the agreement when this is classified as intangible fixed asset

The concession agreements can include during their validity term the following actions on the infraestructures:

- The conservation of the works, which shall motivate the acknowledgement of an expense by nature the year in which it is incurred.
- The mayor repair and renewal actions, when they are carried out regarding periods of use of more than one year, which are required regarding the elements which each one of the infrastructures must contain to continue to be suitable so as the services and activities provided by them can be properly developed. To the extent that wear or consumption of part of the infraestructures appears, this shall entail a systematic provision depending on the use of the infraestructures and up to the momento when such actions must be carried out.
- The improvements or capacity extensions which shall be treated from an accounting perspective as a new concession, the received consideration being recorded as an intangible fixed asset.

The effect of the entry into force of the new standards had no impact on the net equity of the Group.

3.7. Consolidation of entries

Certain items of the consolidated balance sheet, income statement, statement of changes in the net equity and statement of cash flows, are grouped in order to streamline their understanding, though, as far as it is relevant, the information has been included individually in the corresponding explanatory notes of the special purpose consolidated financial statements.

3.8. Elements included in various entries

There are no elements included under various entries on the consolidated balance sheet at the close of the financial year.

3.9. Changes in accounting criteria

During financial years 2013, 2012 y 2011, there have been no changes in significant accounting criteria in comparison with the criteria applied in financial year 2010.

3.10. Operations among companies within the consolidation perimeter

The most significant operations undertaken by companies within the perimeter correspond to assignment of the use of the trademark under the terms of the contract signed on 1 December 2008, in addition to the provision of services inherent in works execution and the granting of loans (see Note 5.18).

4 Distribution of Parent Company's results

The proposal for distribution of results for the financial years 2013, 2012, 2011 and 2010 were formulated by the Directors of the Parent Company and presented for approval to the General Shareholders' Meedting (except for the 2013 year, which will be presented for approval to the General Shareholders' Meeting to be held after these special purpose consolidated financial statements). The detail of said proposals is as follows (in thousand euros):

	FY 2013	FY 2012	FY 2011	FY 2010
Dividends	—	—	2,000	—
Negative results of previous years	(1,727)	(384)	735	(412)
Voluntary reserves	—	—	4,583	—
Total	(1,727)	(384)	7,318	(412)

5 Registration and valuation standards

The main recording and valuation standards used by the Company in preparing the special purpose consolidated financial statements for the financial years 2013, 2012, 2011 and 2010, in accordance with those established in the Spanish General Chart of Accounts (Plan General de Contabilidad), were the following:

5.1. Consolidation principles applied

5.1.1 Transactions among companies included within the consolidation perimeter.

The process of consolidation has eliminated balances, transactions and results among companies subject to the full integration consolidation method. In the case of proportionally integrated consolidated companies, the balances, transactions and results of operations with Group companies have been eliminated, to the proportion applicable to their integration. Results from operations among Group companies and associated companies have been eliminated to the percentage of the Group's stake in the latter. However, the margin is not eliminated in the concessions built by the Group companies as established in the Standards for Adaptation of the Spanish National Chart of Accounts to the public infrastructure concessionary companies.

5.1.2 Standardisation of entries.

In order to present in a standardised manner the various entries comprising the special purpose consolidated financial statements, all companies included within the consolidation parameter were subjected to the valuation standards and principles followed by the Parent Company. The financial statements of Group and associated companies included within the consolidation parameter refer to the same date of close and period as the special purpose consolidated financial statements.

5.1.3 Conversion of financial statements in foreign currency.

The financial statements of investee companies and subsidiaries the operating currency of which is other than the currency in which these statements are presented (the Euro), this being the case of the Mexican, Polish and Indian companies, have been converted by means of the following procedures:

- Assets and liabilities on the balance sheets are converted at the closing exchange rate on the date of the balance sheet in question.
- Revenue and expenditure under each of the results entries are converted at the average rate for the period during which they occurred.
- Capital and reserves, at historic exchange rates.

All exchange rate differences occurring as a result of the above will be recognised as a separate component of the net assets, within the section "Value change adjustments" entitled "Translation differences" of the attached consolidated balance sheet.

5.2. Goodwill and business combinations

The acquisition by the Parent Company of control over a subsidiary constitutes a business combination which is subject to the acquisition method. In subsequent consolidations, the elimination of the investment-net worth of subsidiaries will be performed in general on the basis of the values which result from application of the acquisition method described below on the date of control.

Business combinations are accounted for by applying the acquisition method, for which the acquisition date is established and the combination cost calculated, with the identifiable assets acquired and the liabilities assumed being recorded at their fair value with regard to this date.

Goodwill, or the negative difference from the combination, is established as the difference between the fair values of the assets acquired and liabilities assumed and recorded, and the cost of the combination, all the above with reference to the date of acquisition.

The cost of the combination is established as the sum of:

- The fair values on the date of acquisition of the assets transferred, the liabilities incurred or assumed and the equity instruments issued.
- The fair value of any contingent consideration dependent on future events or the fulfilment of preestablished conditions.

The combination cost does not include expenses connected with the issuance of equity instruments or of financial liabilities handed over in exchange for the elements acquired. Likewise, since 1 January 2010 the cost of combination has also excluded the fees paid to legal consultants or other professionals involved in the combination, along with the expenses generated internally in this regard. These sums are imputed directly in the income statement.

If a combination of businesses is performed in stages, such that prior to the date of acquisition (the date of assumption of control) there was a prior investment, the Goodwill or negative difference is established as the difference between:

- The cost of the business combination, plus the fair value on the date of acquisition of any prior stake by the acquiring company in that acquired, and,
- The value of the identifiable assets acquired, less that of the liabilities assumed, established in accordance with the method set out above.

Any profit or loss arising as a result of valuation at fair value on the date when control is obtained of the prior stake which was held in the acquired company will be recognised in the consolidated income statement. If prior to the investment in the investee this was valued at its fair value, the valuation adjustment pending imputation to the result for the financial year will be transferred to the consolidated income statement. It is otherwise assumed that the cost of the business combination provides the best reference in estimating the fair value on the date of acquisition of any prior stake.

Goodwill arising in the acquisition of companies with an operational currency other than the Euro is valued in the operational currency of the company acquired, with conversion to euros being performed at the exchange rate in force on the date of the balance sheet.

Goodwill is not amortised, and is subsequently valued at its cost less value impairment losses. Impairment valuation corrections recognised in the goodwill are not subject to reversal in subsequent financial years.

In the exceptional circumstances that a negative difference arises in the combination, this is imputed to the consolidated income statement as revenue.

If on the date of close of the financial year when the combination occurs the valuation processes required in order to apply the acquisition method described above can not be concluded, then the accounts will be deemed provisional, with the potential that these provisional values may be adjusted during the period required in order to obtain the necessary information, which may in no cases be greater than one year. The effects of adjustments performed during this period are accounted for on a retroactive basis, modifying the comparative information where necessary.

Subsequent changes in the fair value of the contingent consideration are adjusted against results, unless the consideration was classified as equity, in which case subsequent changes to the fair value are not recognised.

5.3. Intangible fixed assets

As a general rule, intangible fixed assets are valued initially at their acquisition price or production cost. Subsequently, they are valued at their cost reduced of the corresponding accumulated amortisation and, if applicable, of the loss from impairment experienced. Said assets are depreciated in accordance to their useful life.

5.3.1 Research and development costs:

The group adopts the principle of recording in the consolidated income statement any research expenditure which it incurs over the course of the financial year. With regard to development costs, they are activated if the following conditions are met:

- They are specifically individualised by project, and their cost can be clearly established.
- There is a reasonable basis to believe in the technical success and economic/commercial profitability of the project.

The assets thus generated are amortised on a straight-line basis over the course of their service life (with a maximum limit of 5 years).

If, after activation, there are doubts as to the technical success or economic profitability of the project the sums recorded under the asset are imputed directly to the consolidated income statement for the financial year.

5.3.2 IT applications

The Group records under this account the costs incurred in the acquisition and development of computer programs, including the costs of development of websites, amortising these on a straight-line basis over the course of their service life, estimated at between three and five years. Maintenance costs are recorded in the consolidated income statement of the year in which they are incurred.

5.3.3 Concessions, patents and trade marks

This caption registers mainly the capital gains paid in the acquisition of the energy businesses (wind and photovoltaic farms) held by the Group. These costs are amortised on a straight-line basis over the estimated period during which contributions will be made to the Group's results (25 years on average).

5.3.4 Intangible assets, concession agreements

This caption records investments in motorways and sets out the investment which is in operation, including the total cost incurred in execution of the works by way of construction of works and installations, studies and projects, expropriations, management and administrative costs for works, in addition to interest on the finance dedicated to funding construction thereof, up until the operational start-up of the toll motorways (see Note 8). These concessions are subject to demand risk.

The Group amortises the investment in the motorways on a straight-line basis in accordance with the lifespan of the public authority concession.

In accordance with the concession contract, the Group maintains replacement obligations throughout the concession period. In this regard the Group proceeds to identify the current value of the future disbursement, proceeding to endow provisions linked to this in the period prior to replacement, supplementing this with the recording of financial costs based on the financial discounting effect.

5.3.5 Deferred financial charge

From the point of operational start-up, and in accordance with the Standards for Adaptation of the Spanish General Chart of Accounts for public infrastructure concession companies, approved by means of Order of the Ministry of Economy and Finance EHA/3362/2010, of 23 December 2010, financial expenses for the financial year are imputed to results in proportion to the operating revenue forecast in the Economic/Financial Plan of the concession companies, with the difference being activated on the basis that the future revenue assumed in the plan will allow these expenses to be recovered.

With regard to forecast revenue, the proportion represented for each financial year of operating revenue out of the total is established. This proportion is applied to the total financial expenses forecast during the concession period in order to establish the sum thereof to be imputed in each financial year as the financial expense for the financial year.

The difference between the total financial expenses corresponding to the financial year and the financial expenses imputed to the income statement is activated as deferred financial expenses under the caption "Intangible assets, concession agreements" on the consolidated balance sheet appended.

This caption sets out the deferred financial charge resulting from the financing of the companies Concesionaria Autopista del Sureste, S.A. de C.V. and Autopista de La Mancha Concesionaria Española S.A. which is not imputable as an increase in the value of the investment. The cumulative balance in this regard at 31 December 2013 amounted to 79,454 thousand euros, 66,373 thousand euros in 2012, 47,379 thousand euros in 2011 and 20,805 thousand euros in 2010 (see Note 8).

5.4. Property, plant and equipment

Property, Plant and Equipment are initially valued by their acquisition price or production cost, and subsequently reduced by the corresponding accumulated depreciation and impairment losses, if any, according to the criteria exposed in Note 5.6.

Conservation and maintenance expenses for the various elements comprising Property, Plant and Equipment are charged against the consolidated income statement of the financial year in which they are incurred. On the contrary, any amounts invested in improvements intended to increase capacity or efficiency or to extend the useful life of any such assets are registered as a higher cost of the same.

For those fixed assets which need a period longer than one year to be in conditions of use, capitalised costs include financial costs accrued during the period needed by the asset to be in conditions of use and which have been issued by the supplier or relating to loans or to some other kind of external financing, directly attributed to the acquisition or manufacture thereof (see Note 9).

Tasks performed by the Group for its own fixed assets are recorded at the cumulative cost resulting from addition of external costs and internal costs, established in accordance with the inherent consumption of materials, direct manpower involved and general manufacturing costs, calculated in accordance with absorption rates which are similar to those applied for the purpose of stock valuation.

The Group depreciates its tangible fixed assets applying the straight-line method, using annual depreciation percentages calculated on the basis of estimated useful life of the respective assets, according to the detail set out below:

	Amortisation percentage
Buildings	2% - 3%
Technical facilities	5% - 30%
Machinery	5% - 30%
Transport elements	8% - 40%
Other fixed assets	10% - 25%

In addition, the energy assets included under the Buildings section are lineally amortised during an average period of 25 years.

5.5. Real estate investments

The real estate investment caption on the balance sheet sets out the values of land, buildings and other constructions which are maintained either to be operated on a lease basis, or otherwise to derive gains through the sale thereof as a result of increases occurring in the future in their respective market prices.

These assets are registered in accordance with the criteria set out in Note 5.4 regarding property, plant and equipment.

The real estate investments are presented at the cost reduced, if relevant, by the necessary impairment, obtained from valuations performed by independent third parties, in order to reduce them to their estimated execution value. Note 10 specifies the main methods used by these experts to establish the fair value.

5.6. Value impairment of intangible assets, property, plant and equipment and goodwill

At the close of each financial year (in the case of goodwill) or wherever there is evidence of a loss in value (for other assets), the Group proceeds to estimate, by means of the so-called "Impairment Test" the possible existence of value losses which would reduce the recoverable value of the assets in question to a sum lower than their book value.

Recoverable value is determined as the higher amount between the fair value less sales cost and the value in use.

The procedure implemented by Group Management in order to perform this test is as follows:

- Recoverable values are calculated for each cash generating unit, although in the case of tangible fixed assets, wherever possible, impairment calculations are performed element by element, on an individual basis.
- The Management each year prepares for each cash-generating unit a business plan based on markets and activities, generally covering a timeframe of five financial years. The main components of this plan are:
    - Projected results.
    - Projected investments and working capital.

Other variables which influence the calculation of the recoverable value are:

- Discount rate to be applied, understood as the weighted average of the cost of capital, with the main variables influencing calculation thereof being the cost of the liabilities and the specific risks of the assets.

- Rate of increase in cash flows employed to extrapolate the cash flow projections beyond the period covered by the budgets or forecasts.

The projections are prepared on the basis of past experience and in accordance with the best estimates available, which are consistent with information from outside.

Should it prove necessary to recognise an impairment loss at a cash-generating unit to which all or part of an item of goodwill was allocated, the book value of the goodwill corresponding to that unit is first reduced. If the impairment is in excess of this sum, a reduction is secondly applied, in proportion to their book value, to all other assets of the cash-generating unit, up to a limit of whichever is the greatest of the following values: its fair value less the sales cost, its value in use and zero.

If a value impairment loss is subsequently reversed (a circumstance which is not permitted in the specific case of goodwill), the book value of the asset or the cash generating unit is increased in accordance with the revised estimate of its recoverable value, although in such a way as to ensure that the increased book value is not in excess of the book value which the asset would have had, had no impairment loss been recognised in previous financial years. This reversal of a value impairment loss is recognised as revenue in the income statement.

5.7. Leases

Leases are classified as financial leases as long as from their terms and conditions it ensues that risks and benefits inherent to the ownership of the asset object of the contract are substantially transferred to the Lessee. All other leases are classified as operational leases.

5.7.1 Financial lease

On those financial leasing operations where the Group acts as the lessee, the cost of the leased assets is included in the consolidated balance sheet in accordance with the nature of the asset covered by the contract, and simultaneously as a liability for the same sum. This sum will be whichever is the lesser of the fair value of the leased asset and the current value at the outset of the lease of the minimum agreed sums, including the purchase option, where there is no reasonable doubt that this will be exercised. The calculation does not include contingent payments, the cost of services or any taxes charged by the lessor. The total financial charge is attributed to the consolidated income statement for the financial year when it accrues, applying the effective interest rate method. Contingent payments are recognised as an expense in financial year in which they are incurred.

Assets registered under this type of operation are amortised in accordance with the same criteria as those applied to property, plant and equipment as a whole, in accordance with their nature.

5.7.2 Operational leases

The costs and revenue derived from operational lease agreements are charged to the consolidated income statement in the financial year when they accrue.

Likewise, if the Group acts as lessor then the cost of acquiring the assets leased is set out on the consolidated balance sheet in accordance with the nature thereof, increased by the sum of the contract costs which are directly attributable, which are recognised as an expense during the period of the contract, with the same criterion employed as for the recognition of the lease revenue.

Any payment made or received upon arrangement of an operational lease will be dealt with as an advance payment or receipt attributed to results over the period of the lease, as the profits from the leased asset are transferred or received.

5.8. Financial instruments

5.8.1 Financial assets

The financial assets held by the Group are classified into the following categories:

a) Loans and items receivable: financial assets which have been originated from sale of assets or provision of services from trade operations of the Group and that, not having a commercial origin, they are not equity instruments or derivatives and which generate collections for a fixed or determined amount and are not negotiated in an active market.b) Investments held until maturity: securities representing debt, with a fixed maturity date and a sum of receipts which can be established, which are traded on an active market and regarding which the Company has declared its intention and capacity to maintain possession thereof up until their maturity.

c) Other current and non-current financial assets: this caption includes long- and short-term loans granted, bonds, deposits and other financial assets.

Initial valuation

Financial assets are initially recorded at fair value of the consideration paid plus directly attributable transaction costs.

Subsequent valuation

Loans, items receivable and investments held to maturity are valued at their amortised cost.

At least at the close of year, the Group applies an impairment test to its financial assets. It is considered that there is objective impairment evidence if the recoverable value of the financial asset is below its book value. When this happens, impairment is recorded in the consolidated income statement.

In particular, with regard to evaluation corrections concerning trade receivables and other accounts receivable, these will be recorded in accordance with the risk of possible insolvency regarding the collection of the assets, taking into consideration both the age of the debt and the solvency of the debtor.

The Group will deregister financial assets whenever the contractual rights on cash-flow of the corresponding financial asset cease or are assigned and the risks and profits inherent to their ownership have been substantially transferred, as in the case of a firm asset sales, business credits assignments in factoring transactions where the company does not withhold any credit nor interest risk, the sale of financial assets with a buyback agreement at their fair value or the securisation of financial assets where the assigning company does not withhold subordinated funding nor does it assign any kind of guarantee nor assume any other kind of risk.

Meanwhile, the Group does not deregister financial assets, and recognises a financial liability for a sum equal to the consideration received, in assignments of financial assets where the risks and benefits inherent in ownership thereof are substantially retained, such as the discounting of commercial paper, factoring with recourse, sales of financial assets with agreements to repurchase at a fixed price or the sale price plus interest and securitisations of financial assets where the assigning company retains subordinate finance or some other form of guarantees which would substantially absorb all expected losses.

5.8.2 Financial liabilities

Financial liabilities are those debits and accounts payable of the Group originated in the acquisition of assets and services from trade operations of the company and those which, not having a commercial origin, cannot be considered as derivative financial instruments.

Debits and accounts payable are initially valued at the fair value of the consideration received, adjusted with the directly attributed transaction costs. These liabilities are subsequently valued at their depreciated cost.

The Group deregisters financial liabilities when the obligations generating them are extinguished.

5.8.3 Derivative financial instruments

The Group employs derivative financial instruments to hedge against those risks to which it is exposed in its activities, operations and future cash flows. These risks are essentially changes in exchange rates and interest rates, for which the Group arranges derivative financial hedging instruments.

In order for these financial instruments to be classifiable in the accounts as hedges, they must initially be designated as such, with the hedging relationship being documented. The Group likewise verifies, initially and periodically throughout the lifespan (and at least at each accounting close), that the hedging relationship is effective, in other words that it may foreseeably be expected that the changes in the fair value or cash flows of the item hedged (attributable to the risk hedged) will almost fully be compensated for by means of those in the hedging instrument, and that retrospectively the outcome of the hedge will have oscillated within a variation range of 80%-125% with regard to the outcome of the item hedged.

The Group applies the following types of hedge, which are accounted for in the manner described below:

a) Cash flow hedges: in this type of hedge, the part of the gain or loss in the hedging instrument established as effective cover is temporarily recognised in the consolidated net worth, being accounted for in the consolidated income statement for the same period during which the element being hedged affects the result, unless the hedge corresponds to a planned transaction concluding with recognition of a non-financial asset or liability, in which case the sums recorded in the net worth will not be included in the cost of the asset or liability when acquired or assumed.

The accounting for hedges is interrupted when the hedging instrument matures, or is sold, finalised or exercised, or no longer fulfils the criteria for hedge accounting. At this point, any cumulative profit or loss corresponding to the hedging instrument and recorded in the net worth is maintained within the net worth until the planned operation occurs. If the operation which is being hedged is not expected to occur, the cumulative net losses or profits recognised in the net worth are transferred to the net results for the period.

5.9. Stock

This essentially corresponds to land and real estate development intended for sale. Land and plots are valued at their price of acquisition, increased by any urban development costs, in addition to other expenses connected with the purchase (stamp duty, registration costs, etc.) and the financial costs derived from financing during execution of the works, or the recoverable value thereof, if lower.

Works in progress include the costs incurred in real estate developments, or a part thereof, where construction has not been completed by the date of close of the financial year. At the end of the financial year the cost corresponding to those real estate developments construction of which was completed during the financial year is transferred from “Products in progress” to “Finished products”. These costs include those corresponding to the land, urban development and construction, in addition to those associated with financing, provided that the necessary conditions for this are fulfilled.

The cost of the land and plots, the ongoing works, and the completed developments is reduced to its net execution value registering, if required, the loss due to the corresponding impairment

in accordance with the valuations performed by independent third parties. Note 13 specifies the main methods used by these experts to establish the fair value.

In the construction activity, supplies correspond mainly to building materials in the works in progress and are valuated at their acquisition cost, and the products pending incorporation to the work activity are activated at their production cost.

5.10. Transactions in foreign currency

The operational currency employed by the Group is the Euro. As a result, operations in currencies other than the Euro are considered to be denominated in a foreign currency and are recorded in accordance with the exchange rate in force on the dates of the transactions.

At the close of the financial year, monetary assets and liabilities denominated in foreign currency are converted by applying the exchange rate on the date of the consolidated balance sheet. Any profits or losses which may come to light are directly attributed to the consolidated income statement for the financial year when they occur.

5.11. Profits tax

The expenses corresponding to corporate tax include the part relating to the expenses or income on the current taxes and that relating to the expense or income for deferred taxes.

Current tax is the sum which the Group pays as a result of tax settlements for profits tax for a financial year. Tax deductions and other tax benefits on the net tax liability, excluding withholdings and payments on account, as well as tax loss carry-forwards from prior years applied on the current year, give rise to a lower amount of current tax.

Expenses or income from deferred taxes correspond to the recognition and set-off of deferred tax assets and liabilities. These include interim differences identified as those amounts foreseen as payable or recoverable by the differences between the amounts in books of assets and liabilities at their tax value, as well as the negative tax bases pending compensation and credits from non-applied tax deductions. Said amounts are recorded by applying to the relevant temporary difference or credit, the tax rate at which they are expected to be liquidated or recovered.

Liabilities are recognised on the basis of deferred taxes for all temporary tax differences, except those derived from the initial recognition of goodwill or from other assets and liabilities in an operation affecting neither the tax result nor the book result, and where there is no combination of businesses.

Meanwhile, assets through deferred tax are only recognised if it is considered probable that the Group will have future taxable gains against which to apply them.

Likewise, at the consolidated level any differences which may exist between the consolidated value of an investee and its tax base are considered. In general these differences arise out of the cumulative results generated since the date of acquisition of the investee, tax deductions associated with the investment and the conversion difference, in the event that the investees have an operational currency other than the Euro. Deferred tax assets and liabilities derived from these differences are recognised unless, in the case of taxable differences, the investor can control the point at which the difference is reversed, and in the case of deductible differences if it is expected that the difference will reverse in a foreseeable future and it is likely that the company will have sufficient future taxable profits.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in net equity.

On each balance date, the deferred tax assets recognised are reviewed and appropriate adjustments are made to them, insofar as any doubts exist as to their future recoverability. Likewise, on each balance date any deferred tax assets not recognised in the balance sheet are

assessed and these are recognised insofar as they have become likely to be recovered against future taxable profits.

The Parent Company and the other companies of the Group complying with the requirements to take part in tax consolidation have, since 2008, belonged to Consolidated Tax Group 435/08, headed by Grupo Aldesa S.A.

5.12. Revenue and expenses

As a general rule, revenue and expenses are recognised on an accruals basis, i.e. when the actual flow of the related goods and services they represent occurs, regardless of when the resulting monetary or financial flow arises.

For construction operations, the Group follows a procedure of recognising in each year as the result of its works the difference between production (sale price value of the works executed during that period, as covered by the main contracts signed with the owner or any modifications or additions thereto approved by the owner, or any works executed regarding which although no approval yet exists there is reasonable certainty as to the sum invoiced) and the costs incurred during the financial year.

The difference between the production cost at source for each of the works and the sum certified for each, up to the date of close of the special purpose consolidated financial statements, is set out in the account "Works executed and pending certification" under the caption for "Trade debtors and other accounts receivable—Clients through sales and services provided", or the account for "Advances received as a result of works certified and pending execution" included under the caption "Client advances", as applicable.

The costs incurred for the execution of works are imputed as they arise.

With regard to sales of real estate developments, the Group applies the criterion of recognising sales and the cost thereof when the properties are handed over. The sum collected or processed as a result of contracts formalised up to the date of close of the financial year where handover has not occurred is included under the liabilities on the attached balance sheet under the caption "Client advances".

As for revenue through services provided, this is recognised in accordance with the degree of execution of the service provided at the date of the balance sheet, provided that the outcome of the transaction can be reliably estimated.

Interest received on financial assets is recognised by application of the effective interest rate method.

5.13. Provisions and contingencies

In drawing up the special purpose consolidated financial statements, the Parent Company Directors draw a distinction between:

a) Provisions: credit balances which cover current obligations derived from past events, payment of which probably implies the employment of resources, but undetermined regarding their amount and/or moment of cancellation.

b) Contingent liabilities: these are possible obligations arising as a result of past events, the materialisation of which is conditional upon one or more future events beyond the control of the Group, and which may or may not occur.

The special purpose consolidated financial statements include all provisions with respect of which it is estimated more likely than not that the relevant liability will need to be met. Contingent liabilities are not recognised in the special purpose consolidated financial statements, although information in this regard is provided in the explanatory notes, to the extent that they are not viewed as remote.

Provisions for completion of works are recorded in order to cover expenses resulting from compensation upon conclusion of the works, for the sum of the costs which it is estimated will be incurred from conclusion of the works up until final settlement thereof, along with any other works maintenance expenses during the warranty period, removal of materials from the site and disassembly of installations and settlement expenses. As applicable, provisions are included to cover for estimated losses on non-completed works. Provisions for personnel following conclusion of works are recorded under the "Personnel" caption included under the current liabilities of the attached consolidated balance sheet.

Provisions are valued in accordance with the present value of the best possible estimate of the sum required in order to settle or transfer the obligation, taking into consideration the information available regarding the event and its consequences, with any adjustments arising as a result of the updating of such provisions being recorded as a financial cost as it progressively accrues.

By virtue of sectoral adaptation (Order EHA/3362/2010, of 23 December 2010), the Group has endowed provisions for future replacement operations and major repairs which will be required with regard to those elements required by infrastructure in order to maintain their fitness for service and operation, allowing them properly to be fulfilled. This provision is endowed systematically in accordance with usage of the infrastructure and up until the point at which such operations are to be performed.

5.14. Compensation for redundancy

In accordance with the employment legislation in force, the Group is obliged to pay compensation to employees who are made redundant without just cause. The Directors of the Parent Company were not, aware of any extraordinary situations at 31 December 2013, as was the case at the close of the 2012 and 2011 financial years, involving the dismissal of permanent staff in the future, and as a result the special purpose consolidated financial statements do not include any form of provision in this regard.

Meanwhile, the Group records under the caption "Personnel" on the attached consolidated balance sheet, at 31 December 2013, provisions of a sum sufficient in order to cover, in accordance with the legal provisions, the cost of terminating temporary works personnel contracts. In the same way, provisions for this item were included in financial years 2012 and 2011.

5.15. Asset elements of an environmental nature

Environmental assets are classified as those goods which are used on a lasting basis within the Group's operations the main purpose of which is minimisation of environmental impact and protection and improvement of the environment, including the reduction or elimination of future pollution.

Given the nature of the Group's operations, it has no significant environmental impact.

5.16. Subsidies, donations and bequests

In accounting for subsidies, donations and bequests received from third parties other than owners, the group adopts the following principles:

a) Non-reimbursable capital bequests, donations and subsidies: they are valued at the fair value of the sum or the asset granted, depending on whether they monetary in nature or not, and are imputed to results in proportion to the amortisation provision made over the period for subsidised elements or, where applicable, when they are disposed of or an impairment evaluation correction applied.

b) Re-imbursable subsidies: these are accounted for as liabilities for as long as they have repayable status.

c) Operating subsidies: these are credited to results at the time when they are granted, unless they are intended to finance operating deficits from future financial years, in which case they will be allocated to those financial years. If they are granted to finance specific costs, they will be allocated as the costs financed accrue.

Meanwhile, subsidies, donations and bequests received from shareholders or owners do not constitute revenue, but must be directly recorded under shareholder equity, irrespective of the type of subsidy in question, provided that it is non-refundable.

5.17. Joint businesses

The Group accounts for its investments in Temporary Joint Ventures ("UTEs") by recording on its balance sheet the proportional part corresponding to it in accordance with its percentage stake in the assets jointly controlled and the liabilities jointly incurred. On the other hand, in the income statement, the part corresponding to generated income and incurred expenses by the joint business. Likewise, the statement of changes in net equity and the statement of cash flows incorporate the proportional part of the sums of the items of the joint business as applicable. Meanwhile, reciprocal balances and transactions are eliminated prior to standardisation of valuation.

5.18. Transactions with related companies

The Group undertakes all operations with related companies at market values. In addition, the prices of transfer are borne appropriately, and the Group Directors do not therefore believe there are any significant risks in this regard of any substantial liabilities arising in the future.

5.19. Current and non-current entries

Current assets are classified as those associated with the normal operations cycle, which is in general considered to be one year, along with those other assets the maturity, disposal or realisation of which is expected to occur in the short term following the date of close of the financial year, financial assets held for trading, except for financial derivatives where the settlement period is greater than one year, and cash and other equivalent liquid assets. Assets which do not comply with these requirements are classified as non-current.

Likewise, current liabilities are those associated with the normal operational cycle, financial liabilities held for trading, except for financial derivatives the liquidation period of which is in excess of one year and, in general, all obligations the maturity or cancellation of which will occur in the short term. They are otherwise classified as non-current.

5.20. Consolidated cash flow statement

In the cash flow statement, drawn up in accordance with the indirect method, the following expressions are used with the following meanings:

- Cash flows: money incoming and outgoing in cash and equivalents, these being understood as alterations in the value of highly liquid short-term investments.
- Operating activities: the organisation's standard activities, along with other activities which cannot be classified as investment or financing activities.
- Investment activities: investment activities are those relating to the acquisition, transfer or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: Financing activities are those activities generating changes in the size and composition of the consolidated Net worth and the liabilities not forming part of operating activities.

6 Changes in percentage stakes in Group companies

6.1. With no change in control

No change in the percentage stakes with no change in control of Group companies has taken place in the financial years 2013, 2012, 2011 and 2010.

Financial year 2013

No change in the percentage stakes with no change in control of Group companies has taken place in the financial year 2013.

Financial year 2012

On 5 July 2012, Aldesa Construcciones, S.A. acquired from Compañía Española de Financiación del Desarrollo, COFIDES, S.A., 1,657,436 variable capital B shares representing 19.12% of the capital stock of the company named Concesionaria de Autopistas del Sureste, S.A. de C.V. for a sum of 11,506 thousand euros (see Note **18.1**.f). The price of this purchase was paid upon signature and the percentage held by Aldesa Construcciones, S.A. following the operation amounted to 83.75%.

Likewise, on 5 July 2012 a reduction in the capital stock of the subsidiary Concesionaria de Autopistas del Sureste, S.A. de C.V. was agreed by means of a resolution passed by the Shareholders. Said reduction in capital was performed by means of the cancellation of 4,685,872 named shares, of series B, of a par value of 100 pesos each. Aldesa Construcciones, S.A. has received the sum of 468,597 thousand pesos (28,293 thousand euros) as a result of this capital reduction. The percentage stake held by Aldesa Construcciones, S.A. following the operation amounts to 64.63%.

The effect on the net worth of these transactions was not significant in financial year 2012.

Financial year 2011

No change in the percentage stakes with no change in control of Group companies has taken place in the financial year 2013

Financial year 2010

On 30 March, 2010, the subsidiary Pebian Inversiones S.L.U. acquired the 9.35% of the share capital of Construcciones Pai, S.A. for the price of 1,290 thousand euros. Such price was paid in the 2010 financial year. Pursuant to the accounting standards in force, the impacts of this purchase transaction were accounted in equity and the goodwill on consolidation amount was not modified, since no change in control took place. The variation in the consolidation reserves arisen from this transaction on the date of the operation was the following:

Thousands of euros	
Amount recognized as Outside Interests for 9.35%	902
Consideration delivered for the purchase of 9.35% of the company Construcciones Pai, S.A.	(1,290)
Variation in reserve assets	**(388)**

On 26 July 2010, Aldesa Construcciones, S.A acquired 20% of the share capital of the Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U. to the minority shareholders Antonio Macías Sánchez and Bam Gestión y Administración de Empresas, S.L. for a price of 4,312 thousand euros. Such price was paid by means of a compensation of the amounts due between purchasers and sellers.

Pursuant to the accounting standards in force, the impacts of this purchase transaction without change in control were accounted in equity and the goodwill on consolidation amount was not

modified. The variation in the consolidation reserves arisen from this transaction on the date of the operation was the following:

Thousand euros	
Amount recognized as Outside Interests for 20%	7,400
Consideration delivered for the purchase 20% of the company Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.	(4,312)
Variation in reserve assets	**3,088**

6.2. With change in control

The transactions involving changes in the percentage stakes with change of control in the financial years 2013, 2012, 2011 and 2010 ar the following:

Financial year 2013

No change in the percentage stakes with change in control of Group companies has taken place in the financial year 2013.

Financial year 2012

On 11 April 2012, resolutions passed by the company Águilas Residencial, S.A. were recorded in a public deed, approving the reallocation of assets and liabilities among its shareholders, following which Aldesa Construcciones, S.A. and Aldesa Home, S.L. acquired the shares of the shareholder Ditrevila, S.A., representing 20% of the capital stock of the company, for a sum of one euro. Likewise, on that same date a reduction in capital amounting to 720 thousand euros was agreed, by means of the acquisition and subsequent amortisation by Águilas Residencial, S.A. itself of the shares held by Administrador de Infraestructuras Ferroviarias (ADIF). Following this operation, the Aldesa Group held 100% of Águilas Residencial, S.A., through Aldesa Construcciones, S.A. (50%) and Aldesa Home, S.L. (50%), with consolidation subsequently performed by full integration. This had no significant impact on equity.

Financial year 2011

On 17 June 2011 a public deed was executed recording the resolutions of the company Inarenas Proyectos Inmobiliarios, S.A., agreeing a capital reduction amounting to 360 thousand euros by means of the acquisition and subsequent amortisation by Inarenas Proyectos Inmobiliarios, S.A. itself of the shares held by the shareholder Administrador de Infraestructuras Ferroviarias (Adif). Following this operation, the Aldesa Group held 100% of Inarenas Proyectos Inmobiliarios, S.A., through Aldesa Construcciones, S.A. (50%) and Aldesa Home, S.L. (50%), with consolidation subsequently performed by full integration. This had no significant impact on equity.

Financial year 2010

19 January 2010 saw the consummation of the sale to NIBC European Infraestructure Fund (NIBC Infrastructure Partners) and Ampere Equity Fund (Triodos Bank) of 49% of the Group's solar business portfolio, concentrated at the company Enersol Solar Santa Lucía, S.L. Together with the sale of 49% of the capital stock, 49% of the loans which the Aldesa Group had granted to Enersol Solar Santa Lucía, S.L. were sold. The total amount of this operation (shares and loans) amounted to 41,047 thousand euros, this amount being collected in full in January 2010. The operation generated in 2010 a loss of 1,268 thousand euros, recorded under the caption "Results through disposals and others" on the attached consolidated income statement for the 2010 financial year. The operation included a purchase option in favour of NIBC and Ampere, for two years, over the remaining 51% retained by the Aldesa Group, which had not been exercised by its expiry.

7 Goodwill through consolidation

The movement in this caption of the consolidated balance sheet for the 2013, 2012, 2011 and 2010 financial years was as follows:

Thousand of euros	Balance 31.12.2009	Impairment	Balance 31.12.2010	Impairment	Balance 31.12.2011	Impairment	Balance 31.12.2012	Impairment	Perimeter variation	Balance 31.12.2013
Full integration:										
Coalvi, S.A.	2,544	—	2,544	—	2,544	—	2,544	—	—	2,544
GTT Ingeniería y Tratamiento de Aguas, S.A.	2,203	—	2,203	(2,203)	—	—	—	—	—	—
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U.	14,636	—	14,636	—	14,636	—	14,636	—	—	14,636
Pebian Inversiones, S.L.U. (Construcciones PAI, S.A.)	15,377	—	15,377	(250)	15,127	—	15,127	—	—	15,127
Aeronaval de Construcciones e Instalaciones, S.A.U.	10,350	—	10,350	—	10,350	—	10,350	—	—	10,350
Ingeniería Geotécnica, S.A.U.	2,006	(2,006)	—	—	—	—	—	—	—	—
Aldesa Servicios y Mantenimiento, S.A.	10,112	—	10,112	(750)	9,362	(3,000)	6,362	—	(6,362)	—
Total	**57,228**	**(2,006)**	**55,222**	**(3,203)**	**52,019**	**(3,000)**	**49,019**	**—**	**(6,362)**	**42,657**

At the close of the 2013, 2012, 2011 and 2010 financial years, the Group assessed the recovery of goodwill, in accordance with the methodology described in Note 5.6.

The main movements registered under this caption in financial years 2013, 2012, 2011 and 2010 are as follows:

Financial year 2013

On 25 September 2013 the purchase and sale agreement by which Aldesa Construcciones, S.A. and Grupo Aldesa, S.A. sold 100% of their share in Aldesa Servicios y Mantenimiento, S.A. was filed as public deed. As a result of this sale, it has been deregistered through the caption "Impairment and profit(loss) through disposal of financial instruments" from the consolidated income statement appended, with the total goodwill registered in the Group for this company for the amount of 6,362 thousand euros. The Group has registered a negative result of 4,507 thousand euros for this operation (see note 2.4).

The main goodwills are assigned to the Cash-Generating Units constituting the industrial unit (Aeronaval de Construcciones e Instalaciones, S.A.U. and Agrupación de Empresas Automatismos, Montajes y Servicios, S.L.U.) and to the building activity (Construcciones PAI, S.A.), which were generated in the purchase of said companies.

The main hypotheses used in 2013 to calculate the recoverable value during the finanial year 2013 were the following:

- Discount rate: it has been of 7% after tax.
- Perpetual growth rate: it has been of 1.5%.
- The sales and EBITDAs for the 5-year business business plans for the corresponding Cash-Generating Units were calculated. The Directors of the Parent Company believe, in accordance with the available estimates and projections, that the forecasts attributable to the Group as a result of the various cash-generating units justify the recovery of the net value of the goodwill recorded.

Financial year 2012

At 31 December 2012 the Group held, in accordance with the results of the analysis performed, that the goodwill assigned to the cash-generating unit "Aldesa Servicios y Mantenimiento, S.A." had been impaired by a sum of 3,000 thousand euros, approximately, with this impairment consequently being recognised under the caption "Impairments and losses" on the consolidated income statement for the 2012 financial year (see Note **21.7**).

Financial year 2011

At 31 December 2011 the Group held, in accordance with the results of the analysis performed, that the goodwill assigned to the cash-generating units "GTT Ingeniería y Tratamiento de Aguas, S.A.", "Pebian Inversiones, S.L.U." and "Aldesa Servicios y Mantenimiento, S.A.", had been impaired by sums of 2,203 thousand euros, 250 thousand euros and 750 thousand euros, respectively, with this impairment consequently been recognised under the caption "Impairments and losses" on the consolidated income statement for the 2011 financial year.

Financial year 2010

At 31 December 2010 the Group held, in accordance with the results of the analysis performed, that the goodwill assigned to the cash-generating units "Ingeniería Geotécnica, S.A.U." had been impaired by a sum of 2,006 thousand euros, with this impairment consequently been recognised under the caption "Impairments and losses" on the consolidated income statement for the 2010 financial year.

8 Intangible fixed assets

The movement in this caption of the attached balance sheet for the 2013, 2012, 2011 and 2010 financial years was as follows:

- *2009 - 2011*

Cost Thousand euros	31.12.2009	Perimeter variations	Inclusions	Exclusions	31.12.2010	Perimeter variations	Translation differences	Inclusions	Transfers (Notes 3.5 and 9)	Exclusions	31.12.2011
Development	2,602	—	1,894	(1)	4,495	—	—	935	—	(32)	5,398
Concessions, patents and trade marks	144,016	(24,958)	13	(1)	119,070	(26,318)	—	—	—	—	92,752
Intangible assets, concession agreements	—	—	—	—	—	—	(15,052)	9,715	199,774	—	194,437
Deferred financial charge	—	—	—	—	—	—	(1,719)	28,293	20,805	—	47,379
IT Applications	4,250	—	189	(116)	4,323	—	—	159	—	—	4,482
Gaz emissions rights	1,208	(1,208)	—	—	—	—	—	—	—	—	—
Client portfolio	1,743	—	—	—	1,743	—	—	—	—	(1,743)	—
Other intangible assets	36	—	—	(36)	—	—	—	5,511	3,370	—	8,881
Total cost	**153,855**	**(26,166)**	**2,096**	**(154)**	**129,631**	**(26,318)**	**(16,771)**	**44,613**	**223,949**	**(1,775)**	**353,329**

Amortisation Thousand euros	31.12.2009	Perimeter variations	Inclusions	Exclusions	31.12.2010	Variaciones del perímetro	Translation differences	Inclusions	Transfers (Notes 3.5 and 9)	Exclusions	31.12.2011
Development	(2,532)	—	(1,874)	—	(4,406)	—	—	(949)	—	32	(5,323)
Concessions, patents and trade marks	(6,456)	2,277	(2,087)	—	(6,266)	—	—	(7,461)	—	—	(13,727)
Intangible assets, concession agreements	—	—	—	—	—	—	1,010	(7,234)	(13,771)	—	(19,995)
IT Applications	(2,350)	—	(770)	—	(3,120)	—	—	(416)	—	—	(3,536)
Gaz emissions rights	(187)	198	(11)	—	—	—	—	—	—	—	—
Client portfolio	(1,718)	—	(25)	—	(1,743)	—	—	—	—	1,743	—
Other intangible assets	(36)	—	—	(36)	—	—	—	—	—	—	—
Total amortisation	**(13,279)**	**2,475**	**(4,767)**	**(36)**	**(15,535)**	**—**	**1,010**	**(16,060)**	**(13,771)**	**1,775**	**(42,581)**

Impairment Thousand euros	31.12.2009	Perimeter variations	Inclusions	Exclusions	31.12.2010	Perimeter variations	Translation differences	Inclusions (Note 21.7)	Transfers (Notes 3.5 and 9)	Exclusions	31.12.2011
Concessions, patents and trade marks	(5,000)	5,000	—	—	—	—	—	(923)	—	—	(923)
Total impairment	**(5,000)**	**5,000**	**—**	**—**	**—**	**—**	**—**	**(923)**	**—**	**—**	**(923)**

Cost Thousand euros	31.12.2011	Perimeter variations	Translation differences	Inclusions	Transfers	Exclusions	31.12.2012	Perimeter variations (Note 2.4)	Translation differences	Inclusions	Transfers (Note 9)	Exclusions	31.12.2013
Development	5,398	(629)	—	2,021	—	(2,465)	4,325	—	—	2,110	—	(1,721)	4,714
Concessions, patents and trade marks	92,752	—	—	3	—	—	92,755	—	—	—	—	(7,650)	85,105
Intangible assets, concession agreements	194,437	—	7,406	5,826	8,881	(983)	215,567	—	(6,522)	5	—	—	209,050
IT Applications	47,379	—	2,376	16,618	—	—	66,373	—	(4,056)	17,137	—	—	79,454
Deferred financial charges	4,482	(32)	1	628	—	(9)	5,070	(145)	—	264	147	(298)	5,038
Client portfolio	—	—	—	172	—	—	172	(172)	—	—	—	—	—
Other intangible assets	8,881		—	—	(8,881)	—	—	—	—	—	—	—	—
Total cost	**353,329**	**(661)**	**9,783**	**25,268**	**—**	**(3,457)**	**384,262**	**(317)**	**(10,578)**	**19,516**	**147**	**(9,669)**	**383,361**

Amortisation Thousand euros	31.12.2011	Perimeter variations	Translation differences	Inclusions	Transfers	Exclusions	31.12.2012	Perimeter variations (Note 2.4)	Translation differences	Inclusions	Transfers (Note 9)	Exclusions	31.12.2013
Development	(5,323)	607	—	(1,993)	—	2,465	(4,244)	—	—	(2,152)	—	1,721	(4,675)
Concessions, patents and trade marks	(13,727)	—	—	(7,734)	—	1,264	(20,197)	—	—	(3,294)	—	1,155	(22,336)
Intangible assets, concession agreements	(19,995)	—	170	(8,681)	—	59	(28,447)	—	59	(8,339)	—	—	(36,727)
IT Applications	(3,536)	—	—	(517)	—	9	(4,044)	122	—	(645)	—	295	(4,272)
Client portfolio	—	—	—	(172)	—	—	(172)	172	—	—	—	—	—
Other intangible assets	—	—	—	—	—	—	—	—	—	—	—	—	—
Total amortisation	**(42,581)**	**607**	**170**	**(19,097)**	**—**	**3,797**	**(57,104)**	**294**	**59**	**(14,430)**	**—**	**3,171**	**(68,010)**

Impairment Thousand euros	31.12.2011	Perimeter variations	Translation differences	Inclusions (Note 21.6)	Transfers	Exclusions	31.12.2012	Perimeter variations	Translation differences	Inclusions (Note 21.7)	Transfers	Exclusions	31.12.2013
Concessions, patents and trade marks	(923)	—	—	(4,843)	—	923	(4,843)	—	—	(31,849)	—	970	(35,722)
Total impairment	**(923)**	**—**	**—**	**(4,843)**	**—**	**923**	**(4,843)**	**—**	**—**	**(31,849)**	**—**	**970**	**(35,722)**

Total intangible fixed asssets **Thousands of euros**	**31.12.2013**	**31.12.2012**	**31.12.2011**	**31.12.2010**
Cost	383,361	384,262	353,329	129,631
Amortisation	(68,010)	(57,104)	(42,581)	(15,535)
Impairment	(35,722)	(4,843)	(923)	—
Net total	**279,629**	**322,315**	**309,825**	**114,096**

The caption "Concessions, patents and trademarks" covers the allocation of the surplus paid in the acquisition of stakes in the companies comprising the Aldesa Energías Renovables, S.L.U. Subgroup (windfarms and photovoltaic solar power plants) to the respective projects by way of connection points and official permits. The net book value, at 31 December 2013, amounts to 27,047 thousand euros (67,715 thousand euros in 2012 and 79,025 thousand euros in 2011).

Since December 2012, significant regulatory changes have taken place in the renewable energy industry in Spain:

- On 28 December 2012 Law 15/2012 was published, by which the Group installations became subject to a 7% levy over revenues from energy sales.
- In the 2013 financial year Royal Decree-Law 2/2013 of 1 February was approved, applicable from 1 January 2013, establishing the premiums for all the technology at zero value, removing the raise and tariffs of the market sale option, maintaining the option of selling at tariff. It also changes the annual tariff update coefficient, referencing it to the underlying inflation rather than the CPI. The companies must choose between the option of selling

energy to a free market (with no premium) or the regulated tariff, this option being irrevocable once chosen.

At 1 January 2013, the Group chose the option of sale at tariff.

These regulatory changes were taken into account in the Group's business plans in the drafting of the annual accounts for the 2012 financial year, registering an impairment in the caption "Impairment and results from disposal of assets" for the amount of 4,843 thousand euros. Said impairment corresponds to a part of the allocation of the surplus paid upon acquisition of stakes in the companies comprising the Subgroup Aldesa Energías Renovables, S.L.U. (wind farms and photovoltaic solar facilities) to the corresponding projects by way of connection points and official authorisations.

- In addition, on 12 July 2013, Royal Decree-Law 9/2013 was published, which came into force on 14 July 2013, derogating the prior compensation framework and introducing substantial changes. These new regulations establish that the energy installations affected by it will receive as compensation the market price plus, if applicable, a specific remuneration for the investment and the operation covered, under certain circumstances any costs that cannot been recovered by the market for a typical installation, during a regulatory lifespan that is pre-established on the basis of reasonable profit.
- The parameters on which the new remuneration is based (standard revenues and costs, standard investment value, regulatory lifetime) will determine the regulatory development, which may be changed every three years. In this sense, in February 2014 the Ministry published the draft Ministry Order sent to the Spanish National Market and Competition Commission (CNMC), which establishes the parameters described, currently in the process of approval
- In practice, the Group's energy division installations have had to face the new remuneration model since 14 July 2013, regarding, as established in Royal Decree-Law 9/2013, the revenues received at that time as obtained at the expense of the final settlement. Grupo Aldesa has assessed the main implications that the current regulatory framework, previously described, will have for project revenues and flows on the basis of the best information available in the aforementioned Ministry Order.
- As a result of this analysis, at 31 December 2013 an impairment of the intangible assets associated with the renewable projects was registered, for the amount of 31,849 thousand euros, as well as an impairment in the tangible assets in renewable installations for 15,783 thousand euros (see Note 9).
- To calculate the recoverable value of the renewable assets, a projection of the expected cash flows until the end of the useful life of concession fo the asset with no terminal value has been performed, according to the criteria of Note 5.6.
- The discount rate applied was a mobile WACC adapted to the leveraging and financial costs of each project (about 6.5% and 8%).

The caption "Intangible assets—concession agreements" include, at 31 December 2013, the concession of México de Concesionaria de Autopistas del Sureste S.A. de C.V. (Tierra and Libertad-Ocozocuautla), for a net sum of 136,676 thousand euros (149,247 thousand euros in 2012 and 167.472 thousand euros in 2011) and the concession of Autopista de La Mancha Concesionaria Española, S.A. for the amount of 35,647 thousand euros (37,873 thousand euros in 2011 and 17,607 thousand euros in 2011). In 2011 said concessions were transferred from the caption "Concessions, patents and trade marks" to the current caption as a result of the application of the sectoral adaptation of the General Accounting Standards for Concessions.

The concession of "Concesionaria de Autopistas del Sureste S.A. de C.V." consists in the building, operation, conservation, and maintenance of two Motorway segments in the Chiapas

regions. The term of the concession is 30 years. The concession agreement was signed on 31 October 2007. As for the concession of Autopista de La Mancha Concesionaria Española, S.A., it consists in the operation, maintenance, and conservation of the Puerto Lapice-Venta de Cárdenas (Ciudad Real) segment for 19 years.

During 2011 registrations were recorded for an amount of 9,715 thousand euros, corresponding essentially to the construction of motorways.

During the 2011 financial year an impairment of 923 thousand euros was recognised, corresponding to the El Álamo Sports Complex concession asset.

Deregistrations under this caption in 2011 correspond to the sale of the El Álamo Sports Complex concession.

The caption "Deferred financial charge" sets out the deferred financial charge derived from the financing of the companies Concesionaria Autopista del Sureste, S.A. de C.V. and Autopista de La Mancha Concesionaria Española, S.A. not imputable as an increase in the value of the investment. Registrations during the financial year amounted to 17,137 thousand euros (16,618 thousand euros in 2012 and 28,293 thousand euros in 2011) and the cumulative balance in this regard, at 31 December 2013, amounts to 79,454 thousand euros (66,373 thousand euros in 2012 and 47,379 thousand euros in 2011) (according to the criterion defined in Note 5.3.5).

The cost of fully amortised intangible fixed assets, at 31 December 2013, amounts to 8,355 thousand euros (7,958 thousand euros in 2012, 4,502 thousand euros in 2011 and 2,955 thousand euros in 2010).

Meanwhile, at 31 December 2013 those located outside Spanish territory amounted to 136,736 thousand euros (165,022 thousand euros in 2012, 195 thousand euros in 2011 and 17 thousand euros in 2010).

The variations in the perimeter for the 2013 financial year correspond to the sale of the company Aldesa Servicios y Mantenimiento S.A. (See Note 2.4).

The variations in the perimeter for the 2012 financial year corresponded to the sale of the company Maquivías S.L. (See Note 2.4).

The variations in the perimeter of the 2011 financial year corresponded essentially to the sale of the companies Promociones Eólicas del Altiplano, S.A.U. and Aldesa Eólico Palomarejo, S.A.U. (See Note 2.4).

The variations in the perimeter for the 2010 financial year corresponded essentialy to the sale of the 49% stake in the solar business of the Group and to the sell of the company Fuente de Piedra Gestión S.A. and Biomasa Fuente de Piedra S.A.U., the company Aldesa Conservación y Explotación de Infraestructuras S.A. (See Note 2.4).

8.1. Economic/financial plan

The subsidiaries awarded a concession contract, Autopista de La Mancha, Concesionaria Española, S.A. and Concesionaria de Autopistas del Sureste, S.A. de C.V. drew up an Economic/Financial Plan for each concession, forecasting the total recovery of the investments in the motorways and also of the deferred financial charge and amortisation of the debt during the concession periods, guaranteeing appropriate remuneration of shareholder equity. Calculation of the amortisation of assets was performed on the basis of these plans, with certain modifications in order to adjust the estimated investment to the actual investment.

The hypotheses for traffic growth represent one of the main bases of these Economic/Financial Plans, as they establish the forecast revenue, and consequently the system for recognition of the deferred financial charge and endowment of the reversal fund. At both companies these hypotheses have been revised with regard to the original financing, in order to adapt them to the actual traffic and also the current economic circumstances.

On 28 June 2011 the Secretary of State for Planning and Infrastructure approved the Economic/ Financial Rebalancing of the concession contract of Autopista de La Mancha, Concesionaria Española, S.A., the resulting sum total of the contract being 445,747 thousand euros.

Meanwhile, on 4 July 2011 the Secretary of State for Planning and Infrastructure approved the granting by the State of an equity loan to Autopista de la Mancha, Concesionaria Española, S.A., for a sum of 54,020 thousand euros, on the basis of Additional Provision 42 of General State Budgets Act 26/2009, of 23 December 2009, for 2010, the sum total of the loan being received on 29 July 2011. This sum, together with the interest accrued and not paid, is fully incorporated within the attached consolidated balance sheet on the basis of the proportional part corresponding to the Group, representing a total of 13,312 thousand euros at 31 December 2013 (13,017 thousand euros in 2012 and 12,771 thousand euros in 2011), under the caption "Other long-term debts" (see Note 18.1).

9 Property, plant and equipment

The movement occurring under this caption of the consolidated balance sheet during financial years 2013, 2012, 2011 and 2010, along with the most significant information affecting this caption, were as follows:

- *2009 - 2011*

Cost Thousand euros	31.12.2009	Perimeter variations	Inclusions	Exclusions	Transfers	31.12.2010	Perimeter variations	Translation differences	Inclusions	Exclusions	Transfers	31.12.2011
Land and buildings	568,272	(154,625)	13,040	(1,094)	83,226	508,819	—	(531)	420	—	(181,659)	327,049
Technical installations, tools, machinery	65,983	(10,915)	7,463	(3,955)	6,177	64,753	—	—	2,177	(1,427)	(10,412)	55,091
Other installations, other fixed assets and furniture and transport elements	17,005	(215)	3,541	(376)	(6,168)	13,787	—	—	812	(212)	—	14,387
Advances and fixed assets in progress	142,885	—	25,413	—	(149,910)	18,388	(3,939)	—	647	—	(11,073)	4,023
Total cost	**794,145**	**(165,755)**	**49,457**	**(5,425)**	**(66,675)**	**605,747**	**(3,939)**	**(531)**	**4,056**	**(1,639)**	**(203,144)**	**400,550**

Amortisation Thousand euros	31.12.2009	Perimeter variations	Inclusions	Exclusions	Transfers	31.12.2010	Perimeter variations	Translation differences	Inclusions	Exclusions	Transfers	31.12.2011
Constructions	(23,226)	7,458	(23,116)	—	(5,780)	(44,664)	—	33	(13,876)	—	13,263	(45,244)
Other installations, technical installations, tools, machinery	(25,605)	5,144	(2,609)	277	(1,113)	(23,906)	—	—	(5,610)	1,140	508	(27,868)
Other fixed assets and furniture and transport elements	(14,343)	34	(1,770)	—	6,893	(9,186)	—	—	(1,201)	111	—	(10,276)
Total amortisation	**(63,174)**	**12,636**	**(27,495)**	**277**	**—**	**(77,756)**	**—**	**33**	**(20,687)**	**1,251**	**13,771**	**(83,388)**

Impairment Thousand euros	31.12.2009	Perimeter variations	Inclusions	Exclusions	Transfers (Note 10)	31.12.2010	Perimeter variations	Translation differences	Inclusions	Exclusions	Transfers	31.12.2011
Land and buildings	—	—	—	—	—	—	—	—	(784)	—	—	(784)
Total amortisation	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(784)**	**—**	**—**	**(784)**

Cost Thousand euros	31.12.2011	Translation differences	Inclusions	Exclusions	31.12.2012	Perimeter variations	Translation differences	Inclusions	Exclusions	Transfers	31.12.2013
Land and buildings . . .	327,049	295	25	(179)	327,190	—	(248)	9	(141)	(45)	326,765
Technical installations, tools, machinery . . .	55,091	69	1,621	(3,913)	52,868	(1,367)	(3)	3,046	(3,431)	(2,307)	48,806
Other fixed assets and furniture and transport elements . .	14,387	—	623	(454)	14,556	(615)	—	1,385	(3,189)	2,493	14,630
Advances and fixed assets in progress . . .	4,023	140	4,623	(465)	8,321	—	(134)	717	(8)	(288)	8,608
Total cost	**400,550**	**504**	**6,892**	**(5,011)**	**402,935**	**(1,982)**	**(385)**	**5,157**	**(6,769)**	**(147)**	**398,809**

Amortisation Thousand euros	31.12.2011	Translation differences	Inclusions	Exclusions	31.12.2012	Perimeter variations	Translation differences	Inclusions	Exclusions	Transfers	31.12.2013
Land and buildings . . .	(45,244)	(35)	(14,099)	45	(59,333)	—	—	(14,233)	8	236	(73,322)
Technical installations, tools, machinery . . .	(27,868)	(36)	(4,520)	1,878	(30,546)	1,231	—	(4,446)	3,257	195	(30,309)
Other fixed assets and furniture and transport elements . .	(10,276)	(7)	(1,367)	350	(11,300)	506	—	(1,222)	2,837	(431)	(9,610)
Total amortisaton	**(83,388)**	**(78)**	**(19,986)**	**2,273**	**(101,179)**	**1,737**	**—**	**(19,901)**	**6,102**	**—**	**(113,241)**

Impairment Thousand euros	31.12.2011	Translation differences	Inclusions	Exclusions	31.12.2012	Perimeter variations	Translation differences	Inclusions	Exclusions	Transfers	31.12.2013
Land and buildings . . .	(784)	—	(321)	—	(1,105)	—	—	(15,783)	—	—	(16,888)
Total impairment	**(784)**	**—**	**(321)**	**—**	**(1,105)**	**—**	**—**	**(15,783)**	**—**	**—**	**(16,888)**

Tangible fixed assets **Thousand euros**	**31.12.2013**	**31.12.2012**	**31.12.2011**	**31.12.2010**
Cost	398,809	402,935	400,550	605,747
Amortisations	(113,240)	(101,179)	(83,388)	(77,756)
Impairments	(16,888)	(1,105)	(784)	—
Net total	**268,681**	**300,651**	**316,378**	**527,991**

The detail of the caption "Land and buildings" is as follows:

Property **Thousand euros**	**31.12.2013**	**31.12.2012**	**31.12.2011**	**31.12.2010**
Land	16,734	16,982	16,722	17,190
Buildings	310,031	310,208	310,327	491,629
Total	**326,765**	**327,190**	**327,049**	**508,819**

At 31 December 2013, the caption "Land and Buildings" includes mainly the Group's corporate buildings as well as photovoltaic and wind farms.

As regards the Group's corporate building, with a value of 18,303 thousand euros (18,511 thousand euros in 2012 and 18,718 thousand euros in 2011), there is a mortgage loan with the Bank of Scotland P.L.C., the balance of which, at 31 December 2013, amounts to 12,940 thousand euros (13,425 thousand euros in 2012, 13,883 thousand euros in 2011 and 14,254 thousand euros in 2010) (see Note 18).

Meanwhile, the energy business contributed 250,141 thousand euros (250,207 thousand euros in 2012 and 240,763 thousand euros in 2011) to the caption "Land and buildings", with a cumulative amortisation of 64,737 thousand euros (51,955 thousand euros in 2012 and 39,165 thousand euros in 2011), corresponding to the wind farms and solar voltaic power plants of said division of the Group.

During the 2013 financial year, an impairment of 15,783 thousand euros was registered in the Energy Division as a result of the regulatory change described in Note 8, which has an impact on the group's renewable energy installations.

As regards the rest of captions that constitute the tangible assets, the additions in the 2013 financial year mainly include the purchase of machines and technical equipment by the Mexican companies, in particular the companies Proacon México S.A. de C.V. with 2,000 thousand euros, as well as Proacon, S.A. (España), with 866 thousand euros.Additions in the 2012 financial year essentially include the advance provided by the temporary joint venture UTE Autovía Dos Hermanas—Coria del Río amounting to 3,515 thousand euros for construction of a tunnel-boring machine required for the tasks scheduled by said Temporary Joint Venture.

The main additions in 20011 corresponded to the investments in Technical Installations and Machines which include 600 thousand euros of the Company Aldesa Construcciones, S.A., 355 thousand euros of the company Aeronaval de Construcciones e Instalaciones, S.A.U. and to the energy Division for 489 thousand euros. On the other hand, the additions which amount to 420 thousand euros under the caption of "Land and Buildings" correspond to the entry into force of the Tax on the Buildings, Installations and Works (ICIO, according to its Spanish initials) of the companies Aldesa Eólico Roalabota and Aldesa Eólico Olivillo companies of the Group in 100%.

At the close of the 2013 financial year, the Group had fully amortised tangible fixed asset elements still in use of a value of 13,530 thousand euros (16,693 thousand euros in 2012, 9,150 thousand euros in 2011 and 10,765 thousand euros in 2010)).

At 31 December 2013, of the net sum of tangible fixed assets 3,634 thousand euros correspond to Temporary Joint Ventures (UTEs) in which the group has a stake (3,854 thousand euros at 31 December 2012, 501 thousand euros in 2011 and 245 thousand euros in 2010). In addition, at 31 December 2013 tangible fixed assets amounting to 11,422 thousand euros were located outside Spain (10,125 thousand euros in 2012, 5,202 thousand euros in 2011 and 177,180 thousand euros in 2010). The caption "Property, Plant and Equipment" include fixed assets located in countries with an operational currency other than the euro, and the movements therefore include variations through translation differences.

No interest capitalisations took place under "Assets under construction" during the 2013 and 2012 financial years (56 thousand euros in 2011 and 718 thousand euros in 2010).

The variations in the perimeter for the 2013 financial year correspond to the sale of the company Aldesa Servicios y Mantenimiento, S.A. (See Note 2.4).

The variations in the perimeter for the 2011 financial year corresponded to the sale of the companies Promociones Eólicas del Altiplano, S.A.U. and Aldesa Eólico Palomarejo, S.A.U. (See Note 2.4).The variations in the perimeter of the 2010 financial year corresponded essentially to the sell of the 49% stake in the sola business of the Group and to the sale of Fuente de Piedra Gestión, S.A. and Biomasa Fuente de Piedra, S.A.U., and of the company Aldesa Conservación y Explotación de Infraestructuras, S.A.

At the close of the 2011 financial year, due to a modification of the legislation, 11,073 thousand euros of Assets under construction were transferred to the caption Intangible Assets Concessions.

During the 2012 financial year there was an impairment of 321 thousand euros at a building owned by the company AMS, which is 100% owned by the Group. This impairment was recorded in accordance with a valuation performed on the basis of assessments by independent valuation experts not connected with the Group at 31 December 2012. In 2011 the impairment was 784 thousand euros.

As indicated in Note 11.1, at the close of the 2013, 2012, 2011 and 2010 financial years, the group had contracted a number of financial lease operations involving its tangible fixed assets.

At the close of the 2013, 2012, 2011 and 2010 financial years, the group has not signed purchase undertakings regarding the tangible fixed assets.

It is the Group's policy to take out insurance policies to cover any potential risks which the various elements of its tangible fixed assets may be subject to. At the close of the 2013, 2012, 2011 and 2010 financial years there was no hedging deficit of any kind connected with these risks.

10 Real estate investments

The movement under "Real Estate Investments" is as follows:

- *2009 - 2011*

Cost Thousand euros	31.12.2009	Registration	Deregistration	Transfers	31.12.2010	Translation differences	Registration	Deregistration	31.12.2011
Lands and buildings	16,520	965	(1,773)	66,675	82,387	(2,164)	—	(449)	79,774
Total cost	**16,520**	**965**	**(1,773)**	**66,675**	**82,387**	**(2,164)**	**—**	**(449)**	**79,774**

Amortisation Thousand euros	31.12.2009	Provisions	Applications	Transfers	31.12.2010	Translation differences	Provisions	Applications	31.12.2011
Buildings	(334)	(1,243)	43	—	(1,534)	—	(1,387)	11	(2,910)
Total amortisation	**(334)**	**(1,243)**	**43**	**—**	**(1,534)**	**—**	**(1,387)**	**11**	**(2,910)**

- *2011 - 2013*

Cost Thousand euros	31.12.2011	Translation differences	Registration	Deregistration	31.12.2012	Translation differences	Registration	Deregistration	31.12.2013
Lands and buildings	79,774	1,952	112	(1,199)	80,639	(377)	5	(84)	80,183
Total cost	**79,774**	**1,952**	**112**	**(1,199)**	**80,639**	**(377)**	**5**	**(84)**	**80,183**

Amortisation Thousand euros	31.12.2011	Translation differences	Provisions	Applications	31.12.2012	Translation differences	Provisions	Applications	31.12.2013
Buildings	(2,910)	(113)	(1,769)	326	(4,466)	—	(1,489)	5	(5,950)
Total amortisation	**(2,910)**	**(113)**	**(1,769)**	**326**	**(4,466)**	**—**	**(1,489)**	**5**	**(5,950)**

Impairment Thousand euros	31.12.2011	Translation differences	Provisions	Applications	31.12.2012	Translation differences	Provisions	Applications	31.12.2013
Buildings	—	—	—	—	—	—	(431)	—	(431)
Total impairment	**—**	**—**	**—**	**—**	**—**	**—**	**(431)**	**—**	**(431)**

Thousand euros	31.12.2013	31.12.2012	31.12.2011	31.12.2010
Cost	80,183	80,639	79,774	82,387
Amortisation	(5,950)	(4,466)	(2,910)	(1,534)
Impairment	(431)	—	—	—
Total	**73,802**	**76,173**	**76,864**	**80,853**

The breakdown of "Land and Buildings" under the caption "Real Estate Investments" is as follows:

Real estate investments Thousand euros	31/12/2013	31/12/2012	31/12/2011	31/12/2010
Land	14,251	14,277	14,586	13,948
Buildings	59,551	61,896	62,278	66,905
Total	**73,802**	**76,173**	**76,864**	**80,853**

At 31 December 2013 real estate investments with a net value of 19,993 thousand euros were located outside the Spanish territory (21,011 thousand euros in 2012, 19,579 thousand euros in 2011 and 22,204 thousand euros in 2010). As a result of these assets located in countries with a currency other than the Euro, the movements register variations due to conversion differences.

The main characteristics of the real estate investments recorded are as follows:

- Property development under the public lease protection system with purchase option within the scope of the Regional Department of Housing of Madrid in Soto de Henares (Torrejón de Ardoz), with a total of 176 residential properties and a gross leaseable surface area of approximately 15,370 square metres. On this development, at 31 December 2012, 82% of the total leasable surface area had been leased (85% in 2012, 80% in 2011 and 64% in 2010). At 31 December 2013, the net book value of this development amounts to 29,444 thousand euros.

- Property development under the public lease protection system with purchase option within the scope of the Regional Department of Housing of Madrid in Móstoles South, Phase I (Madrid), with a total of 95 residential properties and a gross leaseable surface area of approximately 6,510 square metres. On this development, at 31 December 2012, 95% of the total leasable surface area had been leased (95% in 2012, 100% in 2011 and 98% in 2010). At 31 December 2013, the net book value of this development amounts to 11,951 thousand euros.

- Residential property development under the lease with purchase option system in the town of Arroyomolinos (Madrid), the gross releasable surface area being approximately 6,040 square metres. On this development, at 31 December 2012, 65% of the total leasable surface area had been leased (60% in 2012, 2011 and 2010). At 31 December 2013, the net book value of this development amounts to 8,505 thousand euros.

- In addition, 3 facilities located in the Madrid municipality are included (one of which is leased). At 31 December 2013, the net book value of this development amounts to 1,051 thousand euros.

- Class A office buildings covering a leasable surface area of 10,000 square meters in Krakow, Poland, available from February 2010. At 31 December 2013, 100% of this building had been leased (96% n 2012, 72% in 2011 and 54% at the close of the 2010 financial year). The building is associated with a loan amounting to 16,020 thousand euros (16,499 thousand euros in 2012 and 16,846 thousand euros in 2011) (see Note 18). At 31 December 2013, the net book value of this building amounts to 19,994 thousand euros.

- An industrial unit of the La Garena industrial estate, Alcalá de Henares (Madrid). This industrial unit was rented at 31 December 2013 to a company belonging to Grupo Aldesa, Agrupación de Empresas, Automatismos, Montajes y Servicios S.L.U. (Grupo AMS). At 31 December 2013, the net book value of this development amounts to 1,965 thousand euros.

At 31 December 2013 there were real estate assets in the Arroyomolinos development of a value of 8,936 thousand euros (10,823 thousand euros in 2012 and 2011 and 11,131 thousand

euros in 2010) mortgage to guarantee a loan with Bankia, the balance of which at 31 December 2013 amounted to 7,534 thousand euros (7,586 thousand euros in 2012, 8,377 thousand euros in 2011 and 8,642 thousand euros in 2010) (see Note 18.1.a). Meanwhile the Soto de Henares and Móstoles South Phase I developments have real estate assets mortgaged to guarantee the corresponding loans from Banco Santander amounting to 31,676 and 7,587 thousand euros, respectively, whose balances at 31 December 2013 amounts to 23,309 and 8,520 thousand euros, respectively, (23,500 and 8,500 thousand euros, in 2012 and 2011 respectively (see Note 18.1.b). The aforementioned financing is recorded at the company Viviendas Torrejón-Móstoles, S.A.U. (which belongs to Grupo Aldesa), responsible for operation and maintenance of these leased properties.

The fair value of the real estate investments, at 31 December 2013, calculated on the basis of the valuations performed by the independent valuators not linked to the Group, amounts to 82,843 thousand euros. Calculation of the fair value of said assets employed acceptable discount rates for potential investors, corresponding to those applied by the market for assets of similar characteristics and locations. Valuations have been performed in accordance with the Valuation and Assessment Standards, under the terms of Ministry Order of the Ministry of Economy ECO 805/2003. During the 2013 financial year, the Group registered losses for impairment in this caption for 431 thousand euros, which were registered under the caption "Impairment and result from disposal of fixed assets" in the income statement appended (see Note 5.5).

During the 2013 financial year the revenue derived from income on real estate investments owned by the Company amounted to 3,896 thousand euros (4,135 thousand euros in 2012, 2,897 thousand euros in 2011 and 1,016 thousand euros in 2010), while the operating expenses in all regards connected therewith amounted to 1,432 thousand euros (1,375 thousand euros in 2012, 1,043 tousand euros in 2011 and 276 thousand euros in 2010).

At the close of the 2013, 2012, 2011 and 2010 financial years, there was no type of restriction on the execution of new real estate investments, nor the collection of revenue derived from them, nor with regard to resources obtained from any possible disposal.

At 31 December 2013, of the net sum of real estate investments, 11,951 thousand euros correspond to the Temporary Joint Ventures (UTEs) in which the Group holds a stake (12,155 thousand euros in 2012 and 12,358 thousand euros in 2011).

The deregistrations during financial year 2011 are due to the sale of premises in Zamora and an appartment in Arroyomolinos.

11 Leases

11.1. Financial leases

At the close of the 2013, 2012, 2011 and 2010 financial years the Group, in its capacity as financial lessee, had recognised leased assets detailed as follows:

Financial leases Thousand euros	2013	2012	2011	2010
Property, Plant and Equipment	2,538	2,477	5,759	12,538
Total	**2,538**	**2,477**	**5,759**	**12,538**

At the close of the 2013, 2012, 2011 and 2010 financial years the Group had agreed with the lessors the following minimum lease payments (including, where applicable, the purchase options), under the terms of the contracts in force, without taking into consideration the

impact of communal charges, future increases in the CPI, or future rent updates agreed in the contract:

Financial leases minimum payments Thousand euros	Nominal value 2013	Nominal value 2012	Nominal value 2011	Nominal value 2010
Less than one year	768	822	1,004	2,280
Between one and five years	678	1,379	2,087	2,448
Total (Note 18.1)	**1,446**	**2,201**	**3,091**	**4,728**

The most significant Group's financial lease agreement correspond to machinery and transport elements.

11.2. Operational leases

At the end of financial years 2013, 2012, 2011 and 2010, the Group had contracted with several lessors the following minimum leasing quotes, according to the current contracts in force, not considering the pass-through of common expenses, future increases arising from CPI, nor future updates of rentals agreed by contract.

Operating leases minimum payments Thousand euros	Nominal value 2013	Nominal value 2012	Nominal value 2011	Nominal value 2010
Less than one year	15,409	9,672	14,102	7,928
Between one and five years	15,735	6,737	24,543	19,895
More than five years	12,667	16,024	13,855	32,148
Total	**43,811**	**32,433**	**52,500**	**59,971**

The sum of the lease payments recognised as an expense in the 2013 financial year amounted to 22,999 thousand euros (22,503 thousand euros in 2012, 21,241 thousand euros in 2011 and 6,342 thousand euros in 2010). The deviations in the expenditure incurred during the 2013, 2012, 2011 and 2010 financial years, with regard to the minimum payments below one year indicated in 2012, 2011 and 2010 correspond to individual lease payments required for works, such as machinery, transport elements, etc.

In its position as lessee, the most significant operating lease contracts which the Group had at the close of the 2013, 2012, 2011 and 2010 financial years correspond to the leasing of commercial premises, land for the energy business, vehicles and photocopiers.

Meanwhile, in its position as lessor, the Group receives the income descibed in Note 10. These contracts have a duration of 5 to 7 years.

12 Financial investments in the short and long terms

12.1. Long-term financial investments in related companies

- *2009 - 2011*

Thousand euros	Balance at 31.12.2009	Result 2010	Balance at 31.12.2010	Others	Perimeter variations	Result 2011	Balance at 31.12.2011
Stakes by equity method (Note 12.1.a)	692	—	692	(1)	(672)	(1)	18
Total	**692**	**—**	**692**	**(1)**	**(672)**	**(1)**	**18**

• *2012 - 2013*

Thousand euros	Saldo 31.12.2011	Result 2012	Balance at 31.12.2012	Others	Perimeter variations	Result 2013	Balance at 31.12.2013
Stakes by equity method (Note 12.1.a)	18	—	18	—	2,949	—	2,967
Total	**18**	**—**	**18**	**—**	**2,949**	**—**	**2,967**

a) Stake by equity-method:

The movement under the entry "Stakes by equity method" during 2012, 2012, 2011 and 2010, broken down by company, was as follows:

• *2009 - 2011*

Thousand euros	Balance at 31.12.2009	Perimeter variations	2010 result	Balance at 31.12.2010	Others	Perimeter variations	2011 result	Balance at 31.12.2011
San Pedro Exterior, S.L.	20	—	—	20	(1)	—	(1)	18
Inarenas Proyectos Inmobiliarios, S.A.	672	—	—	672	—	(672)	—	—
Total	**692**	**—**	**—**	**692**	**(1)**	**(672)**	**(1)**	**18**

• *2011 - 2013*

Thousand euros	Balance at 31.12.2011	Perimeter variations	2012 resultado	Balance at 31.12.2012	Others	Perimeter variations	2013 resultado	Balance at 31.12.2013
San Pedro Exterior, S.L.	18	—	—	18	—	—	—	18
Concesionarias de Autopistas de Morelos, S.A. de C.V.	—	—	—	—	—	2,949	—	2,949
Total	**18**	**—**	**—**	**18**	**—**	**2,949**	**—**	**2,967**

The company Concesionaria de Autopistas de Morelos, S.A. de C.V. was incorporated during the 2013 financial year, under the equity method, in the Aldesa Holding S.A. de C.V. Subgroup (see Note 2.4).

The companies Torrepai, S.L. and Operadora de Autopistas de Sayula, SAPI (incorporated in 2012) are also consolidated under the equity method, although as they have a negative value they have been recorded under the caption "Long-term provisions" in the 2013, 2012 and 2011 financial years (see Note 17).

As set out in Note 6.2, on 17 June 2011 a public deed was executed recording the resolutions of the company Inarenas Proyectos Inmobiliarios S.A., agreeing a capital reduction amounting to 360,000 euros by means of the acquisition and subsequent amortisation by Inarenas Proyectos Inmobiliarios, S.A. itself of the shares held by the shareholder Administrador de Infraestructuras Ferroviarias (Adif). After such operation, the percentage stake, as direct as indirect, of the Parent Company in Inarenas Proyectos Inmobiliarios, S.A. amounts to 100%, so it will be fully consolidated within the Group.

12.2. Long-term financial investments

• *2010 - 2011*

Thousand euros	Balance at 31.12.2009	Perimeter variations	Deregistrations	Balance at 31.12.2010	Registratios	Deregisrations	Balance at 31.12.2011
Equity instruments (Note 12.2.a)	—	—	—	—	123	—	123
Credits to third parties (Note 12.2.b)	1,636	20,729	(1,398)	20,967	—	(1,652)	19,315
Derivatives (Note 18.1.e)	800	386	(800)	386	—	(340)	46
Other financial assets (Note 12.2.c)	898	—	(34)	864	567	—	1,431
Total	**3,334**	**21,115**	**(2,232)**	**22,217**	**690**	**(1,992)**	**20,915**

• *2012 - 2013*

Thousand euros	Balance at 31.12.2011	Registratios	Deregisrations	Balance at 31.12.2012	Registratios	Deregisrations	Balance at 31.12.2013
Equity instruments (Note 12.2.a)	123	—	—	123	—	—	123
Credits to third parties (Note 12.2.b)	19,315	2,504	—	21,819	2,929	—	24,748
Derivatives (Note 18.1.e)	46	—	(46)	—	8	—	8
Other financial assets (Note 12.2.c)	1,431	—	(211)	1,220	825	—	2,045
Total	**20,915**	**2,504**	**(257)**	**23,162**	**3,762**	**—**	**26,924**

• *2012 - 2013*

a) Equity instruments:

The movement of the entry "Equity instruments", broken down by company, is as follows:

Cost Thousand euros	Balance at 31.12.2010	Registrations	Deregistrations	Balance at 31.12.2011	Registrations	Deregistrations	Balance at 31.12.2012	Registrations	Deregistrations	Balance at 31.12.2013
Promoción Educativas Camineros, S.L.	—	1,350	—	1,350	—	—	1,350	—	—	1,350
Total	**—**	**1,350**	**—**	**1,350**	**—**	**—**	**1,350**	**—**	**—**	**1,350**

Deterioro Thousand euros	Balance at 31.12.2010	Registrations	Deregistrations	Balance at 31.12.2011	Registrations	Deregistrations	Balance at 31.12.2012	Registrations	Deregistrations	Balance at 31.12.2013
Promoción. Educativas Camineros, S.L.	—	(1,227)	—	(1,227)	—	—	(1,227)	—	—	(1,227)
Total	**—**	**(1,227)**	**—**	**(1,227)**	**—**	**—**	**(1,227)**	**—**	**—**	**(1,227)**

Total equity instruments Thousand euros	Balance at 31.12.2013	Balance at 31.12.2012	Balance at 31.12.2011	Balance at 31.12.2010
Cost	1,350	1,350	1,350	—
Impairment	(1,227)	(1,227)	(1,227)	—
Total	**123**	**123**	**123**	**—**

On 15 June 2011 a public deed was executed recording the increase in capital stock performed by the company Promoción Educativa Camineros, S.L. by issuing 301 new shares of a par value of 1 euro each, with a pending share premium of 1,350 thousand euros. This capital increase was subscribed in full by the Group and 100% paid up by means of a monetary contribution. The Group has a direct 9.09% stake in the company, and does not exert a significant influence over it.

b) Loans to third parties:

The balance of this entry on the consolidated balance sheet at 31 December 2013, 2012, 2011 and 2010 mainly comprises loans granted by Aldesa Gestión de Energías Renovables, S.L.U. to the company Enersol Solar Santa Lucía, S.L., both companies being integrated in the Aldesa Energías Renovables, S.L.U. Subgroup. As Enersol Solar Santa Lucía, S.L. is integrated by the proportional integration method, this entry covers the balance not eliminated in the consolidation process, amounting to 22,752 thousand euros (20,480 thousand euros in 2012, 19,312 thousand euros in 2011 and 20,729 thousand euros in 2010):

Item					Interest rate		
Thousand euros	2013	2012	2011	2010	Ordinary	Equity	Due
Equity loan, financial year 2007	470	470	470	470	1%	Eur − 1%+ 3.7%	2027
Equity loan, financial year 2008	719	719	719	719	1%	Eur − 1%+ 3.7%	2027
Equity loan, financial year 2008	2,287	2,287	2,287	2,287	1%	Eur − 1%+ 3.7%	2027
Equity loan, financial year 2009	6,697	6,697	6,697	6,697	15%	0.01%*(BDI − €45M)	2030
Subordinate loan, financial year 2009	1,999	1,999	1,999	1,999	15%	—	2030
Subordinate loan, financial year 2009	2,203	2,203	2,203	2,203	15%	—	2030
Subordinate loan, financial year 2009	682	682	682	682	15%	—	2030
Subordinate loan, 2009 financial year (financial institution assignment)	2,449	2,449	2,449	2,449	15%	—	2030
Interest	5,246	2,974	1,806	3,223	—	—	—
Total	**22,752**	**20,480**	**19,312**	**20,729**			

c) Other financial assets

This entry essentially covers the deposits and bonds established by the Group with a maturity in excess of one year.

12.3. Short-term financial investments

Thousand euros	2013	2012	2011	2010
Equity instruments	1,270	486	—	—
Loans to companies	2,322	1,173	1,755	1,702
Derivatives	185	49	—	—
Other financial assets (Note 12.3.a)	1,865	3,930	3,340	1,836
Total	**5,642**	**5,638**	**5,095**	**3,538**

a) Other financial assets

This caption sets out deposits and bonds established in the short term.

12.4. Information regarding the nature and risk level of financial instruments Qualitative information

Qualitative information

The administration of the Group's financial risks is centralised at the Finance Department, which has in place the mechanisms required to oversee exposure to variations in interest rates and exchange rates, in addition to credit and liquidity risks. Below are indicated the key risks impacting on the Group:

a) Credit risk :

In general, the Group maintains cash and equivalent liquid assets at financial institutions with a high-level credit rating. Meanwhile, with regard to the trade credit granted by the Group, it should be indicated that a high proportion of client balances refer to operations with Public Authorities, and in particular those dependent on Central Government, with which the Group believes that the credit risk is highly limited. With regard to private sector clients, the Company has over recent years underpinned its risk control policy, which stretches from the contract arrangement phase (evaluation and rating of potential clients, minimum payment collection conditions, etc.) to a periodic review of the overall position and an individual analysis of the most significant exposures. This analysis results in a default provision for potential non-payment risks corresponding to longer-standing overdue debts, non-payments and clients in insolvency proceedings.

b) Liquidity risk:

In order to ensure liquidity and allow the Group to meet all payment commitments derived from its operations, it has in place the cash on hand recorded on its balance sheet, in addition to the credit and finance lines (See Note 18).

c) Market risk:

Both the Group's cash on hand and the financial debt are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows. The Company therefore follows a policy of arranging financial derivatives to hedge against interest rates (see Note 18).

d) Exchange rate risk:

With regard to exchange rate risk, this is essentially concentrated at the businesses of the subsidiaries in Mexico and Poland, denominated in Mexican pesos and Polish zlotys. In order to mitigate this risk, the Company follows a policy of arranging financial instruments (exchange rate insurance) to reduce exchange rate differences resulting from transactions in foreign currency (see Note 18).

13 Stock

The details of the "Stock" caption are as follows:

Stock **Thousand euros**	**2013**	**2012**	**2011**	**2010**
Commercial	806	1,424	2,694	8,670
Land and construction materials	66,758	66,340	63,504	63,106
Short cycle developments in progress	—	—	—	13,089
Completed buildings	6,530	7,285	7,996	7,196
Auxiliary tasks	471	502	516	164
Advance payments	26,062	31,537	26,348	18,848
Impairment	(10,064)	(9,026)	(373)	(373)
Total	**90,563**	**98,062**	**100,684**	**110,700**

13.1. Land and construction materials

The gross balance of this caption comprises the following items (sums net of impairment):

Item Thousand euros	2013	2012	2011	2010
Construction materials	1,953	1,732	3,118	3,786
Land for building	64,805	64,608	60,386	59,320
Total	**66,758**	**66,340**	**63,504**	**63,106**

At 31 December 2013, 2012, 2011 and 2010, the section "Land for building" essentially includes the plots of land owned by the Group in the municipalities of Cullera (Valencia), Castellón, El Álamo (Madrid), Figueras (Gerona). The cost of this land includes the costs of adaptation incurred in previous financial years. It also includes the land for potential urban development owned by the company Aldesa Nuevo Madrid, S.L. located on Prolongación de la Castellana, Madrid; a plot of land for potential urban development in Águilas (Murcia) and land for potential urban development in Cártama (Malaga), Pozuelo (Madrid) and Béjar (Salamanca). The plots of land on Prolongación de La Castellana in Madrid and in Águilas in Murcia are the only ones encumbered with a mortgage, amounting to 3,220 thousand euros (3,670 thousand euros in 2012, 2011 and 2010) and 3,479 thousand euros (3,479, thousand euros in 2012, 3,470 thousand euros in 2011 and 3,572 thousand euros in 2010), respectively (see Note 18). The other land has no financial debt associated with it.

The buildable surface area on land and plots, in square meters, in the 2013, 2012 and 2011 financial years was, by geographical area, as follows:

	Land and plots							
Año	Castile-Leon	Madrid	Catalonia	Balearic Islands	Valencia	Murcia	Andalusia	Total
2013	15,000	55,237	27,600	287	34,776	14,736	15,999	**163,635**
2012	15,000	55,237	27,600	287	34,776	14,736	15,999	**163,635**
2011	15,000	54,396	27,600	168	34,776	14,736	15,500	**162,176**

The fair value of the Group's land at 31 December 2013, calculated in accordance with the valuations performed on that date by independent valuation experts not related to the Group, amounts approximately to 59,589 thousand euros (63,407 thousand euros in 2012, 67,837 thousand euros in 2011 and 68,168 thousand euros in 2010). These valuations led to the requirement for provision for an impairment of 1,038 thousand euros in 2013 (4,834 thousand euros in 2012) for the value of land in Álamo (Madrid), Pinto (Madrid), Seville, Cártama (Málaga) and the land for urban development in Águilas (Murcia) and Pozuelo (Madrid). This impairment was recorded under the Impairments caption on the consolidated income statement. In addition, the "Impairment of stock" caption records a recognition of 3,819 thousand euros as a result of the perimeter variations described in Notes 6.2. The valuation was performed in accordance with the Residual Dynamic and Comparison methods. Calculation of the fair value employed acceptable discount rates for potential investors, corresponding to those applied by the market for assets of similar characteristics and locations. Valuations have been performed in accordance with the Valuation and Assessment Standards, under the terms of Ministry Order of the Ministry of Economy ECO 805/2003.

At 31 December 2013, 2012, 2011 and 2010 there were no undertakings in place to purchase or sell land.

These plots were intended for residential developments, the potencial building surface being of 162,176 square meters approximateley.

13.2. Developments in progress

During 2013 and 2012 financial years there has been no movements in this item. As for 2011, The movement of the balance of this entry on the balance sheet was the following:

Item Thousand euros	31.12.2009	Increases	Transfers	31.12.2010	Increases	Transfers	31.12.2011
Short cycle developments in progress . . .	22,357	146	(9,414)	13,089	—	(13,089)	—
Total	**22,357**	**146**	**(9,414)**	**13,089**	**—**	**(13,089)**	**—**

The caption "Short-term developments in progress" included the development of the UTE Viviendas Móstoles Sur Fase II. This development consisted of 70 social housing, with limited price, within the area of the Department of Housing of the Comunidad de Madrid. At 31 December 2011, 68 houses have been delivered and the 2 remaining are classified as "Completed Buildings".

13.3. Completed buildings

The entry for "Completed buildings" at 31 December 2013, 2012 and 2011 includes mainly garages pending sale at the UTE Corredera development (Ciudad Real); commercial premises and garages in the UTE Viviendas Móstoles Sur Fase II development; 3 residential properties, 6 garages and one commercial property located in the municipality of Alhendin (Granada), in addition to an underground car park for 250 vehicles and a number of commercial premises located in Pamplona, as well as 4 commercial premises in Alicante. It also includes, at 31 December 2012 one residential property (2 in 2011) of the UTE Viviendas Móstoles Sur Fase II and at 31 December 2011 residential properties of two developments in the municipality of Águilas (Murcia).

The UTE Corredera (Ciudad Real) development, comprising 106 subsidised residential properties in the Corredera de Ciudad Real execution unit for the Empresa Municipal de Suelo, Urbanismo y Vivienda (Municipal Land, Urban Development, and Housing Company) (EMUSVI) of Ciudad Real Town Hall. At close of the 2013, 2012 and 2011 financial years, properties for a total value of 939 thousand euros remain pending delivery, corresponding to 48 garage spaces, with a mortgage loan associated with BBVA for 120 thousand euros in 2013 (128 thousand euros in 2012 and 135 thousand euros in 2011) (see Note 18). At the close of 2010 financial year, there wre 1,104 thousand euros pending delivery, corresponding to 1 residential property and 48 garage spaces.

At 31 December 2013, the UTE Móstoles Sur Fase II contributes 4 commercial premises and 10 garage spaces for the amount of 1,187 thousand euros. Only the garages have a mortgage loan associated with BBVA of 107 thousand euros. At 31 December 2012 the UTE Móstoles Sur Fase II contributes one residential property, commercial premises and garage spaces for a value of 1,336 thousand, have a mortgage loan associated with BBVA of 227 thousand euros. At 31 December 2011, the UTE Móstoles Sur Fase II contributes two residential properties, premises and garage spaces for a value of 1,497 thousand euros, with a mortgage loan associated with BBVA of 356 thousand euros.

The three residential properties, six garage spaces and one commercial premise, located in the municipality of Alhendín (Granada) have a net book value of 637 thousand euros at the close of the 2013, 2012 and 2011 financial years. The residential properties have an associated mortgage, at 31 December 2013 for a total amount of 275 thousand euros (305 thousand euros at 31 December 2012, 314 thousand euros at 31 December 2011 and 332 thousand euros at 31 December 2010) (See Note 18).

As for the residential properties located in the municipality of Águilas (Murcia), at 31 December 2013 these included 20 properties in the "Residencial Cedro" development (24

residential properties at 31 December 2012, 59 residential properties at 31 December 2011 and 63 residential properties at 31 December 2010) belonging to the company Águilas Residencial, S.A. At 31 December 2011, 18 residential properties of the development "Residencial Buganvillas" were also included (21 residential properties at 31 December 2010). The cost of these promotions under "Stock" corresponding to the units pending sale amounting to 2,630 at 31 December 2013 (3,156 thousand euros at 31 December 2012, 3,936 thousand euros at 31 December 2011 and 4,185 thousand euros at 31 December 2010). thousand euros. The assets corresponding to the company Águilas Residencial, S.A. have a mortgage loan with La Caixa with a drawn down amount, at 31 December 2013, of 2,064 thousand euros (2,506 thousand euros at 31 December 2012, 3,450 thousand euros at 31 December 2011 and 3,709 thousand euros at 31 December 2010 (see Note 18).

At 31 December 2013, 2012, 2011 and 2010 there were no undertakings to sell this assets.

The breakdown of the caption "Stock" in the 2013 financial year, by geographical area of land, constructions in progress and completed developments, is as follows:

Item Thousand euros	Castile-Leon	Madrid	Catalonia	Castile-La Mancha	Cantabria	Valencia	Murcia	Navarre	Andalusia	Outside Spain	Total
Land for builiding (Note 13.1)	3,494	28,914	5,960	—	209	10,651	8,883	—	6,694	—	64,805
Completed developments	—	1,187	—	985	—	241	2,630	850	637	—	6,530
Total	**3,494**	**30,101**	**5,960**	**985**	**209**	**10,892**	**11,513**	**850**	**7,331**	**—**	**71,335**

The breakdown of the caption "Stock" in the 2012 financial year, by geographical area of land, constructions in progress and completed developments, is as follows:

Item Thousand euros	Castile-Leon	Madrid	Catalonia	Castile-La Mancha	Cantabria	Valencia	Murcia	Navarre	Andalusia	Outside Spain	Total
Land and land for builiding (Note 13.1)	3,494	31,250	5,960	—	209	11,095	5,906	—	6,694	—	64,608
Completed developments	—	1,336	—	985	—	304	3,156	867	637	—	7,285
Total	**3,494**	**32,586**	**5,960**	**985**	**209**	**11,399**	**9,062**	**867**	**7,331**	**—**	**71,893**

The breakdown of the caption "Stock" in the 2011 financial year, by geographical area of land, constructions in progress and completed developments, is as follows:

Item Thousand euros	Castile-Leon	Madrid	Catalonia	Castile-La Mancha	Cantabria	Valencia	Murcia	Navarre	Andalusia	Outside Spain	Total
Land and land for builiding (Note 13.1)	3,494	28,531	5,915	—	38	10,416	5,906	—	6,086	—	60,386
Completed developments	—	1,497	—	985	—	24	3,936	917	637	—	7,996
Total	**3,494**	**30,028**	**5,915**	**985**	**38**	**10,440**	**9,842**	**917**	**6,723**	**—**	**68,382**

The breakdown of the caption "Stock" in the 2010 financial year, by geographical area of land, constructions in progress and completed developments, is as follows:

Item Thousand euros	Castile-Leon	Madrid	Catalonia	Castile-La Mancha	Cantabria	Valencia	Murcia	Navarre	Andalusia	Outside Spain	Total
Land and land for buiilding (Nota 13.1)	3,494	27,444	5,915	—	38	10,437	5,906	—	6,086	—	59,320
Building in progress (Nota 13.2)	—	12,943	—	—	—	—	—	—	—	146	13,089
Completed developments	—	287	—	1,104	—	24	4,227	917	637	—	7,196
Total	**3,494**	**40,674**	**5,915**	**1,104**	**38**	**10,461**	**10,133**	**917**	**6,723**	**146**	**79,605**

The fair value of the lands, developments in progress and completed real estate, at 31 December 2013 amounts to 66,119 thousand euros (67,887 thousand euros in 2012). Calculation of the fair value employed acceptable discount rates for potential investors, corresponding to those applied by the market for assets of similar characteristics and locations. Valuations have been performed in accordance with the Valuation and Assessment Standards, under the principles and methodology of the Ministry Order of the Ministry of Economy ECO 805/2003. For the plots, developments in progress, real estate lease projects and land portfolio, the Residual Method was applied as the best approach to value, complementing this approach with the Comparative Method in order to prove the consistency of the resulting unit attribution value.

At 31 December 2013, the Group maintains a total provision for impairment for properties for the amount of 10,064 thousand euros to adapt the book value of some of its properties to the market value of said valuations.

14 Debtors

The composition is as follows:

Item Thousand euros	2013	2012	2011	2010
Clients through sales and services provided (Note 14.a)	292,389	291,656	383,961	403,243
Sundry debtors (Note 14.b)	10,251	10,604	1,300	871
Personnel	1,199	971	752	537
Assets through current tax (Note 19.1)	12,908	12,817	9,724	896
Public Authorities (Note 19.1)	24,544	17,869	22,163	19,237
Impairments (Note 14.a)	(44,231)	(47,290)	(48,760)	(45,276)
Total	**297,060**	**286,627**	**369,140**	**379,508**

a) Trade receivables for services provided:

The detail of this item is as follows:

Item Thousand euros	2013	2012	2011	2010
Debts through current operations	90,420	152,918	198,018	264,250
Commercial bills receivable	57,268	38,848	86,589	53,942
Works executed and pending certification	100,232	51,939	50,594	39,775
Clients at risk of default	44,469	47,951	48,760	45,276
Impairments	(44,231)	(47,290)	(48,760)	(45,276)
Sub-total	**248,158**	**244,366**	**335,201**	**357,967**
Client advances	(127,829)	(112,383)	(101,682)	(41,027)
Total net client balance	**120,329**	**131,983**	**233,519**	**316,940**

The caption "Works executed and pending certification" includes works executed during the financial year and pending client certification, these being recognised as revenue for the period in accordance with application of the revenue recognition method described in Note 5.12. At 31 December 2013, of the sum included in "Works executed and pending certification", 4,578 thousand euros corresponded to the Temporary Joint Ventures (UTEs) in which the Group participates.

The balance of "Clients through sales and provision of services" at 31 December 2013 has been reduced by 57,272 thousand euros (85,515 thousand euros in 2012, 103,252 thousand euros in 2011 and 176,318 thousand euros in 2010) corresponding to certificates assigned under non-recourse factoring. The Group proceeds to sell to financial institutions client credits with no possibility of recourse against the Group in the event of non-payment by the clients. These operations accrue interest at standard market rates.

The abovementioned non-recourse factoring agreements have an overall limit of 149,855 thousand euros (171,838 thousand euros in 2012, 261,295 thousand euros in 2011 and 272,641 thousand euros in 2010) by means of which it proceeds to perform the definitive sale of certain items receivable and future credits based on works completed, the risk of delinquency, late payment or non-payment being assumed by the factor. The reduction in the figure of certificates assigned under factoring with regard to 2011 financial year is the result of a financial optimisation strategy intended to reduce financial expenses.

A high proportion of the client balances refer to operations with Public Institutions, in particular those operated by central state government, and the Group therefore believes that the credit risk is considerably limited. With regard to private sector clients, the Company has over recent years underpinned its risk control policy, which stretches from the contract arrangement phase (evaluation and rating of potential clients, minimum payment collection conditions, etc.) to a periodic review of the overall position and an individual analysis of the most significant exposures. This analysis results in a default provision for potential non-payment risks corresponding to longer-standing overdue debts, non-payments and clients in insolvency proceedings.

During the 2011 financial year the most significant case of impairment was Catalana de Projectes i Habitatges, S.L., while in the 2010 financial year it was UKSIN Promocions, S.L. The remaining Accounts Receivable refer to companies with a high credit rating and with no history of default.

b) Sundry debtors:

The balance of this caption on the consolidated balance sheet at 31 December 2013, 2012, 2011 and 2010 essentially covers Accounts Receivable resulting from services provided other than the main activity of the Group.

15 Cash and other equivalent liquid assets

The details are as follows:

Item Thousand euros	2013	2012	2011	2010
Liquid Assets	110,832	98,809	128,728	133,705
Other equivalent liquid assets (Note 15.a)	96,322	208,044	211,371	252,444
Total	**207,154**	**306,853**	**340,099**	**386,149**

At 31 December 2013 all balances were freely available, except for 65,346 thousand euros (55,709 thousand euros in 2012 and 77,951 thousand euros in 2011) considered as non available and corresponding to project cash management

a) Other equivalent liquid assets:

At 31 December 2013, the sum of 96,322 thousand euros (208,044 thousand euros in 2012, 211,371 thousand euros in 2011 and 252,444 thousand euros in 2010) under the entry "Other equivalent liquid assets" is freely available, and comprises fixed-term deposits with a maturity of less than 3 months. In specific terms, practically the entire sum matures in the month of January.

Out of the total of "Other equivalent liquid assets", at 31 December 2013, 12,279 thousand euros (28,400 thousand euros in 2012 and 24,512 thousand euros in 2011) corresponded to Temporary Joint Ventures (UTEs).

The breakdown by company is as follows:

Thousand euros	2013	2012	2011	2010
Aldesa Construcciones, S.A.	96,322	202,795	204,764	181,419
Aldesa Home, S.L. Subgroup	—	4,607	4,681	1,184
Aldesa Nuevo Madrid, S.L.	—	—	—	84
Aldesa Energía Renovables, S.L.U. Subgroup	—	—	—	65,413
Grupo Aldesa, S.A.	—	642	1,926	301
Concesionaria Autopistas del Sureste, S.A. de C.V.	—	—	—	4,043
Total	**96,322**	**208,044**	**211,371**	**252,444**

16 Net equity and shareholder equity

At 31 December 2013, 2012, 2011 and 2010, the capital stock of the Parent Company was represented by 873,844 named shares of a par value of 1 euro each, numbered from 1 to 873,844, both inclusive, all these being subscribed and paid up in full.

The shareholding structure of Grupo Aldesa, S.A., was as follows at 31 December 2013, 2012, 2011 and 2010:

Shareholder	Number of shares	(%) stake
Ferruan Inversiones, S.L.U.	346,786	39.67%
Mafares Inversiones, S.L.U.	89,247	10.21%
Holding de Inversiones Favifam, S.L.	437,811	50.12%
Total	**873,844**	**100.00%**

The Parent Company's stock is not listed on the stock market.

16.1. Legal reserve

Pursuant to the consolidated text of the Revised Text of the Spanish Corporations Act, an amount equal to 10% of the profit made in the financial year must be applied to statutory reserves until these reserves reach at least 20% of the capital stock. The statutory reserve may be used to increase capital in the part of its balance exceeding 10% of the capital as increased. Save for the above mentioned purposes, and until and unless it reaches 20% of the capital stock, this reserve may only be used to offset losses, provided there are no other reserves available for such purposes.

At the close of the 2013 financial year, as in 2012 and 2011, this reserve was fully established.

16.2. Share premium

The Revised Text of the Public Limited Companies Act expressly allows the balance of the share premium to be employed in order to increase the capital stock, and places no form of specific restriction in terms of the availability of this balance.

16.3. Reserves in consolidated companies

The breakdown by company included within the consolidation perimeter of the reserves at Consolidated companies is as follows:

Company Thousand euros	2013	2012	2011	2010
By full/global integration:				
Grupo Aldesa S.A.	1,323	2,761	11,973	1,525
Aldesa Construcciones, S.A.	179,571	153,973	130,473	122,515
Gtt Ingeniería y Tratamientos De Agua, S.A.	(3,363)	(2,806)	(2,752)	(2,823)
Coalvi, S.A.	1,095	3,737	3,692	4,731
Maquivías, S.L.	—	—	(1,235)	(355)
Urbanizadora Carretera Albalat, S.L.	(314)	(313)	(309)	(301)
Aldesa Home, S.L.	(9,554)	(2,814)	(853)	(2,320)
Enersol Solar 3, S.L.U.	(1)	—	—	—
Arquitectos e Ingenieros, S.A.U.	1,365	1,464	—	—
Proacon, S.A.	4,962	4,185	—	—
Águilas Residencial, S.A.	849	(357)	1,127	1,269
Inarenas Proyectos Inmobiliarios, S.A.	9	7	—	—
Sector Betera, S.L.	(55)	(35)	—	—
Perdigana San Pau, S.L.	(94)	(81)	—	—
Aldesa Nuevo Madrid, S.L.	(945)	(769)	(554)	(414)
Aldesa Energías Renovables S.L.U. Subgroup	(56,583)	(38,029)	(12,970)	(6,720)
Pebian Inversiones, S.L. Subgroup	2,413	(12)	2,391	1,328
Aldesa Actividades de Construcción, S.L.U.	3,344	3,293	3,260	1,226
Aldesa Marina Salinas de Torrevieja, S.L.	(1,014)	(877)	(710)	(579)
Aldesa Servicios y Mantenimiento, S.A.	—	3,716	324	522
Aldesa Ingeniería y Servicios, S.L.	(773)	(681)	46	46
Aldesa Turismo, S.A.	(508)	(470)	(465)	(456)
Aldesa Turismo México, S.L.	22	33	24	25
Alviesa Promociones Y Obras S.L.	(54)	(40)	(38)	(37)
Civesa Ingeniería, S.A.	(714)	(302)	248	184
Ingeniería Geotécnica, S.A.	—	—	—	(1,545)
Investigaciones Geotécnicas, S.L.	—	—	—	206
Aldesa Hidrocarburos, S.L.	(655)	(617)	(384)	(371)
DICASA Diseños Canarios, S.L.U.	(468)	(225)	(59)	—
Solar Aguado, S.L.U.	(1)	(1)	(1)	—
Solar Arillo, S.L.U.	(1)	(1)	(1)	—

Company Thousand euros	2013	2012	2011	2010
Aeronaval de Construcciones e Instalaciones, S.A.U. (ACISA) Subgroup	(5,184)	2,019	1,534	5,277
Agrupación de Empresas, Automatismos, Montajes y Suministros, S.L.	(8,362)	3,471	3,954	3,955
Inversión en Infraestructuras Andaluzas, S.L.U.	(1)	(1)	—	—
Autopista de La Mancha Concesionaria Española, S.A.	(1,331)	(924)	(453)	173
Solar San Javier, S.L.	(1)	(1)	(1)	—
Viviendas Torrejón Móstoles,S.A.U.	347	233	210	206
Edificio Torrevillano, S.L.	(1,868)	(1,719)	(1,534)	(1,280)
Aldesa Partner, S.L.U.	(1)	(1)	(1)	(1)
Aldesa Concesiones, S.L. Subgroup	(3,396)	(2,849)	(1,676)	(1,330)
Colegio Montesclaros, S.L.	(64)	(113)	(241)	(222)
Gran Canal Inversiones, S.L.U.	319	202	56	(26)
Aldesa Inversiones Internacionales, S.L.	(2)	(2)	(2)	—
Puerto Deportivo Torrevieja, S.A.U.	(1,629)	(832)	(341)	—
Aldeturismo de México, S.A. de C.V.	(838)	(323)	(240)	(218)
Construcciones Aldesem, S.A. de C.V.	—	—	—	1,831
Promociones La Esperanza, S.A. de C.V.	—	—	—	(1)
Aldesa Polska Diamante Plaza, Sp.z.o.o	(2,793)	(2,807)	(1,880)	(490)
Aldesa Nowa Energia, Sp.z.o.o. (formerly Project Incognito, Sp. z.o.o.)[1]	—	(743)	(16)	(9)
Aldesa Construcciones Polska, Sp.z.o.o (formerly Projet Arianska, S.p. z.o.o)[1]	—	1	(11)	(8)
Polska Servicies, Sp.z.o.o Subgroup	1,305	63	127	(41)
Aldesa Servicios Administrativos, S.A. de C.V.	—	—	—	(35)
Constructora de Caminos de Chiapas, S.A. de C.V.	—	—	—	4,593
Concesiones Aldesem, S.A. de C.V.	—	—	—	(1,760)
Operadora México- España, S.A. de C.V.	—	—	—	5
Administradora de Personal Carretero, S.A.de C.V.	—	—	—	19
Mantenimiento México-España, S.A. de C.V.	—	—	—	102
Consorcio Carretero del Sureste, S.A. de C.V.[2]	—	(1)	—	—
Compañía de Actividades Carreteras del Sur, S.A de C.V.[2]	—	—	—	(1)
Concesionaria Autopista del Sureste, S.A. de C.V.	—	6,846	3,745	3,312
Infraestructura y autopistas del Bajio S.A. de CV	—	—	—	(2)
Aldesa Holding S.A. de C.V.	27,085	4,751	7,628	—
	123,442	132,009	144,085	131,705
By equity method:				
San Pedro Exterior, S.L.	8	8	8	9
Inarenas Proyectos Inmobiliarios, S.A.	—	—	—	66
	8	8	8	75
TOTAL	**123,450**	**132,017**	**144,093**	**131,780**

16.4. Outside interests

The movement under this caption for each subsidiary during the 2013 financial year was as follows:

Company Thousand euros	Initial balance 2012	Result assigned to minority interests (Note 21.4)	Others	Final balance 2013
GTT Ingeniería y Tratamiento de Aguas, S.A.	—	—	(1)	(1)
Aldesa Marina Salinas de Torrevieja, S.L.	—	—	(2)	(2)
Aldesa Turismo, S.A.	(27)	(1)	(8)	(36)
Aldesa Turismo de Méjico, S.L.	(3)	—	(24)	(27)
Edificio Torrevillano, S.L. (See Note 2.1)	273	(139)	(668)	(534)
Gestión Autopistas Internacionales, S.L.	—	—	1	1
Aldesa Concesiones, S.L. Subgroup	193	(156)	(349)	(312)
Colegio Montesclaros, S.L. (See Note 2.1)	216	18	—	234
Aldeturismo de México, S.A. de C.V.	—	(28)	(40)	(68)
Total	**652**	**(306)**	**(1,091)**	**(745)**

(*) The Outside Shareholders of the Aldesa Concesiones, S.L. Subgroup correspond to the outside shareholders of the companies Colegio Torrevilano, S.L. and Edificio Montesclaros, S.L.U.

The movement under this caption for each subsidiary during the 2012 financial year was as follows:

Company Thousand euros	Initial balance 2011	Result assigned to minority interests (Note 21.4)	Others	Final balance 2012
GTT Ingeniería y Tratamiento de Aguas, S.A.	—	(1)	1	—
Aldesa Turismo, S.A.	(26)	2	(3)	(27)
Aldesa Turismo de Méjico, S.L.	(6)	7	(4)	(3)
Edificio Torrevillano, S.L. (See Note 2.1)	415	(143)	1	273
Aldesa Concesiones, S.L. Subgroup	369	(176)	—	193
Colegio Montesclaros, S.L. (See Note 2.1)	174	47	(5)	216
Total	**926**	**(264)**	**(10)**	**652**

(*) The Outside Shareholders of the Aldesa Concesiones, S.L. Subgroup correspond to the outside shareholders of the companies Colegio Torrevilano, S.L. and Edificio Montesclaros, S.L.

The movement under this caption for each subsidiary during the 2011 financial year was as follows:

Company Thousand euros	Initial balance 2010	Result assigned to minority interests (Note 21.4)	Others	Final balancce 2011
Aldesa Turismo, S.A.	(27)	1	—	(26)
Aldesa Turismo de México, S.L.	(6)	—	—	(6)
Edificio Torrevillano, S.L. (See Note 2.1)	593	(178)	—	415
Aldesa Concesiones, S.L. Subgroup	586	(217)	—	369
Colegio Montesclaros, S.L. (See Note 2.1)	45	129	—	174
Total	**1,191**	**(265)**	**—**	**926**

(*) The Outside Shareholders of the Aldesa Concesiones, S.L. Subgroup correspond to the outside shareholders of the companies Colegio Torrevilano, S.L. and Edificio Montesclaros, S.L.

The movement under this caption for each subsidiary during the 2010 financial year was as follows:

Company Thousand euros	Initial balance 2009	Result assigned to minority interests (Note 21.4)	Others	Perimeter variations (Note 2.4)	Final balance 2010
Maquivias, S.A.	26	—	(26)	—	—
Pebian Inversiones, S.L.U. Subgroup	902	—	—	(902)	—
Aldesa Marina Salinas de Torrevieja, S.L.	(1)	—	1	—	—
Aldesa Turismo, S.A.	(27)	—	—	—	(27)
Aldesa Turismo de México, S.L.	(6)	—	—	—	(6)
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U.	7,400	—	—	(7,400)	—
Aldesa Concesiones, S.L. Subgroup	(435)	(288)	1,309	—	586
Edificio Torrevillano, S.L.	(261)	(244)	1,098	—	593
Colegio Montesclaros, S.L.	(127)	(19)	191	—	45
Total	**7,471**	**(551)**	**2,573**	**(8,302)**	**1,191**

In the column "Others" the effect of the increase of capital in Edificio Torrevilano, S.L. and Edificio Montesclaros, S.L. (Aldesa Concesiones, S.L. Subgroup) carried out with issue premium entirely paid by Aldesa Construcciones, S.A. (see Note 2.4) is included.

16.5. Translation differences

The conversion differences for the 2013, 2012, 2011 and 2010 financial years are essentially the result of the impact of incorporation of the companies located in Mexico, Poland, Peru, India, Romania and the United States (see Annex 1).

16.6. Dividends

During the 2013 financial year, the Company did not approve any dividend distribution to the shareholders.

On 1 August 2012, the Universal General Shareholders' Meeting unanimously approved the distribution of a dividend charged to freely available voluntary reserves amounting to 1,000 thousand euros, distributed in proportion with the stake held by each of the shareholders on that date (See Note 4).

On 1 September 2011, the Universal General Shareholders' Meeting unanimously approved the distribution of a dividend charged to freely available voluntary reserves amounting to 2,000 thousand euros, distributed in proportion with the stake held by each of the shareholders on that date (See Note 4).

17 Provisions and contingencies

17.1. Long-term provisions

The detail of long-term provisions on the balance sheet at the close of the 2013, 2012, 2011 and 2010 financial years, in addition to the main movements recorded during both financial years, are as follows:

- *2009 - 2011*

Long-term provisions Thousand euros	31.12.2009	Provisions	Applications / reversals	31.12.2010	Provisions	Applications / reversals	Result 2011	31.12.2011
Environmental initiatives	735	—	(735)	—	—	—	—	—
Risks and charges	24,370	7,593	(407)	31,556	3,377	(16,816)	—	18,117
Other provisions	—	—	—	—	1,244	—	—	1,244
Provision for losses derived from equity-method companies (Note 12.1)	—	8	—	8	—	—	9	17
Total	**25,105**	**7,601**	**(1,142)**	**31,564**	**4,621**	**(16,816)**	**9**	**19,378**

- *2011 - 2013*

Long-term provisions Thousand euros	31.12.2011	Provisions	Applications / reversals	Result 2012	31.12.2012	Provisions	Applications / reversals	Perimeter variations	Result 2013	Others	31.12.2013
Risks and charges	18,117	1,053	(925)	—	18,245	797	(980)	(3)	—	—	18,059
Other provisions	1,244	106	(367)	—	983	561	(3)	(22)	—	—	1,519
Provision for losses derived from equity-method companies (Note 12.1)	17	—	—	54	71	—	—	—	89	6	166
Total	**19,378**	**1,159**	**(1,292)**	**54**	**19,299**	**1,358**	**(983)**	**(25)**	**89**	**6**	**19,744**

a) Provision for losses derived from equity-method companies

Thousand euros	Balance at 31.12.2010	Result 2011	Balance at 31.12.2011	Equity method result	Balance at 31.12.2012	Equity method result	Others	Balance at 31.12.2013
Torrepai, S.L.	8	9	17	—	17	—	(17)	—
Operadora de Autopistas de Sayula, SAPI	—	—	—	54	54	89	23	166
Total	**8**	**9**	**17**	**54**	**71**	**89**	**6**	**166**

The Parent Company Directors maintain long-term provisions to cover claims arising from their activities, as well as risks derived from their operations and uncertainties associated with the markets in which it operates. These provisions have been carried out on the basis of the best estimates available, preserving the true image of special purpose consolidated financial statements.

"Other provisions" includes mainly provisions for replacements and expropriations recorded by the subsidiary or multigroup Autopista de La Mancha Concesionaria Española, S.A.

17.2. Short-term provisions

This sets out the estimated sum required in order to cover works maintenance expenses during the warranty period, removal from the site and disassembly of installations and the costs of settlement and bonds up until the return thereof. The endowment of this provision is charged to the caption "Supplies" on the attached consolidated income statement.

18 Short and long-term payables

18.1. Long-term financial liabilities

The balance of the accounts for the caption "Long-term debts" at the close of the 2013, 2012, 2011 and 2010 financial year was as follows:

Long-term financial instruments Thousand euros	2013	2012	2011	2010
Debts with credit institutions and financial leases[1] (Note 18.1.a)	163,628	272,382	279,122	319,096
Credit policies (Note 18.1.a)	752	21,697	—	—
Debts with project finance credit institutions (Note 18.1.b)	270,416	281,946	289,941	429,273
Debentures and other negotiable securities (Note 18.1.c)	199,037	208,912	191,943	—
Other long-term debts (Note 18.1.d)	13,312	13,017	12,771	—
Derivatives (Note 18.1.e)	43,708	61,148	48,172	41,761
Other financial liabilities (Note 18.1.f)	37,249	34,590	43,672	43,783
Total	**728,102**	**893,692**	**865,621**	**833,913**

(1) The sum, at 31 December 2012, corresponded to the total nominal sum of the debt less 1,538 thousand euros and 102 thousand euros corresponding to the arrangement and coordination fees for the financial arrangements signed during 2010 at Aldesa Construcciones, S.A. and Grupo Aldesa, S.A., respectively, which have be imputed to the results on the basis of a financial principle. At 31 December 2011 the nominal sum of the debt had been reduced by 2,807 thousand euros and 187 thousand euros in the same regard. At 31 December 2010, the nominal sum was reduced by 4,076 thousand euros and 277 thousand euros in the same regard.

a) Debts with credit institutions including financial leases:

The detail by maturity date, at 31 December 2013, of the debt drawn down with credit institutions is, in thousands of euros, as follows:

- *2013*

				Drawn down				
Company	Line	Limit	Drawn down	Maturity 2014	Maturity 2015	Maturity 2016	Maturity 2017	Rest
Aldesa Construcciones, S.A.	Long-Term Syndicated (FSF)	193,336	121,271	11,995	109,276	—	—	—
Aldesa Construcciones, S.A.	Loan	34,536	34,536	3,925	30,611	—	—	—
Aldesa Construcciones, S.A.	Mortgage loan	7,534	7,534	165	173	181	190	6,825
Aldesa Nuevo Madrid, S.L.	Mortgage loan	3,220	3,220	3,220	—	—	—	—
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L. U. (AMS)	Loan	971	971	971	—	—	—	—
Águilas Residencial, S.A.	Transferable Mortgage loan[1]	5,543	5,543	65	169	280	289	4,740
Civesa Ingeniería, S.A.	Mortgage loan	275	275	21	21	22	22	189
Grupo Aldesa, S.A.	Loan	16,977	16,977	1,668	15,309	—	—	—
GTT Ingeniería y Tratamientos del Agua, S.A.	Loan	83	83	83	—	—	—	—
Proacon, S.A.	Loan	242	242	112	112	19	—	—
Various	Leasing	1,446	1,446	768	619	59	—	—
Various	Credit policy	36,718	2,380	1,628	752	—	—	—
UTE VIVIENDAS MOSTOLES SUR FASE II	Transferable Mortgage loan[1]	107	107	—	—	—	—	107
UTE Corredera	Transferable Mortgage loan[1]	120	120	—	—	—	—	120
Total		**301,108**	**194,705**	**24,621**	**157,042**	**561**	**501**	**11,981**

(1) The mortgage loans indicated are classified under current liabilities, since their classification is performed according to the production cycle of the real estate activity, although their maturity, as the above table shows, will be in the long-term.

At 31 December 2013, excepto for the transferable mortgage loans, the balance of the column "Maturity 2014" is included under the caption "Short-term debts with credit institutions" under current liabilities on the consolidated balance sheet appended (see Note 18.2.a).

• *2012*

The detail at 31 December 2012, by maturity of the debt drawn down with credit institutions, in thousand euros, was as follows:

			Drawn down				
Company	**Line**	**Drawn down**	**Maturity 2013**	**Maturity 2014**	**Maturity 2015**	**Maturity 2016**	**Rest**
Aldesa Construcciones, S.A.	Long-Term Syndicated (FSF)	203,520	—	23,990	179,530	—	—
Aldesa Construcciones, S.A.	Loans	38,164	1,928	5,927	30,309	—	—
Aldesa Construcciones, S.A.	Mortgage loan	7,586	82	170	178	186	6,970
Aldesa Nuevo Madrid, S.L. (Note 13.1)	Mortgage loan	3,670	3,670	—	—	—	—
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L. U. (AMS)	Loans	2,898	1,926	972	—	—	—
Águilas Residencial, S.A.	Transferable mortgage loan	5,984	—	79	178	286	5,441
Civesa Ingeniería, S.A. (Note 13.1)	Mortgage loan	294	20	21	21	22	210
Grupo Aldesa, S.A.	Loans	18,495	667	2,670	15,158	—	—
GTT Ingeniería y Tratamientos del Agua, S.A.	Loan	333	250	83	—	—	—
Proacon, S.A.	Loan	354	112	112	111	19	—
Various	Financial leasing (Note 11)	2,201	822	694	626	47	12
Various	Credit policy	21,697	—	21,697	—	—	—
UTE MOSTOLES SUR FASE II	Transferable mortgage loan	227	—	—	—	—	227
UTE Corredera	Transferable mortgage loan	128	—	—	—	—	128
Total		**305,551**	**9,477**	**56,415**	**226,111**	**560**	**12,988**

• *2011*

The detail at 31 December 2011, by maturity of the debt drawn down with credit institutions, in thousand euros, was as follows:

			Drawn down				
Company	**Line**	**Drawn down**	**Maturity 2012**	**Maturity 2013**	**Maturity 2014**	**Maturity 2015**	**Rest**
Aldesa Construcciones, S.A.	Sindicated	205,974	—	22,924	93,808	89,242	—
Aldesa Construcciones, S.A.	Loan	42,776	2,607	5,932	18,313	15,924	—
Aldesa Construcciones, S.A.	Mortgage loan	8,377	84	175	184	193	7,741
Aldesa Nuevo Madrid, S.L. (formerly GI Boj Castellana, S.L.) (Nota 13.1)	Mortgage loan	3,670	—	3,670	—	—	—
Aeronaval de Construcciones e Instalaciones, S.A.U. (ACISA)	Loan and others	4,363	4,349	11	3	—	—
Aldesa Servicios y Mantenimiento, S.A. (ASM)	Loan	25	11	11	3	—	—
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U. (AMS)	Loan and others	6,349	3,451	1,924	974	—	—
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U. (AMS)	Mortgage loan	34	14	15	5	—	—
CIVESA Ingeniería, S.A. (Nota 13.1)	Mortgage loan	314	20	20	21	21	232
Grupo Aldesa, S.A.	Loan	17,997	—	2,003	8,196	7,798	—
GTT Ingeniería y Tratamiento de Aguas, S.A.	Loan	500	167	250	83	—	—
Proacon, S.A.	Loan	464	111	112	112	111	18
Various	Financial leasing	3,091	1,004	809	694	584	—
UTE MOSTOLES SUR FASE II	Transferable mortgage loan	356	—	—	—	—	356
UTE Correderas	Transferable mortgage loan	135	—	—	—	—	135
Total		**294,425**	**11,818**	**37,856**	**122,396**	**113,873**	**8,482**

On 10 December 2013 Aldesa Construcciones, S.A. signed a novation to alter, improving the average lifespan, the repayment calendar of the Long-Term Syndicated loan (FSF) signed in July 2010 and amounting to 239,512 thousand euros, subsequently novated on 16 December 2011 and 20 December 2012. In December 2013 a prepayment of 5% of the outstanding debt was performed following the novation in December 2012, with the next amortisation taking place in July 2014, amounting to a further 5.89%, the following amortisation term corresponding to the final maturity on 29 July 2015. The interest associated with this loan is pegged to the Euribor plus a spread. At 31 December 2013, the drawn down debt amounts to 121,271 thousand euros (203,520 thousand euros in 2012 and 205,974 thousand euros in 2011), the available sum amounting in 2013 to 72,065 thousand euros.

This credit also includes clauses for foreclosure or changes in the loan conditions in the event of a breach of certain financial ratios referenced to the consolidated net financial debt and EBITDA of Grupo Aldesa, S.A. and Subsidiaries. These ratios were fulfilled at 31 December 2013, 2012 and 2011. This loan enjoys a joint and several guarantee from Grupo Aldesa, S.A., along with other subsidiaries which could be significant during the lifespan of the loan.

Banco Sabadell and Santander are the agents for the aforementioned Long-Term Syndicated loan, the distribution of the available limit by institution being as follows at 31 December 2013:

Financial institution Thousand euros	
Bankia	48,621
Banco Popular	11,139
Banco Sabadell	49,590
Banco Santander	37,814
BBVA	9,686
CatalunyaCaixa	14,207
NovaCaixaGalicia	22,279
Total	**193,336**

(1) In 2012 2011 and 2010 financial years, the limits distributed Among financial entities had the same proportion

Meanwhile, in order to adapt the new repayment calendar for the Long-Term Syndicated Loan (FSF) of the company to the Group's long-term financing, the following two operations were arranged:

- On 10 December 2013 Aldesa Construcciones, S.A. signed a novation, to modify the calendar improving the average lifespan, of the loan arranged in December 2010 with the Instituto de Crédito Oficial (ICO) amounting to 40,000 thousand euros, subsequently novated on 16 December 2011 and 20 December 2012. In December 2013 a prepayment of 5% of the outstanding debt was performed following the novation in December 2012, with the next amortisation taking place in July 2014, amounting to a further 5.89%, the final maturity date being maintained as 29 July 2015. The interest associated with this loan is pegged to the Euribor plus a spread. At 31 December 2013 the debt drawn down is 32,286 thousand euros (33,987 thousand euros in 2012 and 35,992 thousand euros in 2011).

  This credit also includes clauses for foreclosure or changes in the loan conditions in the event of a breach of certain financial ratios referenced to the consolidated net financial debt and consolidated EBITDA. These ratios were fulfilled at 31 December 2013 and 2012. This loan enjoys a joint and several guarantee from Grupo Aldesa, S.A., along with other subsidiaries which could be significant during the lifespan of the loan.

- On 10 December 2013 Grupo Aldesa S.A. signed a novation to modify the repayment calendar, improving the average lifespan of the loan arranged with CaixaBank on 7 October 2010 amounting to 20,000 thousand euros, subsequently novated on 16 December 2011 and 20 December 2012. In December 2013 a prepayment of 5% of the outstanding was performed following the novation in December 2012, with the next amortisation taking place in July 2014, amounting to a further 5.89%, the final maturity date being maintained as 29 July 2015. The interest associated with this loan is pegged to the Euribor plus a spread. At 31 December 2013 the debt drawn down is 16,144 thousand euros. At 31 December 2013, the drawn down debt is of 16,144 thousand euros (16,994 thousand euros in 2012 and 17,997 thousand euros in 2011).

  This credit also includes clauses for foreclosure or changes in the loan conditions in the event of a breach of certain financial ratios referenced to the consolidated net financial debt and consolidated EBITDA. These ratios were fulfilled at 31 December 2013, 2012 and 2011. This loan enjoys a joint and several guarantee from Grupo Aldesa, S.A., along with other subsidiaries which could be significant during the lifespan of the loan.

- On 13 May 2005 Aldesa Nuevo Madrid, S.L. arranged a mortgage loan over 2 years for a sum of 6,374 thousand euros. The maturity of the debt has been later delayed. In August 2013 an agreement was signed with the Sociedad de Gestión de Activos procedentes de la

Reestructuración Bancaria, S.A. (SAREB), by which there is no obligation to amortise in the following 9 months, which period could be extended to an additional 9 months, after the signing of the agreement. At 31 December 2013, the debt drawn down is 3,220 thousand euros. The interest associated with this loan is pegged to the Euribor plus a spread (3,670 thousand euros in 2012 and 2011).

- On 1 August 2005 Aldesa Construcciones, S.A. arranged a 25-year mortgage loan for 24,982 thousand euros intended for the development of 100 open market residential properties in Arroyomolinos (Madrid). This loan was subsequently novated, with the grace period being extended, the most recent novation being from August 2012 until August 2013. The development has been completed, with 7 not yet having been sold or leased with a purchase option. At 31 December 2013, the debt drawn down is 7,534 thousand euros (7,586 thousand euros in 2012 and 8,377 thousand euros in 2011). The interest associated with this loan is pegged to the Euribor plus a spread.

- On 17 February 2012 Grupo Aldesa, S.A. arranged with Bankinter via an ICO line of credit a loan amounting to 2,000 thousand euros, maturing on 10 March 2015. The interest associated with this loan is pegged to the Euribor plus a spread. At 31 December 2013, the debt drawn down is 833 thousand euros (1,500 thousand euros in 2012).

- In June 2012, following the demerger of the special purpose entity Águilas Residencial, S.A., Aldesa Construcciones, S.A. became the sole shareholder of this company, the purpose of which was the development of 121 open market residential properties in Águilas (Murcia) (see Notes 13.1 and 13.2). This development is completed with 20 residential properties are pending sale or rental, which correspond with the debt registered in current liabilities in the consolidated balance sheet under the caption "Transferable mortgage loans". At 31 December 2013, the debt drawn down is 5,543 thousand euros (5,984 thousand euros in 2012 and 6,920 thousand euros in 2011). The interest associated with this loan is pegged to the Euribor plus a spread, and, since the demerging, it is covered by a joint and several guarantee provided by Aldesa Construcciones, S.A., no longer being considered therefore as project finance.

- The UTE Móstoles Sur Fase II, in which Aldesa Construcciones, S.A. holds a 60% stake, Aldesa Home, S.L. a 20% stake and Arquitectos e Ingenieros, S.A.U. another 20%, is the developer of 70 state-subsidised residential properties in Móstoles. The development has been handed over in full, with sale of four commercial premises and ten garage space places remaining pending at the close of the financial year, corresponding to the debt accounted for under current liabilities in the consolidated balance sheet under the caption "Transferable mortgage loans". At 31 December 2013, the debt drawn down is 107 thousand euros (227 thousand euros in 2012 and 356 thousand euros in 2011).

- The UTE Corredera in which Aldesa Construcciones, S.A. holds a 50% stake and Aldesa Home, S.L. another 50% stake, is the developer of 106 state-subsidised residential properties in Ciudad Real. 100% of the development has been sold, with only 48 garage spaces pending sale, corresponding to the debt accounted for under Current Liabilities in the consolidated balance sheet under the caption "Transferable mortgage loans". At 31 December 2013, the debt drawn down is 120 thousand euros (128 thousand euros in 2012 and 135 thousand euros in 2011).

For the other credit operations described in the table above, the associated interest rate is pegged to the Euribor plus a spread.

It should lastly be pointed out that on 10 December 2013 the novation of the framework contact initially signed on 20 December 2012, renewing the credit policies arranged by Aldesa Construcciones, S.A. and Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U. was agreed with the financial institutions with a stake in the long-term financing of the Group. In December 2013 the maturity of the arrangements was extended to July 2015, and maintain therefore their classification as long-term. The breakdown of the limits and sums drawn down at 31 December 2013 and 2012, in thousands of euros, is as follows:

	2013		2012	
Company	**Limit**	**Drawn down**	**Limit**	**Drawn down**
Aldesa Construcciones, S.A.	27,937	752	28,743	18,560
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U. (AMS)	3,229	—	3,557	3,137
Total	**31,166**	**752**	**32,300**	**21,697**

b) Debts with credit institutions through project finance

These debts correspond essentially to long-term debts arranged under the project finance method or similar arrangements with financial institutions.

The Group mainly makes investments in construction, energy, and concessions which are operated by subsidiaries or multigroup companies, whose financing is arranged by means of Project Finance.

These financing structures apply to projects that are by themselves able to provide sufficient backing to the financial institutions involved as regards repayment of the debts acquired to execute them. Thus, each of them is normally developed through specific companies in which the project assets are financed by contribution of funds by the developers, which is restricted to a certain amount, as well as third-party funds, usually with a larger volume, in the form of long-term debt. The servicing of the debt for these credits or loans is mainly backed by the cash flows generated by the project itself in the future, as well as by de re guarantees over the project assets.

• *2013*

At 31 December 2013 the detail by maturity date, in thousands of euros, was as follows:

			Drawn down				
Company	**Account type**	**Drawn down**	**Maturity 2014**	**Maturity 2015**	**Maturity 2016**	**Maturity 2017**	**Rest**
Aldesa Energías Renovables, S.L.U. Subgroup[1]	Project finance	173,501	8,841	9,693	10,172	10,746	134,049
Viviendas Torrejón-Móstoles, S.A.	Project finance	31,829	258	—	—	23,092	8,479
Autopista La Mancha Concesionaria Española, S.A.[2]	Project finance	22,710	743	775	966	1,072	19,154
Edificio Torrevilano, S.L.	Project finance	14,340	314	445	539	669	12,373
Edificio Montesclaros, S.L,	Project finance	10,226	296	473	451	498	8,508
Aldesa Polska Diamante Plaza, Sp. z.o.o. (Note 10)	Project finance	16,020	439	456	15,125	—	—
Gran Canal de Inversiones, S.L. (Note 9)	Project finance	12,940	259	12,681	—	—	—
Total		**281,566**	**11,150**	**24,523**	**27,253**	**36,077**	**182,563**

(1) This includes the 51% derived from the company Enersol Solar Santa Lucía, S.L. which is integrated by means of the proportional integration method.

(2) 23.5% of the concession company Autopista de La Mancha Concesionaria Española, S.A. which is integrated by means of the proportional integration method.

The balance of the column "Maturity 2014" is included within the caption "Debts with credit institutions through project finance" under the current liabilities on the consolidated balance sheet at 31 December 2013 (see Note 18.2.b).

• *2012*

At 31 December 2012 the detail by maturity date, in thousands of euros, was as follows:

			Drawn down				
Company	**Account type**	**Drawn down**	**Maturity 2013**	**Maturity 2014**	**Maturity 2015**	**Maturity 2016**	**Rest**
Aldesa Energías Renovables, S.L.U. Subgroup[1]	Project finance	181,579	8,143	8,891	9,743	10,214	144,588
Viviendas Torrejón-Móstoles, S.A.	Project finance	32,000	—	—	—	—	32,000
Autopista La Mancha Concesionaria Española, S.A.[2]	Project finance	23,210	541	746	758	945	20,220
Edificio Torrevilano, S.L.	Project finance	14,500	160	314	445	539	13,042
Edificio Montesclaros, S.L.,	Project finance	10,400	185	287	473	451	9,004
Aldesa Polska Diamante Plaza, Sp. z.o.o. (Note 10)	Project finance	16,499	422	439	456	15,182	—
Gran Canal de Inversiones, S.L. (Note 9)	Project finance	13,425	216	259	12,950	—	—
Total		**291,613**	**9,667**	**10,936**	**24,825**	**27,331**	**218,854**

(1) This includes the 51% derived from the company Enersol Solar Santa Lucía, S.L. which is integrated by means of the proportional integration method.

(2) 23.5% of the concession company Autopista de La Mancha Concesionaria Española, S.A. which is integrated by means of the proportional integration method.

• *2011*

At 31 December 2011, the detail by maturity date, in thousands of euros, was as follows:

			Drawn down				
Company	**Account type**	**Drawn down**	**Maturity 2012**	**Maturity 2013**	**Maturity 2014**	**Maturity 2015**	**Rest**
Aldesa Energías Renovables, S.L.U. Subgroup[1]	Project finance	189,340	7,764	8,140	8,890	9,742	154,804
Viviendas Torrejón-Móstoles, S.A.	Project finance	32,000	—	—	—	—	32,000
Autopista La Mancha Concesionaria Española, S.A.[2]	Project finance	17,436	3,037	327	463	470	13,139
Edificio Torrevilano, S.L.	Project finance	14,500	—	160	314	444	13,582
Edificio Montesclaros, S.L.	Project finance	10,400	—	185	287	473	9,455
Aldesa Polska Diamante Plaza, Sp. z.o.o.	Project finance	16,846	405	421	439	456	15,125
Águilas Residencial, S.A.[3]	Project finance	6,920	—	3,501	91	94	3,234
Gran Canal de Inversiones, S.L.	Project finance	13,883	178	216	259	13,230	—
Total		**301,325**	**11,384**	**12,950**	**10,743**	**24,909**	**241,339**

(1) This includes the 51% derived from the company Enersol Solar Santa Lucía, S.L. which is integrated by means of the proportional integration method.

(2) 23.5% of the concession company Autopista de La Mancha Concesionaria Española, S.A. which is integrated by means of the proportional integration method.

(3) 40% of the company Residencial, S.A. which is integrated by the proportional integration method. Development of 121 open market residential properties in Águilas (Murcia) whose financing includes plots. It is completed, 31 properties pending sale or lease (corresponding to the percentaje stake of the de Grupo Aldesa, S.A. and Sociedades Dependientes). (Real Estate Subsidiary.)

The main finance arrangements are:

- During 2007 and 2008 the companies that constitute the renewable energy group entered financial agreements for projects with no resource for an aggregate amount of up to 310,000 thousand euros, for the financing of renewable energy projects (photovoltaic solar plants and wind farms). The agent bank is Santander, and swaps were arranged for this finance to hedge against interest rate risk (see Note 18.1.e). The remaining non-recourse finance of the Aldesa Energía Renovalbes S.L.U. Subgroup corresponds to wind farms previously financed. At 31 December 2013 the debt drawn down by the Aldesa Energías Renovables S.L.U. Subgroup was 173,501 thousand euros (181,579 thousand euros in 2012 and 189,340 thousand euros in 2011).

- On 13 May 2008, Viviendas Torrejón-Móstoles, S.A.U. arranged non-recourse project finance amounting to up to 43,000 thousand euros, the purpose of which was to finance state-subsidised residential properties on a lease with purchase option basis in Torrejón and Móstoles. These projects are now fully built and are at the commercial sale stage. The agent bank is Banco Santander, and a swap was arranged for this finance to hedge against interest rate risk (see Note 18.1.e). At 31 December 2013, the debt drawn down is 31,829 thousand euros (32,000 thousand euros in 2012 and 2011). The total draw down amount includes 258 thousand euros of a liquidity line guaranteed by Aldesa Construcciones, S.A to be cancelled in 2014.

- On 19 June 2008 Autopista de La Mancha Concesionaria Española, S.A. arranged non-recourse project finance which, following successive novations, now has a total limit of up to 101,000 thousand euros, at 31 December 2013, the purpose of which was that of financing the project for the upkeep and maintenance of a section of the A-4 motorway between Puerto Lápice and Venta Cárdenas. Aldesa Construcciones, S.A. holds a 23.5% stake in this company. The agent bank was Banco Bilbao Vizcaya Argentaria (BBVA), and a swap was arranged for this finance to hedge against interest rate risk (see Note 18.1.e). At 31 December 2013, the debt drawn down is 22,710 thousand euros (23,210 thousand euros in 2012 and 17,436 thousand euros in 2011)

On 20 November 2008 Edificio Torrevilano, S.L. arranged non-recourse project finance for a sum of up to 18,500 thousand euros, the purpose of which was to finance construction of a state contract private school in Ensanche de Vallecas. These projects are at the operational stage. The agent bank is Banco Santander, and a swap was arranged for this finance to hedge against interest rate risk (see Note 18.1.e). At 31 December 2013, the debt drawn down is 14,340 thousand euros (14,500 thousand euros in 2012 and 2011).

- On 4 March 2009 Edificio Montesclaros, S.L.U. arranged non-recourse project finance for a sum of up to 12,400 thousand euros, the purpose of which was to finance construction of a state contract private school in the municipality of Cerceda. This project has been in operation since September 2009. The agent bank is Banco Santander, and a swap was arranged for this finance to hedge against interest rate risk (see Note 18.1.e). At 31 December 2013, the debt drawn down is 10,226 thousand euros. (10,400 thousand euros in 2012 and 2011).

- On 17 September 2008, Aldesa Polska Diamante Plaza, Sp z.o.o. arranged non-recourse project finance for a sum of 28,217 thousand euros, the purpose of which was to finance an office building in Krakow. This project has been in operation since November 2011. The agent bank is Bank Pekao, and a swap was arranged for this finance to hedge against interest rate risk (see Note 18.1.e). At 31 December 2013, the debt drawn down is 16,020 thousand euros. (16,499 thousand euros in 2012 and 16,846 thousand euros in 2011)

- On 3 December 2008, Gran Canal de Inversiones, S.L. arrange project finance for a sum of up to 15,000 thousand euros, the purpose of which was to finance corporate buildings. The agent bank is Bank of Scotland, and a swap was arranged for this finance to hedge against interest rate risk (see Note 18.1.e). At 31 December 2013, the debt drawn down is 12,940 thousand euros (13,425 thousand euros in 2012 and 13,883 thousand euros in 2011).

All these financial arrangements are complying with the financial obligations, with no payment incident having occurred.

c) Debentures and other tradeable securities:

On 6 October 2011 a bond was issued based on collection rights derived from operation of the Mexico concession (Concesionaria Autopistas del Sureste, S.A. de C.V.) amounting to a sum of 3,500 million Mexican pesos (the equivalent value in euros being 193,792 thousand at the exchange rate on the date of issue), serving to: (i) repay the bank debts of 2,250 million Mexican pesos (the equivalent value in euros being 124,580 thousand at the rate of exchange on the date of issue), (ii) to cancel the swap associated with this finance to hedge against interest rate risk, and (iii) to cover all expenses of the issue. This issue, which was ultimately oversubscribed, is non-recourse finance with a legal period of 26 years, accruing interest at a fixed rate of 6%, without taking into consideration the rate of inflation. The placement agents were Banamex and Banco Santander. Following this operation a surplus for shareholders of 468.5 million Mexican pesos remained (the equivalent value in euros being 25,940 thousand at the rate of exchange on the date of issue). The value of this bond issue at 31 December 2013 amounts to 199,037 thousand euros (208,912 thousand euros in 2012 and 198,051 thousand

euros in 2011) and is included under the caption "Debentures and other tradeable securities" under the liabilities on the consolidated balance sheet.

d) Other long-term debts:

This caption includes the following items:

In accordance with the terms of Additional Provision 41 of General State Budget Act 26/2009, of 23 December 2009, for 2010, and as a result of the application presented by the company Autopista de La Mancha Concesionaria Española, S.A. in the financial year 2011, said company subscribed an equity loan with the Ministry of Infrastructure for a nominal sum of 54,020 thousand euros.

The sum, including interest, corresponding to the stake held by Aldesa Construcciones, S.A. (23.5%) is 13,312 thousand euros (13,017 thousand euros at the close of 2012 and 12,771 thousand euros at the close of 2011), included under the caption "Other long-term debts" under non-current liabilities on the attached consolidated balance sheet at 31 December 2013, 2012 and 2011.

e) Long-term derivatives:

In Project finance, and in those construction projects where the collection currency is different from the currency used to make payments, derivative financial instruments are used to hedge risks to which future activities, operations and cash flows are exposed. All requirements detailed in Note 5.8.3 regarding valuation standards for the classification of the financial instruments listed below as hedging instruments have been fulfilled. In specific terms they have been formally designated as such, and it has been established that the hedge is effective.

The sum of the derivatives broken down in the table below reflects in accounting terms the fair market value of the derivatives and the foreign currency exchange insurance policies at 31 December 2013, 2012, 2011 and 2010. These derivatives and insurance policies were arranged to hedge against exchange rate and interest risk in the finance for the project and in the aforementioned construction projects (hedging derivatives), and this fair value represents the payment which would be required if it were decided to cancel all of them at the time of valuation.

The fair value of the derivatives broken down in the table below includes the adjustment for bilateral credit risk (taking int account both own creidt risk and counterpart credit risk).

The adjustment for bilateral credit risk has been calculated applying a technique based on calculation through simulations of the total expected exposure (which includes both actual and potential exposure), adjusted by the probability of non-compliance over time and the severity (or potential loss) assigned to the Company and each of the counterparts.

The total expected exposure of the derivatives is obtained employing observable market inputs, such as interest rate curves, exchange rate, and volatilities according to the market conditions at the time of valuation.

The inputs applied to calculate the own and counterpart credit risk (determination of the probability of default) are mainly based on the application of own credit spreads or credits spreads from comparable companies currenly traded on the stock market (CDS curves, debt issue IIR). In the absence of own credit spreads or credit spreads from comparable companies, and in order to maximise use of relevant observable variables, the listed references which have deemed most suitable for the case in question have been used (listed credit spread indices). For the counterparts with available credit information, the credit spreads used were obtained from the CDS (Credit Default Swaps) listed on the stock market.

In addition, for the adjustment of the fair value to the credit risk, the credit improvements relative to guarantees or collateral were taken into account when it came to determining the severity rate applicable to each position.

The adjustment for bilateral credit risk had the net effect of a decrease in the value of derivative liabilities by 1,805 thousand euros. There was no impact on the income statement for the financial year that ended on 31 December 2013. There was no impact either in the 2012, 2011 and 2010 financial year, after analysis bya the directors.

This liability will be progressively reduced as the financial costs accruing from the item hedged are paid.

The characteristics of these operations with derivative financial instruments in place at the close of the 2013, 2012, 2011 and 2010 financial years are as follows:

Company	Classification	Type		Sum contracted	Maturity	Fair value at 31.12.2013	Fair value at 31.12.2012	Fair value at 31.12.2011	Fair value at 31.12.2010
A) INTEREST RATE HEDGING									
Aldesa Eólico Roalabota, S.A.U.	Interest rate hedge	Variable to Fixed	4.62%	8,614	28.06.2024	(1,441)	(1,984)	(1,536)	(956)
Aldesa Eólico Roalabota, S.A.U.	Interest rate hedge	Variable to Fixed	4.62%	8,741	30.06.2024	(1,441)	(670)	(1,541)	(971)
Aldesa Eólico Roalabota, S.A.U.	Interest rate hedge	Variable to Fixed	4.62%	2,158	30.06.2024	(361)	(497)	(387)	(244)
Aldesa Eólico Roalabota, S.A.U.	Interest rate hedge	Variable to Fixed	4.62%	2,909	30.06.2024	(488)	(1,984)	(521)	(323)
Aldesa Eólico Olivillo, S.A.U.	Interest rate hedge	Variable to Fixed	4.62%	7,640	30.06.2024	(1,278)	(1,760)	(1,362)	(848)
Aldesa Eólico Olivillo, S.A.U.	Interest rate hedge	Variable to Fixed	4.62%	7,752	30.06.2024	(1,278)	(594)	(1,366)	(861)
Aldesa Eólico Olivillo, S.A.U.	Interest rate hedge	Variable to Fixed	4.62%	1,914	30.06.2024	(320)	(441)	(344)	(216)
Aldesa Eólico Olivillo, S.A.U.	Interest rate hedge	Variable to Fixed	4.62%	2,656	30.06.2024	(433)	(1,760)	(462)	(287)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	4.79%	16,398	30.08.2024	(3,285)	(4,385)	(3,441)	(2,295)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	5.05%	19,240	30.08.2024	(4,071)	(5,391)	(4,356)	(3,083)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	4.79%	16,398	30.08.2024	(3,285)	(4,385)	(3,448)	(2,324)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	5.05%	19,240	30.08.2024	(4,071)	(5,391)	(4,363)	(3,116)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	4.79%	4,107	30.08.2024	(823)	(1,098)	(863)	(582)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	5.13%	4,819	30.08.2024	(1,012)	(1,343)	(1,085)	(773)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	4.79%	5,538	30.08.2024	(1,111)	(1,481)	(1,160)	(774)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	5.03%	6,497	26.02.2021	(1,224)	(1,600)	(1,315)	(994)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	3.58%	9,920	31.08.2024	(1,151)	(1,653)	(1,045)	(328)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	3.58%	9,920	31.08.2024	(1,151)	(1,653)	(1,049)	(344)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	3.58%	2,620	31.08.2024	(304)	(437)	(274)	(89)
Enersol Solar Santa Lucia, S.L.	Interest rate hedge	Variable to Fixed	3.58%	3,532	31.08.2024	(411)	(588)	(368)	(113)
Sist. Energ. Sierra del Andévalo, S.A.U.	Interest rate hedge	Variable to Fixed	3.92%	2,662	09.04.2016	(160)	(238)	(218)	(179)
Valdivia Energía Eólica, S.A.[2]	Interest rate hedge	Variable to Fixed	4.90%	8,734	28.08.2017	(864)	(1,221)	(1,137)	(1,018)
Eólico Alijar, S.A.U.[2]	Interest rate hedge	Variable to Fixed	3.93%	5,940	30.12.2014	—	(275)	(319)	(327)
Autopista de La Mancha Concesionaria Española, S.A.[3]	Interest rate hedge	Variable to Fixed	5.10%	18,396	31.12.2025	(4,248)	(5,662)	(4,612)	(3,006)

Company	Classification	Type		Sum contracted	Maturity	Fair value at 31.12.2013	Fair value at 31.12.2012	Fair value at 31.12.2011	Fair value at 31.12.2010
Edificio Torrevilano, S.L.	Interest rate hedge	Variable to Fixed	4.37%	5,437	17.10.2022	(972)	(1,307)	(958)	(575)
Edificio Torrevilano, S.L.	Interest rate hedge	Variable to Fixed	4.37%	5,437	17.10.2022	(971)	(1,307)	(972)	(566)
Viviendas Torrejón— Móstoles, S.A.U.	Interest rate hedge	Variable to Fixed	4.75%	6,059	30.05.2017	(826)	(1,111)	(960)	(753)
Viviendas Torrejón— Móstoles, S.A.U.	Interest rate hedge	Variable to Fixed	5%	2,191	30.06.2017	(314)	(425)	(374)	(301)
Viviendas Torrejón— Móstoles, S.A.U.	Interest rate hedge	Variable to Fixed	4.75%	6,059	30.05.2017	(826)	(1,111)	(955)	(750)
Viviendas Torrejón— Móstoles, S.A.U.	Interest rate hedge	Variable to Fixed	5%	2,191	30.06.2017	(314)	(425)	(373)	(299)
Viviendas Torrejón— Móstoles, S.A.U.	Interest rate hedge	Variable to Fixed	4.75%	5,228	30.06.2017	(751)	(1,010)	(886)	(680)
Viviendas Torrejón— Móstoles, S.A.U.	Interest rate hedge	Variable to Fixed	5%	1,792	30.05.2017	(287)	(386)	(346)	(271)
Grupo Aldesa, S.A.	Interest rate hedge	Variable to Fixed	2.47%	20	29.07.2013	—	—	(273)	(417)
Grupo Aldesa, S.A.	Interest rate hedge	Variable to Fixed	2.19%	19,100	29.07.2015	—	(365)	(302)	63
Grupo Aldesa, S.A.	Interest rate hedge	Variable to Fixed	0.96%	4,894	29.07.2015	—	(65)	—	(70)
Grupo Aldesa, S.A.	Interest rate hedge	Variable to Fixed	1.78%	16,994	29.07.2015	(321)	—	—	—
Gran Canal de Inversiones, S.L.	Interest rate hedge	Variable to Fixed	4.24%	14,816	26.02.2015	(703)	(1,291)	(1,444)	(1,342)
Edificio Montesclaros, S.L.	Interest rate hedge	Variable to Fixed	3.79%	3,900	15.04.2022	(513)	(712)	(475)	(216)
Edificio Montesclaros, S.L.	Interest rate hedge	Variable to Fixed	3.79%	3,900	15.04.2022	(513)	(712)	(485)	(221)
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fix	1.95%	5,000	14.09.2011	—	—	—	(32)
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	2.02%	1,350	29.07.2015	(158)	(283)	(191)	28
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	2.02%	1,350	29.07.2015	(158)	(253)	(192)	26
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	2.02%	1,350	29.07.2015	(158)	(283)	(185)	25
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.97%	2,345	29.07.2015	(152)	(281)	(180)	22
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.97%	2,345	29.07.2015	(152)	(281)	(184)	19
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.97%	2,345	29.07.2015	(151)	(253)	(178)	17
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.83%	12,602	29.07.2015	(105)	(253)	(179)	9
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.83%	12,602	29.07.2015	(105)	(283)	(183)	3
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.83%	12,602	29.07.2015	(105)	(281)	(177)	(8)
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.42%	18,279	14.09.2014	—	(148)	(140)	19
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.42%	18,279	14.09.2014	—	(148)	(139)	14
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.42%	18,279	14.09.2014	—	(148)	(86)	59
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.42%	16,094	14.09.2014	—	(151)	(130)	30
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.36%	658	29.07.2015	(43)	(61)	(12)	—
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.37%	1,100	29.07.2015	(64)	(103)	(19)	—

Company	Classification	Type		Sum contracted	Maturity	Fair value at 31.12.2013	Fair value at 31.12.2012	Fair value at 31.12.2011	Fair value at 31.12.2010
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.40%	628	29.07.2015	(33)	(60)	(11)	—
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.39%	427	29.07.2015	(28)	(68)	(6)	—
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.39%	715	29.07.2015	(42)	(38)	(11)	—
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.39%	408	29.07.2015	(21)	(40)	(6)	—
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.40%	888	29.07.2015	(59)	(84)	(18)	—
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.40%	1,485	29.07.2015	(89)	(144)	(28)	—
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.40%	848	29.07.2015	(45)	(81)	(15)	—
Aldesa Polska Diamante Plaza, Sp z.o.o	Interest rate hedge	Variable to Fixed	1.95%	11,985	30.11.2016	(475)	(705)	(323)	—
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.23%	11,850	27.04.2013	—	—	(25)	(15)
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.23%	11,850	27.04.2013	—	—	(24)	(19)
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.23%	11,850	27.04.2013	—	—	(9)	2
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.14%	23,200	27.04.2013	—	—	46	112
Aldesa Construcciones, S.A.	Interest rate hedge	Variable to Fixed	1.23%	12,350	27.04.2013	—	—	(25)	(20)
Concesionarias Autopistas del Sureste, S.A. de C.V.	Interest rate hedge	Variable to Fixed	8.76%	66,947	16.12.2024	—	—	—	(11,214)
B) EXCHANGE RATE HEDGING									
Aldesa Construcciones, S.A.	Exchange rate hedge	PLN sale—EUR purchase	4.31%	1,546	27.02.2015	(18)	—	—	—
Aldesa Construcciones, S.A.	Exchange rate hedge	PLN sale—EUR purchase	4.33%	412	30.04.2015	(5)	—	—	—
Aldesa Construcciones, S.A.	Exchange rate hedge	PLN sale—EUR purchase	4.34%	103	30.06.2015	(1)	—	—	—
Aldesa Construcciones, S.A.	Exchange rate hedge	PLN sale—EUR purchase	4.41%	1,546	29.01.2016	(17)	—	—	—
Aldesa Construcciones, S.A.	Exchange rate hedge	PLN sale—EUR purchase	4.44%	103	31.05.2016	(1)	—	—	—
Aldesa Construcciones, S.A.	Exchange rate hedge	USD sale—EUR purchase	1.36%	465	01.09.2015	7	—	—	—
Aldesa Polska Diamante Plaza, Sp z.o.o	Exchange Rate Hedge	Exchange Rate	3.97%	78,485	30.11.2009	—	—	—	(3)
Aldesa Construcciones, S.A.	PLN Exchange Rate Hedge	Exchange Rate	4.62%	—	17.08.2012	—	—	(68)	—
Aldesa Construcciones, S.A.	PLN Exchange Rate Hedge	Exchange Rate	4.61%	—	16.07.2012	—	—	(46)	—
Aldesa Construcciones, S.A.	PLN Exchange Rate Hedge	Exchange Rate	4.55%	—	19.04.2012	—	—	(4)	—
Totals[4]						**(43,700)**	**(61,148)**	**(48,123)**	**(41,375)**

(1) Percentage in the company: 51%

(2) Percentage in the company: 50%

(3) Percentage in the company: 23,50%

The sum total of the fair value at 31 December 2013 corresponds the difference between the valuations of derivatives, amounting to 8 thousand euros, accounted for under assets on the consolidated balance sheet in the caption “Long-term financial investments—Derivatives”,

corresponding to the Main Activities (see segmentations criteria detailed in Note 21.1) and the valuations for an amount of 43,708 thousand euros being accounted for in liabilities under the caption "Long-term debts", of which 2,033 thousand euros correspnod to Main Activities and 41,675 thousand euros to Investment Activities

f) Other long-term financial liabilities:

The balance of this item corresponds essentially to be subordinated debt of minority shareholders in Enersol Solar Santa Lucía, S.L. amounting to 22,752 thousand euros (20,481 thousand euros in 2012 and 18,883 thousand euros in 2011). This entry also includes the put option which Compañía Española de Financiación al Desarrollo, S.A. (Cofides) holds against Consorcio Carretera del Sureste, S.A. de C.V. for 35.37% of its stake in Concesionaria de Autopistas del Sureste, S.A. de C.V. (Group Company). The aforementioned put option has as its maturity date the month of December 2015, the value at 31 December 2013 being 10,617 thousand euros (10,162, 20,901 and 19,936 thousand euros at 31 December 2012, 2011 and 2010 respectively). This option is updated annually at a rate equivalent to the Euribor plus an annual spread.

18.2. Current financial liabilities

The balance of the accounts for the caption "Current financial liabilities" at the close of the 2013, 2012, 2011 and 2010 financial years was as follows:

Short-term financial liabilities **Thousand euros**	**2013**	**2012**	**2011**	**2010**
Short-term debts with credit institutions and financial leases (Note 18.2.a)	24,698	14,654	18,901	42,477
Debts with project finance credit institutions (Note 18.2.b)	13,503	12,825	13,486	12,019
Debentures and other negotiable securities (Note 18.2.c)	3,586	3,768	2,872	—
Transferable mortgage loans (Note 18.1.a)	5,770	355	491	8,759
Derivados (Note 18.1.d.)	1,034	3,581	—	
Other financial liabilities	480	1,093	898	957
Total	**49,071**	**36,276**	**36,648**	**64,212**

a) Short-term debts with credit institutions and financial leases:

At 31 December 2013, 2012, 2011 and 2010, the sum recorded under this caption corresponds to short-term debts with credit institutions and financial leases, including interest accrued and not paid. The breakdown is:

Thousand euros	**2013**	**2012**	**2011**	**2010**
Short-term maturity of debts and financial leases (Note 18.1.a)	22,928	9,477	11,818	14,907
Credit policies drawn down	1,628	5,162	6,850	27,241
Interest accrued and not paid and others	142	15	233	329
Total	**24.698**	**14.654**	**18.901**	**42.477**

The breakdown by company of short-term Credit policies is as follows:

	2013		2012		2011		2010	
Group Company Thousand euros	**Limit**	**Drawn down**	**Limit**	**Drawn down**	**Limit**	**Drawn down**	**Limit**	**Drawn down**
Aldesa Construcciones, S.A.	—	—	3	2,878	40,200	4,559	44,500	25,209
Agrupación, Empresas, Automatismos, Montajes y Servicios, S.L.U.	—	—	500	497	8,800	2,292	12,600	2,032
GTT Ingeniería y Tratamientos de Agua, S.A.	—	—	—	—	500	—	1,700	—
Construcciones Aldesem, S.A. de C.V.	5,552	1,628	16,290	—	15,511	—	16,921	—
UTE AMS-SIEMENS[1]	—	—	1,787	1,787	—	—		
Total	**5,552**	**1,628**	**21,577**	**5,162**	**65,011**	**6,851**	**75,721**	**27,241**

(1) 50% stake in the company.

b) Debts with credit institutions to project finance:

At 31 December 2013, 2012, 2011 and 2010, the sum recorded under this caption corresponds to debts with credit institutions through project finance, including interest accrued and not paid. The breakdown is:

Thousand euros	**2013**	**2012**	**2011**	**2010**
Short-term maturity of credits through project finance	11,150	9,667	11,384	8,798
Interest accrued and not paid and others	2,353	3,158	2,102	3,221
Total	**13,503**	**12,825**	**13,486**	**12,019**

c) Debentures and other tradeable securities:

The sum corresponds to interest accrued pending payment at 31 December 2013, 2012, 2011 and 2010 as a result of the issuance of bonds by the Concesionaria de Autopistas del Suroeste S.A. de C.V. (Note 18.1.c).

d) Short-term derivatives

This caption registers hedging instruments with current maturity. The typology and characteristics of theses instruments are detailed in Note 18.1.e.

Project finance users derivative financial instruments to hedge risks to which future activities, operations and cash flows are exposed. All requirements detailed in Note 5.8.3 regarding valuation standards for the classification of the financial instruments listed below as hedging instruments have been fulfilled. In specific terms they have been formally designated as such, and it has been established that the hedge is effective.

The sum of the derivatives broken down in the table below reflects in accounting terms the fair market value of the derivatives and the foreign currency exchange insurance policies at 31 December 2013, 2012, 2011 and 2010. These derivatives and insurance policies were arranged to hedge against exchange rate and interest risk in the finance for the project (hedging derivatives), and this fair value represents the payment which would be required if it were decided to cancel all of them at the time of valuation.

The fair value up to the 31st of December, 2013, 2012, 2011 and 2010 of the coming financial instruments detailed in the lower table has the adjustment applied due to bilateral credit risk (considering both the own credit risk and the counterparty credit risk).

The adjustment due to bilateral credit risk has been calculated using a technique based on simulations of the whole expected exposure (which includes both current and potential exposure) adjusted by the probability of breaching on a long term basis and due to the severity (or potential loss) assigned to the Partnership and each counterparty.

The whole exposure expected from the derivatives is obtained using market observables inputs, such as interest curvs, currency and volatilities, according to market conditions on the date of the appraisal.

The inputs applied to obtain the own and counterparty credit risks (default probability setting) are mainly based on the application of own credit spreads or spreads of comparable companies currently negotiated in the market (CDS curvs, debt emissions IRR). The listed references considered the most suitable according to the case (quoted credit spread indexes) have been used for lack of own credit spreads or spreads of comparable companies in order to optimise the use of relevant observable variables. For counterparties with available credit information, the credit spreads used are obtained from the CDS (Credit Default Swaps) listed in the market.

Besides, in order to adjust the fair value to the credit risk, credit improvements regarding warranties or collaterals have been considered in setting the severity rate to be applied to each position. There was no impact either in the 2012, 2011 and 2010 financial year after analysis by the directors.

The adjustment due to bilateral credit risk has had a net effect of a reduce of the liabilities from derivatives of euros 1,805. No impact has been registered on the Results account during the year ended on the 31st of December, 2013.

This liability will be progressively reduced as the financial costs accruing from the item hedged paid.

The characteristics of these operations with derivative financial instruments in place at the close of the 2013, 2012 and 2011 financial years are as follows:

Company	Classification	Type		Sum contracted in thousands of euros	Maturity	Fair value at 31.12.13	Fair value at 31.12.12	Fair value at 31.12.11
A) CASH FLOW HEDGES								
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.23%	11,850	27.04.2013	—	(6)	(25)
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.23%	11,850	27.04.2013	—	(6)	(24)
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.23%	11,850	27.04.2013	—	(6)	(9)
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.14%	23,200	27.04.2013	—	(11)	46
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.23%	12,350	27.04.2013	—	(7)	(25)
Grupo Aldesa, S.A.	Interest rate hedge	Variable to Fixed	2.47%	20	29.07.2013	—	(105)	—
Eólico Alijar, S.A.U.[1]	Interest rate hedge	Variable to Fixed	3.93%	5,940	30.12.2014	(123)	—	—
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.42%	18,279	14.09.2014	(38)	—	—
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.42%	18,279	14.09.2014	(38)	—	—
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.42%	18,279	14.09.2014	(38)	—	—
Aldesa Construcciones, S.A. .	Interest rate hedge	Variable to Fixed	1.42%	16,094	14.09.2014	(46)	—	—
B) EXCHANGES RATES HEDGES								
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.62%	4,500	17.08.2012	—	—	(68)

Company	Classification	Type		Sum contracted in thousands of euros	Maturity	Fair value at 31.12.13	Fair value at 31.12.12	Fair value at 31.12.11
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.61%	3,024	16.07.2012	—	—	(46)
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.55%	414	19.04.2012	—	—	(4)
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.30%	306	31.01.2013	—	(16)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.30%	3,977	31.01.2013	—	(206)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.34%	3,927	28.06.2013	—	(186)	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.31%	70	30.09.2013	—	—	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.01%	30	30.01.2013	—	—	—
Aldesa Construcciones, S.A. .	MXN-EUR Exchange Rate Hedge	Variable to Fixed	16.99%	257	30.01.2013	—	4	—
Aldesa Construcciones, S.A. .	MXN-EUR Exchange Rate Hedge	Variable to Fixed	17.41%	14	30.09.2013	—	—	—
Aldesa Construcciones, S.A. .	MXN-EUR Exchange Rate Hedge	Variable to Fixed	16.97%	10,018	25.02.2013	—	(179)	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.34%	275	31.01.2013	—	4	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.36%	298	28.02.2013	—	5	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.40%	323	02.04.2013	—	5	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.43%	348	30.04.2013	—	5	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.46%	350	31.05.2013	—	5	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.49%	350	28.06.2013	—	5	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.52%	350	31.07.2013	—	5	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.55%	350	30.08.2013	—	4	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.59%	305	30.09.2013	—	4	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.62%	216	31.10.2013	—	3	—
Aldesa Construcciones, S.A. .	MXN-USD Exchange Rate Hedge	Variable to Fixed	13.66%	21	29.11.2013	—	—	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.41%	4,468	28.02.2013	—	(337)	—

Company	Classification	Type		Sum contracted in thousands of euros	Maturity	Fair value at 31.12.13	Fair value at 31.12.12	Fair value at 31.12.11
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.42%	4,468	28.03.2013	—	(339)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.44%	4,468	30.04.2013	—	(344)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.45%	4,468	31.05.2013	—	(345)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.48%	2,234	31.07.2013	—	(174)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.49%	2,234	30.08.2013	—	(175)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.46%	7,193	30.10.2013	—	(454)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.41%	9,846	31.01.2013	—	(175)	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.40%	6,702	31.01.2013	—	(510)	—
Aldesa Construcciones, S.A. .	PLN-EUR Exchange Rate Hedge	Variable to Fixed	4.55%	1,169	03.03.2014	(107)	—	—
Aldesa Construcciones, S.A. .	PLN-EUR Exchange Rate Hedge	Variable to Fixed	4.57%	2,234	31.03.2014	(209)	—	—
Aldesa Construcciones, S.A. .	PLN-EUR Exchange Rate Hedge	Variable to Fixed	4.48%	5,376	10.01.2014	(422)	—	—
Construcciones Aldesem, S.A. de C.V. . . .	MXN-EUR Exchange Rate Hedge	Variable to Fixed	17.13%	43	03.01.2014	2	—	—
Construcciones Aldesem, S.A. de C.V. . . .	MXN-EUR Exchange Rate Hedge	Variable to Fixed	17.19%	164	03.02.2014	8	—	—
Construcciones Aldesem, S.A. de C.V. . . .	MXN-EUR Exchange Rate Hedge	Variable to Fixed	17.25%	445	03.03.2014	22	—	—
Construcciones Aldesem, S.A. de C.V. . . .	MXN-EUR Exchange Rate Hedge	Variable to Fixed	17.29%	207	03.04.2014	10	—	—
Aldesa Construcciones, S.A. .	PLN-EUR Exchange Rate Hedge	Variable to Fixed	4.25%	412	30.06.2014	(4)	—	—
Aldesa Construcciones, S.A. .	USD-EUR Exchange Rate Hedge	Variable to Fixed	1.36%	697	10.01.2014	12	—	—
Aldesa Construcciones, S.A. .	USD-EUR Exchange Rate Hedge	Variable to Fixed	1.36%	139	10.09.2014	2	—	—
Aldesa Construcciones, S.A. .	USD-EUR Exchange Rate Hedge	Variable to Fixed	1.36%	1,023	10.10.2014	17	—	—
Aldesa Construcciones, S.A. .	USD-EUR Exchange Rate Hedge	Variable to Fixed	1.36%	2,325	25.11.2014	38	—	—

Company	Classification	Type		Sum contracted in thousands of euros	Maturity	Fair value at 31.12.13	Fair value at 31.12.12	Fair value at 31.12.11
Aldesa Construcciones, S.A. .	USD-CAD Exchange Rate Hedge	Variable to Fixed	1.07%	209	10.01.2014	1	—	—
Aldesa Construcciones, S.A. .	USD-CAD Exchange Rate Hedge	Variable to Fixed	1.07%	42	10.09.2014	—	—	—
Aldesa Construcciones, S.A. .	USD-CAD Exchange Rate Hedge	Variable to Fixed	1.07%	306	10.10.2014	1	—	—
Aldesa Construcciones, S.A. .	USD-CAD Exchange Rate Hedge	Variable to Fixed	1.07%	696	25.11.2014	1	—	—
Aldesa Construcciones, S.A. .	MXN-EUR Exchange Rate Hedge	Variable to Fixed	18.14%	360,000	08.01.2014	71	—	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.15%	20,000	08.01.2014	(6)	—	—
Aldesa Construcciones, S.A. .	EUR-PLN Exchange Rate Hedge	Variable to Fixed	4.15%	10,000	08.01.2014	(3)	—	—
Total						**(849)**	**(3,532)**	**(155)**

(1) 50% stake in the company.

The sum total of the fair value at 31 December 2013 corresponds the difference between the valuations of derivatives, amounting to 185 thousand euros, accounted for under the assets in the caption "Derivatives", under short-term financial investments corresponding to Main Activities (see segmentation criteria detailed in Note 21.1), and the sum of 1,034 thousand euros accounted for under the liabilities under the caption "Derivatives", under current financial liabilities, of which 123 thousand euros correspond to Investment Activities and 911 thousand euros to Main Activities.

18.3. Breakdown of net financial debt

At 31 December 2013, 2012 and 2011, the breakdown of the net financial debt segmented according to the criteria detailed in Note 21.1 is as follow:

	2013			2012			2011		
Thousand euros	Total	Main activities	Invest. activities	Total	Main activities	Invest. activities	Total	Main activities	Invest. activities
Cash and cash equivalents (Note 15)	207,154	141,959	65,195	306,853	251,144	55,709	340,099	262,148	77,951
Debentures and other tradeable securities	(199,037)	—	(199,037)	(208,912)	—	(208,912)	(191,943)	—	(191,943)
LT debts with credit institutions	(162,950)	(162,950)	—	(271,003)	(271,003)	—	(277,035)	(277,035)	—
LT debts cred. Inst. proj. finance.	(270,416)	—	(270,416)	(281,946)	—	(281,946)	(289,941)	—	(289,941)
Credit policies	(752)	(752)	—	(21,697)	(21,697)	—	—	—	—
Creditors through LT financial leasing	(678)	(678)	—	(1,379)	(1,379)	—	(2,087)	(2,087)	—
ST Transferable mortgage loans	(5,770)	(5,770)	—	(355)	(355)	—	(491)	(491)	—
ST debts with credit institutions	(23,930)	(23,930)	—	(13,832)	(13,832)	—	(17,897)	(17,897)	—
ST debts with credit institutions proj. finance .	(13,503)	—	(13,503)	(12,825)	—	(12,825)	(13,486)	—	(13,486)
Creditors through ST financial leasing	(768)	(768)	—	(822)	(822)	—	(1,004)	(1,004)	—
Total	**(470,650)**	**(52,889)**	**(417,761)**	**(505,918)**	**(57,944)**	**(447,974)**	**(453,785)**	**(36,366)**	**(417,419)**

19 Public Authorities and tax situation

19.1. Balances with Public Authorities

The breakdown of balances with the Public Authorities is as follows:

Debit balances

Thousand euros	2013	2012	2011	2010
Current tax asset (Note 19.2.a)	12,908	12,817	9,724	896
Total current tax assets	**12,908**	**12,817**	**9,724**	**896**
Tax Office, VAT debt	17,745	13,316	21,695	19,180
Tax Office, VAT borne and pending accrual	6,752	2,251	—	—
Tax Office, debit balance through Corporation Tax for 2011	—	1,913	—	—
Social Security institutions, debtors	—	5	5	5
Tax Office, debt through various items	47	384	463	52
Total other credits with Public Authorities	**24,544**	**17,869**	**22,163**	**19,237**

The current tax asset at 31 December 2013 amounts to 12,908 thousand euros (12,817 thousand euros in 2012, 9,724 thousand euros in 2011 and 896 thousand euros in 2010), and covers the current tax assets of both the tax group (see Note 5.11) and of those companies not included within tax consolidation.

The sum indicated in the caption "Tax Office, debit balance through Corporation Tax for 2011" was collected in January 2013.

Credit balances

Thousand euros	2013	2012	2011	2010
Current tax liability (Note 19.2.a)	8,699	25,656	12,956	5,732
Total current tax liability	**8,699**	**25,656**	**12,956**	**5,732**
Tax Office, VAT credit	17,604	15,139	26,785	32,548
Tax Office, VAT applied and pending accrual	12,516	14,000	32,834	33,959
Social Security institutions, credit	1,780	2,643	2,649	3,754
Tax Office, Personal Income Tax credit	2,714	2,250	2,474	2,855
Tax Office, other taxes	1,347	3,798	1,485	1,939
Total other debts with Public Authorities	**35,961**	**37,830**	**66,227**	**75,055**

The current tax liability at 31 December 2013 amounted to 8,699 thousand euros (25,656 thousand euros in 2012, 12,956 thousand euros in 2011 and 5,732 thousand euros in 2011) and covers the current tax liability of companies not included within tax consolidation.

19.2. Reconciliation between the book result and the tax base

a) Book result:

The reconciliation of the book result during the 2013, 2012, 2011 and 2010 financial years is as follows:

Thousand euros	2013	2012	2011	2010
Book result for the financial year before of the Corporation Tax expense	**(39,801)**	**2,343**	**9,070**	**16,414**
Negative taxable bases compensation	**—**	**—**	**(1,751)**	**(8,300)**
Permanent differences of individual companies:	**—**	**—**	**—**	**—**
Decreases	(5,176)	(2,350)	(10,746)	(18,981)
Adjusted consolidated book result	**(44,977)**	**(7)**	**(3,427)**	**(10,867)**
Adjusted total rate (*)	**(13,493)**	**(2)**	**(1,028)**	**(3,260)**
Deductions and rebates	**—**	**—**	**(43)**	**(1,633)**
Expense(Revenue) of Corporation Tax for the financial year	**(13,493)**	**(2)**	**(1,071)**	**(4,893)**
Expense of Corporation Tax Regularisation, 2012	**2,014**	**264**	**1,577**	**633**
Deferred tax write-down, energy division and others (Note 19.4)	**7,673**	**—**	**—**	**—**
Cost of Single-Rate Corporate Tax in Mexico	**5,176**	**752**	**—**	**—**
Total cost for registered Corporation Tax	**1,370**	**1,014**	**506**	**(4,260)**

The Corporation Tax expense for the 2013 financial year set out in the consolidated income statement which amounts to 1,370 thousand euros includes both the reduced tax expense for the 2013 financial year, for an amount of 13,493 thousand euros, and adjustments through the regularisation of Corporation Tax for the 2012 financial year, performed during the 2013 financial year, amounting to an expense of 2,014 thousand euros, and the 'IETU' Fixed Rate Business Tax expense recorded at the Aldesa Holding Subgroup, amounting to 5,176 thousand euros. It also includes an adjustment of 7,673 thousand euros through regularisation of deferred taxes in the energy division and others.

The Corporation Tax expense for the 2012 financial year set out in the consolidated income statement which amounts to 1014 thousand euros includes both the reduced tax expense for the 2012 financial year, reduced by 2 thousand euros, and adjustments through the regularisation of Corporation Tax for the 2011 financial year, performed during the 2012 financial year, amounting to an expense of 264 thousand euros, and the 'IETU' Fixed Rate Business Tax expense recorded at the Aldesa Holding Subgroup, amounting to 752 thousand euros.

The Corporation Tax expense for the 2011 financial year included in the consolidated income statement, amounting to 506 thousand euros, included both the reduction of 1,071 thousand euros in the tax expense for the 2011 financial year, and the adjustments for regularisation of Corporation Tax for the 2010 financial year, performed during the 2011 financial year, amounting to an expense of 1,577 thousand euros.

The lesser expense on Corporation Tax for the 2011 financial year included in the consolidated income statement, amounting to 4,260 thousand euros, included both the reduction of 4,893 thousand euros in the tax expense for the 2010 financial year, and the adjustments for regularisation of Corporation Tax for the 2009 financial year performed during the 2010 financial year, amounting to an expense of 633 thousand euros.

The reconciliation of current taxes as follows:

	2013	2012	2011	2010
Book result for the financial year before of the Corporation Tax expense	**(39,801)**	**2,343**	**9,070**	**16,414**
Negative taxable bases compensation	**—**	**—**	**(1,751)**	**(8,300)**
Permanent differences:				
Increases	—	—	—	—
Decreases	(5,176)	(2,350)	(10,746)	(18,981)
Temporary differences				
Increases	26,329	43,389	45,930	41,886
Decreases	(6,555)	(11,749)	(21,356)	(6,869)
Adjusted consolidated book result	**(25,203)**	**31,633**	**21,147**	**24,150**
Full adjusted payment, 30%	**(7,561)**	**9,490**	**6,344**	**7,245**
Deductions and rebates	—	—	(43)	(1,633)
Amount payable	**(7,561)**	**9,490**	**6,301**	**5,612**
Withholdings of Corporation Tax borne	(207)	(1,241)	(2,053)	(223)
Payment for the financial year	**(7,768)**	**8,249**	**4,248**	**5,389**
Advance payments of State Corporation Tax	(633)	(7,259)	(1,016)	(1,545)
Activation of credits through losses for compensation	**(4,192)**	**(11,849)**	**—**	**(1,290)**
Current tax liability	**8,699**	**25,656**	**12,956**	**6,030**
Current tax asset	**(12,908)**	**(12,817)**	**(9,724)**	**(896)**

During the 2013, 2012, 2011 and 2010 financial years, the temporary differences generated correspond,essentially, to the absence of deductability of all financial results and expenses for group amortisation for its activity in Spain, as well as different fiscal and accounting criteria in relation to certain provisions and advances generated by the subsidiaries in Mexico.

19.3. Taxes recognised under shareholder equity

The detail of taxes recognised directly under equity is as follows:

Taxes recognised under shareholder equity **Thousand euros**	**2013**	**2012**	**2011**	**2010**
Through deferred tax:				
Originating in the financial year:	**(6,659)**	**5,357**	**2,181**	**610**
Valuation of derivatives	(6,793)	5,139	2,181	610
Subsidies	64	218	—	
Originating in previous financial years:		**—**	**(123)**	**154**
Subsidies		—	(123)	154
Total tax recognise directly under Equity	**(6,659)**	**5,357**	**2,058**	**764**

19.4. Assets through deferred tax

The balance of this account of the close of the 2013 financial year amounts to 83,890 thousand euros (83,930 thousand euros in 2012, 65,170 thousand euros in 2011 and 37,664 thousand euros in 2010). The detail of the key items is as follows:

Assets through deferred tax Thousand euros	31.12.2013	31.12.2012	31.12.2011
Credits through losses for compensation and deductions pending application	37,321	35,716	27,298
Derivatives	13,382	19,372	14,452
Other non-tax-deductible losses	5,572	3,792	11,366
Non-deductible financial expenses	6,633	6,833	—
Advances to clients and provisions in Mexico	13,678	11,292	—
Amortisation of concessions in Mexico	6,419	4,955	—
Temporary taxation differences in Mexico (client advances, suppliers)	—	—	10,201
Others	885	1,970	1,853
Total Deferred Tax assets	**83,930**	**83,930**	**65,170**

During the 2013 financial year, the Group re-valuated the recoverability of the tax credits, as well as assets through deferred taxes as "Non-deductible financial expenses" related to the energy division as a result of the regulatory changes described in Note 8. As a result, a total amount of 6,745 thousand euros were regularised (see Note 19.2).

The deferred tax assets indicated above were recorded on the attached balance sheet as the Group Directors believe that, in accordance with the best estimate of the Group's future results, it is likely that these assets will be recovered.

19.5. Deferred tax liabilities

The balance of this account of the close of the 2013 financial year amounts to 34,511 thousand euros (44,331 thousand euros in 2012, 42,362 thousand euros in 2011 and 25,754 thousand euros in 2010). The detail of the key items is as follows:

Deferred tax liabilities Thousand euros	31.12.2013	31.12.2012	31.12.2011
Adjustment for standardisation of the financial charge of the Mexico concession	23,157	19,552	14,144
Deferred taxes assigned to the surpluses recorded in the intangible assets	5,154	21,007	22,820
Freedom of amortisation/Result of UTEs	3,189	3,250	3,312
Derivatives	70	15	—
Others	2,941	507	2,086
Total Deferred Tax Liabilities	**34,511**	**44,331**	**42,362**

19.6. Tax information corresponding to that demanded by Article 93 of the Consolidated Text of the Corporation Tax Act

With regards to the merger processes described in Note 2.4, and in fulfilment of the terms of Article 93 of the Consolidated Text of the Corporation Tax Act, the following information is placed on record:

- Assets open to amortisation contributed in merger processes are detailed in the special purpose consolidated financial statements of the absorbing companies.
- The last balance sheet closed at the absorbed companies is included in the individual explanatory notes of the absorbing company.

- It is placed on record that all assets and liabilities have been recorded in the financial statements of the Company at their net book value at the absorbed companies, except where specified in the special purpose consolidated financial statements of the absorbing companies.

- There are no tax benefits enjoyed by the absorbed companies with regard to which the absorbing companies are required to assume performance of certain requirements on the basis of the terms of sub-sections 1 and 2 of Article 90 of the Corporation Tax Act.

19.7. Financial year pending examination and inspection proceedings

According to the legislation in force, taxes may not be considered to have been definitively settled until such time as the tax returns filed have been inspected by the tax authorities or the period of limitation of four years has expired. At the end of financial year 2013 the Company had open for inspection financial years 2009 and following, for Corporation Tax, and 2010 and following for all other taxes applicable to it.

On 20 June 2012, the Tax Agency informed the company Grupo Aldesa, S.A. of the commencement of inspection proceedings to examine and investigate the financial years 2007 to 2010 for Corporation Tax and the financial years 2008 (second half) to 2011 (second half) for Value Added Tax, Withholdings and Interim Deposits on Professional Income Tax, Withholding and Interim Deposits on Capital Gains and Interim Withholdings on Non-Residents Tax.

In addition, and at the level of Tax Consolidation Group 435/08, of which Grupo Aldesa, S.A. is the head company, the Tax Office has notified the following companies belonging to Group 435/08 of the commencement of examination and investigation inspection proceedings:

- Sociedad Enersol Solar Santa Lucía, S.L for Corporation Tax for the financial years 2008 to 2009, and for Value Added Tax for the financial years 2008 (third and fourth quarter) to 2009.

- Aldesa Servicios y Mantenimiento S.A, for Corporation Tax for the financial years 2008 to 2010, for Value Added Tax for the financial year 2008 (second quarter) to 2010, for Withholdings and Interim Deposits of Employment/Professional Income, for the 2008 financial year (second quarter) to 2010.

- Coalvi, S.A., for Corporation Tax for the financial years 2008 to 2009, for Value Added Tax for the financial year 2008 (third quarter) to 2010.

- Aldesa Construcciones, S.A., for financial years 2007 to 2010 for Corporation Tax and for financial years 2008 (second half) to 2011 (second half) for Value Added Tax, Withholdings and Interim Deposits of Employment/Professional Income Tax, Withholdings and Interim Deposits of Capital Gains Tax and Interim Withholdings of Non-Residents Tax.

- Construcciones Pai, S.A. for Corporation Tax for the financial years 2008 to 2010, and for Value Added Tax for financial years 2008 to 2010.

- Aeronaval de Construcciones e Instalaciones, S.A., for Corporation Tax for the financial year 2008 to 2010, for Value Added Tax for the financial years 2009 to 2010, for Withholdings and Interim Deposits of Employment/Professional Income, for the financial years 2009 to 2010.

On the date of preparation of these special purpose consolidated financial statements, the Group is in the stage of contributing documents for some of the companies under inspection, although it has already issued statements of acceptance in some of its subsidiaries for the following amounts:

- Aldesa Servicios y Mantenimiento, S.A. On 29 October 2013 statements of acceptance were issued regarding the Value Added Tax, with a proposal for liquidation for 38 thousand euros plus a penalty of 8 thousand euros, regarding the Withholdings and Interim Deposits of Employment/Professional Income, a proposal for liquidation for 22 thousand euros plus a

penalty of 13 thousand euros. These amounts had been fully paid on the date of formalisation of the special purpose consolidated financial statements.

- Aeronaval de Construcciones e instalaciones, S.A. On 24 February 2014 statements of acceptance were issued regarding the Value Added Tax, with a proposal for liquidation for 16 thousand euros plus a penalty of 2 thousand euros, regarding the Withholdings and Interim Deposits of Employment/Professional Income, a proposal for liquidation for 86 thousand euros plus a penalty of 22 thousand euros. These amounts had been fully paid on the date of formalisation of the special purpose consolidated financial statements

Given the different interpretations which may be applied to taxation regulations, the results of any inspections which could be performed in the future by the tax authorities for those years subject to verification could give rise to tax liabilities, the amount of which cannot currently be objectively quantified. Nonetheless, the possibility of significant liabilities materialising in addition to those recorded in this regard is remote

20 Guarantees issued to third parties

At 31 December 2013 the Group had provided provisional and definitive procurement and works tender bonds to Public Bodies and private entities amounting to 651,760 thousand euros (640,025 thousand euros in 2012, 549,651 thousand euros in 2011 and 423,186 thousand euros in 2010). This sum includes the bonds of Temporary Joint Ventures, presented in proportion to the stake held in the Temporary Joint Ventures in question. These bonds are essentially provided by banks and insurance companies, their purpose being to guarantee due performance of contracts. In addition, the Parent Company has not submitted financial banking endorsements during the 2013 financial year (in the 2012 financial year it submitted 15,768 thousand euros, 19,091 thousand euros in 2011 and 30,213 thousand euros in 2010). The Parent Company Directors do not believe that the Company will suffer any negative impacts as a result of the guarantees granted.

21 Revenue and expenses

21.1. Information by segment

Segmentation criteria:

The information by segment is presented as follows, firstly structured by geographical distribution, and then structured by the various business lines in the Group. This structure is used internally by Grupo Aldesa management to assess segment performance and allocate resources among them.

The business lines that are detailed as follows are established by the Group Management on the basis of their organisational structure, depending on the products and services offered.

Grupo Aldesa distinguishes between the following activities:

- Main activities, comprising two main business lines: Construction and Industry. The financing of these activities is with recourse to shareholders. In September 2013 the Group disinvested in the Services business line whose activity focused on cleaning and facility management.
- Investment activities. This business line comprises the businesses related to energy, concessions organised in projects and financed by means of Project Finance formulas without recourse to shareholders, as well as the part of the real estate business that employs this kind of financing.

The structure of the information presented in this note is designed as if every business line was an autonomous business.

The following is the information by segment for these activities, corresponding to the 2013, 2012 and 2011 financial years, distributed by geographical area:

Net turnover Thousand euros	2013	% Total	2012	% Total	% Var 13-12	2011	% Total	% Var 12-11
Spain	306,610	43.6	470,265	61.1	−34.8	679,073	80.9	−30.7
Mexico	269,382	38.3	268,500	34.9	0.3	159,906	19	67.9
Poland	93,247	13.2	30,041	3.9	210.4	707	0.1	>1000
Others	34,800	4.9	406	0.1	>1000	—	0	n.a.
Total	**704,039**	**100.0**	**769,212**	**100.0**	**−8.5**	**839,686**	**100.0**	**−8.4**

EBITDA Thousand euros	2013	% Sales	2012	% Sales	% Var 13-12	2011	% Sales	% Var 12-11
Spain	44399	14.5	45941	9.8	−3.4	64865	9.6	−29.2
Mexico	42,977	16.0	48,155	17.9	−10.8	29,143	18.2	65.2
Poland	3,975	4.3	1,910	6.4	108.1	630	89.1	203.4
Others	692	2.0	24	5.9	>1000	−185	n.a.	−113.1
Total	**92,043**	**13.1**	**96,030**	**12.5**	**−4.2**	**94,453**	**11.2**	**1.7**

(1) EBITDA: Operating result before: amortisation, impairment, and results from disposal of assets, losses, impairment and variation of provisions from commercial operations and impairment of goods, raw materials, and other supplies and other results.

During the 2010 financial year, 87.25% of the caption "Total turnover" came from Spain, and the remaining 12,75% to sales in Mexico and Poland. The part generated abroad corresponds, essentially, to construction works in the referred countries.

For information purposes, the Group has improved its process for the preparation of information by segment by means of more precise allocation of consolidation adjustments and allocation of the activity of the permanent establishments, so the breakdown of the 2012 turnover experiences slight variations with no impact on the true image.

Net turnover Thousand euros	2013	% Total	2012	% Total	% Var 13-12	2011	% Total	% Var 12-11
Spain	270,658	41.8	437,721	61.1	−38.2	646,780	82.1	−32.3
Mexico	249,937	38.6	248,592	34.8	0.5	140,060	17.8	77.5
Poland	91,608	14.2	28,638	4.0	219.9	665	0.1	>1000
Others	34,801	5.4	407	0.1	>1000	—	0	n.a.
Total main activities	**647,004**	**100.0**	**715,358**	**100.0**	**−9.6**	**787,505**	**100.0**	**−9.2**

EBITDA Thousand euros	2013	% Sales	2012	% Sales	% Var 13-12	2011	% Sales	% Var 12-11
Spain	19080	7.1	21,642	4.9	−11.8	39,819	6.2	−45.6
Mexico	29,902	12.0	34,695	14.0	−13.8	19,176	13.7	80.9
Poland	2,610	2.8	880	3.1	196.8	148	22.3	492.7
Others	692	2	24	5.9	>1000	−184	n.a.	−113.1
Total main activities	**52,284**	**8.1**	**57,241**	**8**	**−8.7**	**58,958**	**7.5**	**−2.9**

The following is the information by segment corresponding to the 2013, 2012 and 2011, distributed by Business Line:

Net turnover Thousand euros	2013	% Total	2012	Total	% Var 13-12	2011	Total	% Var 12-11
Construction	405,593	57.6	516,869	67.2	−21.5	594,294	70.8	−13.0
Civil Engineering	321,555	45.7	423,060	55.0	−24.0	455,508	54.2	−7.1
Building	84,038	11.9	93,809	12.2	−10.4	138,786	16.5	−32.4
Industrial	207,913	29.5	152,518	19.8	36.3	146,699	17.5	4.0
Energy (EPC Generation Plants and Distribution Lines)	80,306	11.39	25,328	3.3	217.1	1,195	0.1	>1000
Traffic and lighting	99,019	14.1	85,538	11.1	15.8	54,270	6.5	57.6
Installations	28,588	4.1	41,652	5.4	−31.4	91,235	10.9	−54.3
Services	33,498	4.8	45,971	6.0	−27.1	46,512	5.5	−1.2
TOTAL MAIN ACTIVITIES	**647,004**	**91.9**	**715,358**	**93.0**	**−9.6**	**787,505**	**93.8**	**−9.2**
Investment Activities	57,035	8.1	53,854	7.0	5.9	52,181	6.2	3.2
Total	**704,039**	**100.0**	**769,212**	**100.0**	**−8.5**	**839,686**	**100.0**	**−8.4**

EBITDA Thousand euros	2013	% Sales	2012	% Sales	% Var 13-12	2011	% Sales	% Var 12-11
Construction	36,499	9.0	49,342	9.5	−26.0	57,564	9.7	−14.3
Industrial	15,369	7.4	6,222	4.1	147.0	1,405	1.0	342.6
Services	415	1.2	1,677	3.6	−75.2	−11	0.0	>−1000
TOTAL MAIN ACTIVITIES	**52,284**	**8.1**	**57,241**	**8.0**	**−8.7**	**58,958**	**7.5**	**−2.9**
Investment Activities	39,759	69.7	38,789	72.0	2.5	35,495	68.0	9.3
Total	**92,043**	**13.1**	**96,030**	**12.5**	**−4.2**	**94,453**	**11.2**	**1.7**

The portfolio of orders contracted and pending execution by nature of project, at 31 December 2013, 2012 and 2011, reveals the following details:

Country Thousand euros	2013	2012	2011
Spain	540,515	657,635	880,256
Spain (Services)	—	48,655	64,418
Mexico	446,565	211,211	186,862
Poland	306,561	204,580	18,663
India	191,498	—	—
Romania	37,843	—	—
Peru	29,581	5,756	—
Guatemala	4,427	19,334	—
Total	**1,556,990**	**1,147,171**	**1,150,199**

Segment Thousand euros	2013	2012	2011
Construction	1,068,576	754,725	910,062
Industrial	488,414	343,790	175,719
Services	—	48,655	64,418
Total	**1,556,990**	**1,147,171**	**1,150,199**

At 31 December 2010, 94% of the contracted portfolio corresponded to activity developed in Spain, the remaining 6% coming from Mexico and Poland. Likewise, at the close of said financial year, 85% of the contracted portfolio comes from the construction activity, while the remaining 15% corresponds to the industrial and services divisions.

21.1.a Income statement

	2013			2012			2011		
	Total	Main activities	Investment activities	Total	Main activities	Investment activities	Total	Main activities	Investment activities
ONGOING OPERATIONS									
Net turnover	**704,039**	**647,004**	**57,035**	**769,212**	**715,358**	**53,854**	**839,686**	**787,505**	**52,181**
Sales	665,815	629,863	35,952	731,294	697,605	33,689	609,753	577,472	32,281
Service provision	38,224	17,141	21,083	37,918	17,752	20,165	229,933	210,033	19,900
Changes in stocks of finished goods and in the process of manufacture	**(514)**	**(514)**	**—**	**1,643**	**1,643**	**—**	**(4,269)**	**(4,269)**	**—**
Work performed by the company for its assets	**2,646**	**2,582**	**63**	**3,019**	**2,990**	**29**	**955**	**789**	**166**
Total Income	**706,171**	**649,072**	**57,099**	**773,874**	**719,991**	**53,883**	**836,372**	**784,026**	**52,347**
Supplies	**(382,630)**	**(380,787)**	**(1,843)**	**(442,462)**	**(440,270)**	**(2,192)**	**(478,223)**	**(476,269)**	**(1,955)**
Goods consumed	(14,636)	(14,433)	(204)	(18,988)	(18,787)	(201)	(61,745)	(61,589)	(156)
Raw materials and other materials consumed	(127,545)	(127,804)	259	(115,550)	(115,128)	(422)	(94,702)	(94,536)	(166)
Work performed for other companies	(239,411)	(237,513)	(1,898)	(303,090)	(301,521)	(1,569)	(321,776)	(320,144)	(1,632)
Impairment of commodities, raw materials and other supplies	(1,038)	(1,038)	—	(4,834)	(4,834)	—	—	—	—
Other operating revenue	**8,415**	**6,865**	**1,551**	**4,919**	**4,866**	**53**	**4,016**	**3,136**	**880**
Accessory and other operating revenues	8,362	6,811	1,551	4,472	4,418	53	3,912	3,032	880
Operating subsidies incorporated in result for the financial year	53	53	—	447	447	—	104	104	—
Personnel costs	**(122,329)**	**(120,451)**	**(1,879)**	**(139,290)**	**(137,535)**	**(1,755)**	**(168,706)**	**(166,717)**	**(1,989)**
Wages, salaries and related costs	(97,837)	(96,380)	(1,457)	(109,029)	(107,670)	(1,360)	(132,319)	(130,777)	(1,542)
Social Charges	(24,492)	(24,070)	(422)	(30,261)	(29,865)	(396)	(36,387)	(35,940)	(447)
Other operating expenses	**(124,605)**	**(108,207)**	**(16,398)**	**(107,892)**	**(94,839)**	**(13,053)**	**(105,880)**	**(90,890)**	**(14,990)**
External services	(106,898)	(93,506)	(13,393)	(95,626)	(85,081)	(10,545)	(88,019)	(74,347)	(13,672)
Taxes	(7,612)	(5,160)	(2,451)	(7,457)	(6,258)	(1,199)	(10,053)	(9,392)	(661)
Losses, impairment and changes in provisions from trade operations	(5,240)	(4,695)	(545)	(1,480)	(193)	(1,287)	(6,276)	(5,673)	(603)
Other operating expenses	(4,855)	(4,846)	(9)	(3,329)	(3,307)	(22)	(1,532)	(1,478)	(54)
Amortisation of fixed assets	**(35,820)**	**(11,275)**	**(24,546)**	**(40,852)**	**(16,844)**	**(24,007)**	**(38,134)**	**(15,250)**	**(22,885)**
Registration of non financial fixed assets subsidies and others	**743**	**59**	**684**	**568**	**—**	**568**	**598**	**—**	**598**
Impairment and profit/(loss) from disposals of fixed assets	**(48,074)**	**(32,308)**	**(15,766)**	**(8,810)**	**(8,802)**	**(8)**	**(4,979)**	**(4,979)**	**—**
Impairments and losses	(48,063)	(32,298)	(15,765)	(8,164)	(8,164)	—	(4,910)	(4,910)	—
Results from sales and others	(11)	(10)	(1)	(646)	(639)	(7)	(69)	(69)	—
Other results	**41**	**40**	**1**	**22**	**46**	**(24)**	**1,013**	**3**	**1,010**
OPERATING RESULT	**1,912**	**3,009**	**(1,096)**	**40,077**	**26,613**	**13,464**	**46,077**	**33,060**	**13,017**
Financial revenue	**12,133**	**10,119**	**2,014**	**11,760**	**9,448**	**2,312**	**12,288**	**10,075**	**2,213**
From stakes in equity instruments	—	—	—	1	1	—	1	1	—
—In third parties	—	—	—	1	1	—	1	1	—
Tradeable securities and other financial instruments	12,133	10,119	2,014	11,759	9,448	2,311	12,287	10,075	2,212
—Group companies and associates		(187)	187	—	(128)	128	—	(255)	255
—In third parties	12,133	10,306	1,827	11,759	9,575	2,183	12,287	10,330	1,957
Financial Expenses	**(52,161)**	**(26,202)**	**(25,959)**	**(47,042)**	**(20,878)**	**(26,164)**	**(47,932)**	**(21,931)**	**(26,001)**
Through debts with Group companies and associates		2,995	(2,995)	—	4,160	(4,160)		4,580	(4,580)
Through debts with third parties	(52,161)	(29,197)	(22,964)	(47,042)	(25,038)	(22,004)	(47,932)	(26,511)	(21,421)
Change in fair value in financial instruments	**399**	**248**	**151**	**(974)**	**(974)**	**—**	**(84)**	**(84)**	**—**
Tradeable portfolio and others	399	248	151	(974)	(974)	—	(84)	(84)	—
Exchange rate differences	**2,798**	**2,798**	**—**	**(247)**	**(247)**	**—**	**(610)**	**(610)**	**—**
Impairment and result through disposal of financial instruments	**(4,793)**	**(4,793)**	**—**	**(1,177)**	**(1,177)**	**—**	**(659)**	**(659)**	**—**

	2013			2012			2011		
	Total	Main activities	Investment activities	Total	Main activities	Investment activities	Total	Main activities	Investment activities
Impairment and losses	—	—	—	—	—	—	(1,227)	(1,227)	—
Results from sales and others	(4,793)	(4,793)	—	(1,177)	(1,177)	—	568	568	—
FINANCIAL RESULT	**(41,624)**	**(17,829)**	**(23,795)**	**(37,680)**	**(13,827)**	**(23,854)**	**(36,997)**	**(13,209)**	**(23,788)**
Stake in profits (losses) in equity-method companies	**(89)**	**(89)**	**—**	**(54)**	**(54)**	**—**	**(10)**	**(10)**	**—**
PRE-TAX RESULT	**(39,801)**	**(14,910)**	**(24,891)**	**2,343**	**12,733**	**(10,389)**	**9,070**	**19,841**	**(10,772)**
Profits Tax	(1,370)	(2,229)	859	(1,014)	(4,165)	3,151	(506)	(4,797)	4,291
RESULT FOR FINANCIAL YEAR FROM ONGOING OPERATIONS	**(41,171)**	**(17,138)**	**(24,032)**	**1,329**	**8,568**	**(7,239)**	**8,564**	**15,044**	**(6,480)**

21.2. Consumption of materials and other consumables

Consumption of materials during the 2013, 2012, 2011 and 2010 financial years breaks down as follows:

	2013			2012		
Thousand euros	**Purchases**	**Variation in stock**	**Total**	**Purchases**	**Variation in stock**	**Total**
Raw materials and other supplies	141,847	334	142,181	132,407	2,131	134,538
Work performed for other companies	239,411	—	239,411	303,090	—	303,090
Impairment	—	1,038	1,038	4,834	—	4,834
Total	**381,258**	**1,372**	**382,630**	**440,331**	**2,131**	**442,462**

	2011			2010		
Thousand euros	**Purchases**	**Variation in stock**	**Total**	**Purchases**	**Variation in stock**	**Total**
Raw materials and other supplies	138,176	18,271	156,447	170,786	931	171,717
Work performed for other companies	321,776	—	321,776	382,463	—	382,463
Impairment	—	—	—	—	—	—
Total	**459,952**	**18,271**	**478,223**	**553,249**	**931**	**554,180**

The balances corresponding to Temporary Joint Ventures (UTEs) integrated by the proportional method amount to 11,454 thousand euros for "Raw Materials and other supplies" (17,390 thousand euros in 2012, 30,790 thousand euros ni 2011 and 25,746 thousand euros in 2010), 26,640 thousand euros in 2013 for "Work performed by other companies" (48,696 thousand euros in 2012, 50,366 thousand euros in 2011 and 84,804 thousand euros in 2010) and 58 thousand euros in 2013 for "Variation of stock" (81 thousand euros in 2012, 108 thousand euros in 2011 and 276 thousand euros in 2010).

21.3. Social charges

The balance of the account "Social charges" for years 2013, 2012, 2011 and 2010 breaks down as follows:

Thousand euros	**2013**	**2012**	**2011**	**2010**
Social Security	25,419	28,850	35,828	37,751
Other social charges	(927)	1,411	559	365
Total	**24,492**	**30,261**	**36,387**	**38,116**

21.4. Contribution of companies included within the consolidation perimeter

The contribution of each Company included within the consolidation perimeter to consolidated results in 2013 is as follows:

Company Thousand euros	Attributable to the Parent Company	Attributable to minority interests	Total
Parent Company:			
Grupo Aldesa, S.A.	129	—	129
Full consolidation:			
Aldesa Construcciones, S.A.	1,812	—	1,812
GTT Ingeniería y Tratamiento de Agua, S.A.	(60)	—	(60)
Coalvi, S.A.	(812)	—	(812)
Urbanizadora Carretera de Albalat, S.L. U.	(3)	—	(3)
Aldesa Home, S.L. Subgroup	(648)	—	(648)
Aldesa Actividades de Construcción S.L.U.	41	—	41
Aldesa Ingeniería y Servicios S.L.U.	(988)	—	(988)
Aldesa Nuevo Madrid, S.L. (formerly GI Boj Castellana, S.L.)	(320)	—	(320)
Aldesa Energías Renovables, S.L.U. Subgroup	(50,024)	—	(50,024)
Pebian Inversiones, S.L.U. Subgroup	246	—	246
Aldesa Marina Salinas de Torrevieja, S.L.	(169)	—	(169)
Aldesa Turismo, S.A.	(12)	(1)	(13)
Aldesa Turismo de México, S.L.	(1)		(1)
Alviesa Promociones Y Obras, S.L.U.	(67)	—	(67)
CIVESA Ingeniería, S.A.	(503)	—	(503)
Aldesa Hidrocarburos, S.L. Subgroup	(6)	—	(6)
DICASA Diseños Canarios, S.L.U.	(496)	—	(496)
Aeronaval de Construcciones e Instalaciones, S.A.U.	(2,686)	—	(2,686)
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U.	(2,880)	—	(2,880)
Viviendas Torrejón- Móstoles,S.A.U.	64	—	64
Edificio Torrevillano, S.L.	(143)	(139)	(282)
Aldesa Concesiones, S.L. Subgroup	(690)	(156)	(846)
Colegio Montesclaros, S.L.	18	18	36
Gran Canal Inversiones, S.L.	146	—	146
Puerto Deportivo Torrevieja, S.A.U.	(376)	—	(376)
Aldesa Polska Services Subgroup	2,043	—	2,043
Aldesa Diamante Plaza Sp z. o.o.	123	—	123
Aldesa India Construcciones, P.L.	(87)	—	(87)
Aldeturismo de México S.A. de C.V. (Mexico) Subgroup	(540)	(28)	(568)
Aldesa Holding S.A. de C.V. (Mexico) Subgroup	16,811	—	16,811
Proportional Consolidation:			
Autopista de La Mancha Concesionaria Española, S.A.	(698)	—	(698)
	(40,776)	(306)	(41,082)
Equity method:			
Operadora de Autopistas de Sayula SAPI	(89)	—	(89)
	(89)	—	(89)
Total	**(40,865)**	**(306)**	**(41,171)**

The contribution of each Company included within the consolidation perimeter to consolidated results in 2012 is as follows:

Company Thousand euros	Attributable to the Parent Company	Attributable to minority interests	Total
Parent Company:			
Grupo Aldesa, S.A.	(1,953)		(1,953)
Full consolidation:			
Aldesa Construcciones, S.A.	8,758	—	8,758
GTT Ingeniería y Tratamiento de Agua, S.A.	(435)	(1)	(436)
Coalvi, S.A.	(2,643)	—	(2,643)
Urbanizadora Carretera de Albalat, S.L. U.	(2)	—	(2)
Aldesa Home, S.L. Subgroup	1,563	—	1,563
Aldesa Actividades de Construcción S.L.U.	50	—	50
Aldesa Ingeniería y Servicios S.L.U.	(92)	—	(92)
Aldesa Nuevo Madrid, S.L.	(351)	—	(351)
Aldesa Energías Renovables, S.L.U. Subgroup	(18,578)	—	(18,578)
Pebian Inversiones, S.L.U. Subgroup	2,424	—	2,424
Aldesa Marina Salinas de Torrevieja, S.L.	(137)	—	(137)
Aldesa Servicios y Mantenimiento, S.L.	(2,849)	—	(2,849)
Aldesa Turismo, S.A.	29	2	31
Aldesa Turismo de México, S.L.	40	7	47
Alviesa Promociones Y Obras, S.L.U.	(14)	—	(14)
CIVESA Ingeniería, S.A.	(411)	—	(411)
Aldesa Hidrocarburos, S.L. Subgroup	(39)	—	(39)
DICASA Diseños Canarios, S.L.U.	(242)	—	(242)
Aeronaval de Construcciones e Instalaciones, S.A.U.	(3,856)	—	(3,856)
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U.	(6,937)	—	(6,937)
Viviendas Torrejón- Móstoles,S.A.U.	114	—	114
Edificio Torrevillano, S.L.	(149)	(143)	(292)
Aldesa Concesiones, S.L. Subgroup	(548)	(176)	(724)
Colegio Montesclaros, S.L.	49	47	96
Gran Canal Inversiones, S.L.	117	—	117
Aldesa Inversiones Internacionales, S.L.U.	—	—	—
Puerto Deportivo Torrevieja, S.A.U.	(645)	—	(645)
Aldesa Polska Subgroup	1,315	—	1,315
Aldeturismo de México S.A. de C.V. Subgroup (Mexico)	(646)	—	(646)
Concesionara Autopistas del Sureste S.A. de C.V. Subgroup (México)	3,183	—	3,183
Aldesa Holding S.A. de C.V. Subgroup (Mexico)	24,888	—	24,888
Proportional Consolidation:	—	—	—
Autopista de La Mancha Concesionaria Española, S.A.	(408)	—	(408)
	1,595	(264)	1,331
Equity method:			
Torrepai, S.L.	(2)	—	(2)
	(2)	—	(2)
Total	**1,593**	**(264)**	**1,329**

The contribution of each Company included within the consolidation perimeter to consolidated results in 2011 was as follows:

Company Thousand euros	Attributable to the Parent Company	Attributable to minority interests	Total
Parent Company:			
Grupo Aldesa, S.A.	(2,493)	—	(2,493)
Global consolidation:			
Aldesa Construcciones, S.A.	30,619	—	30,619
GTT Ingeniería y Tratamiento de Aguas, S.A.	(74)	—	(74)
Coalvi, S.A.	45	—	45
Maquivías, S.L.	(1,883)	—	(1,883)
Aldesa Home, S.L. Subgroup	(854)	—	(854)
Urbanizadora Carretera de Albalat, S.L. U.	(4)	—	(4)
Aldesa Nuevo Madrid, S.L.	(430)		(430)
Aldesa Energías Renovables, S.L.U. Subgroup	(24,792)	—	(24,792)
Pebian Inversiones, S.L.U. Subgroup	(70)	—	(70)
Aldesa Actividades de Construcción, S.L.U.	32	—	32
Aldesa Marina Salinas de Torrevieja, S.L.	(166)	—	(166)
Aldesa Servicios y Mantenimiento, S.L.	(2,023)	—	(2,023)
Aldesa Ingeniería y Servicios, S.L.U.	(727)		(727)
Aldesa Turismo, S.A.	(13)	1	(12)
Aldesa Turismo de México, S.L.	(1)	—	(1)
Alviesa Promociones y Obras S.L.U.	(2)	—	(2)
CIVESA Ingeniería, S.A.	(550)	—	(550)
Aldesa Hidrocarburos, S.L. Subgroup	6	—	6
Enersol Solar 3 S.L.U.	(1)	—	(1)
DICASA Diseños Canarios, S.L.U.	(166)	—	(166)
Solar Aguado, S.L.U.	—	—	—
Solar Arillo, S.L.U.	—	—	—
Aeronaval de Construcciones e Instalaciones, S.A.U.	564	—	564
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U.	(483)	—	(483)
Inversiones en Infraestructura Andaluzas, S.L.U.	(1)	—	(1)
Solar San Javier, S.L.U.	(1)	—	(1)
Viviendas Torrejón- Móstoles,S.A.U.	24	—	24
Edificio Torrevillano, S.L.	(185)	(178)	(363)
Aldesa Partner, S.L.U.	—	—	—
Aldesa Concesiones, S.L. Subgroup	(1,140)	(217)	(1,357)
Colegio Montesclaros, S.L.	134	129	263
Gran Canal Inversiones, S.L.	146	—	146
Aldesa Inversiones Internacionales, S.L.U.	—	—	—
Puerto Deportivo Torrevieja, S.A.U.	(490)	—	(490)
Aldesa Polska Subgroup	(699)	—	(699)
Aldesa México Subgroup	15,176		15,176
Proportional consolidation:			—
Autopista de La Mancha Concesionaria Española, S.A.	(471)	—	(471)
Águilas Residencial, S.A.	(188)		(188)
	8,839	(265)	8,574
Equity method:			
San Pedro Exterior, S.L.		—	—
Torrepai, S.L. (Pebian Inversiones S.L. Subgroup)	(10)	—	(10)
	(10)	—	(10)
Total	**8,829**	**(265)**	**8,564**

The contribution of each Company included within the consolidation perimeter to consolidated results in 2010 was as follows:

Company Thousand euros	Attributable to the Parent Company	Attributable to minority interests	Total
Parent Sociedad:			
Grupo Aldesa, S.A.	368	—	368
Global consolidation:			
Aldesa Construcciones, S.A.	16,821	—	16,821
GTT Ingeniería y Tratamiento de Agua, S.A.	70	—	70
Coalvi, S.A.	425	—	425
Maquivías, S.A.	(881)	—	(881)
Urbanizadora Carretera de Albalat, S.L. U.	(8)	—	(8)
Aldesa Home, S.L. Subgroup	(252)	—	(252)
Aldesa Nuevo Madrid, S.L. (previously GI Boj Castellana, S.L.)	(140)	—	(140)
Aldesa Energías Renovables, S.L.U. Subgroup	(6,260)	—	(6,260)
Pebian Inversiones, S.L.U. Subgroup	1,070	—	1,070
Aldesa Actividades de construcción, S.L.U.	35	—	35
Aldesa Marina Salinas de Torrevieja, S.L.	(131)	—	(131)
Aldesa Servicios y Mantenimiento, S.A.	(113)	—	(113)
Aldesa Ingeniería y Servicios, S.L.U.	168	—	168
Aldesa Turismo, S.A.	(9)	(1)	(10)
Aldesa Turismo de México, S.L.	(1)	—	(1)
Alviesa Promociones Y Obras, S.L.U.	(1)	—	(1)
CIVESA Ingeniería, S.A.	65	—	65
Ingeniería Geotécnica, S.A.U.	(1,232)	—	(1,232)
Investigaciones Geotécnicas, S.L.U.	28	—	28
Aldesa Hidrocarburos, S.L. Subgroup	5	—	5
Enersol Solar 3 S.L.U.	—	—	—
DICASA Diseños Canarios, S.L.U.	(60)	—	(60)
Solar Aguado, S.L.U.	(1)	—	(1)
Solar Arillo, S.L.U.	—	—	—
Solar San Javier, S.L.U.	—	—	—
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U.	957	—	957
Aeronaval de Construcciones e Instalaciones, S.A.U.	2,257	—	2,257
Viviendas Torrejón- Móstoles,S.A.U.	4	—	4
Edificio Torrevillano, S.L.	(254)	(244)	(498)
Aldesa Partner, S.L.U.	—	—	—
Aldesa Concesiones, S.L. Subgroup	(346)	(287)	(633)
Colegio Montesclaros, S.L.	(19)	(19)	(38)
Gran Canal Inversiones, S.L.	81	—	81
Aldesa Inversiones Internacionales, S.L.U.	(1)	—	(1)
Puerto Deportivo Torrevieja, S.A.U.	(341)	—	(341)
Aldesa Polska Subgroup	(1,227)	—	(1,227)
Aldesa México Subgroup	10,523	—	10,523
Proportional consolidation:			
Águilas Residencial, S.A.	(142)	—	(142)
Autopista de La Mancha Concesionaria Española, S.A.	(162)	—	(162)
	21,296	**(551)**	**20,745**
Equity method:			
Inarenas Proyectos Inmobiliarios, S.A.	(71)	—	(71)
	(71)	**—**	**(71)**
Total	**21,225**	**(551)**	**20,674**

21.5. Transactions with equity-method companies

The detail by companies as follows:

	2011		2010	
Thousand euros	**Purchases, services received**	**Sales, services provided**	**Purchases, services received**	**Sales, services provided**
Inarenas Proyectos Inmobiliarios, S.A.	—	—	1	—
Total	**—**	**—**	**1**	**—**

21.6. Financial costs and revenue

Both financial expenses and revenue, where applicable, are calculated by means of the effective interest rate method, and recognised in the consolidated income statement hereto attached at the time of accrual.

The detail of financial revenue, in accordance with the assets generating such revenue, is as follows for the financial year 2013, 2012, 2011 and 2010:

Thousand euros	**2013**	**2012**	**2011**	**2010**
Tradeable securities and other financial instruments	12,133	11,759	12,287	10,415
Cash and equivalents	*12,133*	*11,759*	*12,287*	*10,415*
Total financial revenue	**12,133**	**11,759**	**12,287**	**10,415**

The composition of the financial expenses in the 2013, 2012, 2011 and 2010 financial years is as follows:

Thousand euros	**2013**	**2012**	**2011**	**2010**
Credits, loans, financial leases and credit assignment	29,197	25,038	26,511	17,684
Net non-recourse project finance financial expenses:	22,964	22,004	21,421	19,831
Non-recourse debts through project finance	*40,101*	*38,622*	*49,714*	*33,198*
Activation of expenses through interim construction interest (Note 8)	*(17,137)*	*(16,618)*	*(28,293)*	*(13,367)*
Total financial expenses	**52,161**	**47,042**	**47,932**	**37,515**

21.7. Impairment and results through disposal of fixed assets

The caption "Impairment and losses" includes impairment of goodwill for a sum of euros 3,000 thousand euros in 2012 and 3,203 thousand euros in 2011, (no impairment in 2013) (see Note 8), impairment of intangible assets for a sum of euros 31,849 thousand euros in 2013 (euros 4,843 thousand euros in 2012 and 923 thousand euros in 2011) (see Note 8), impairment of Property, Plant and Equipment for a sum of 15,783 thousand euros in 2013 (321 thousand euros in 2012 and 784 thousand euros in 2012) (see Note 8) and impairment of Real Estate Investments for 431 thousand euros (no impairment recorded in 2012 in Real Estate Investments). Likewise, in 2011 the loss derived from the sale of Promociones Eólicas del Altiplano, S.A.U. and Aldesa Eólico Palomarejo, S.A.U. was included, amounting to 16,816 thousand euros (see Note 2.4) and application of provisions for risks and charges amounting to 16,816 thousand euros (see Note 17). In 2010, this caption included the impairment of goodwill described in Note 7 for a sum of 2,006 thousand euros.

21.8. Impairment and result through disposal of financial instruments

At 31 December 2013, the caption "Impairment and losses" includes the loss derived from the sale of Maquivías, S.L. amounting to 4,507 thousand euros (see Note 2.4).

At 31 December 2012, the caption "Impairment and losses" includes the loss derived from the sale of Maquivías, S.L. amounting to 3,751 thousand euros (see Note 2.4). The profit from the

operation performed by the dependent company Águilas Residencial, S.A. in the operation involving the purchase of treasury stock for subsequent amortisation is likewise included.

22 Board and Senior Management

22.1. Remuneration paid to the Board of Directors and Senior Management

In accordance with Article 229 of the Spanish Capital Companies Act it is here placed on record that the sum of salaries, expenses and remuneration of any kind accruing over the course of the financial year 2013 on the part of the individuals belonging to the Parent Company's Governing Body amounted to 380 thousand euros (390 thousand euros in 2012, 516 thousand euros in 2011 and 505 thousand euros in 2010).

Pursuant to Article 229 of the Capital Companies Act it is here placed on record that the amount of salaries, allowances and remuneration of any kind accrued over the course of the 2013 financial year by the 12 people (12 people in 2012 and 10 people in 2011) comprising the Executive Management Committee of the Parent Company is 3,205 thousand euros (3,108 thousand euros in 2012, 2,658 thousand euros in 2011, and 1,940 thousand euros in 2010). For the purpose of information, on 31 December 2013 the Group improved its records process for the generation of information in this regard, adapting it to the current executive structure by taking into consideration the organisational evolution of the Group with its increased international volume and proportion of business, proceeding to define its senior executive personnel accordingly. As a result, in accordance with the new criterion to improve comparability, the comparative figure has been re-expressed and the information corresponding to senior executive remuneration in 2012 and in 2011 included in the annual accounts is different from the above, the number of people being 11 and the amount 1,521 thousand euros in 2012, and 11 people and 1,597 thousand euros in 2011.

22.2. The detail of stakes in companies with similar activities and the pursuit on their own behalf or that of third parties of similar activities by the Directors.

With regard to the stake of the Directors Grupo Aldesa S.A., or persons related to them in the capital stock of companies outside Grupo Aldesa, S.A. and Subsidiaries, or whether they engage on their own account or that of another in a form of business analogous or complementary to that which constitutes the corporate purpose of the Group, or whether they in their own name or through a proxy have engaged with the Company or any company belonging to its Group in other operations not involved in ordinary Company dealings or under conditions other than normal market conditions, it should be stated that the aforementioned Directors have declared that they, and persons related to them:

- Are not engaged on their own account or that of another in any form of business identical, analogous or complementary to that which constitutes the corporate purpose of the Company.
- Do not hold stakes in the capital stock of entities engaged in a form of business which is identical, analogous or complementary to that which constitutes the corporate purpose of Grupo Aldesa, S.A.
- Have not engaged with the Company or any Group in any other operations not involved in ordinary Company dealings or under conditions of the normal market conditions.

With regard to those members of the Board holding positions at companies in which Grupo Aldesa, S.A. holds a direct or indirect stake, the details are as follows:

2013

Director	Representative	Activity	Company through which the activity is performed	Positions
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Acisa Seguridad, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Administradora de Personal Carretero, S.A. de C.V.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Installations	Aeronaval de Construcciones e Instalaciones, S.A.U.	Managing Director
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Installations	Agrupación de Empresas Automatismos Montajes y Servicios, S.L.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Actividades de Construcción, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Concessions	Aldesa Concesiones, S.L.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Construcciones, S.A.	Member of the Board
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Energías Renovables, S.L.U.	Chairman and Managing Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Energías Renovables de Galicia, S.L.	Chairman
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Eólico Olivillo, S.A.U.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Gestión de Energías Renovables, S.L.U.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable		Aldesa Holding, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Aldesa Ingeniería y Servicios, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	ASA Servicios Especializados, S.A. de C.V.	Chairman
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Construction	Aldesa Turismo, S.A.	Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Turismo de México, S.L.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldeturismo de México, S.A. de C.V.	Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Construction	Civesa Ingeniería, S.A.	Chairman and Managing Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Coalvi Renovables, S.L.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Concesionaria de Autopistas del Sureste, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Concesiones Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Concesiones y Mantenimiento Aldesem S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Consorcio Carretero del Sureste, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Construcciones Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Constructora de Caminos de Chiapas, S.A. de C.V.	Chairman
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Enersol Solar 3, S.L.U.	Chairman

Director	Representative	Activity	Company through which the activity is performed	Positions
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Enersol Solar Santa Lucia, S.L.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Eólico Alijar, S.A.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Gestión Autopistas Internacionales, S.L.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Real estate	Gran Canal Inversiones, S.L.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Ingeniería y Servicios ADM, S.A. de C.V.	Chairman
Aldesa Ingeniería y Servicios, S.L.U.	Mr Alejandro Fernández Ruiz	Concessions	Inversión en Infraestructuras Andaluzas, S.L.	Director
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Los Altos de Rueda, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Mantenedora de Caminos Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Operadora de Autopistas Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Partner Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Pebian Inversiones, S.L.U.	Sole Director
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Polideportivo El Álamo, S.L.U.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Promociones La Esperanza, S.A. de C.V.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Puerto Deportivo de Torrevieja, S.A.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Sistemas Energéticos Sierra del Andevalo, S.A.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Sociedad Mexicana de Inversión en Infraestructura, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Supertec Zona, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Valdivia Energía Eólica, S.A.	Chairman
D. Carlos Blanc García-Valcarcel	Not applicable	Construction	Administradora de Personal Carretero, S.A. de C.V.	Member of the Board
Aldesa Actividades de Construcción, S.L.U.	D. Carlos Blanc García-Valcarcel	Real estate	Águilas Residencial, S.A.	Member of the Board
D. Carlos Blanc García-Valcarcel	Not applicable	Construction	Aldener ADM, S.A. de C.V.	Chairman
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Energy	Aldesa Energías Renovables, S.L.U.	Director
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Energy	Aldesa Gestión de Energías Renovables, S.L.U.	Member of the Board
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Concessions	Aldesa Marina Salinas de Torrevieja, S.L.	Chairman and Managing Director
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Concessions	Colegio Montesclaros, S.L.	Chairman
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Concessions	Colegio Torrevilano, S.L.	Chairman
D. Carlos Blanc García-Valcarcel	Not applicable	Construction	Concesionaria de Autopistas del Sureste, S.A. de C.V.	Member of the Board
D. Carlos Blanc García-Valcarcel	Not applicable	Construction	Concesiones y Mantenimiento Aldesem, S.A. de C.V.	Member of the Board
D. Carlos Blanc García-Valcarcel	Not applicable	Construction	Constructora de Caminos de Veracruz, S.A. de C.V.	Chairman
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Concessions	Doctus Servicios Educativos, S.L.U.	Chairman and Managing Director
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Concessions	Edificio Montesclaros, S.L.U.	Chairman

Director	Representative	Activity	Company through which the activity is performed	Positions
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Concessions	Edificio Torrevilano, S.L.	Chairman
D. Carlos Blanc García-Valcarcel	Not applicable	Construction	Mantenedora de Caminos Aldesem, S.A. de C.V.	Member of the Board
D. Carlos Blanc García-Valcarcel	Not applicable	Construction	Operadora de Caminos Aldesem, S.A. de C.V.	Member of the Board
D. Carlos Blanc García-Valcarcel	Not applicable	Construction	Partner Aldesem, S.A. de C.V.	Member of the Board
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Concessions	Polideportivo El Álamo, S.L.U.	Director
Aldesa Concesiones, S.L.	D. Carlos Blanc García-Valcarcel	Concessions	Puerto Deportivo de Torrevieja, S.A.U.	Director

2012

Director	Representative	Activity	Company through which the activity is performed	Positions
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Acisa Seguridad, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Administradora de Personal Carretero, S.A. de C.V.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Installations	Aeronaval de Construcciones e Instalaciones, S.A.U.	Managing Director
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Installations	Agrupación de Empresas Automatismos Montajes y Servicios, S.L.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Actividades de Construcción, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Concessions	Aldesa Concesiones, S.L.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Construcciones, S.A.	Member of the Board
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Energías Renovables, S.L.U.	Chairman and Managing Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Energías Renovables de Galicia, S.L.	Chairman
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Eólico Olivillo, S.A.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Aldesa Eólico Roalabota, S.A.U.	Joint and Several Director
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Gestión de Energías Renovables, S.L.U.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable		Aldesa Holding, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Aldesa Ingeniería y Servicios, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Servicios Administrativos, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Services	Aldesa Servicios y Mantenimiento, S.A.	Joint and Several Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Construction	Aldesa Turismo, S.A.	Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Turismo de México, S.L.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldeturismo de México, S.A. de C.V.	Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Construction	Civesa Ingeniería, S.A.	Chairman and Managing Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Coalvi Renovables, S.L.U.	Chairman

Director	Representative	Activity	Company through which the activity is performed	Positions
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Concesiones y Mantenimiento Aldesem S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Concesionaria de Autopistas del Sureste, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Concesiones Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Consorcio Carretero del Sureste, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Construcciones Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Constructora de Caminos de Chiapas, S.A. de C.V.	Chairman
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Enersol Solar 3, S.L.U.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Enersol Solar Santa Lucia, S.L.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Eólico Alijar, S.A.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Gestión Autopistas Internacionales, S.L.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Ingeniería y Servicios ADM, S.A. de C.V.	Chairman
Aldesa Ingeniería y Servicios, S.L.U.	Mr Alejandro Fernández Ruiz	Concessions	Inversión en Infraestructuras Andaluzas, S.L.	Director
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Los Altos de Rueda, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Mantenedora de Caminos Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Operadora de Autopistas Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Pebian Inversiones, S.L.U.	Sole Director
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Polideportivo El Álamo, S.L.U.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Promociones La Esperanza, S.A. de C.V.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Puerto Deportivo de Torrevieja, S.A.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Sistemas Energéticos Sierra del Andevalo, S.A.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Supertec Zona, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Valdivia Energía Eólica, S.A.	Chairman
Mr Antonio Fernández Rubio	Not applicable	Construction	Alviesa, S.L.U.	Sole Director
Mr Antonio Fernández Rubio	Not applicable	Real estate	Gran Canal Inversiones, S.L.	Sole Director

2011

Director	Representative	Activity	Company through which the activity is performed	Positions
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Acisa Seguridad, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Administradora de Personal Carretero, S.A. de C.V.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Installations	Aeronaval de Construcciones e Instalaciones, S.A.U.	Managing Director
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Installations	Agrupación de Empresas Automatismos Montajes y Servicios, S.L.U.	Chairman

Director	Representative	Activity	Company through which the activity is performed	Positions
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Actividades de Construcción, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Concessions	Aldesa Concesiones, S.L.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Construcciones, S.A.	Member of the Board
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Energías Renovables, S.L.U.	Chairman and Managing Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Energías Renovables de Galicia, S.L.	Chairman
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Eólico Olivillo, S.A.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Aldesa Eólico Roalabota, S.A.U.	Joint and Several Director
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Gestión de Energías Renovables, S.L.U.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Aldesa Ingeniería y Servicios, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Servicios Administrativos, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Services	Aldesa Servicios y Mantenimiento, S.A.	Joint and Several Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Aldesa Turismo, S.A.	Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldesa Turismo de México, S.L.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Aldeturismo de México, S.A. de C.V.	Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Construction	Civesa Ingeniería, S.A.	Chairman and Managing Director
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Coalvi Renovables, S.L.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Compañía de Actividades Carreteras del Sur, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Concesionaria de Autopistas del Sureste, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Concesiones Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Consorcio Carretero del Sureste, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Construcciones Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Constructora de Caminos de Chiapas, S.A. de C.V.	Chairman
Aldesa Actividades de Construcción, S.L.U.	Mr Alejandro Fernández Ruiz	Energy	Enersol Solar 3, S.L.U.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Energy	Enersol Solar Santa Lucia, S.L.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Eólico Alijar, S.A.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Gestión Autopistas Internacionales, S.L.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Infraestructuras y Autopistas del Bajio, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Ingeniería y Servicios ADM, S.A. de C.V.	Chairman
Aldesa Ingeniería y Servicios, S.L.U.	Mr Alejandro Fernández Ruiz	Concessions	Inversión en Infraestructuras Andaluzas, S.L.U.	Director

Director	Representative	Activity	Company through which the activity is performed	Positions
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Los Altos de Rueda, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Mantenedora de Caminos Aldesem, S.A. de C.V.	Chairman
Aldesa Concesiones, S.L.	Mr Alejandro Fernández Ruiz	Installations	Maquivias, S.A.	Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Operadora de Autopistas Aldesem, S.A. de C.V.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Pebian Inversiones, S.L.U.	Sole Director
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Polideportivo El Álamo, S.L.U.	Chairman and Managing Director
Mr Alejandro Fernández Ruiz	Not applicable	Construction	Promociones La Esperanza, S.A. de C.V.	Chairman
Aldesa Construcciones, S.A.	Mr Alejandro Fernández Ruiz	Concessions	Puerto Deportivo de Torrevieja, S.A.U.	Chairman
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Sistemas Energéticos Sierra del Andevalo, S.A.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Installations	Supertec Zona, S.L.U.	Sole Director
Mr Alejandro Fernández Ruiz	Not applicable	Energy	Valdivia Energía Eólica, S.A.	Chairman
Mr Antonio Fernández Rubio	Not applicable	Construction	Alviesa, S.L.U.	Sole Director
Mr Antonio Fernández Rubio	Not applicable	Real estate	Gran Canal Inversiones, S.L.	Sole Director

23 Environmental information

Grupo Aldesa, S.A. and its Subsidiaries views environmental management as a priority activity within the organisation, promoting respect for the environment in the execution of its activities and advancing techniques serving properly to protect the environment.

To this end the Group has since the year 2000 held AENOR Environmental Management Certification under standard ISO 14001:2004, guaranteeing the identification and prevention of environmental risks which may arise, compliance with the applicable environmental regulations and legislation, the usage of processes which avoid, reduce and control pollution, emphasising prevention and the establishment of continuous improvements in the company's environmental performance.

In order to comply with the requirements established by this standard, the Group establishes an Environmental Management Plan for each works site, which in addition to identifying and evaluating the environmental aspects generated by activities (waste, atmospheric emissions, discharges and noise), preventing possible emergency situations, identifies environment legislation, monitors legal compliance by the company itself and by its subcontractors, and establishes an environmental improvement target.

The guidelines established at the Group for compliance with international standard ISO 14001 are expressed in the environmental policy established for this purpose:

The Group's environmental policy is based on:

- Compliance with the applicable environmental regulations and legislation, and any requirements which the company signs up to in this regard.
- Usage of processes, practices or materials which avoid, reduce or control pollution, based on a principle of prevention.
- Continuous intensification of environmental management, to obtain improvements in the company's environmental performance.

- Establishment and regular review of environmental objectives and targets, in accordance with the undertakings assumed in this declaration.
- Information and involvement of the personnel affected as to the methods for development and application of the environmental management system.

The Group likewise establishes direct environmental improvement actions at each of its works sites, by establishing environmental targets.

Many of the construction contracts undertaken include environmental impact studies, which involve the execution of environmental restoration and maintenance tasks. The Group does not classify as environmental expenses and assets those which are directly included in provision of the service, although they are taken into consideration in the environmental management of operational performance.

In the 2013, 2012, 2011 and 2010 financial years no tangible fixed assets were incorporated in the form of any system, equipment, installation or element for the protection and improvement of the environment. The main ordinary expenses of an environmental nature occurring in said financial years correspond essentially to the following sections:

Environment **Thousand euros**	**2013**	**2012**	**2011**	**2010**
Waste management costs	914	524	659	889
Expenses of in-house personnel focused on the environment	483	530	329	352
Environmental certification and audit costs	39	29	42	13
Total	**1,436**	**1,083**	**1,030**	**1,254**

24 Other information

24.1. Personnel

The average number of persons employed during the 2013, 2012, 2011 and 2010 financial years, distributed by gender and category, is as follows:

	2013					**2012**				
	Number of men	**Number of women**	**Number of men with disability**	**Number of women with disability**	**Total**	**Number of men**	**Number of women**	**Number of men with disability**	**Number of women with disability**	**Total**
Senior Management	11	1	—	—	12	11	1	—	—	12
Higher qualifications	334	109	—	—	443	361	124	—	—	485
Intermediate qualified staff	439	162	2	—	603	336	143	2	1	482
Works supervisors and non-qualified technical staff	202	9	—	—	211	255	56	1	1	313
Administrative and similar	110	80	3	1	194	44	51	—	1	96
Other salaried staff	786	50	2	—	838	516	431	23	22	992
TOTAL	**1,882**	**411**	**7**	**1**	**2,301**	**1,523**	**806**	**26**	**25**	**2,380**

	2011					2010				
	Number of men	Number of women	Number of men with disability	Number of women with disability	Total	Number of men	Number of women	Number of men with disability	Number of women with disability	Total
Senior Management	9	1	—	—	10	9	1	—	—	10
Higher qualifications . . .	173	70	—	—	243	203	66	—	—	269
Intermediate qualified staff . . .	211	99	1	1	312	243	99	1	1	344
Works supervisors and non-qualified technical staff . . .	322	19	1	—	342	355	21	1	—	377
Administrative and similar	131	152	—	1	284	145	168	—	1	314
Other salaried staff .	1,331	62	13	7	1,413	1,471	68	14	8	1,561
TOTAL	**2,177**	**403**	**15**	**9**	**2,604**	**2,426**	**423**	**16**	**10**	**2,875**

24.2. Audit fees

During the 2013, 2012, 2011 and 2010 financial years, the fees regarding the accounts auditing services and other services provided by the Group's auditor, Deloitte, S.L., or by a company of the same Group as or associated with the auditor were as follows:

	2013		2012		2011		2010	
Categories Thousand euros	Auditing of accounts	Other services	Auditing of accounts	Other services	Auditing of accounts	Other services	Auditing of accounts	Other services
Main accounts auditor . . .	541	92	540	22	547	27	502	8
Other auditors	14	—	15	—	25	—	25	—
Total	**555**	**92**	**555**	**22**	**572**	**27**	**527**	**8**

24.3. Act to combat late payment

The enclosed table sets out information regarding deferrals of payments to suppliers, in accordance with the terms of the ICAC (Instituto de Contabilidad y Auditoría de Cuentas) Ruling of 29 December 2010, in furtherance of the disclosure obligation established in the Third Additional Provision of Act 15/2010, of 5 July 2010, regarding measures to combat late payment in trade operations.

Thousand euros	2013	2012	2011
Total trade creditors and other accounts payable	306,630	270,384	481,838
Excess sum	4,853	9,634	38,989
% Excess sum	1.58%	3.56%	8.09%
Average days	90	115	69.22

The line "Excess sum" includes the sum of the balance pending payment to suppliers which at the end of the financial year had a cumulative deferral period in excess of the legally established payment period under the established criteria.

"% Excess sum" records the percentage of payments in excess of the maximum legal period.

The average days refer to the average weighted number of days deferral in excess of the corresponding legal period.

With regard to the close of the 2012 financial year, it should be emphasised that there was a reduction in the balance pending payment and in those suppliers with a cumulative deferral period in excess of the legal payment period, the percentage being 3.56%.

With regard to the close of the 2011 financial year, it should be emphasised that there was a reduction in the balance pending payment and in those suppliers with a cumulative deferral period in excess of the legal payment period, the percentage being 8.09%. Meanwhile, the

balance pending payment to suppliers with a cumulative deferral in excess of the legal payment period did not, at the close of the 2010 financial year, represent a significant percentage of the total for the corresponding caption.

The calculation took into consideration the payment options which the company makes available to its commercial creditors.

The maximum payment term applicable to the Company under Act 3/2004, of 29 December 2004 and its later modification by Law 15/20120 of 5 July 2010, establishing measures to combat late payment in trade operations, applicable on a transitory basis during the 2013 financial year, is 60 days. In 2012, it was 75 days for almost all suppliers and 90 days for Partnership's suppliers associated to civil works contracts with State Administrations.

The Group performed the calculation in accordance with the items corresponding to contracts signed after the entry into force of the aforementioned Act, regarding the items corresponding to trade debts, excluding debts belonging to Group companies.

25 Post balance sheet events

After approval of Royal Decree-Law 9/2013 of 12 July, adopting urgent measures to ensure the financial stability of the electricity system and later Law 24/2013 of 26 December on the Electricity Industry, establishing the new compensation system applicable to production installations based on renewable energy sources on the basis of the principle of reasonable profitability for a typical installation (establishing, among other aspects, the calculation criteria, review mechanisms, and the length of the regulatory periods), in February 2014 the Order Proposal was published, approving the remuneration parameters for typical installation applicable to certain electricity production installations based on renewable, cogeneration, and waste energy sources.

This proposal establishes all the model installations by technology, the remuneration parameters applicable to each model installation for the first regulatory semi-period (regulatory lifetime of the installation, remuneration to investments, remuneration to operations, highest and lowest annual limits to the annual average market price), as well as the standard values employed to calculate specific remuneration in each case.

In the absence of a final Ministry Order, the parameters given in this proposal have been used to assess the impact which Royal Decree-Law 9/2013 has had on the renewable generation assets whose remuneration has been affected by it (see Notes 8 and 9).

26 Segmented cash flow statement

The breakdown of the Group's cash flow between main activities (with recourse) and investment activities (with no recourse) is as follows:

	2013			2012				2011		
Thousand euros	**Total**	**Main activities**	**Investment activities**	**Total**	**Main activities**	**Investment activities**	**Other**	**Total**	**Main activities**	**Investment activities**
Operation Activities Cash Flow	41,861	19,818	22,043	(18,482)	(17,358)	(1,124)	—	(13,136)	(12,998)	(138)
Investment Activities Cash Flow	(13,373)	(13,151)	(222)	(16,245)	14,107	(28,059)	(2,293)	(19,746)	(4,520)	(15,226)
Financing Activities Cash Flow	(132,808)	(114,405)	(18,403)	10,414	(7,525)	17,939	—	(19,489)	(72,128)	52,639
Effect of Perimeter Variations	(564)	1,838	(2,402)	(4,543)	200	(4,743)	—	(325)	(325)	—
Effect of Exchange Rate Variations	5,185	(3,284)	8,469	(4,390)	(428)	(6,255)	2,293	6,646	3,988	2,658
Net Cash Decrease	**(99,699)**	**(109,184)**	**9,485**	**(33,246)**	**(11,004)**	**(22,242)**	**—**	**(46,050)**	**(85,983)**	**39,933**

Analysing the cash flow of activities (with recourse), this would be their evolution in 2011, 2012 and 2013:

	Main activities		
Thousand of euros	**2013**	**2012**	**2011**
Operation Activities Cash Flow	19,818	(17,358)	(12,998)
Investment Activities Cash Flow	(13,151)	14,107	(4,520)
Financing Activities Cash Flow	(114,405)	(7,525)	(72,128)
Effect of Perimeter Variations	1,838	200	(325)
Effect of Exchange Rate Variations	(3,285)	(428)	3,988
Net Cash Decrease	**(109,185)**	**(11,004)**	**(85,983)**

The Operation Activities Cash Flow (with recourse) would have the following effects:

	Main activities		
Thousand of euros	**2013**	**2012**	**2011**
Result for financial year before tax	(14,910)	12,733	19,841
Result adjustments:	67,268	41,703	37,023
Interest payment/collection	(16,083)	(11,429)	(11,856)
Payment of tax on earnings	(15,402)	(12,158)	(11,199)
Funds generated in operations	20,873	30,849	33,808
Changes in working capital	**42,288**	**(2,388)**	**(16,921)**
From Spain	*829*	*(50,655)*	*(21,996)*
From international activities	*41,459*	*48,267*	*5,075*
Variation in the factoring outstanding debt	(28,243)	(17,737)	(73,067)
Collections / (Payments) Helios project	(15,100)	(28,082)	43,182
Operation Activities Cash Flow	**19,818**	**(17,358)**	**(12,998)**

The results for each financial year have displayed a stable positive flow throughout the 2011 to 2013 period, which was employed to pay the interest on financing; this flow has increased due to higher debt costs and the payment of tax on earnings.

In the working capital for 2011 and 2012, the drop in activity in Spain led to a negative cash flow in 2012 which in 2012 was offset by the generation of cash in the rest of countries, mainly Mexico, thanks to the increase in activity and better collection conditions in these countries, particularly by means of advance payments.

In 2013, Spain contributed a positive cash flow as a result of closer average collection and payment periods. The international activities maintained a positive cash flow due to their growth and improved differential between average collection and payment periods.

During the periods 2011 to 2013, the Group carried out a deleveraging policy in the factoring tools with no recourse that have led to a negative cash flow.

As regards the operation flow behaviour every year, the specific effect of the Helios project should be ponited out. This project, consisting in an EPC for two wind farms, had a positive flow of 43,182 thousand euros in 2011, due to certificate collections, without the corresponding negative flow from associated payments. This negative flow from payments took place in 2012 and 2013, neutralising its effect on the three-year accumulated total, but generating negative net movements every year, so the operation flows from activities with recourse are better understood by isolating this effect.

As regards activities with no recourse, the generation of cash in operation activities in 2013 from collection of the funds for complementary works for improvement of the concession should be highlighted. These funds were contributed by Fonadín, an organisation under the supervision of the Mexico Transport Secretariat, and will be released by the concessionary on submission of the work certificate issued by Construcciones Aldesem on the basis of the execution of the corresponding works.

27 Temporary Joint Ventures

The detail of the turnover of the consortiums, whose integration criteria is the same as the one applied to Temporary Joint Ventures (UTEs), in which the Group is present is as follows:

Name of consortium Thousand euros	Turnover %	2013	%	2012	%	2011	%	2010
Asociación S.C. Teloxim Con SRL—Comsa SA—Aldesa Construcciones SA—S.C. Arcadis Eurometudes S.A. (Romania)	30%	102	—	—	—	—	—	—
Joint Venture Tata Projects Limited, India y Aldesa Construcciones, S.A., Spain (India)	50%	5,262	—	—	—	—	—	—
TOTAL		**7,377**		**—**		**—**		**—**

The detail of the turnover of the Temporary Joint Ventures in which Grupo Aldesa, S.A. holds a stake is as follows:

Name of Temporary Joint Venture Thousand euros	Turnover %	2013	%	2012	%	2011	%	2010
UTE VDAS.BOADILLA	—	—	100%	—	—	—	—	—
UTE JÁTIVA	—	—	100%	—	100%	—	100%	—
UTE AVE PENEDÉS	—	—	70%	—	70%	—	70%	22
UTE AVE D'ANOIA	—	—	60%	—	60%	(96)	60%	48
UTE VENTA OLIVO	—	—	25%	—	25%	—	25%	—
UTE COLEGIOS CASTELLÓN	—	—	100%	—	100%	—	100%	—
UTE ARELSA	—	—	100%	—	100%	—	100%	—
UTE HUESCA (ALVIDEA)	—	—	50%	—	50%	—	50%	—
UTE TRUBIA	—	—	45%	—	45%	—	45%	—
UTE AVE LOS PRADOS	—	—	60%	—	60%	—	60%	—
UTE LOMA DEL PORTILLEJO	—	—	100%	—	100%	—	100%	—
UTE TESORERÍA CÁDIZ	—	—	80%	—	80%	—	80%	—
UTE COLEGIOS VALENCIA	100%	—	100%	—	100%	—	100%	—
UTE PLAZA DALÍ	—	—	80%	—	80%	—	80%	—
UTE MEIRAMA	—	—	60%	—	60%	—	60%	—
UTE AVE XATIVA	—	—	43%	—	43%	—	43%	—
UTE VILLAVETA	—	—	90%	—	90%	—	90%	—
UTE LLERA	—	—	45%	—	45%	—	45%	—
UTE BALLOTA	—	—	45%	—	45%	—	45%	—
UTE NOU MOLES	100%	—	100%	—	100%	—	100%	—
UTE NOVELLANA	—	—	80%	—	80%	—	80%	—
UTE MIJAS	—	—	100%	—	100%	—	100%	—
UTE COCHERAS HORTALEZA	—	—	100%	—	100%	—	100%	—
UTE JÁTIVA 2	—	—	100%	—	100%	—	100%	—
UTE CASA SEVILLA	—	—	50%	—	50%	—	50%	—
UTE JATIVA3	—	—	100%	—	100%	—	100%	—
UTE ZUASTI 2	—	—	60%	—	60%	—	60%	—
UTE AVE REQUENA	100%	—	100%	37	100%	—	100%	5
UTE FAYON	—	—	100%	—	100%	—	100%	—
UTE CASPE	—	—	100%	—	100%	—	100%	—
UTE VILLAFRANCA	—	—	60%	—	60%	—	60%	—
UTE BIURRUN	—	—	60%	—	60%	—	60%	—
UTE CANAL ARAGÓN	—	—	100%	—	100%	—	100%	—
UTE BARBASTRO	—	—	100%	—	100%	(28)	100%	—
UTE MAZALEON	—	—	100%	—	100%	—	100%	—
UTE LES PAISANES	—	—	50%	—	50%	916	50%	2,450
UTE PONTE ARNELAS	—	—	50%	—	50%	—	50%	(12)
UTE ÚBEDA BAEZA	—	—	100%	—	100%	812	100%	(146)

Name of Temporary Joint Venture Thousand euros	%	2013	%	2012	%	2011	%	Turnover 2010
UTE REHABIL. FIRME ZARAGOZA	—	—	100%	—	100%	49	100%	(8)
UTE CUENCA-OLALLA	100%	5	100%	—	100%	74	100%	2,938
UTE AIBAR-CÁSEDA	—	—	60%	—	60%	—	60%	—
UTE ACCESO CORUÑA	50%	(11)	50%	25	50%	39	50%	2,327
UTE RONDA SUR FERROVIARIA	—	—	100%	—	75%	—	75%	—
UTE A CAÑIZA	—	—	50%	—	50%	(13)	50%	—
UTE VÍA VERDE	—	—	100%	—	100%	—	100%	—
UTE CORREDERA	100%	—	100%	1	100%	54	100%	11,694
UTE DAROCA	—	—	100%	—	100%	—	100%	—
UTE FRAGA	100%	(13)	100%	—	100%	—	100%	—
UTE PUERTO REAL	—	—	100%	—	100%	34	100%	—
UTE BERRIOZAR	—	—	60%	—	60%	—	60%	—
UTE QUEILES	—	—	75%	—	75%	—	75%	—
UTE ROTA	60%	—	60%	—	60%	380	60%	(1)
UTE URBANIZACIÓN AR-3 MILAGRO	—	—	60%	—	60%	—	60%	—
UTE PARAMO V	—	—	50%	—	50%	—	50%	—
UTE EMBALSES	—	—	100%	—	100%	—	100%	—
UTE PRESAS	—	—	80%	—	80%	169	80%	67
UTE AVE VILABOA	67%	12	67%	4,349	67%	15,015	67%	11,732
UTE ALMONACID	—	—	100%	—	100%	—	100%	—
UTE AVE DEL VALLES	100%	(587)	100%	587	100%	(875)	100%	7,679
UTE VIVIENDAS SUR	—	—	100%	—	100%	—	100%	(48)
UTE URB. EXPOZARAGOZA	100%	—	100%		100%	—	100%	—
UTE IES IBI	65%	(30)	65%	—	65%	114	65%	559
UTE ESTACIÓN MIRAFLORES	100%	6	100%	2	100%	(231)	100%	228
UTE AVE YECLA	70%	—	70%	(1)	70%	—	70%	—
UTE LIERGANES	50%	6	50%	—	50%	—	50%	—
UTE ARCIPRESTE	—	—	100%	—	100%	—	100%	—
UTE GTT TRN III (TARANCÓN)	—	—	50%	—	50%	—	—	—
UTE GTT TRN IV (CAMPOMANES POLA DE LENA)	—	—	50%	—	50%	—	50%	—
UTE GTT TRN V (OSORNO)	—	—	50%	—	50%	—	50%	18
UTE GTT TRN VI (TOLEDO)	—	—	50%	—	50%	—	50%	—
UTE GTT TRN VII (ZARAGOZA)	—	—	50%	—	50%	—	50%	—
UTE CAUDETE VILLENA	25%	—	25%	(7)	25%	23	25%	(5)
UTE AVYVA	33%	65	33%	93	33%	99	33%	97
UTE TERUEL	—	—	50%	—	50%	—	50%	—
UTE BERENGUER	—	—	50%	—	50%	—	50%	—
UTE ALFORJA	—	—	40%	—	40%	—	40%	—
UTE DA VINCI	—	—	50%	—	50%	—	50%	—
UTE ALDEMAN	—	—	50%	—	50%	3	50%	—
UTE ALDESA-DETEA	50%	(2)	50%	—	50%	20	50%	87
UTE AMPOSTA—C.PAI, S.A. Y C.D.MARCO, S.A.	—	—	50%	—	50%	—	50%	—
UTE ANGUERA	—	—	33%	—	33%	—	33%	—
APM C.E.C.,S.A./C.PAI, S.A./CALLE LLULL—UTE	—	—	25%	—	25%	—	25%	—
APM C.E.C.,S.A./C.PAI, S.A./ S.V.TORELLO—UTE	—	—	25%	—	25%	—	25%	—
UTE BENJUMEA-PAI	—	—	50%	—	50%	—	50%	—
UTE BOMBAMENT GRANOLLERS	—	—	40%	—	40%	—	40%	—
UTE BRCO.ALBUFERETA	—	—	50%	—	50%	—	50%	—
UTE CONSTRUCCIÓ BRIANS 2, S.A.	—	—	5%	—	5%	—	5%	—
UTE EMB.LA LOTETA	20%	—	20%	—	20%	370	20%	—
UTE ENOR-PAI, CAN MACIA I	—	—	50%	—	50%	—	50%	—
UTE ERSCE-RIERA-PAI (LINEA1)	—	—	8%	—	8%	—	8%	—

Name of Temporary Joint Venture Thousand euros	%	2013	%	2012	%	2011	%	Turnover 2010
UTE ESTAC.JEREZ	—	—	50%	—	50%	—	50%	—
UTE FIRA 2000	—	—	40%	—	40%	—	40%	—
UTE LA CATALANA	—	—	49%	—	49%	—	49%	—
UTE LATORES	—	—	33%	—	33%	—	33%	—
UTE LOS PAYUELOS	—	—	50%	—	50%	—	50%	—
UTE PAI-COMSA	—	—	50%	—	50%	—	50%	—
UTE PUSTA BARAJAS	—	—	25%	—	25%	—	25%	—
UTE PK.BOADILLA(alcuba)	—	—	50%	—	50%	—	—	—
UTE PORTAS	—	—	37%	—	37%	109	37%	—
UTE QUEIXAS	—	—	37%	—	37%	49	37%	—
UTE SAN PEDRO-ESTE	—	—	28%	—	28%	45	28%	(5)
UTE SANTA PERPETUA	—	—	50%	—	50%	—	50%	—
UTE TOSSALGROS D'ALPUCAT-LLEIDA	—	—	20%	—	20%	—	20%	—
UTE TRANVÍA ORRIOLS (METRO VAL)	—	—	50%	—	50%	—	50%	—
UTE ALBOLOTE-MARACENA	70%	(11)	70%	—	70%	580	70%	1,523
UTE ALBOX	50%	—	50%	22	50%	1,271	50%	1,562
UTE BUTARQUE	—	—	50%	—	50%	—	50%	(7)
UTE CAMPUS DE LA JUSTICIA	—	—	50%	—	50%	—	50%	(129)
UTE ELCHE	—	—	20%	—	20%	—	20%	115
UTE RESIDENCIA VILLAREAL	—	—	20%	—	20%	—	20%	—
UTE SOTERRAMIENTO ALBORAYA	33%	—	33%	189	33%	1,246	33%	4,207
UTE VANDELLOS	—	—	33%	—	33%	—	33%	—
UTE VILASECA	—	—	50%	—	50%	—	50%	—
UTE VILLATORO	—	—	60%	—	60%	—	60%	—
UTE VULLPALLERES—FCC / C.PAI, S.A.	35%	2	35%	1	35%	—	35%	169
UTE CESPA Y SMM	—	—	72%	—	72%	—	72%	—
UTE SAN LUIS	—	—	100%	—	100%	—	100%	—
UTE SERRIA DEL TER	100%	(299)	100%	10,297	100%	23,928	100%	18,873
UTE SAN PEDRO INSTALACIONES	—	—	14%	—	14%	—	14%	—
UTE ESTACIÓN AUTOBUSES CALAMOCHA	—	—	100%	—	100%	—	100%	11
UTE 3ª ROTONDA A CORUÑA	50%	16	50%	—	50%	—	50%	671
UTE PORTO BURELA	50%	—	50%	48	50%	156	50%	1,128
UTE PEDELTA GTT	—	—	30%	—	30%	—	30%	—
UTE CEUTA	—	—	50%	—	50%	—	50%	—
UTE MEDINA	—	—	50%	—	50%	—	50%	—
UTE ACISA ASM AEROPUERTO SABADELL	100%	—	100%	—	100%	—	100%	—
UTE ACISA ISTEM	65%	(60)	65%	525	65%	29	65%	—
UTE MANT. ZARAGOZA 12-14	50%	1,197	50%	1,099	—	—	—	—
UTE CLIMATIZACION HOSPITAL ALCORCON	74%	—	74%	—	74%	—	74%	—
UTE PRUNA	—	—	100%	—	100%	—	100%	—
UTE SANITARIA DEL BAJES	25%	6	25%	32	25%	—	25%	2,736
UTE PYCSA-BUREAU VERITAS-GTT (GIF MALAGA)	—	—	34%	—	34%	—	34%	—
UTE CHAMARTIN	—	—	34%	—	34%	—	34%	—
UTE GTT TRN II (VILABOA)	—	—	50%	—	50%	—	50%	—
UTE PLAZA ELIPTICA	—	—	50%	—	50%	—	50%	—
UTE GTT TRN VIII (SAUQUILLO ALMAZAN)	—	—	50%	—	50%	—	50%	—
UTE NOVA BAGES SANITARIA	25%	4,390	25%	1,600	—	—	—	—
UTE CEMOSA GTT (PUERTO MALAGA)	—	—	50%	—	50%	(1)	50%	8
UTE APLITEC RED COMDES	80%	—	80%	—	80%	—	80%	—

Name of Temporary Joint Venture Thousand euros	%	2013	%	2012	%	2011	%	Turnover 2010
UTE AZAL BURGOS (AZVI-ALDESA)	50%	115	50%	540	50%	3,163	50%	875
UTE A4 CIUDAD REAL	24%	19	24%	15,063	24%	9,603	24%	6,120
UTE REGADISO MOLINA DEL SEGURA	65%	486	65%	1,295	65%	1,531	65%	2,643
UTE INSTALCIONES TUNEL ESTE	—	—	28%	—	28%	—	28%	27
UTE MARINA BAIXA	—	—	50%	—	50%	(30)	50%	1,621
UTE AUTO ESTRADA	—	—	50%	—	50%	28	50%	818
UTE ALABAYONA	65%	(33)	65%	999	65%	22	65%	3,313
UTE CALFELL	—	—	45%	—	45%	—	45%	—
UTE CYVICO	30%	401	30%	29	30%	186	30%	3,103
UTE CENTRO DE ENSEÑANZA	0%	—	80%	—	80%	—	80%	—
UTE VIVIENDAS MOSTOLES SUR FASE II	100%	131	100%	158	100%	12,723	100%	(663)
UTE GTT A4	50%	22	50%	213	50%	174	50%	156
UTE TERCER CARRIL A-7	100%	3	100%	(553)	100%	3,289	100%	9,268
UTE NADELA	50%	3,349	50%	1,854	50%	2,371	50%	2,410
UTE NAVES ZONA FRANCA	—	—	100%	—	100%	—	100%	(1)
UTE PLAZA CASABLANCA	—	—	50%	—	50%	—	50%	—
UTE MONTAJE LA ROCA	—	—	50%	—	50%		50%	453
UTE COLEGIO BARBASTRO	—	—	50%	—	50%	13	50%	47
UTE LIMPUEZA DE CAUCES	100%	—	100%	—	100%	—	100%	—
UTE ACACIAS	—	—	40%	—	40%	—	40%	—
UTE ALBORAIA	—	—	50%	—	50%	—	50%	—
UTE ALDEPRON	—	—	80%	—	80%	—	80%	—
UTE ALMUZUERA	—	—	40%	—	40%	—	40%	—
UTE CAMINOS	—	—	50%	—	50%	—	50%	—
UTE COMARCA-1	—	—	80%	—	80%	—	80%	—
UTE EL PUIG	—	—	80%	—	80%	—	80%	—
UTE RIO TINTO	—	—	60%	—	60%	—	60%	—
UTE MERCAFRED-PAI	—	—	50%	—	50%	—	50%	—
UTE ESTUDIO MACAEL	—	—	50%	—	50%	—	50%	—
UTE CEIP COLON	100%	—	100%	—	100%	—	100%	(2)
UTE MONCOFAR VILLAREAL	—	—	50%	—	50%	—	50%	151
UTE MUSEO LUGO	100%	178	100%	—	70%	961	70%	1,934
UTE PAI-ILLA	—	—	50%	—	50%	—	50%	—
UTE TERUEL-HISPANICA	—	—	50%	—	50%	—	50%	—
UTE COALVI—CONVENSA	75%	—	75%	459	75%	1,080	75%	5,113
UTE NETEJA IMCET TERRASSA	0%	—	60%	193	60%	143	60%	156
UTE TMI-EME	—	—	55%	—	55%	299	55%	162
UTE PALAUTORDERA SEVA	—	—	50%	—	50%	—	50%	11
UTE DUPLICACION CALZADA A-491	60%	1,922	60%	391	60%	473	60%	5,124
UTE MANTENIMIENTO SEDE INSS	0%	—	50%	—	50%	—	50%	177
UTE BIBLIOTECA PEDREGALEJO	100%	—	100%	(3)	100%	—	100%	137
UTE CAMPO DE FUTBOL EL DUENDE	100%	—	100%	—	100%	1	100%	367
UTE AVENIDA DE LA SIERRA	100%	—	100%	(25)	100%	—	100%	14
UTE CENTRO DE MAYORES-MACARENA	100%	—	100%	—	100%	4	100%	376
UTE POLA DE ALLANDE	50%	927	50%	530	50%	2,346	50%	2,900
UTE AUTOVIA DOS HERMANAS-CORIA DEL RIO	33%	—	33%	—	33%	2,281	33%	5,046
UTE URBANIZACION P.E BAAMONDE	—	—	40%	—	40%	—	40%	—
UTE CORREDOR NOCEDA- A AS	50%	828	50%	1,313	50%	2,111	50%	3,405
UTE PARKING PLAZA BLANES	—	—	100%	—	100%	86	100%	1,303
UTE NAVE TALLER MONTCADA	100%	—	100%	104	100%	396	100%	2,496
UTE COALVI-INFRACON	—	—	65%	—	65%	—	65%	—
UTE TMI-AMS	50%	—	50%	—	50%	25	50%	62
UTE HOSP. ALMERÍA	0%	—	40%	468	20%	467	20%	466

Name of Temporary Joint Venture Thousand euros	%	2013	%	2012	%	2011	%	Turnover 2010
UTE 36 VPO LOJA	100%	4	100%	75	100%	342	100%	139
UTE ASM-FSYC	—	—	50%	—	50%	39	50%	53
UTE RED DE AGUAS	—	—	2%	—	2%	—	2%	9
UTE COIMBRA	2%	—	2%	1	2%	3	2%	17
UTE TECNOPARC	—	—	75%	—	75%	—	75%	1,231
UTE MARINA DEL REY	—	—	100%	—	100%	—	100%	31
UTE QUINTANA DEL PIDIO	80%	—	80%	30	80%	813	80%	1,628
UTE COMARCA DE CARIÑENA	50%	—	50%	25	50%	102	50%	456
UTE BALSA DE LA CALDERETA	65%	60	65%	(23)	65%	1,456	65%	752
UTE URB. ILLESCAS	65%	—	65%	2	65%	3,006	65%	800
UTE ASM-ESTEL	0%	—	60%	146	60%	149	60%	138
UTE CAMPUS DE LA JUSTICIA FASE II	—	—	50%	—	50%	—	50%	—
UTE GEST. INTECOL TOLEDO	0%	—	50%	462	50%	471	50%	628
UTE AVE CERNADILLA	50%	6,276	50%	4,385	50%	2,603	50%	—
UTE PREV. INCENDIOS FORES	—	—	50%	—	50%	(1)	50%	255
UTE ACISA COALVI	100%	28	100%	2,010	100%	4,200	100%	188
UTE MANT. CIUDAD REAL	0%	—	30%	103	30%	109	30%	110
UTE MANT. GUADALAJARA	0%	—	30%	13	30%	16	30%	14
UTE GEST. INTECOL CUENCA UTE	0%	—	30%	75	30%	84	30%	85
UTE GES. INTECOL ALBACETE UTE	0%	—	30%	57	30%	60	30%	60
UTE PLATAFORMA MAIRENA	50%	599	50%	493	50%	925	50%	418
UTE HOSPITAL DE PONIENTE	0%	—	50%	705	50%	774	50%	630
UTE ASM-LAGUNDUZ R NAVALC	0%	—	85%	985	85%	1,177	85%	658
UTE CEIP ALCALDE LEON RIOS	100%	—	100%	(78)	100%	1,203	100%	682
UTE FERROCARRILES	50%	—	50%	(21)	50%	726	50%	749
UTE OROPESA	50%	35	50%	84	50%	150	50%	27
UTE TUNEL VALVERDE	—	—	50%	—	50%	(3)	50%	—
UTE ED. JUDICIAL LLEIDA	100%	343	100%	2,756	100%	190	100%	—
UTE MANTENIMIENTO VILLARRUBIA	28%	968	28%	1,258	28%	1,673	28%	372
UTE EGMSA ENCAUZAMIENTO	50%	158	50%	224	50%	770	50%	426
UTE ACISA-ASM FUENTES DE	50%	—	100%	529	100%	248	100%	95
UTE FERROSER- ASM TORRES	0%	—	50%	370	50%	498	50%	34
UTE ASM LAGUNDUZ NAVALCII	0%	—	80%	184	80%	187	80%	48
UTE SUPERTEC LLEIDA II	100%	—	60%	—	60%	—	60%	10
UTE ACISA-ALLIANCE PARPERS	50%	—	50%	—	50%	—	50%	160
UTE APLITEC ACISA	50%	—	50%	—	50%	—	50%	57
UTE ACISA APLITEC SCT	80%	—	80%	—	80%	—	80%	—
UTE ACISA CONSIVIA MONTANT DE TOST	75%	—	75%	—	75%	—	75%	271
UTE ACISA -ELECTROCONVER S.NICOLAS	50%	—	50%	—	50%	—	50%	—
UTE SAN JAVIER	100%	2	100%	—	100%	153	100%	185
UTE ACISA ELECTROVALENCIA (AEROPUERTO PALMA)	100%	—	100%	—	100%	(6)	100%	2,420
UTE ACISA CYES (GC)	50%	73	50%	(110)	50%	(508)	50%	—
UTE ACISA-ROIG FUENTES GRANADA	80%	—	80%	—	80%	—	80%	—
UTE ACISA-ROIG FUENTES ALMERÍA	80%	—	80%	—	80%	—	80%	—
UTE ACISA PROMAN	80%	—	80%	—	80%	7	80%	79
UTE ACISA ACEINSA TUNELES SUR	50%	—	50%	—	50%	183	50%	69
UTE FERROSER ACISA AER M	50%	615	50%	702	50%	667	50%	637
UTE ACISA AMS ESPLUGUES	100%	—	100%	—	100%	39	100%	354
UTE ACISA CYES GRAN CANARIA ANILLOS	50%	—	50%	248	50%	944	50%	3,326
UTE ACISA ANDARIBEL	60%	—	60%	—	60%	—	60%	—
UTE NORTE	80%	—	80%	—	80%	—	80%	—
UTE ACISA PAI MUSEO DE LUGO	100%	8	100%	—	100%	825	100%	420

Name of Temporary Joint Venture Thousand euros	%	2013	%	2012	%	2011	%	Turnover 2010
UTE BENALMADENA	100%	—	100%	(3)	100%	419	100%	—
UTE CENTRO SALUD SUERTE DE SAAVEDRA	80%	22	80%	805	80%	620	80%	3
UTE MANTENIMIENTO INTEGRAL CTCC AS PONTES	50%	156	50%	1,044	50%	1,218	50%	1,283
UTE TEATRO CALDERON	50%	—	100%	(102)	100%	882	100%	1,234
UTE MANT. INTEGRAL CTCC AS PO	0%	—	50%	582	50%	232	50%	197
UTE HOSPITAL PUERTA DEL MAR	100%	—	100%	—	100%	—	100%	—
UTE REFORMA DOS PLANTAS RTVA	100%	—	100%	—	100%	—	100%	—
UTE PROCESADOR	25%	—	25%	—	25%	—	25%	611
UTE ELECTRICIDAD HOSPUTAL ELCHE	50%	—	100%	—	100%	—	100%	—
UTE AMS ACISA AENA AS PONTES	100%	9	100%	50	—	—	—	—
UTE HOSPITAL SAN JUAN	40%	245	40%	309	40%	366	40%	340
UTE SIEMENS AMS ALICANTE	50%	—	50%	27	50%	159	50%	1,076
UTE CONSERVACION AUTOVIAS	60%	1,752	60%	2,120	60%	1,047	60%	—
UTE GUADACORTE	100%	—	100%	2	100%	91	100%	—
UTE BOTANICA LOS BARRIOS	100%	—	100%	1	100%	84	100%	—
UTE REMOLAR	20%	—	20%	(1,050)	20%	(879)	20%	222
UTE TUNEL ROVIRA	33%	—	33%	—	33%	—	33%	2
UTE SAINCO TRAFICO ACISA(EIX 3)	50%	—	50%	—	50%	—	50%	—
UTE ACISA-SICE LLEIDA II	50%	—	50%	—	50%	—	50%	—
UTE CENTRE VIC	50%	—	50%	(3)	50%	—	50%	—
UTE VIC V	50%	—	50%	—	50%	461	50%	2,622
UTE TUNELS BARCELONA	50%	—	50%	—	50%		50%	37
UTE SETRA GRANADA	11%	239	11%	321	11%	223	11%	344
UTE SGVV CONSERVACION Y SISTEMAS	50%	—	50%	—	50%	—	50%	—
UTE ACISA COBRA INST.Y SERVICIOS-ESPELSA Y SAMPOL	50%	—	50%	—	50%	—	50%	35
UTE RESID LOMA MANZANARES	55%	2,957	55%	4,976	55%	761	55%	—
UTE CONSERV CTRAS HUELVA	50%	509	50%	580	50%	404	50%	—
UTE MIRASOL	65%	(9)	65%	669	65%	485	65%	—
UTE ACISA- CYES BALIZAMIENTO	50%	12	50%	46	50%	23	50%	140
UTE IPAR ACISA ZARAUTZ	100%	—	100%	—	100%	—	100%	—
UTE IPAR ACISA	100%	—	100%	—	100%	—	100%	—
UTE IPAR ACISA 06	100%	—	50%	—	100%	—	100%	—
UTE IPAR ACISA LEITZARAN	100%	—	100%	—	100%	—	100%	—
UTE IPAR ACISA GORDEXOLA	100%	—	100%	—	100%	—	100%	—
UTE GURUTZETXIQUI	100%	—	100%	—	100%	—	100%	—
UTE IPAR ACISA DIGV	100%	—	100%	—	100%	—	100%	—
UTE IPAR ACISA ZARAUTZ2	100%	—	50%	—	100%	—	100%	—
UTE TUNELS BCN 2010	50%	341	50%	336	50%	330	50%	328
UTE SEVIC	50%	—	50%	—	50%	—	50%	—
UTE SANT ESTEVE D' EN BAS	50%	—	50%	—	50%	—	50%	—
UTE APLITEC ACISA XATIVA	30%	—	30%	—	30%	—	30%	—
UTE PISCINA TORRE DEL MAR	100%	176	100%	358	100%	24	100%	—
UTE ACISA- COPCISA	30%	—	30%	—	30%	—	30%	11
UTE CEVALLS	25%	—	37%	—	37%	—	37%	464
UTE SICE-ACISA LLEIDA III	50%	64	50%	23	50%	72	50%	—
UTE ACISA-SICE C-32	50%	—	50%	—	50%	—	50%	—
UTE ACISA-CYES ACC. RAMPA	80%	—	80%	7	80%	235	80%	—
UTE ASM FSYC II	0%	—	50%	301	50%	177	50%	—
UTE INCUBADORA PTA	70%	1,062	70%	1,185	70%	518	70%	—
UTE CONVENTO STO DOMINGO	50%	118	50%	221	—	—	—	—
UTE SEVERO OCHOA	0%	—	40%	320	40%	186	40%	—
UTE MANTENIMIENTO AVE	50%	—	50%	—	50%	—	50%	—

Name of Temporary Joint Venture Thousand euros	%	2013	%	2012	%	2011	%	Turnover 2010
UTE CABECERA 10	100%	115	100%	—	—	—	—	—
UTE ACISA Y ADASA SISTEMAS	70%	—	50%	—	50%	—	50%	—
UTE ACCESO SUD	50%	—	50%	—	50%	—	50%	—
UTE ACISA-EXPOCOM 2	70%	—	50%	—	50%	—	50%	—
UTE ACISA-EXPOCOM 2005	70%	—	50%	—	50%	—	50%	—
UTE ELECTROCONVER LINEA HS SANTA CRUZ	50%	—	50%	—	50%	—	50%	—
UTE GRUPO AMS ACISA	100%	341	—	—	—	—	—	—
UTE EIX IV	50%	—	50%	—	50%	6	50%	—
UTE AMS-ENERMES PITA	50%	—	50%	35	50%	706	50%	—
UTE BARAJAS IAE	27%	—	50%	—	50%	—	50%	—
UTE ACISA PAI TUNEL DE VALLVIDRERA	100%	2	100%	20	100%	—	100%	—
UTE STUC GESTION DE OBRAS Y ACISA—MACHUCA	60%	—	50%	—	50%	—	50%	—
UTE STUC GESTION DE OBRAS Y ACISA—SULTANA	50%	—	50%	—	50%	—	50%	—
UTE AMS FERROSER PAI PALACIO SANTA CRUZ	60%	4	50%	206	50%	—	50%	—
UTE ACISA BONAL PLATAFORMA COR	50%	—	50%	—	50%	—	50%	—
UTE ACISA SUPERTEC LLEIDA II	100%	—	100%	—	100%	—	100%	—
UTE DOYMO ACISA	63%	—	50%	—	50%	—	50%	—
UTE AVE LUBIAN	100%	17,295	100%	5,981	—	—	—	—
UTE CONSERVACION OR-2 ORE	60%	863	60%	842	—	—	—	—
UTE AER. GIRONA C. BRAVA	100%	87	100%	171	100%	—	100%	—
UTE AENA CENTRAL ELECTRIC	100%	7	100%	52	100%	—	100%	—
UTE CORREDOR MEDITERRANEO	30%	6,702	30%	1,074	—	—	—	—
UTE CAMPO DE VUELO	100%	90	—	—	—	—	—	—
UTE ALICANTE	20%	371	—	—	—	—	—	—
UTE EDAR SINOVA SORIA	50%	7	—	—	—	—	—	—
UTE ACCESOS SUR	50%	1,016	—	—	—	—	—	—
UTE TUNELS BCN 2010	0%	—	—	—	—	—	—	—
UTE OF. AER. MAD TORREJÓN	100%	—	—	—	—	—	—	—
UTE ACISA EUROCOP	25%	36	—	—	—	—	—	—
UTE ACISA AMS MANT. EDIF.	100%	133	—	—	—	—	—	—
UTE ACISA EYSA MTO TRAF. SEV.	50%	411	—	—	—	—	—	—
TOTAL		**57,342**		**79,123**		**121,212**		**157,851**

Annex 1: Subsidiaries
2013 – 2012

Company name	Registered office	Business line	2013 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake	C r
Aldesa Construcciones, S.A.[a][e]	Madrid	Construction	Full Integration	12,588	4,231	100.00%	I
GTT Ingeniería y Tratamiento de Aguas, S.A.[a][e]	Madrid	Construction	Full Integration	—	(441)	99.67%	I
Coalvi, S.A.[a][e]	Zaragoza	Construction	Full Integration	5,070	2,809	100.00%	I
Urbanizadora Carretera Albalat, S.L.U.[b][f]	Valencia	Construction	Full Integration	—	(17)	100.00%	I
Pebian Inversiones, S.L.U. Subgroup (includes Construcciones PAI, S.A. Subgroup)[c][g]	Madrid	Construction	Full Integration	13,055	2,703	100.00%	I
Aldesa Actividades de Construction, S.L.U.[c][g]	Madrid	Construction	Full Integration	12,591	4,231	100.00%	I
Alviesa Promociones y Obras, S.L.U..[b][f]	Madrid	Construction	Full Integration	(68)	(119)	100.00%	I
CIVESA Ingeniería, S.A.[b][e]	Málaga	Construction	Full Integration	(815)	(815)	100.00%	I
Aldesa Holding, S.A. de C.V. Subgroup[a][c]	Mexico	Construction	Full Integration	92,270	89,763	100.00%	I
Aldesa Servicios y Mantenimiento, S.A.[e]	Madrid	Engineering and Services		—	—	0.00%	I
Aldesa Ingeniería y Servicios, S.L.U.[b][f]	Madrid	Engineering and Services	Full Integration	(1,759)	(1,759)	100.00%	I
Aeronaval de Construcciones e Instalaciones, S.A.U. Subgroup[c][g]	Madrid	Engineering and Services	Full Integration	25,016	6,791	100.00%	I
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U.[a][e]	Mairena de Aljarafe (Seville)	Engineering and Services	Full Integration	37,940	26,698	100.00%	I
Aldesa Energías Renovables, S.L.U. Subgroup[c][g]	Madrid	Renewable Energy	Full Integration	—	—	—	I
Aldesa Energías Renovables S.L.U[c][g]	Madrid	Renewable Energy	Full Integration	—	(66,965)	100.00%	I
Coalvi Renovables S.L.U. (Aldesa Energías Renovables S.L.U. Subgroup)[b][f]	Zaragoza	Renewable Energy	Full Integration	—	(4)	100.00%	I
Los Altos de Rueda S.L. (Aldesa Energías Renovables S.L.U. Subgroup)[b][f]	Zaragoza	Renewable Energy	Full Integration	—	(17)	100.00%	I
Aldesa Energías Renovables de Galicia S.L. (Aldesa Energías Renovables S.L.U. Subgroup)[b][f]	A Coruña	Renewable Energy	Full Integration	—	(42)	100.00%	I

Company name	Registered office	Business line	2013 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake	C r
Aldener Extremadura, S.A.U. (Aldesa Energías Renovables S.L.U. Subgroup)[(b)(f)]	Mairena de Aljarafe (Seville)	Renewable Energy	Full Integration	44,600	(1)	100.00%	I
Aldesa Gestión de Energías Renovables (Aldesa Energías Renovables S.L.U. Subgroup)[(a)(e)]	Madrid	Renewable Energy	Full Integration	42,902	(1,490)	100.00%	I
Sistemas Energéticos Sierra del Andévalo S.A.U. (Aldesa Energías Renovables S.L.U. Subgroup)[(a)(e)]	Madrid	Renewable Energy	Full Integration	(1,003)	(826)	100.00%	I
Aldesa Eólico Olivillo S.A.U. (Aldesa Energías Renovables S.L.U. Subgroup)[(a)(e)]	Mairena de Aljarafe (Seville)	Renewable Energy	Full Integration	14,028	5,919	100.00%	I
Solar Aguado, S.L.U.[(c)(f)]	Seville	Renewable Energy	Full Integration	2	2	100.00%	I
Solar Arillo, S.L.U.[(c)(f)]	Seville	Renewable Energy	Full Integration	2	2	100.00%	I
Enersol Solar 3, S.L.U.[(c)(f)]	Seville	Renewable Energy	Full Integration	—	—	100.00%	I
Solar Javier, S.L.U.[(c)(f)]	Seville	Renewable Energy	Full Integration	2	2	100.00%	I
Aldesa Nowa Energía, Sp.z.o.o.[(a)(f)]	Poland	Renewable Energy		—	—	—	I
Aldesa Home, S.L. Subgroup[(b)(f)]	Madrid	Real Estate	Full Integration	1,213	6,011	100.00%	I
Aldesa Turismo, S.A.[(b)(f)]	Madrid	Real Estate	Full Integration	(59)	(843)	95.00%	I
Aldesa Turismo México, S.L.[(b)(f)]	Madrid	Real Estate	Full Integration	(192)	(304)	85.00%	I
Viviendas Torrejón—Móstoles, S.A.U.[(a)(e)]	Madrid	Real Estate	Full Integration	10,574	8,665	100.00%	I
Gran Canal Inversiones, S.L.[(a)(e)]	Madrid	Real Estate	Full Integration	2,708	4,541	100.00%	I
DICASA Diseños Canarios, S.L.U.[(b)(f)]	Madrid	Real Estate	Full Integration	(961)	(961)	100.00%	I
Aldesa Nuevo Madrid, S.L.[(b)(f)]	Madrid	Real Estate	Full Integration	(1,103)	(2,206)	100.00%	I
Aldesa Polska Diamante Plaza Sp. z.o.o.[(b)(f)]	Poland	Real Estate	Full Integration	13	(3,663)	100.00%	I
Aldesa Construcciones Polska, Sp.z.o.o[(b)(f)] (formerly Project Ariansk, Sp.z.o.o.)	Poland	Real Estate	Full Integration	—	—	—	I

Company name	Registered office	Business line	2013 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake
Aldesa Polska Services, Sp.z.o.o. Subgroup[a][f]	Poland	Real Estate	Full Integration	2,888	2,512	100.00%
Aldeturismo de México, S.A. de C.V. Subgroup[b][f]	Mexico	Real Estate	Full Integration	(975)	(1,300)	100.00%
Aldesa Marina Salinas de Torrevieja, S.L.[b][f]	Madrid	Concessions	Full Integration	(313)	(1,181)	100.00%
Inversión en Infraestructuras Andaluzas, S.L.U.[b][f]	Madrid	Concessions	Full Integration	2	3	100.00%
Edificio Torrevillano, S.L.[d][h]	Madrid	Concessions	Full Integration	2,152	(1,087)	51.00%
Gestión Autopistas Internacionales, S.L.U.[b][f]	Madrid	Concessions	Full Integration	1	2	66.67%
Aldesa Concesiones, S.L. Subgroup[b][f]	Madrid	Concessions	Full Integration	(555)	(3,960)	100.00%
Colegio Montesclaros, S.L.[d][h]	Madrid	Concessions	Full Integration	289	478	51.00%
Puerto Deportivo Torrevieja, S.A.U.[a][b]	Madrid	Concessions	Full Integration	19,705	17,700	100.00%
Consorcio Carretero del Sureste, S.A. de C.V.[a][g]	Mexico	Concessions	—	—	—	—
Concesionaria de Autopistas del Sureste, S.A. de C.V.[a][e]	Mexico	Concessions	—	—	—	—
Aldesa Hidrocarburos, S.L. Subgroup[b][f]	Madrid	Other	Full Integration	236	239	100.00%
Aldesa Partner, S.L.U[c][g]	Madrid	Other	Full Integration	2	2	100.00%
Aldesa Inversiones Internacionales, S.L.U.[b][f]	Madrid	Other	Full Integration	1	1	100.00%
Aldesa PRU, S.A.C.[b]	Peru	Construction	Full Integration	17	17	100.00%
Aldesa Perú Aparcamientos, S.A.C.[b]	Peru	Construction	Full Integration	—	—	100.00%
Aldesa San Martín, S.A.C.[b]	Peru	Construction	Full Integration	1	1	100.00%
Aldesa Hospital Sergio Bernales, S.A.C.[b]	Peru	Construction	Full Integration	1	1	100.00%
Aldesa Hospital Ate Vitarte, S.A.C.[b]	Peru	Construction	Full Integration	1	1	100.00%
Aldener Perú SAC.[b]	Peru	Renewable Energy	Full Integration	1	1	100.00%
Aldesa India Construcciones, P.L.[b]	India	Construction	Full Integration	36	39	100.00%

(a) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31 December 2013

(b) Data obtained from the non-audited annual financial statements at 31 December 2013.

(c) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2013.

(d) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2013

(e) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31 December 2012

(f) Information obtained from non-autidted annual accounts, at 31 December 2012

(g) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2012.

(h) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2012

(i) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31/12/2011

(j) Information obtained from non-autidted annual accounts, at 31 December 2011

(k) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2011.

(l) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2011

Annex 1: Subsidiaries
2011 - 2010

Company name	Registered office	Business line	2011 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake
Aldesa Construcciones, S.A.[i]	Madrid	Construction	Full Integration	12,593	126,208	100.00%
GTT Ingeniería y Tratamiento de Aguas, S.A.[i]	Madrid	Construction	Full Integration	233	300	99.67%
Coalvi, S.A.[i]	Zaragoza	Construction	Full Integration	5,070	6,265	99.98%
Urbanizadora Carretera Albalat, S.L.U.[j]	Valencia	Construction	Full Integration	(12)	(12)	100.00%
SubGrupo Pebian Inversiones, S.L.U. (incluye SubGrupo Construcciones PAI, S.A.)[k]	Madrid	Construction	Full Integration	13,305	3,226	100.00%
Aldesa Actividades de Construcción, S.L.U. (anteriormente Aldesa Cimentaciones Especiales, S.L.)[k]	Madrid	Construction	Full Integration	12,591	15,883	100.00%
Alviesa Promociones y Obras, S.L.U.[j]	Madrid	Construction	Full Integration	(37)	(37)	100.00%
CIVESA Ingeniería, S.A.[i]	Málaga	Construction	Full Integration	(203)	(200)	100.00%
Subgrupo Aldesa Holdings S.A. de C.V.[k]	Mexico	Construction	Full Integration	13,060	44,333	84.55%
Ingeniería Geotécnica, S.A.U.	Madrid	Construction	Full Integration	—	—	—
Investigaciones Geotécnicas, S.L.U.	Madrid	Construction	Full Integration	—	—	—
SubGrupo Construcciones Aldesem, S.A . de C.V.	Mexico	Construction	Full Integration	—	—	—
Maquivias, S.A.[b]	Madrid	Engineering and Services	Full Integration	(1,027)	(1,048)	97.94%
Aldesa Servicios y Mantenimiento, S.A.[i]	Madrid	Engineering and Services	Full Integration	2,939	1,170	100.00%
Aldesa Ingenieria y Servicios, S.L.U. (anteriormente Aldesa Suministros de Instalaciones, S.L.)[j]	Madrid	Engineering and Services	Full Integration	(678)	(678)	100.00%
Subgrupo Aeronaval de Construcciones e Instalaciones, S.A.U.[k]	Madrid	Engineering and Services	Full Integration	21,670	12,474	100.00%
Agrupación de Empresas, Automatismos, Montajes y Servicios, S.L.U.[i]	Mairena de Aljarafe (Seville)	Engineering and Services	Full Integration	33,044	35,141	100.00%
Ingeniería y Servicios ADM, S.A. de C.V.	Mexico	Engineering and Services	Full Integration	—	—	—
SubGrupo Aldesa Energías Renovables S.L.U[k]	Madrid	Renewable Energy	Full Integration	(27,784)	(60,767)	100.00%
Solar Aguado, S.L.U.[j]	Sevilla	Renewable Energy	Full Integration	2	2	100.00%

Company name	Registered office	Business line	2011 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake	C r
Solar Arillo , S.L.U.(j)	Sevilla	Renewable Energy	Full Integration	2	2	100.00%	I
Enersol Solar 3, S.L.U.(j)	Sevilla	Renewable Energy	Full Integration	—	—	—	I
Solar Javier, S.L.U.(j)	Sevilla	Renewable Energy	Full Integration	2	2	100.00%	I
Aldesa Nowa Energía, Sp.z.o .o.(j)	Poland	Renewable Energy	Full Integration	1,217	1,659	100.00%	I
Subgrupo Aldesa Home, S.L.(j)	Madrid	Real Estate	Full Integration	(191)	(191)	100.00%	I
Aldesa Turismo, S.A.(j)	Madrid	Real Estate	Full Integration	(502)	(574)	95.00%	I
Aldesa Turismo Mexico, S.L.(j)	Madrid	Real Estate	Full Integration	(54)	(64)	85.00%	I
Viviendas Torrejón—Móstoles, S.A .U.(i)	Madrid	Real Estate	Full Integration	10,574	8,082	100.00%	I
Gran Canal Inversiones, S.L.(i)	Madrid	Real Estate	Full Integration	2,705	3,760	100.00%	I
DICASA Diseños Canarios, S.L.U.(j)	Madrid	Real Estate	Full Integration	(222)	(222)	100.00%	I
Aldesa Nuevo Madrid, S.L. (anteriormente GI Boj Castellana, S.L.)(j)	Madrid	Real Estate	Full Integration	(768)	(1,535)	100.00%	I
Aldesa Polska Diamante Plaza Sp.z.o.o.(j)	Poland	Real Estate	Full Integration	13	(4,266)	100.00%	I
Project Ariansk, Sp.z.o.o.(j)	Poland	Real Estate	Full Integration	2	2	100.00%	I
Aldesa Polska Services, Sp.z.o.o.(j)	Poland	Real Estate	Full Integration	(166)	(166)	100.00%	I
SubGrupo Aldeturismo de Mexico, S.A. de C.V.(j)	Mexico	Real Estate	Full Integration	(39)	(166)	100.00%	I
Aldesa Marina Salinas de Torrevieja, S.L.(f)(j)	Madrid	Concessions	Full Integration	(525)	(875)	99.87%	I
Inversion en Infraestructuras Andaluzas, S.L.U.(j)	Madrid	Concessions	Full Integration	2	2	100.00%	-
Edificio Torrevillano, S.L.(l)	Madrid	Concessions	Full Integration	2,152	(503)	51.00%	I
Gestion Autopistas Internationacionales, S.L.U.(j)	Madrid	Concessions	Full Integration	2	2	66.67%	-
Subgrupo Aldesa Concesiones, S.L.(j)	Madrid	Concessions	Full Integration	48	(1,943)	100.00%	I
Colegio Montesclaros, S.L.(l)	Madrid	Concessions	Full Integration	289	357	51.00%	I
Puerto Deportivo Torrevieja, S.A.U.(j)	Madrid	Concessions	Full Integration	19,705	18,874	100.00%	I
Consorcio Carretero del Sureste, S.A. de C.V.(j)	Mexico	Concessions	Full Integration	7	7	100.00%	I
Concesionaria de Autopistas del Sureste, S.A. de C.V.(i)	Mexico	Concessions	Full Integration	34,859	54,632	100.00%	I

Company name	Registered office	Business line	2011 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake	C n
SubGrupo Concesiones Aldesem, S.A. de C.V.	Mexico	Concessions	Full Integration	—	—	—	I
Subgrupo Aldesa Hidrocarburos, S.L.[j]	Madrid	Others	Full Integration	519,256	525	100.00%	I
Aldeas Partner, S.L.U.[k]	Madrid	Others	Full Integration	2	2	100.00%	I
Aldesa Inversiones Internacionales, S.L.U.[j]	Madrid	Others	Full Integration	1	1	100.00%	I

(a) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31 December 2013

(b) Data obtained from the non-audited annual financial statements at 31 December 2013.

(c) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2013.

(d) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2013

(e) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31 December 2012

(f) Information obtained from non-autidted annual accounts, at 31 December 2012

(g) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2012.

(h) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2012

(i) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31/12/2011

(j) Information obtained from non-autidted annual accounts, at 31 December 2011

(k) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2011.

(l) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2011

Annex 2: Multigroup companies
2013 – 2012

Company name	Registered office	Business line	2013 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake	Co me
Autopista de La Mancha Concesionaria Española, S.A.[(a)(e)]	Madrid	Concessions	Proportional integration	7,073	9,066	23.50%	Pr int
Enersol Solar Santa Lucia, S.L. Subgroup (Aldesa Energías Renovables S.L.U. Subgroup)[(a)(e)]	Mairena de Aljarafe (Seville)	Energy	Proportional integration	—	(89,888)	51.00%	Pr int
Valdivia Energía Eólica, S.A. (Aldesa Energías Renovables S.L.U. Subgroup)[(a)(e)]	Mairena de Aljarafe (Seville)	Energy	Proportional integration	6,762	2,537	50.00%	Pr int
Eólico Alijar, S.A. (Aldesa Energías Renovables S.L.U. Subgroup)[(a)(e)]	Mairena de Aljarafe (Seville)	Energy	Proportional integration	2,338	2,079	50.00%	Pr int

2011 – 2010

Company name	Registered office	Business line	2011 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake	Co me
Águilas Residencial, S.A.[(l)]	Madrid	Real Estate	Proportional integration	360	(767)	40.00%	Eq
Autopista de La Mancha Concesionaria Española, S.A.[(i)]	Madrid	Concessions	Proportional integration	7,073	13,138	23.50%	Pr int

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(k) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2011.
(l) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2011

Annex 3: Associated companies
2013 – 2012

Company name	Registered office	Business line	2013 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake	Co me
San Pedro Exterior, S.L.[(b)(f)]	Tres Cantos (Madrid)	Construction	Equity method	10	64	28.00%	Eq
Operadora de Autopistas Sayula SAPI (Aldesa Holding S.A. de C.V. Subgroup)[(b)(f)]	México	Concessions	Equity method	1	(555)	30.00%	Eq
Concesionaria de Autopistas de Morelos S.A. de C.V. (Aldesa Holding S.A. de C.V. Subgroup)[(b)]	México	Concessions	Equity method	—	14,743	20.00%	—

2011 – 2010

Company name	Registered office	Business line	2011 Consolidation method	Net book value (thousands of euros)	Total net equity	(%) Effective percentage stake	Co me
San Pedro Exterior, S.L.[(j)]	Tres Cantos (Madrid)	Construction	Equity method	10	65	28.00%	Eq

(a) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31 December 2013

(b) Data obtained from the non-audited annual financial statements at 31 December 2013.

(c) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2013.

(d) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2013

(e) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31 December 2012

(f) Information obtained from non-autidted annual accounts, at 31 December 2012

(g) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2012.

(h) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2012

(i) Data obtained from the annual financial statements audited by Deloitte, S.L. at 31/12/2011

(j) Information obtained from non-autidted annual accounts, at 31 December 2011

(k) The main asset of these companies comprises holdings in companies audited by Deloitte, S.L. in 2011.

(l) Data obtained from the annual financial statements, audited by other auditors, at 31 December 2011

The special purpose consolidated financial statements corresponding to financial years 2013, 2012 and 2011, of Grupo Aldesa, S.A. and Subsidiaries were drawn up by the Board of Directors of the Parent Company at its meeting held on 7 March 2014, and comprise 133 sheets of standard paper, including this, all signed by the Secretary of the Board, with this last sheet being signed by all members of the Board of Directors.

The Directors of the Company:

Signed: Mr Alejandro Fernández Ruiz

Signed: D. Carlos Blanc-García Valcárcel

Signed: Mr Carlos Gasca Allué

Signed: Ms Isabel Fernández Ruiz
Secretary non director of the Board of Directors.

THE ISSUER

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