Offering Circular dated 21 July 2009

Abengoa, S.A.

(Incorporated with limited liability in The Kingdom of Spain)

€200,000,000 6.875 per cent.
Senior Unsecured Convertible Notes due 2014

Issue Price of the Notes: 100 per cent.

Joint Bookrunners and Joint Lead Managers

BNP PARIBAS **DEUTSCHE BANK**

Application has been made to admit the €200,000,000 6.875 per cent. Senior Unsecured Convertible Notes due 2014 (the "Notes") of Abengoa, S.A. ("Abengoa", the "Issuer" or the "Company", which shall, where the context so requires, include one or more of its subsidiaries) to the official list of the Luxembourg Stock Exchange (the "Official List") and application has been made to admit the Notes to trading on the Luxembourg Stock Exchange's Euro MTF Market (the "Euro MTF Market"). The Euro MTF Market is not a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. References in this Offering Circular to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Euro MTF Market. The Notes will, subject as provided herein, be convertible into fully paid ordinary shares of the Issuer (the "Ordinary Shares") at an initial conversion price of €21.12 per Ordinary Share, subject to adjustment in certain circumstances as described herein. For the terms of the conversion rights, see "Terms and Conditions of the Notes —Conversion of Notes".

The Notes will be issued in registered form in nominal amounts of €50,000. The Notes will be represented by a global certificate (the "Global Certificate") which will be deposited with a common depositary for, and registered in the name of a common nominee of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on 24 July 2009 (the "Closing Date"). The Global Certificate will be exchangeable for definitive Notes in registered form in the denomination of €50,000 and integral multiples thereof in the limited circumstances set out in it. See "Summary of Provisions relating to the Notes while in Global Form" for further detail.

This Offering Circular constitutes a prospectus for the purposes of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities. This document does not constitute a prospectus for the purposes of Article 3 of Directive 2003/71/EC.

This Offering Circular may only be used for the purposes for which it has been published.

The Issuer, having made all reasonable inquiries, confirms that this Offering Circular contains all information with respect to the Issuer and its subsidiaries and affiliates taken as a whole (the "Group"), the Notes and the Ordinary Shares which is material in the context of the issue and offering of the Notes, that the information contained herein is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts, the omission of which would, in the context of the issue and offering of the Notes, make this document as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect, and that all reasonable inquiries have been made by the Issuer to verify the accuracy of such information. The Issuer accepts responsibility for the information contained in this Offering Circular accordingly.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or BNP Paribas and Deutsche Bank AG, London Branch (together, the "Joint Lead Managers") to subscribe for or purchase any of the Notes or the Ordinary Shares. The distribution of this Offering Circular and/or the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Notes and/or the Ordinary Shares and distribution of this Offering Circular, see "Subscription and Sale" herein.

Each of the Joint Lead Managers is acting for the Issuer and no one else in connection with the offering and will not regard any other person (whether or not a recipient of this document) as its client in relation to the offering and will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of the Joint Lead Managers, or for providing advice in relation to the offering, the contents of this

document or any transaction or arrangement or other matter referred to in this document. This Offering Circular should be read and construed in conjunction with any documents incorporated herein by reference. See "Documents Incorporated by Reference" for further detail.

No person is authorised to give any information or to make any representation not contained in this Offering Circular in connection with the issue, offering or sale of the Notes and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers or Deutsche Bank, S.A.E (the "Commissioner"). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, the Joint Lead Managers accept no responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made by a Joint Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Neither the Notes nor the Ordinary Shares issuable upon conversion of the Notes have been or will be registered under the United States Securities Act of 1933 (the "Securities Act") or with any securities regulatory authority of any jurisdiction. The Notes are being offered in offshore transactions outside the United States in reliance on Regulation S ("Regulation S") under the Securities Act and, unless the Notes are registered under the Securities Act or any other exemption from the registration requirements of the Securities Act is available, may not be offered or sold within the United States.

Investors must rely upon their own examination of the Issuer and its subsidiaries taken as a whole (the "Group"), the terms of the offering and the financial information contained herein, in making an investment decision. Potential investors should consult their own professional advisors as needed to make their investment decision and to determine whether they are legally permitted to purchase the Notes under applicable laws and regulations.

In this Offering Circular, references to "€" and "euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union, as amended from time to time.

In connection with this issue, each of the Joint Lead Managers and any of their respective affiliates acting as an investor for its own account may take up Notes and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer or related investments and may offer or sell such securities or other investments otherwise than in connection with this issue. Accordingly, references in this document to the Notes being issued, offered or placed should be read as including any issue, offering or placement of securities to the Joint Lead Managers and any of their affiliates acting in such capacity. The Joint Lead Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

In connection with the issue of the Notes, BNP Paribas and Deutsche Bank AG, London Branch (the "Stabilising Managers") or any person acting on behalf of any Stabilising Managers) 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 is no assurance that the Stabilising Managers (or any person acting

on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Managers (or any person acting on behalf of any Stabilising Managers) in accordance with all applicable laws and rules.

Investors should read "Risk Factors" beginning on page 14 for a discussion of certain factors which should be considered before buying the Notes.

Forward-looking Statements

This Offering Circular includes forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Offering Circular, including, without limitation, those regarding the Issuer's and the Group's future financial position and results of operations, the Issuer's and the Group's strategy, plans, objectives, goals and targets, future developments in the markets in which the Issuer and each other member of the Group participates or is seeking to participate or anticipated regulatory changes in the markets in which the Issuer and each other member of the Group operates or intends to operate. In some cases, investors can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "in the future," "intend," "may," "plan," "potential," "predict," "project," "should," "will" or "would" or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve 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 and are based on numerous assumptions. The Issuer's and the Group's actual results of operations, including the Issuer's and the Group's financial condition and liquidity and the development of the industry in which the Issuer and each other member of the Group operates, may differ materially from (and be more negative than) the forward-looking statements made in, or suggested by, this Offering Circular. In addition, even if the Issuer's and the Group's results of operations, including the Issuer's or the Group's financial condition and liquidity and the development of the industry in which the Issuer operates, are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods. Investors should read the section of this Offering Circular entitled "Risk Factors," and the description of the business of the Issuer in the section of this Offering Circular entitled "Description of the Issuer" for a more complete discussion of the factors that could affect the Issuer's future performance and the markets in which the Issuer and each other member of the Group operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Circular may not occur. The Issuer undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information or future events or developments.

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DOCUMENTS INCORPORATED BY REFERENCE

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer or the Group, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained in any document incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The following documents are incorporated herein by reference:

(a) audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2008 and 2007;

(b) the press release published by the Issuer on 7 May 2009 in respect of its unaudited consolidated interim financial statements for the three months ended 31 March 2009; and

(c) the fiscal, transfer and conversion agency agreement to be entered into on 24 July 2009 (the "Fiscal Agency Agreement") in relation to the Notes by the Issuer, Deutsche Bank AG, London Branch as fiscal agent and the other parties named therein.

The following items appearing in the financial statements of the Issuer are to be found on the following pages:

Unaudited consolidated interim financial statements of the Issuer for the three months ended 31 March 2009:

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The documents referred to above are English translations of the original Spanish versions. The Issuer confirms that each such translation is a free but nevertheless accurate translation of the original Spanish text.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

A copy of this Offering Circular and the documents incorporated by reference in this Offering Circular (including the Fiscal Agency Agreement) are available free of charge as long as the Notes are outstanding at the offices of the Paying, Transfer and Conversion Agents and the Registrar specified at the end of this Offering Circular. Written or oral requests for such documents should be directed to the specified offices of the Paying, Transfer and Conversion Agents and the Registrar. Such documents are also available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).

OVERVIEW OF THE OFFERING

The following overview refers to certain provisions of the Terms and Conditions of the Notes and is qualified by more detailed information contained elsewhere in this Offering Circular. Prospective investors should read this Offering Circular in its entirety. Terms which are defined in "Terms and Conditions of the Notes" have the same meaning when used in this overview.

Issuer	Abengoa, S.A.
Notes	€200,000,000 6.875 per cent. Senior Unsecured Convertible Notes due 2014.
The Offering	The Notes are being offered by the Joint Lead Managers outside the United States in accordance with Regulation S under the Securities Act.
Closing Date	24 July 2009.
Issue Price	100 per cent. of the nominal amount of the Notes.
Final Maturity	Unless previously purchased and cancelled, redeemed or converted, the Notes will be redeemed on 24 July 2014 (the "Final Maturity Date") at their principal amount.
Form and Denomination	The Notes will be represented by a Global Certificate, without interest coupons, which will be deposited with a common depositary on behalf of the Clearstream, Luxembourg and Euroclear systems on 24 July 2009. The Global Certificate will be exchangeable for definitive Notes in registered form in the denomination of €50,000 in the limited circumstances set out in the Global Certificate. See "*Summary of Provisions relating to the Notes while in Global Form*".
Interest	The Notes bear interest from and including the Closing Date at 6.875 per cent. per annum payable semi-annually in arrear in equal instalments on 24 January and 24 July each year, commencing on 24 January 2010.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves, and, save as provided herein, equally with all the other existing and future unsecured and unsubordinated indebtedness of the Issuer.
Negative Pledge	So long as any of the Notes remain outstanding, the Issuer will not create or permit to subsist, and will ensure that none of its Material Subsidiaries will create or permit to subsist, any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its property or assets present or future to secure any Relevant Indebtedness (as defined in Condition 3 and, in particular, excluding Non-Recourse Financing), except as provided herein. However, any Subsidiary acquired after the Closing Date may have an outstanding Security Interest (as defined in Condition 3) with

	respect to any Relevant Indebtedness so long as: (i) such Security Interest was outstanding on the date on which such Subsidiary became a Subsidiary and was not created in contemplation of such Subsidiary becoming a Subsidiary or in substitution for or to replace either such outstanding Security Interest; and (ii) the nominal amount of the Relevant Indebtedness is not increased after the date that such Subsidiary became a Subsidiary. See "*Terms and Conditions of the Notes — Negative Pledge*".
Cross Acceleration	The Notes will contain a cross acceleration provision, subject to a threshold of €30,000,000, as further described in "*Terms and Conditions of the Notes - Events of Default*".
Other Events of Default	For a description of certain other events that will permit the Notes to become immediately due and payable at their principal amount, together with accrued interest, see "*Terms and Conditions of the Notes — Events of Default*". Events of default are limited only to events that occur in relation to the Issuer or its Material Subsidiaries, being Subsidiaries (other than Non-Recourse Subsidiaries (as defined in the Conditions)) whose total assets or EBITDA represent at least five per cent. of the consolidated assets or EBITDA of the Issuer and its Subsidiaries.
Redemption at the Option of the Issuer	The Notes may be redeemed at the option of the Issuer in whole (but not in part only) at the Optional Redemption Price as at the date fixed for redemption together with accrued interest to such date (i) at any time on or after 8 August 2012 if, on at least 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than 15 days prior to the date on which the relevant notice of redemption is given to Noteholders, the closing price as derived from the relevant Stock Exchange of the Ordinary Shares that would fall to be issued in relation to the conversion of a Note shall have exceeded euro 65,000 on each such dealing day, or (ii) at any time if prior to the date on which the relevant notice of redemption is given to Noteholders, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in nominal amount of the Notes originally issued, or (iii) at any time within the period of 90 days commencing on the calendar day following the end of the Put Period. See "*Terms and Conditions of the Notes — Redemption, Purchase and Triggering Event Protections — Redemption at the Option of the Issuer*".
Redemption at the Option of the Noteholders	Following the occurrence of a Tender Offer Triggering Event, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date (as defined in Condition 7(d)) at the Put Price (as defined in Condition 7(d)), together

	with accrued interest to (but excluding) the Put Date. Following the occurrence of a Relevant Person Triggering Event, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date at its principal amount together with accrued interest to (but excluding) the Put Date. See "*Terms and Conditions of the Notes — Redemption, Purchase and Triggering Event Protections —Redemption at the option of Noteholders following a Triggering Event*".
Taxation	All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by applicable laws or regulations. If any such withholding or deduction is so required, the relevant payment shall be made subject to and after any such withholding or deduction and no additional amounts shall be payable by the Issuer in respect of any such withholding or deduction. Noteholders will be expected to provide tax information (to the extent required), such that the Issuer can comply with its obligations under Law 13/1985 and implementing legislation. See *"Terms and Conditions of the Notes — Taxation"* and *"Taxation"*.
Conversion Rights	*The use of the word "conversion" (and related terms) in the following summary of the terms and conditions of the Notes shall be construed as encompassing the exchange of Notes for existing Ordinary Shares and, when the New Issue Requirements have been met, the exchange of Notes for new Ordinary Shares.* Subject to the right of the Issuer to make a Net Share Settlement Election, unless previously redeemed or purchased and cancelled, each Note will be convertible into existing Ordinary Shares, and/or, if the New Issue Requirements have been met, new Ordinary Shares, at the option of the Noteholder, during the Conversion Period. The number of Ordinary Shares to be issued in respect of a Note will be determined by dividing the aggregate nominal amount of the Notes by the Conversion Price in effect on the relevant Conversion Date, and if necessary rounding down to the nearest whole number of Ordinary Shares. See "*Terms and Conditions of the Notes — Conversion of Notes*". Conversion Notices will be acted upon by the Issuer only once a month on the first day of each month, or the following Madrid business day if the first day is not a Madrid business day. In order for the Conversion Notice to be acted upon on such day, it should have been delivered at least seven Madrid business days prior to such first day or, if applicable, the following Madrid

business day. Any Conversion Notice in respect of which the Conversion Date falls after the seventh Madrid business day prior to the first day of a calendar month or if such day is not a Madrid business day, the following Madrid business day, will be acted upon on the first day of the immediately following calendar month or if such day is not a Madrid business day, the following Madrid business day.

Notwithstanding the provision of the previous paragraph, (i) in the case of Conversion Notices delivered in respect of which the Conversion Date falls after the seventh Madrid business day prior to the month in which the Final Maturity Date falls or the Optional Redemption Date falls or the last day of the Relevant Person Triggering Event Period falls (as the case may be), the Issuer shall act upon any such Conversion Notice not later than the Madrid business day prior to the Final Maturity Date, Optional Redemption Date or last day of the Relevant Person Triggering Event Period (as the case may be) and (ii) in the case of Conversion Notes in respect of which the Conversion Date falls after the making of a Net Share Settlement Election by the Issuer and prior to any Revocation Date in respect of such Net Share Settlement Election, the Issuer shall act upon any such Conversion Notice not later than the seventh Madrid business day after the end of the Net Share Settlement Calculation Period.

New Issue Requirements

"New Issue Requirements" means the approval by the Issuer's shareholders' meeting of a resolution authorising the Issuer to satisfy the exercise of Conversion Rights by the issue and allotment of new Ordinary Shares and the registration with the relevant Mercantile Registry of such resolution.

The Issuer has called an extraordinary shareholders' meeting to be held on 27 July 2009 to approve a resolution authorising the Issuer to satisfy the exercise of Conversion Rights with the issue and allotment of new Ordinary Shares.

Inversión Corporativa IC, S.A. (the "Major Shareholder") has undertaken, for the benefit of the Joint Lead Managers, to attend and vote in favour of such resolution pursuant to a letter of undertaking from the Major Shareholder dated 23 June 2009.

Net Share Settlement Election

The Issuer may elect from time to time that, upon conversion of any Note, it will deliver a Cash Conversion Amount equal to the sum of the Daily Cash Conversion Amounts for each of the 10 consecutive Trading Days commencing on and including the Trading Day immediately following the relevant Conversion Date (on the next dealing day if such Conversion Date is not a Trading Day). The Daily Cash Conversion Amount for each Note for each of the 10 consecutive Trading Days shall consist of: (i) cash equal to the lesser of euro 5,000 (being 1/10th of the principal amount of the Converted Notes) and the Daily

	Conversion Value relating to such Trading Day; and (ii) to the extent such Daily Conversion Value exceeds 1/10th of the principal amount of the Converted Notes, a number of Ordinary Shares equal to (A) the difference between such Daily Conversion Value and euro 5,000 (being 1/10th of the principal amount of the Converted Notes), divided by (B) the Volume Weighted Average Price of an Ordinary Share on such Trading Day. The Daily Conversion Value is one tenth (1/10th) of the product of: (1) the principal amount of a Note divided by the Conversion Price; and (2) the Volume Weighted Average Price of an Ordinary Share on such Trading Day.
Conversion Period	The period beginning on and including 3 September 2009 and, subject to adjustment for non-business days as provided herein, ending on and including the earlier to occur of: (i) the close of business on the date falling seven Trading Days prior to the Final Maturity Date, which date is expected to be 15 July 2014; and (ii) if the Notes shall have been called for redemption by the Issuer before the Final Maturity Date, the close of business on the seventh Trading Day before the date fixed for redemption, such as provided herein. See "*Terms and Conditions of the Notes — Conversion of Notes*".
Conversion Price	€21.12 per Ordinary Share, subject to adjustment as provided herein.
Conversion Price upon a Triggering Event	In the event of a Relevant Person Triggering Event only, the Conversion Price will be adjusted downwards for a specified 60 day period as described herein. See "*Terms and Conditions of the Notes — Conversion of Notes*".
Ordinary Shares	The Ordinary Shares to be delivered following conversion will be delivered credited as fully paid and will rank *pari passu* in all respects with all fully paid Ordinary Shares in issue on the relevant Registry Date, save as provided in "*Terms and Conditions of the Notes*".
Lock Up	Each of the Issuer and the Major Shareholder has, subject to customary exceptions, agreed not to issue or sell Ordinary Shares or certain related securities for a period of 90 days from 25 June 2009. See "*Subscription and Sale*".
Fiscal Agent	Deutsche Bank AG, London Branch
Paying, Transfer and Conversion Agents	Deutsche Bank AG, London Branch
Registrar	Deutsche Bank Luxembourg S.A.
Commissioner	Deutsche Bank, S.A.E.
	There will be no English law trustee appointed in relation to the Notes but rather a Spanish law "*Comisario*". See "*Terms and Conditions of the Notes — Syndicate of Noteholders, Modification and Waiver*" and "*Regulations of the Syndicate of*

	Noteholders". The Commissioner may require the Noteholders to indemnify it for any costs, losses or liabilities incurred by it when complying with the instructions received from the Noteholders stemming from a Noteholders meeting.
Language	The legally binding language of this Offering Circular is the English language except for the Regulations of the Syndicate of the Noteholders where the legally binding language shall be the Spanish language. The English translation of the Regulations of the Syndicate of the Noteholders is included for information purposes only.
Governing Law and Jurisdiction	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with English law, save that Condition 14 of the Terms and Conditions of the Notes and the Regulations of the Syndicate of Noteholders will be governed by Spanish law. The courts of England will have jurisdiction to settle and disputes which may arise out of or in connection with the Notes.
Listing and Trading	Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market. The Issuer has undertaken to use reasonable endeavours to have any new Ordinary Shares (to be issued upon conversion of the Notes) listed on the Spanish Stock Exchanges.
Clearing	The Notes have each been accepted for clearing by Euroclear and Clearstream, Luxembourg. The Notes have the following Common Code and International Securities Identification Number ("ISIN"): Common Code: 043709232 ISIN: XS0437092322
Selling Restrictions	There are restrictions on the offer, sale and delivery of the Notes, *inter alia*, in the United States, the United Kingdom, Spain and elsewhere in the EEA. See "*Subscription and Sale*".

RISK FACTORS

Prospective investors should consider carefully the risks set out below and the other information contained in this Offering Circular prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer, which, in turn, could have a material adverse effect on the nominal amount and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading or the trading price of the Notes or the Ordinary Shares or the rights of investors under the Notes or the Ordinary Shares and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below may not be the only risks that the Issuer faces. The Issuer has described only those risks that it currently considers to be material and there may be additional risks that it does not currently consider to be material or of which it is not currently aware. Prospective investors should read the entire Offering Circular. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this section.

Risks relating to the Issuer's business and the market in which it operates

The Issuer's operations are subject to extensive regulation in a number of different countries

The Issuer is subject to extensive regulation of tariffs and other aspects of its business in Spain and in each of the other countries in which the Issuer operates, including the United States of America, amongst others. While the Issuer believes that it is in substantial compliance with applicable laws and regulations, it remains subject to a varied and complex body of laws and regulations that both public officials and private parties may seek to enforce. The introduction of new laws or regulations or changes in existing laws or regulations could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer's competitive position could be adversely affected by changes in technology

The markets for the Issuer's various lines of business change rapidly because of changes in customer requirements, technological innovations, new product instructions, prices, industry standards and domestic and international economic factors. New products and technology may render existing services or technology obsolete, excessively costly or otherwise unmarketable. If the Issuer is unable to introduce and integrate new technologies into its services in a timely and cost-effective manner, its competitive position will suffer and its prospects for growth will be impaired.

Non-compliance with environmental regulations may result in adverse publicity and potentially significant liability and fines

The Issuer and its business activities are subject to environmental regulations, which, amongst other things, require it to perform environmental impact studies on future projects, to obtain regulatory licenses, permits and other approvals and to comply with the requirements of such licenses, permits and regulations. There can be no assurance that:

(a) governmental authorities will approve these environmental impact studies;

(b) public opposition will not result in delays or modifications to any proposed project; or

(c) laws or regulations will not change or be interpreted in a manner that increases the Issuer's costs of compliance or adversely affects the Issuer's operations or plants or the Issuer's plans for the companies in which it has an investment or to which it provides its services.

In recent years statutory environmental requirements have become stricter in Spain, the European Union and other countries in which the Issuer renders its services. Although the Issuer has been making the necessary investments to comply with this legislation, there can be no assurance that the future evolution and application thereof will not have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer has international operations that could be subject to foreign economic, social and political uncertainties

The Issuer operates its business in a range of international locations and expects to expand its operations into new locations in the future. The management of a business with wide geographic spread is complex.

Failure to deliver consistently high standards across all of the Issuer's fields of operations could create risks, including reputational risk that could adversely affect the Issuer's financial condition or results of operations.

In addition the Issuer's business is dependent, in large part, on the economies of the countries in which it markets its products and services. The economies of these countries are in different stages of socioeconomic development. Consequently, like many other companies with significant international operations, the Issuer is exposed to risks from changes in foreign currency exchange rates, interest rates, inflation, social instability and other political, economic or social developments that may materially reduce its net income.

The Issuer operates in a capital intensive sector

The Issuer has significant construction and capital expenditure requirements, including extensive research and development costs, and the recovery of the capital investment in its business occurs over a substantial period of time.

For example, the capital investment required to develop and construct a conventional or renewable energy power plant varies based on the cost of the fixed assets required for such a power plant. The price of such equipment may increase as the market demand for such equipment expands ahead of supply, or if the prices of key component commodities and raw materials used to build such equipment increase.

Other factors affecting the amount of capital investment required include, amongst others, the construction costs of solar plants, desalination plants and infrastructure for production of bioethanol.

A significant increase in the costs of developing and constructing such plants could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer's business, financial condition and results of operations may be adversely affected if the Issuer does not effectively manage its exposure to liquidity risk or if it is not able to obtain financing on favourable terms or at all

The Issuer conducts its operations in industry sectors that require a high level of financing. It must be able to secure significant levels of financing to be able to continue its operations. To date, the Issuer has been able to secure adequate financing on acceptable terms, though it can give no assurance that it will be able to continue to secure financing on acceptable terms, or at all, in the future.

The Issuer's ability to secure financing depends on several factors, many of which are beyond its control, including general economic conditions, the availability of funds from financial institutions and monetary policy in the markets in which it operates. Exposure to adverse effects in the debt or capital markets may hinder or prevent the raising of adequate finance for the activities of the Issuer. If the Issuer is unable to secure additional financing on favourable terms or at all, its growth opportunities would be limited and its business, financial condition and results of operations may be materially adversely affected.

Also, in addition to seeking new funding, the Issuer may seek to refinance a portion of its existing debt through bank loans and debt offerings. The Issuer can give no assurance as to the availability of financing on

acceptable terms to refinance its existing indebtedness. If new financing is not available or proves more expensive than in the past, its business, financial condition and results of operations may be materially adversely affected.

The Issuer's business, financial condition and results of operations may be adversely affected if the Issuer does not effectively manage its exposure to fossil fuel price risks

The Issuer is exposed to fossil fuel (including oil and natural gas) price fluctuations. The Issuer purchases fossil fuels for use across all of its business units. World oil and natural gas prices have recently swung sharply and are subject to international supply and demand factors. The evolution of stocks of oil and natural gas and related products, the fluctuations in demand in countries such as China and India, significant conflicts in oil-producing regions, political instability and the threat of terrorism from which some oil-producing areas suffer periodically, can particularly affect the world oil and natural gas markets and prices.

The Issuer has entered into certain long-term fuel supply contracts in order to secure part of its expected future needs for fuel for its activities. While the Issuer has entered the contracts on the basis of estimates of its future needs, significant deviations of the contemplated estimations could lead to the need to purchase more fuel than the Issuer currently expects.

Increases in fossil fuel prices could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer's business, financial condition and results of operations may be adversely affected if the Issuer does not effectively manage its exposure to commodity price and supply risk

The Issuer is exposed to fluctuations in the price and supply of commodities in its bioenergy business and its environmental services business unit.

The bioethanol business competes with the food market for the supply of grain and sugar. Acquiring grain and sugar as raw materials to produce ethanol and distillers, grains and solubles ("DGS") is a crucial step for the successful outcome of the Issuer's operations in the bioenergy sector. The price of aluminium also has a deep impact on the recycling of aluminium waste business in the environmental services business unit of the Issuer.

Volatility was the constant feature during 2008. The market went from being a market of worldwide demand, driven by uncontrolled consumption and growth in emerging countries, to being a market of uncontrolled destruction of this demand, as the major economies went into recession. As a consequence of these changes, for example, WTI (West Texas Intermediate) crude oil prices soared to $145/barrel, before closing the year at below $50/barrel. The price of cereal dropped from levels of €250/t, to prices close to the intervention price in Europe, and from $8/bushel in the United States, to levels of $4/bushel.

Generally, the Issuer uses future sale and purchase contracts and options listed on organised markets, as well as over-the-counter contracts with financial entities, to mitigate the risk generated by the variation in market prices of commodities. However this strategy may not be successful in limiting the Issuer's exposure to commodity price risk, which could adversely affect its business, financial condition and results of operations.

In addition, the Issuer may face adverse public opinion to its use of grain and sugar for the production of bioethanol. Governments responding to public pressure may put in place measures to divert the supply of grain and sugar away from bioethanol production and towards the food market, thereby inhibiting the current bioethanol production activities of the Issuer or its plans for future expansion.

The Issuer's business, financial condition and results of operations may be adversely affected if it does not effectively manage its exposure to credit risk

The Issuer is exposed to the credit risk implied by default on the part of a counterparty (customer, provider, partner or financial entity), which could impact the business, financial condition and results of operations of the Issuer.

Although the Issuer actively manages this credit risk through the use of non-recourse factoring contracts and credit insurance, its risk management strategies may not be successful in limiting its exposure to credit risk, which could adversely affect its business, financial condition and results of operations.

The Issuer's business, financial condition and results of operations may be adversely affected if it does not effectively manage its exposure to interest rate and foreign exchange rate risks

The Issuer is exposed to various types of market risk in the normal course of business, including the impact of interest rate changes and foreign currency exchange rate fluctuations, which, if not managed adequately could adversely affect the Issuer's business, financial condition and results of operations.

For this reason, the Issuer actively manages these risks, as far as is possible and financially viable, by entering into interest rate options and swaps to hedge against interest rate risk, and by entering into future currency sale and purchase contracts and foreign exchange rate swaps to hedge against foreign exchange rate risk. The Issuer's risk management strategies may not be successful, however, in limiting its exposure to changes in interest rates and foreign currency exchange rates, which could adversely affect its business, financial condition and results of operations.

Risks Associated with the Renewable Solar and Bioenergy Business Units

The renewable energy business industry, including the promotion, construction and operation of concentration solar energy plants and photovoltaic plants and facilities, and the production of biofuels depends to a significant extent on the continued availability of attractive levels of governmental and local support.

A number of factors could result in the reduction or discontinuation of government subsidies and incentives for renewable energy in Spain and in the different jurisdictions in which the Issuer operates its business:

- *Pressure to improve the competitiveness of renewable energy products*: To guarantee its long-term future, the solar energy and bioenergy industries must become able to compete on a non-subsidised basis with conventional and other renewable energy sources in terms of cost and efficiency per Watt of electricity generated. The current levels of government support for renewable energy are generally intended to grant the industry a 'grace period' to reduce the cost per kilowatt-hour of electricity generated through technological advances, cost reductions and process improvements. Consequently, and as generation costs decrease, this level of government support is likely to be gradually phased out, as has occurred recently in relation to wind power and solar energy in Western Europe.

  In the medium to long term, a gradual but significant reduction of the tariffs, premiums and incentives for solar energy and bioenergy is foreseeable. If these reductions occur, market participants, including the Issuer, may need to reduce prices to remain competitive with conventional and other renewable energy sources. If cost reductions and product innovations do not occur, or occur at a slower pace than required to achieve the necessary price reductions, this could have a material adverse effect on the Issuer's business, prospects and financial condition.

- *Political developments*: It cannot be ruled out that political developments may occur (for example, possible changes in government or a change in energy policy) that could lead to a deterioration in the conditions for support of solar energy and/or bioenergy. For example, policy changes could result in government support being switched, in whole or in part, to more favoured or less developed renewable energy sources or away from renewable energy generation to energy saving initiatives. Any such developments or changes could have an adverse effect on the Issuer's renewable energy business.

- *Legal challenges*: Subsidy regimes for renewable energy generation have been challenged on constitutional and other grounds (such as claiming that it constitutes impermissible EU state aid) in certain jurisdictions in the past. If all or part of the subsidy and incentive regimes for renewable energy generation in Spain or in any other jurisdiction in which the Issuer operates its business were found to be unlawful and, therefore, reduced or discontinued, the Issuer may be unable to compete effectively with conventional and other renewable forms of energy.

The Issuer's revenues from its bioenergy business may be affected by adverse weather conditions

Adverse weather conditions may destroy grain and sugar cane crops, reducing the Issuer's pool of supply for bioethanol production which may have an adverse affect on its business, financial condition or results of operations.

The Issuer's revenues from its renewable energy business are exposed to market electricity prices

In addition to regulated incentives, remuneration of certain of the Issuer's projects depends on market prices for sales of electricity. Market prices may be volatile and are affected by various factors, including (a) the cost of the raw materials used as the primary source of energy, (b) user demand, and (c) if applicable, the price of greenhouse gas emission rights.

The Issuer is exposed, in several of the jurisdictions in which it operates, to remuneration schemes which contain both regulated incentive and market price components. In such jurisdictions, the regulated incentive component may not compensate for fluctuations in the market price component and thus total remuneration may be volatile.

There can be no assurance that market prices will remain at levels which enable the Issuer to maintain profit margins and desired rates of return on investment. A decline in market prices below anticipated levels could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Risks Associated with the Environmental Services Business Unit

The Issuer could be held liable for environmental damage resulting from its operations and its insurance for environmental liability may not be sufficient to cover that damage

Significant liability could be imposed on the Issuer for damages, clean up costs or penalties in the event of certain discharges into the environment and/or environmental contamination and damage. The Issuer's insurance for environmental liability may not be sufficient or may not apply to any exposure to which it may be subject resulting from the type of environmental damage in question.

Any substantial liability for environmental damage could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The public may react negatively to water supply and industrial waste management facilities

Although the Issuer's business has not yet encountered major problems, it may face adverse public opinion to its water and waste recycling activities near inhabited areas, the expansion of such existing facilities or the construction of new facilities in this business unit. Governments responding to public pressure may restrict the current activities of the Issuer or its plans for future expansion, which could adversely affect its business, financial condition and results of operations.

Risks Associated with the Information Technology Business Unit

The Issuer may not be able to develop real-time process outsourcing programs in the manner it anticipates, which may restrict its growth opportunities and result in potential liabilities

The Issuer provides real-time solutions, systems and applications for its customers' information technology systems, which, among other things, in turn monitor mission-critical business functions and protect against problems such as leaks, waste or power outages. In the event that its customers' systems experience a failure allegedly related to the Issuer or to its solutions, systems or applications, the Issuer may be subject to claims for injuries and other damages. The Issuer's insurance may not be sufficient or may not apply to any exposure to which it may be subject resulting from this type of product failure. In the event that such insurance is not sufficient, this may result in a material change to the financial condition of the Issuer.

Unauthorised use of the Issuer's proprietary technology by third parties may reduce the value of its products, services and brand and impair its ability to compete effectively

The Issuer relies on a combination of trade secret and intellectual property laws, non-disclosure and other contractual agreements and technical measures to protect its proprietary rights. These measures may not be sufficient to protect its technology from third-party infringement and, notwithstanding any remedies available, could subject the Issuer to increased competition or cause it to lose market share. In addition, these measures may not protect the Issuer from the claims of employees and other third parties. The Issuer also faces risks to the protection of its proprietary technology because the markets where its products are sold include jurisdictions that provide less protection for intellectual property than is provided under U.S. or European laws.

Unauthorised use of the Issuer's intellectual property could weaken its competitive position, reduce the value of its products, services and brand, and harm its business, financial condition and results of operations.

Risks Associated with the Industrial Construction and Engineering Business Unit

Construction of new facilities may be adversely affected by factors commonly associated with such projects

The development, construction and operation of industrial plants, conventional power plants and renewable energy facilities can be time consuming and highly complex. In connection with the development of such facilities, the Issuer must generally obtain government permits and approvals and sufficient equity capital and debt financing, as well as enter into land purchase or leasing agreements, equipment procurement and construction contracts, operation and maintenance agreements, fuel supply and transportation agreements and off-take arrangements. Factors that may affect the Issuer's ability to construct new facilities include, among others:

- delays in obtaining regulatory approvals, including environmental permits;
- shortages or changes in the price of equipment, materials or labour;
- adverse changes in the political and/or regulatory environment in the countries where the Issuer operates;
- adverse weather conditions, which may delay the completion of power plants or substations, or natural disasters, accidents or other unforeseen events; and
- the inability to obtain financing at rates that are satisfactory to the Issuer.

Any of these factors may cause delays in completion or commencement of operations of the Issuer's construction projects and may increase the cost of contemplated projects. If the Issuer is unable to complete the projects contemplated, the costs incurred in connection with such projects may not be recoverable which may have an adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer may not be able to rely on third-party manufacturers or sub-contractors.

The Issuer relies on third party equipment manufacturers and sub-contractors in the executions of its projects. To the extent the Issuer cannot engage sub-contractors or acquire equipment materials according to its plans and budgets, its ability to complete a project in a timely fashion or at a profit may be impaired. Delays in completion of a fixed-priced project or failure to meet certain key performance indicators may in certain circumstances increase the costs of supplies and may also expose the Issuer to liquidated damages, which may have an adverse effect on its business, financial condition and results of operations.

Risks attached to the exercise of Conversion Rights

Investors should be aware that the Notes, being Notes which are convertible into Ordinary Shares, bear certain additional risks. Depending on the performance of the underlying Ordinary Shares, the value of the Ordinary Shares may be substantially lower than when the Notes were initially purchased. In addition, the value of the Ordinary Shares to be delivered may vary substantially between the date on which conversion rights are exercised and the date on which such Ordinary Shares are delivered. See "Terms and Conditions of the Notes — Conversion of Notes".

Noteholders have no shareholder rights before Conversion

Prior to conversion, an investor in a Note will not be a holder of the Ordinary Shares for which the Notes may be converted. Pursuant to the requirements of Spanish law, the sole entity authorised to allot and issue new Ordinary Shares or transfer existing Ordinary Shares in connection with conversions of Notes is the Issuer's board of directors, directly or through delegation to its members. Any request by an investor to convert its Notes for any such Ordinary Shares will be acted upon by the board of directors or any of its members only on the first Madrid business day of each calendar month.

Investors should be aware that if the Conversion Date relating to any such request falls after the seventh Madrid business day prior to the first day of a calendar month, such request will be acted upon only on the first Madrid business day of the immediately following calendar month with a consequential delay in the registration of the investor as a holder of Ordinary Shares. See "*Terms and Conditions of the Notes - Conversion of Notes*".

There is a limited period for the exercise of Conversion Rights

A Noteholder will, subject as more fully described herein under "*Terms and Conditions of the Notes*", have the right to convert his or her Notes for Ordinary Shares. Conversion Rights may be exercised, subject as provided herein, at any time on or after 3 September 2009 up to the close of business (at the place where such Note is deposited for conversion) on a day which is expected to be 15 July 2014 (or if such date is not a Business Day, on the Business Day immediately preceding 15 July 2014). If the Conversion Rights are not exercised by Noteholders during the Conversion Period, the Notes will be redeemed at their nominal amount, together with accrued but unpaid interest to such date on 24 July 2014 unless the Notes are previously purchased and cancelled or redeemed in accordance with the Conditions.

Noteholders have limited anti-dilution protection

The Conversion Price at which the Notes may be converted into Ordinary Shares will be adjusted in certain events, but only in the situations and only to the extent provided under "*Terms and Conditions of the Notes - Conversion of Notes*". There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Events in respect of which no adjustment is made may adversely affect the value of the Ordinary Shares and, therefore, adversely affect the value of the Notes.

Risks relating to the Notes

The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets in which they participate; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

There is currently no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Issuer's results of operations and the market price of the Ordinary Shares. Although application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

The Issuer may redeem the Notes prior to maturity

The Terms and Conditions of the Notes provide that the Issuer may at its option and in certain limited circumstances redeem the Notes 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.

Noteholders will bear the risk of any fluctuation in the price of the Ordinary Shares

The market price of the Notes is expected to be affected by fluctuations in the market price of the Ordinary Shares and it is impossible to predict whether the price of the Ordinary Shares will rise or fall. Trading prices of the Ordinary Shares will be influenced by, among other things, the financial position of the Issuer, the results of operations and political, economic, financial and other factors. Any decline in the price of the Ordinary Shares may have an adverse effect on the market price of the Notes.

The future issue or sales of Ordinary Shares by the Issuer, sales of Ordinary Shares by the Major Shareholder, the availability of such Ordinary Shares for future issue or sale or the perception that such issues or sales may occur may significantly affect the trading price of the Notes and the Ordinary Shares. Subject to customary exceptions, each of the Issuer and the Major Shareholder has agreed to certain restrictions on its ability to issue or, as the case may be, dispose of Ordinary Shares or related securities for a period of 90 days from 25 June 2009. Except for such restrictions, there is no restriction on the Issuer's ability to issue Ordinary Shares

or the Major Shareholder's ability to sell Ordinary Shares and there can be no assurance that the Issuer will not issue Ordinary Shares or that the Major Shareholder will not sell Ordinary Shares.

Sales of substantial numbers of Ordinary Shares in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Ordinary Shares and the Notes.

Because the Global Certificate is held by or on behalf of Clearstream, Luxembourg and Euroclear investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Certificate. The Global Certificate will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, Except in certain limited circumstances described in the Global Certificate, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Notes are represented by the Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

The claims of Noteholders are structurally subordinated, particularly to creditors of Non-Recourse Finance

The operations of the Group are principally conducted through subsidiaries. Accordingly, the Issuer is and will be dependent on its subsidiaries' operations to service its payment obligations in respect of the Notes. The Notes will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's subsidiaries, and to all secured creditors of the Issuer and its subsidiaries. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Issuer, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Issuer.

In addition, the claims of Noteholders are structurally subordinated to claims made by creditors of Non-Recourse Financing (as defined herein). The Issuer's consolidated financial statements include, as assets, its equity interests in entities which have raised Non-Recourse Financing and the Group usually grants security over these equity interests in favour of the relevant creditors. If these creditors were to enforce this security, the Group's assets would be depleted by the value attributable to such equity interests and it would no longer be entitled to the revenues generated by such assets.

The Issuer's ability to pay amounts due on the Notes will depend on dividends and other payments received from Subsidiaries

The Issuer's results of operations and financial condition are substantially dependent on the trading performance of members of the Group. The Issuer's ability to pay amounts due on the Notes will depend upon the level of distributions, interest payments and loan repayments, if any, received from the Issuer's operating Subsidiaries and associated undertakings, any amounts received on asset disposals and the level of cash balances. Certain of the Issuer's operating Subsidiaries and associated undertakings are and may, from time to time, be subject to restrictions on their ability to make distributions and loans including as a result of restrictive covenants in loan agreements, foreign exchange and other regulatory restrictions and agreements with the other shareholders of such Subsidiaries or associated undertakings.

Modification, waivers and substitution

The Terms and Conditions of the Notes and the Regulations of the Syndicate of Noteholders (as defined herein) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Issuer may, with the consent of the Fiscal Agent and Commissioner but without the consent of Noteholders, amend the Conditions insofar as they apply to the Notes to correct a manifest error or where the amendments are of a formal, minor or technical nature or to comply with mandatory provisions of law.

Change of law

The Terms and Conditions of the Notes (with the exception of Condition 14) are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Clause 14 of the Terms and Conditions of the Notes and the Regulations of the Syndicate of Noteholders are based on Spanish law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to Spanish law or administrative practice after the date of this Offering Circular.

EC Savings Directive

Under European Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into 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 in one of those territories.

Risks related to withholding tax

Under Spanish law, income in respect of the Notes will be subject to withholding tax in Spain, currently at the rate of 18 per cent., in relation to payments to (a) individual holders who are resident for tax purposes in Spain, and (b) holders in respect of whom the Issuer does not receive such information concerning such holder's identity and tax residence as it may require in order to comply with Law 13/1985 (as defined in

“Terms and Conditions of the Notes – Taxation” and any implementing legislation). The Issuer will not gross up payments in respect of any such withholding tax (See “Terms and Conditions of the Notes - Taxation”).

Risks related to procedures for collection of Noteholders’ details

It is expected that the Issuer, the Paying, Transfer and Conversion Agents, the Registrar, the common depositary for the Notes and the clearing systems will follow certain procedures to facilitate the collection from Noteholders of the information referred to in (b) in "*Risks related to withholding tax*" above. A summary of those procedures is set out in a schedule to the Fiscal Agency Agreement and should be read together with "*Taxation - Spanish Tax Considerations*". Such procedures may be revised from time to time in accordance with changes in the applicable Spanish laws and regulations and the operational procedures of the clearing systems. While the Notes are represented by a Global Certificate, Noteholders must rely on such procedures in order to receive payments under the Notes free of any withholding, if applicable. Noteholders must seek their own advice to ensure that they comply with all applicable procedures and to ensure the correct tax treatment of their Notes. None of the Issuer, the Joint Lead Managers, the Paying, Transfer and Conversion Agents, the Registrar or the clearing systems assume any responsibility therefore.

In addition, Law 4/2008 removes the obligation on Spanish issuers or their parent companies to provide to the Spanish tax authorities the relevant information concerning holders who are not resident in Spain. The amended wording of Additional Provision Two of Law 13/1985 continues to apply the obligation on the Issuer to disclose to the Spanish Tax and Supervisory Authorities the identity of certain Noteholders who are Spanish resident holders (individual and corporate) and non-resident holders operating through a permanent establishment in Spain.

The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of relevant secondary legislation. At the date hereof, such secondary legislation had not yet been adopted. Until such time as the relevant secondary legislation is adopted there will be uncertainty as to what, if any, reporting obligations will apply to non-resident holders as a result of Law 4/2008, or whether additional procedures will be developed in respect of resident holders and non-resident holders operating through a permanent establishment in Spain.

Risks related to the Insolvency Law

Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the “Insolvency Law”), which came into force on 1 September 2004, supersedes all pre-existing Spanish provisions which regulated the bankruptcy, insolvency (including suspension of payments) and any process affecting creditors' rights generally, including the ranking of credits in an insolvency.

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not included in a company's accounts or otherwise reported to the insolvency administrators within one month from the last official publication of the court order declaring the insolvency, (ii) provisions in a contract granting one party the right to terminate on the other's insolvency may not be enforceable, (iii) interest accrued and unpaid until the commencement of the insolvency proceedings (*concurso*) shall become subordinated, and (iv) interest shall cease to accrue from the date of the declaration of insolvency.

Certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer.

TERMS AND CONDITIONS OF THE NOTES

The following, save for the paragraphs in italics, are the terms and conditions of the Notes which will be incorporated by reference into the Global Certificate and endorsed on the Notes in definitive form. The use of the word "conversion" (and related terms) in the following terms and conditions of the Notes shall be construed as encompassing the exchange of Notes for existing Ordinary Shares and, when the New Issue Requirements have been met, the exchange of Notes for new Ordinary Shares.

The issue of the euro 200,000,000 6.875 per cent. Senior Unsecured Convertible Notes due 2014 (the "Notes", which expression shall, unless otherwise indicated, include any further notes issued pursuant to Condition 16 and consolidated and forming a single series with the Notes) was (save in respect of any such further notes to be issued pursuant to Condition 16) authorised by resolutions of the Board of Directors of Abengoa, S.A. (the "Issuer") passed on 22 June 2009 and 25 June 2009. A fiscal, transfer and conversion agency agreement dated 24 July 2009 (the "Fiscal Agency Agreement") has been entered into in relation to the Notes between the Issuer, Deutsche Bank AG, London Branch, as fiscal agent (the "Fiscal Agent", which expression shall include any successor as fiscal agent under the Fiscal Agency Agreement), the paying, transfer and conversion agents for the time being (such persons, together with the Fiscal Agent, being referred to below as the "Paying, Transfer and Conversion Agents", which expression shall include their successors as Paying, Transfer and Conversion Agents under the Fiscal Agency Agreement) and Deutsche Bank Luxembourg S.A. in its capacity as registrar (the "Registrar", which expression shall include any successor as registrar under the Fiscal Agency Agreement).

Copies of the Fiscal Agency Agreement and these terms and conditions (the "Conditions") are available during normal business hours at the specified office of each of the Paying, Transfer and Conversion Agents and the Registrar. The Noteholders are deemed to have notice of all the provisions of the Fiscal Agency Agreement and these Conditions which are applicable to them. The Fiscal Agency Agreement includes the form of the Notes. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

The Issuer, as required by Spanish law, has executed an *escritura pública* (the "Public Deed") before a Spanish notary public in relation to the issue of the Notes and has registered the Public Deed with Seville's Mercantile Registry. The Public Deed contains, among other information, these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Fiscal Agency Agreement unless the context otherwise requires or unless otherwise stated.

1 Form, Denomination, Title and Status

(a) Form and Denomination

The Notes are in registered form, serially numbered, in nominal amounts of euro 50,000 each (the "Authorised Denomination").

(b) Title

Title to the Notes will pass by transfer and registration as described in Condition 4. The holder (as defined below) of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as appropriate) or anything written on it or on the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder.

(c) Status of the Notes

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated indebtedness of the Issuer but, in the event of winding-up, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

2 Negative Pledge

So long as any of the Notes remain outstanding (as defined in the Fiscal Agency Agreement), the Issuer will not create or permit to subsist, and will ensure that none of its Material Subsidiaries will create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest (each a "Security Interest") upon the whole or any part of its present or future property or assets (including any uncalled capital) to secure any Relevant Indebtedness or any guarantee of or indemnity in respect of any Relevant Indebtedness unless in any such case, before or at the same time as the creation of the Security Interest, any and all action necessary shall have been taken to ensure that:

(i) all amounts payable by the Issuer under the Notes are secured equally and rateably with the Relevant Indebtedness or guarantee or indemnity, as the case may be; or

(ii) such other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable by the Issuer under the Notes as shall be approved by a resolution of the Syndicate of Noteholders,

provided that any Subsidiary acquired after the Closing Date may have an outstanding Security Interest with respect to Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) of such Subsidiary so long as:

(a) such Security Interest was outstanding on the date on which such Subsidiary became a Subsidiary and was not created in contemplation of such Subsidiary becoming a Subsidiary or such Security Interest was created in substitution for or to replace either such outstanding Security Interest or any such substituted or replacement Security Interest; and

(b) the nominal amount of the Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) is not increased after the date that such Subsidiary became a Subsidiary.

3 Definitions

In these Conditions, unless otherwise provided:

"Additional Ordinary Shares" has the meaning provided in Condition 6(*d*).

"business day" means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

"Closing Date" means 24 July 2009.

"Closing Price" means, in respect of any Trading Day, the last officially published price of the Ordinary Shares by the Relevant Stock Exchange on that Trading Day.

"CNMV" has the meaning provided in Condition 7(*e*).

"Commissioner" has the meaning provided in Condition 14.

"control" means (a) the acquisition or control of more than 50 per cent. of the Voting Rights or (b) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise and "controlled" shall be construed accordingly.

"Conversion Date" has the meaning provided in Condition 6(*g*).

"Conversion Notice" has the meaning provided in Condition 6(*g*).

"Conversion Period" has the meaning provided in Condition 6(*a*).

"Conversion Price" has the meaning provided in Condition 6(*a*).

"Conversion Right" has the meaning provided in Condition 6(*a*).

"Current Market Price" has the meaning provided in condition 6(*b*).

"Distribution" has the meaning provided in Condition 6(*b*).

"Distribution Date" has the meaning provided in Condition 6(*b*).

"EBITDA" means:

(i) in relation to the Issuer for any relevant period, the consolidated net operating profit (loss) (*resultado de explotación*), after adding back research and development costs and depreciation and amortisation expense of the Issuer and its Subsidiaries; and

(ii) in relation to any Subsidiary of the Issuer for any relevant period, the consolidated net operating profit (loss) (*resultado de explotación*), after adding back research and development costs and depreciation and amortisation expense of such Subsidiary (consolidated in the case of a Subsidiary that prepares consolidated accounts),

in each case as derived from the relevant accounts or financial statements of the relevant entity in respect of such period.

"equity share capital" means, in relation to any entity, its issued share capital excluding any part thereof which, neither as regards dividends, nor as regards capital, carries any right to participate beyond a specified amount in a distribution.

"Fair Market Value" means, with respect to any property on any date, the fair market value of that property as determined by an Independent Financial Adviser provided that:

(i) the Fair Market Value of a cash Distribution shall be the amount of such cash Distribution;

(ii) the Fair Market Value of any other cash amount shall be the amount of such cash;

(iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Financial Adviser), the Fair Market Value (a) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during the period of five Trading Days on the relevant market commencing on such date (or, if later, the first such Trading Day such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded;

(iv) where Securities, Spin-Off Securities, options, warrants or other rights are not publicly traded (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other

rights shall be determined by an Independent Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof.

Such amounts shall, in the case of (i) above, be translated into the Relevant Currency (if declared or paid or payable in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the cash Distribution in the Relevant Currency; and in any other case, shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date. In addition, in the case of (i) and (ii) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

"Final Maturity Date" means 24 July 2014.

"Iberclear" means the Spanish clearing and settlement system (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.*).

"Independent Financial Adviser" means an independent financial institution of international repute appointed by the Issuer at its own expense from time to time and whenever required by these Conditions.

"Interest" has the meaning provided in Condition 5(*e*).

"Interest Payment Date" has the meaning provided in Condition 5(*a*).

"Madrid business day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Madrid.

"Market Price" means the Volume Weighted Average Price of an Ordinary Share on the relevant Reference Date, provided that if any Distribution or other entitlement in respect of the Ordinary Shares is announced on or prior to the relevant Conversion Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such Distribution or other entitlement shall be on or after the Conversion Date and if, on the relevant Reference Date, the Volume Weighted Average Price of an Ordinary Share is based on a price ex-Distribution or ex-any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of such dividend or entitlement per Ordinary Share as at the date of first public announcement of such Distribution or entitlement (or if that is not a Trading Day, the immediately preceding Trading Day).

"Material Subsidiary" means, at any relevant time, a Subsidiary of the Issuer (not being a Non-Recourse Subsidiary):

(a) whose total assets or EBITDA (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or EBITDA) at any relevant time represent no less than 5 per cent. of the total consolidated assets or EBITDA, respectively, of the Issuer and its Subsidiaries, as calculated by reference to the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer and the latest accounts or six-monthly reports of each relevant Subsidiary (consolidated or, as the case may be, unconsolidated) prepared in accordance with International Financial Reporting Standards, provided that (i) if the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer show EBITDA as a negative number for the relevant financial period then there shall be substituted for the words "EBITDA" the words "net turnover" for the purposes of this definition and (ii) in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited accounts or consolidated six-monthly reports of the Issuer relate, then for the purpose of applying each of the foregoing tests, the reference to the Issuer's latest consolidated audited

accounts or consolidated six-monthly reports shall be deemed to be a reference to such accounts or reports as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultation with the Issuer; or

(b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary.

"Net Share Settlement Calculation Period" has the meaning provided in Condition 6(*j*).

"Net Share Settlement Election" has the meaning provided in Condition 6(*j*).

"Net Share Settlement Notice" has the meaning provided in Condition 6(*j*).

"New Issue Requirements" has the meaning provided in Condition 6(*g*).

"Non-Recourse Financing" means any indebtedness which is, or is expected to be, recorded as "non-recourse financing" in the Issuer's annual consolidated financial statements.

"Non-Recourse Subsidiary" means any present or future Subsidiary of the Issuer, the principal business of which involves the ownership, acquisition, construction, creation, development, maintenance and/or operation of an asset (whether or not an asset of the Issuer or any of its Subsidiaries), or any associated rehabilitation works which has been or is intended to be primarily financed with Non-Recourse Financing.

"Noteholder" and "holder" mean the person in whose name a Note is registered in the Register (as defined in Condition 4(*a*)).

"Notice of Revocation" has the meaning provided in Condition 6(*j*).

"Optional Redemption Date" has the meaning provided in Condition 7(*b*).

"Optional Redemption Notice" has the meaning provided in Condition 7(*b*).

"Ordinary Shares" means fully paid ordinary shares in the capital of the Issuer currently with a par value of euro 0.25 each.

a "person" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, unincorporated association, limited liability company, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"Prevailing Rate" means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (London time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (London time) on the immediately preceding day on which such rate can be so determined or if such rate cannot be so determined by reference to the Relevant Page, the rate determined in such other manner as an Independent Financial Adviser shall prescribe.

"Other Securities" means equity securities of the Issuer (including hybrid instruments) other than Ordinary Shares.

"Purchase Rights" has the meaning provided in Condition 6(*b*).

"Put Date" has the meaning provided in Condition 7(*d*).

"Put Exercise Notice" has the meaning provided in Condition 7(*d*).

"Put Period" has the meaning provided in Condition 7(*d*).

"Put Price" has the meaning provided in Condition 7(*d*).

"Record Date" has the meaning provided in Condition 8(*c*).

"Reference Date" has the meaning provided in Condition 6(*h*).

"Registry Date" has the meaning provided in Condition 6(*g*).

"Relevant Currency" means euro or, if at the relevant time or for the purposes of the relevant calculation or determination, the Spanish Stock Exchanges are not the Relevant Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

"Relevant Date" means, in respect of any Note, whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer or to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions.

"Relevant Person Triggering Event Period" has the meaning provided in Condition 7(*f*).

"Relevant Indebtedness" means any present or future indebtedness (whether being principal, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any recognised stock exchange, over-the-counter or other securities market but shall not in any event include any Non-Recourse Financing.

''Relevant Page'' means the relevant page on Bloomberg or Reuters or such other information services provider which displays the relevant information.

"Relevant Stock Exchange" means the Spanish Stock Exchanges or if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the Spanish Stock Exchanges, the principal stock exchange or securities market on which the Ordinary Shares are then listed or quoted or dealt in.

"Retroactive Adjustment" has the meaning provided in Condition 6(*d*).

"Revocation Date" has the meaning provided in Condition 6(*j*).

"Securities" means any securities including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer.

"Shareholders" means the holders of Ordinary Shares.

"Share Record Date" has the meaning provided in Condition 6(*g*).

"Spanish Stock Exchanges" means the Madrid, Barcelona, Bilbao and Valencia stock exchanges and the automated quotation system.

"Spin-Off" means:

(a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or

(b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Issuer) to Shareholders as a class pursuant to any arrangements with the Issuer or any of its Subsidiaries.

"Spin-Off Securities" means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

"Subsidiary" of any person means (i) a company more than 50 per cent. of the Voting Rights of which is owned or controlled, directly or indirectly, by such person or by one or more other Subsidiaries of such person

or by such person and one or more Subsidiaries thereof or (ii) any other person in which such person, or one or more other Subsidiaries of such person or such person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and power to direct the policies, management and affairs thereof.

"Syndicate of Noteholders" has the meaning provided in Condition 14.

"TARGET Business Day" means a day on which the TARGET System is operating.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

"Threshold Amount" has the meaning provided in Condition 6(*b*)(*v*).

"Trading Day" means any day (other than Saturday or Sunday) on which the Relevant Stock Exchange is open for business and Ordinary Shares may be dealt in.

"Triggering Event" has the meaning provided in Condition 7(*d*).

"Volume Weighted Average Price" means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any Trading Day, the order book volume-weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Ordinary Share) from Bloomberg page VAP or (in the case of a Security (other than Ordinary Shares) or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Financial Adviser on such Trading Day, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or a Spin-Off Security, as the case may be, in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined or, if such price cannot be so determined, as determined in good faith by an Independent Financial Adviser.

"Voting Rights" means the right generally to vote at a general meeting of shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

References to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to Shareholders "as a class" or "by way of rights" shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders, other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

For the purposes of Conditions 6(*b*), (*d*), (*g*) and (*h*) and Condition 10 only, (*a*) references to the "issue" of Ordinary Shares shall include the transfer and/or delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (*b*) Ordinary Shares held by or on behalf of the Issuer or any of its respective Subsidiaries (and which, in the case of

Condition 6(*b*)(i), (ii) and (iv), do not rank for the relevant right or other entitlement) shall not be considered as or treated as "in issue".

4 Registration and Transfer of Notes

(a) Registration

The Issuer will cause a register (the "Register") to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers, redemptions and conversions of Notes.

(b) Transfer

Notes may, subject to the terms of the Fiscal Agency Agreement and to Conditions 4(*c*) and 4(*d*), be transferred in whole or in part in an Authorised Denomination by lodging the relevant Note (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Conversion Agent.

No transfer of a Note will be valid unless and until entered on the Register. A Note may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will within 7 (seven) business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Note, deliver a new Note to the transferee (and, in the case of a transfer of part only of a Note, deliver a Note for the untransferred balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Note by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) Formalities Free of Charge

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith; (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application; and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar.

(d) Closed Periods

Neither the Issuer nor the Registrar will be required to register the transfer of any Note (or part thereof) (i) during the period of 15 (fifteen) days immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Notes pursuant to Condition 7(*b*); (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 6(*g*); or (iii) in respect of which a holder has exercised its right to require redemption pursuant to Condition 7(*e*); or (iv) during the period of 15 (fifteen) days ending on (and including) any Record Date (as defined in Condition 8(*c*)) in respect of any payment of interest on the Notes.

5 Interest

(a) Interest Rate

The Notes bear interest from and including the Closing Date at the rate of 6.875 per cent. per annum calculated by reference to the nominal amount thereof and payable semi-annually in arrear in equal

instalments on 24 January and 24 July in each year (each an "Interest Payment Date"), commencing with the Interest Payment Date falling on 24 January 2010.

Where interest is required to be calculated for any period which is shorter than an Interest Period it will be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of the number of days in the Interest Period in which the relevant period falls and the number of Interest Periods normally ending in any year.

"Interest Period" means the payment period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(b) Accrual of Interest

Each Note will cease to bear interest (i) where the Conversion Right shall have been exercised by a Noteholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(*i*)); or (ii) where such Note is being redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption thereof unless, upon due presentation thereof, payment of the principal amount of the Notes is improperly withheld or refused, in which event interest will continue to accrue as provided in Condition 7(a) (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day 7 (seven) days after the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

6 Conversion of Notes

(a) Conversion Period and Conversion Price

Subject to the right of the Issuer to make a Net Share Settlement Election pursuant to Condition 6(*j*) and otherwise as provided below, each Note shall entitle the holder (a "Conversion Right") to convert such Note into existing Ordinary Shares and/or, if the New Issue Requirements have been met, new Ordinary Shares, in each case credited as fully paid, subject to and as provided in these Conditions.

The number of Ordinary Shares to be issued or delivered on exercise of a Conversion Right in respect of a Note shall be determined by dividing the nominal amount of the relevant Note by the conversion price (the "Conversion Price") in effect on the relevant Conversion Date.

The initial Conversion Price is euro 21.12 per Ordinary Share. On the basis of the initial Conversion Price, each euro 50,000 nominal amount of Notes would entitle the holder to receive (subject as provided in these Conditions) 2,367 Ordinary Shares. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(*b*).

A Noteholder may exercise the Conversion Right in respect of a Note by delivering such Note (together with a duly completed Conversion Notice (as defined below)) to the specified office of any Paying, Transfer and Conversion Agent in accordance with Condition 6(*g*) whereupon the Issuer shall (subject as provided in these Conditions) procure the delivery, to or as directed by the relevant Noteholder of Ordinary Shares credited as paid up in full as provided in this Condition 6.

Subject to, and as provided in these Conditions, the Conversion Right in respect of a Note may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws

or regulations and as hereinafter provided) from 3 September 2009 to the close of business (at the place where the relevant Note is delivered for conversion) on the date falling 7 (seven) Trading Days prior to the Final Maturity Date (both days inclusive) or, if the Notes shall have been called for redemption pursuant to Condition 7(*b*) prior to the Final Maturity Date, then up to the close of business (at the place aforesaid) on the seventh Trading Day before the date fixed for redemption thereof pursuant to Condition 7(*b*), unless there shall be default in making payment in respect of such Note on such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 15 or, if earlier, the Final Maturity Date; provided that, in each case, if the final such date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of the Conversion Right by Noteholders shall end on the immediately preceding business day at the place aforesaid.

Conversion Rights may not be exercised in respect of a Note which the relevant holder has either (i) given notice pursuant to Condition 10; or (ii) exercised its right to require the Issuer to redeem pursuant to Condition 7(*d*).

Save where a notice of redemption is given by the Issuer in the circumstances provided in Condition 6(*i*), Conversion Rights may not be exercised by a Noteholder in circumstances where the relevant Conversion Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Notes and ending on the relevant Interest Payment Date (both days inclusive).

The period during which Conversion Rights may (subject as provided below) be exercised by a Noteholder is referred to as the "Conversion Period".

Conversion Rights may only be exercised in respect of an Authorised Denomination. Where Conversion Rights are exercised in respect of part only of a Note, the old Note shall be cancelled and a new Note for the balance thereof shall be issued in lieu thereof without charge but upon payment by the holder of any taxes, duties and other governmental charges payable in connection therewith and the Registrar will within 7 (seven) business days, in the place of the specified office of the Registrar, following the relevant Conversion Date deliver such new Note to the Noteholder at the specified office of the Registrar or (at the risk and, if mailed at the request of the Noteholder otherwise than by ordinary mail, at the expense of the Noteholder) mail the new Note by uninsured mail to such address as the Noteholder may request.

Fractions of Ordinary Shares will not be issued or delivered on conversion or pursuant to Condition 6(*d*). However, and except where any individual entitlement would be less than euro one (1.00), a cash payment shall be made by the Issuer in respect of any such fraction determined by reference to the Current Market Price (as defined in Condition 6(*b*)) per Ordinary Share on the Trading Day (as defined in Condition 3) immediately preceding the relevant Conversion Date and the Issuer shall make payment of the relevant amount to the relevant holder not later than 5 (five) Madrid business days (as defined in Condition 3) following the relevant Conversion Date. If the Conversion Right in respect of more than one Note is exercised at any one time such that Ordinary Shares to be delivered on conversion pursuant to Condition 6(*d*) are to be registered in the same name, the number of such Ordinary Shares to be delivered in respect thereof shall be calculated on the basis of the aggregate nominal amount of such Notes being so converted and rounded down to the nearest whole number of Ordinary Shares.

The Issuer will procure that Ordinary Shares to be delivered or transferred on conversion will be delivered or transferred to the holder of the Notes completing the relevant Conversion Notice or his nominee.

(b) Adjustment of Conversion Price

Upon the occurrence of any of the events described in Condition 6(*b*)(*i*) to (*v*) below, the Conversion Price shall be adjusted as follows:

(i) Increase of capital by means of capitalisation of reserves, profits or premia by distribution of Ordinary Shares, or division or consolidation of Ordinary Shares:

Subject to Condition 6(*e*), in the event of a change in the Issuer's share capital as a result of capitalisation of reserves, profits or premia, by means of the distribution of Ordinary Shares, and in the event of division or consolidation of Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such change by the result of the following formula:

$$N_{Old} / N_{New}$$

where:

N_{Old} is the number of Ordinary Shares existing before the change in share capital; and

N_{New} is the number of Ordinary Shares existing after the change in share capital.

Such adjustment shall become effective on the date on which such Ordinary Shares are distributed or, in the event of division or consolidation of Ordinary Shares, on the first day the Ordinary Shares are traded on the new basis on the Relevant Stock Exchange.

(ii) Issues of Ordinary Shares or Other Securities to Shareholders by way of conferring subscription or purchase rights:

Subject to Condition 6(*e*), if (a) the Issuer issues or grants to Shareholders any rights or options, warrants or other rights per Ordinary Share to subscribe for or acquire Ordinary Shares, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities or (b) any third party with the agreement of the Issuer issues to Shareholders any rights, options or warrants to purchase any Ordinary Shares, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities (the rights referred to in (a) and (b) collectively and individually being the "Purchase Rights"), in each case in circumstances whereby such Purchase Rights are issued or granted to holders as a class, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the result of the following formula:

$$(P_{cum} - R) / P_{cum}$$

where:

P_{cum} is the arithmetic average of the Closing Prices of one Ordinary Share on the 5 (five) consecutive Trading Days ending immediately prior to whichever is the later of (x) the last Trading Day preceding the date on which the Ordinary Shares are first traded ex-Purchase Rights on the Relevant Stock Exchange or (y) the Trading Day when the price for the Purchase Right is announced, or, if the day the subscription or purchase price is announced is not a Trading Day, the next following Trading Day; and

R is the value of the Purchase Right relating to one Ordinary Share or Other Security, such value to be calculated as follows:

(A) in the event the Purchase Rights relate to Ordinary Shares:

$R = P_{cum} - TERP$

where:

$TERP = (N_{old} \times P_{cum} + N_{new} \times (X_{rights} + Div)) / (N_{old} + N_{new})$

and:

TERP is the theoretical ex-Purchase Rights price; and

N_{old} is the number of Ordinary Shares existing before the change in share capital; and

N_{new} is the number of Ordinary Shares being newly issued; and

X_{rights} is the price at which one new Ordinary Share can be subscribed, exercised or purchased; and

Div is the amount (in euro), if any, by which the dividend entitlement per existing Ordinary Share exceeds the dividend entitlement per new Ordinary Share, (x) if dividends have already been proposed to the general meeting of Shareholders but not yet paid, based on the proposed dividend amount, or (y) if dividends have not yet been proposed based on the last paid dividend;

provided, however, that no such adjustment shall be made if the subscription or purchase price at which one new Ordinary Share can be subscribed or purchased is at least 95 per cent. of the arithmetic average of the Closing Prices of one Ordinary Share on the 5 (five) consecutive Trading Days ending immediately prior to whichever is the later of (x) the last Trading Day preceding the date on which the Ordinary Shares are first traded ex-Purchase Rights on the Relevant Stock Exchange or (y) the Trading Day when the price for the Purchase Right is announced, or, if the day the subscription or purchase price is announced is not a Trading Day, the next following Trading Day;

(B) in the event the Purchase Rights relate to Other Securities or to securities convertible or exchangeable into Ordinary Shares or Other Securities and where such Purchase Rights are traded on a regulated stock exchange in Switzerland, the European Union, the United States of America, Canada or Japan:

$$R = N_{rights} \times P_{rights}$$

where:

N_{rights} is the number of Purchase Rights granted per Ordinary Share; and

P_{rights} is the average of the last paid prices on the Relevant Stock Exchange (or, if no dealing is recorded, the arithmetic mean of the bid and offered prices) on a spot basis of one Purchase Right on each Trading Day during the time period the Purchase Rights are traded, but not longer than the first 10 (ten) Trading Days.

(C) in all other cases where neither of the previous paragraphs (A) or (B) is applicable:

R will be determined by an Independent Financial Adviser.

Such adjustment shall become effective

(1) in the case of Condition 6(*b*)(*ii*)(A), on the first day on which the Ordinary Shares are traded ex-Purchase Rights on the Relevant Stock Exchange;

(2) in the case of Condition 6(*b*)(*ii*)(B), 5 (five) Trading Days after (x) the end of the period during which the Purchase Rights are traded or (y) the 10th (tenth) Trading Day of the subscription or purchase period, whichever is sooner; and

(3) in the case of Condition 6(*b*)(*ii*)(C), on the date determined by the Independent Financial Adviser.

(iii) Issues of Ordinary Shares or Other Securities to Third Parties:

Subject to Condition 6(*e*), if (a) the Issuer issues (whether for cash or non-cash consideration or for no consideration) (otherwise than as mentioned in Condition 6(*b*)(*ii*) above) to a third party any Ordinary Shares or options, warrants or, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities or (b) any third party with the agreement of the Issuer issues (whether for cash or non-cash consideration or for no consideration) (otherwise than as mentioned in Condition 6(*b*)(*ii*) above) to a third party any Ordinary Shares or options, warrants or, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities, in each case in circumstances whereby Purchase Rights are not issued or granted to Shareholders, (the issuance of such securities referred to in (a) and (b) collectively and individually being a "Non Pre-Emptive Issue of Securities"), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the result of the following formula:

$$(P_{cum} - D) / P_{cum}$$

where:

P_{cum} is the arithmetic average of the Closing Prices of one Ordinary Share on the 5 (five) consecutive Trading Days ending immediately prior to the date of the first public announcement of the terms of the relevant Non Pre-Emptive Issue of Securities; and

D is the dilution as a result of the issue of Ordinary Shares or Other Securities, such dilution to be calculated as follows:

(A) in the event of the issue of Ordinary Shares:

$D = P_{cum} - TDP$

where:

$TDP = (N_{old} \times P_{cum} + N_{new} \times (X_{issue} + Div)) / (N_{old} + N_{new})$

and:

TDP is the theoretical diluted price; and

N_{old} is the number of Ordinary Shares existing before the change in share capital; and

N_{new} is the number of Ordinary Shares being newly issued; and

X_{issue} is the issue price at which one new Ordinary Share was issued to a third party as determined by an Independent Financial Adviser; and

Div is the amount (in euro), if any, by which the dividend entitlement per existing Ordinary Share exceeds the dividend entitlement per new Ordinary Share, (x) if dividends have already been proposed to the general meeting of Shareholders but not yet paid, based on the proposed dividend amount, or (y) if dividends have not yet been proposed based on the last paid dividend;

provided, however, that no such adjustment shall be made if the issue price at which one new Ordinary Share is issued is at least 95 per cent. of the arithmetic average of the Closing Prices of one Ordinary Share on the 5 (five) consecutive Trading Days ending immediately

prior to the Trading Day when the Non Pre-Emptive Issue Securities is announced, or, if the day the Non Pre-Emptive Issue of Securities is announced is not a Trading Day, the next following Trading Day;

(B) in all other cases where the previous paragraph (A) is not applicable:

D will be determined by an Independent Financial Adviser.

Such adjustment shall become effective on the date the relevant security is issued.

(iv) Spin-offs and capital distributions other than cash distributions:

Subject to Condition 6(*e*), if in respect of a Spin-Off or a capital distribution (including by way of a reduction in share capital and distribution of any distributable reserve and share premium), other than a cash Distribution as referred to in Condition 6(*b*)(*v*) below, the Issuer shall issue or distribute to holders of its Ordinary Shares any assets, evidence of indebtedness of the Issuer, shares, put options or other rights per Ordinary Share (other than as referred to in Condition 6(*b*)(*ii*) above) (a "Distribution"), the Conversion Price shall be adjusted as follows:

(A) where the Distribution (x) consists of securities that are traded on a regulated stock exchange in Switzerland, the European Union, the United States of America, Canada or Japan or (y) has otherwise a value which is determinable by reference to a stock exchange quotation or otherwise, by multiplying the Conversion Price in force immediately prior to such issue or distribution by the result of the following formula:

$$(P_{cum} - D) / P_{cum}$$

where:

P_{cum} is the arithmetic average of the Closing Prices of one Ordinary Share on the 5 (five) consecutive Trading Days ending immediately prior to the date on which the Ordinary Shares are first traded ex-Distribution on the Relevant Stock Exchange following the relevant Distribution; and

D is the value of the Distribution (in euro) attributable to one Ordinary Share on the Trading Day immediately following the date in respect of which P_{cum} has been determined, as determined by an Independent Financial Adviser based, in principle, on the closing price on the Relevant Stock Exchange in case of 6 (b) (*iv*) (A) (x) or by an Independent Financial Adviser in case of 6 (b) (*iv*) (A) (y);

(B) in all other cases and where there is one (but not more than one) Distribution on a given Trading Day, by multiplying the Conversion Price in force immediately prior to such Distribution by the result of the following formula:

$$P_{after} / P_{before}$$

where:

P_{after} is the Current Market Price per Ordinary Share after the date such Distribution was made (the "Distribution Date"); and

P_{before} is the Current Market Price per Ordinary Share before the Distribution Date;

whereby for purposes of this provision the Current Market Price per Share shall be deemed to be the average of the Closing Prices, (x) in the case of P_{before}, on the 5 (five) consecutive Trading Days before the Distribution Date, and (y) in the case of P_{after}, on the 5 (five) consecutive Trading Days after the Distribution Date, as determined by an Independent Financial Adviser. When calculating the average of the Closing Prices, the gross amount, if

any, of any cash Distribution paid during either of the above mentioned periods of 5 (five) consecutive Trading Days, shall be added back to the Closing Prices on each of the Trading Days on which the Ordinary Shares are traded ex-cash Distribution; and

(C) in all other cases where there is more than one such Distribution on a given Trading Day, the Independent Financial Adviser will determine the necessary adjustment.

Such adjustment shall become effective, in the case of (A), on the date on which the Distribution is made and, in the case of (B) and (C), 5 (five) Trading Days after the Distribution Date.

(v) Extraordinary Distributions:

Subject to Condition 6(*e*), in the event of an Extraordinary Distribution by the Issuer to holders of its Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price by the following fraction:

$$(P_{cum} - D) / P_{cum}$$

where:

P_{cum} is the Closing Price on the Trading Day immediately preceding the date on which the Ordinary Shares are first traded ex-Distribution;

D is the portion of the Fair Market Value of the Extraordinary Distribution attributable to one Ordinary Share (as adjusted for any split or consolidation of the Ordinary Shares pursuant to Condition 6(*b*)(i)) paid in the Relevant Fiscal Year (as defined below).

Such adjustment shall become effective on the Trading Day on which the Ordinary Shares are first traded ex-Distribution.

"Extraordinary Distribution" means any cash Distribution (including any repayments in part of the nominal amount of the Ordinary Shares but not including any distributions for which an adjustment is otherwise made according to Condition 6(*b*) or 6(*d*) or is excluded in accordance with Condition 6(*e*)) (the "Relevant Distribution") paid in a calendar year (the "Relevant Fiscal Year"), if the sum of:

(a) the Fair Market Value of the Relevant Distribution per Ordinary Share; and

(b) the aggregate of the Fair Market Value per Ordinary Share of any other cash Distribution or cash Distributions per Ordinary Share paid in the Relevant Fiscal Year (disregarding for such purpose any amount previously determined to be an Extraordinary Distribution in the Relevant Fiscal Year)

such sum being the "Current Year's Dividends", exceeds the Threshold Amount for such Relevant Fiscal Year, and in such case the amount of the relevant Extraordinary Distribution shall be the lesser of (i) the amount by which the Current Year's Dividends exceeds the Threshold Amount and (ii) the amount of the Relevant Distribution.

"Threshold Amount" means, for any Relevant Fiscal Year, the amount per Ordinary Share corresponding to the fiscal year set out below (adjusted *pro rata* for any adjustments to the Conversion Price made pursuant to the provisions of this Condition 6*(b)*).

	Threshold Amount (€)
Relevant Fiscal Year ending:	
31 December 2009	0.18
31 December 2010	0.19
31 December 2011	0.20
31 December 2012	0.21
31 December 2013	0.22
31 December 2014	0.23

(c) Calculation of Adjustments

Each adjustment to be made pursuant to Condition 6(*b*) or Condition 7(*f*) shall be determined by an Independent Financial Adviser appointed by the Issuer and shall (in the absence of manifest error) be binding on all parties concerned. In addition, any written opinion of the Independent Financial Adviser, where required by Condition 6(*b*), shall be conclusive and binding on all concerned save in the case of manifest error.

If in case of any adjustment the resulting Conversion Price is not an integral multiple of euro 0.01 (one hundredth of a euro), it shall be rounded down to the nearest whole or multiple of euro 0.01 (one hundredth of a euro). No adjustment shall be made to the Conversion Price where such adjustment (rounded down, if applicable) would be less than one per cent. (1%) of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.

The Issuer will procure that a notice is published in the manner described in Condition 15 as soon as practicable after either the date on which any adjustment to the Conversion Price becomes effective or, if no adjustment is required, the date on which it is possible to determine that such is the case.

(d) Retroactive Adjustments

If the Share Record Date in relation to the conversion of any Note shall be after an adjustment event specified in Condition 6(*b*), in any case in circumstances where the relevant Conversion Date falls before the relevant adjustment becomes effective under Condition 6(*b*) (such adjustment, a "Retroactive Adjustment"), then the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or delivered to the converting Noteholder, in accordance with the instructions contained in the Conversion Notice, such additional number of Ordinary Shares (if any) (the "Additional Ordinary Shares") as, together with the Ordinary Shares issued or to be issued or delivered on conversion of the relevant Note (together with any fraction of an Ordinary Share not so issued), is equal to the number of Ordinary Shares which would have been required to be issued or delivered on conversion of such Note if the relevant adjustment (more particularly referred to in the said provisions of Condition 6(*b*), Condition 6(*f*) or Condition 7(*e*)) to the Conversion Price had in fact been made and become effective immediately prior to the relevant Conversion Date.

(e) Events not Giving Rise to Adjustments

No adjustment to the Conversion Price will be made:

(i) if the Issuer sells any share, right, warrant or other securities representing the same (an "Interest") in any of its Subsidiaries to Shareholders at fair value, and for this purpose:

(x) where such Interest is listed, traded, or dealt in on any stock exchange, the fair value of such Interest shall be at least 95 per cent. of the arithmetic average of the Closing Prices of one Ordinary Share on the 5 (five) consecutive Trading Days ending immediately prior to the day on which the Issuer officially announces the terms and conditions for such sale, as determined by an Independent Financial Adviser;

(y) where such Interest is not so listed, traded or dealt in, the fair value of such Interest shall be at least 95 per cent. of the intrinsic value thereof. The Issuer shall, at its own expense, instruct an Independent Financial Adviser to determine as soon as practicable the intrinsic value of such Interest; or

(ii) if Ordinary Shares or Other Securities (including pre-emptive rights, options or warrants in relation to Ordinary Shares or Other Securities) are issued, offered or granted to, or for the benefit of, directors or employees, or former directors or employees or consultants or former consultants of the Issuer or any of its Subsidiaries or any associated company or to trustees to be held for the benefit of any such person in any such case pursuant to any employee share or option scheme; or

(iii) if an increase in the Conversion Price would result from such adjustment, except in the case of an exchange of the Ordinary Shares for Other Securities or a consolidation of Ordinary Shares; or

(iv) without prejudice to Condition 11, if the Conversion Price would fall below the nominal value of an Ordinary Share. In this case, the Conversion Price will be adjusted to the nominal value of a Ordinary Share and any remaining reduction of the Conversion Price resulting from such adjustment or from any further adjustment will be carried forward and only be applied if and to the extent the nominal value of an Ordinary Share will be reduced.

(f) Other Events

If the Issuer determines, at its discretion, that notwithstanding Condition 6(*b*) and Condition 6(*d*) an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in Condition 6(*b*) or circumstances including circumstances listed in Condition 6(*d*) have arisen which have an adverse effect on the right to convert Notes and no adjustment to the Conversion Price under Condition 6(*b*) would otherwise arise or is excluded according to Condition 6(*e*), the Issuer shall engage the advice or services of an Independent Financial Adviser to determine as soon as practicable what adjustment, if any, to the Conversion Price or amendment, if any, to the terms of this Condition 6 is fair and reasonable to take account thereof and the date on which such adjustment should take effect. If several events occur which become effective on the same Trading Day and which would lead to an adjustment of the Conversion Price pursuant to Condition 6(*b*), the decision as to the manner of or calculating the adjustment of the Conversion Price shall be taken by the Independent Financial Adviser. The decision of the Independent Financial Adviser shall be binding on all concerned, save in the case of manifest error. The Fiscal Agent shall have no responsibility to make any inquiries as to whether or not any event has occurred which might require an adjustment to the Conversion Price or amendment, if any, to the terms of Condition 6.

(g) Procedure for exercise of Conversion Rights

The Conversion Right may be exercised by a Noteholder during the Conversion Period by delivering the relevant Note to the specified office of any Paying, Transfer and Conversion Agent, during its usual business hours, accompanied by a duly completed and signed notice of conversion (a "Conversion Notice") in the form (for the time being current) obtainable from any Paying, Transfer and Conversion Agent. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer and Conversion Agent to whom the relevant Conversion Notice is delivered is located. If such delivery is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Note (the "Conversion Date") shall be the Madrid business day immediately following the date of the delivery of the Notes and the Conversion Notice and, if applicable, the making of any payment to be made as provided below.

A Noteholder exercising a Conversion Right must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital duties or stamp duties payable in the United Kingdom, Luxembourg, Belgium or the Kingdom of Spain in respect of the allotment and issue and/or transfer of any Ordinary Shares on such conversion (including any Additional Ordinary Shares), which shall be paid by the Issuer) and such Noteholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Note or interest therein in connection with such conversion.

The Issuer may, in its own discretion, decide to fulfil its obligations, in connection with any Conversion Notice received, by the transfer of existing Ordinary Shares or, if the New Issue Requirements have been met, the allotment and issue of new Ordinary Shares.

For the purposes of these Conditions, "New Issue Requirements" shall comprise the approval by the Issuer's shareholders' meeting of a resolution authorising the Issuer to satisfy the exercise of Conversion Rights by the issue and allotment of new Ordinary Shares and the registration with the relevant Mercantile Registry of such resolution. The Issuer undertakes to give notice promptly to Noteholders (in accordance with Condition 15) of the New Issue Requirements having been met.

Subject as provided in the immediately following paragraph, Conversion Notices will be acted upon by the Issuer on the first day of each calendar month or, if such day is not a Madrid business day, the following Madrid business day, in relation to Conversion Notices in respect of which the Conversion Dates occurred at least 7 (seven) Madrid business days prior to such day. Any Conversion Notice in respect of which the Conversion Date falls after the seventh Madrid business day prior to the first day of a calendar month or if such day is not a Madrid business day, the following Madrid business day, will be acted upon on the first day of the immediately following calendar month or if such day is not a Madrid business day, the following Madrid business day.

Notwithstanding the provisions of the preceding paragraph, (i) in the case of Conversion Notices delivered in respect of which the Conversion Date falls after the seventh Madrid business day prior to the month in which the Final Maturity Date falls or the Optional Redemption Date falls or the last day of the Relevant Person Triggering Event Period falls (as the case may be), the Issuer shall act upon any such Conversion Notice not later than the Madrid business day prior to the Final Maturity Date, Optional Redemption Date or last day of the Relevant Person Triggering Event Period (as the case may be) and (ii) in the case of Conversion Notices in respect of which the Conversion Date falls after the

making of a Net Share Settlement Election by the Issuer and prior to any Revocation Date in respect of such Net Share Settlement Election, the Issuer shall act upon any such Conversion Notice not later than the seventh Madrid business day after the end of the Net Share Settlement Calculation Period.

The date upon which any member of the Board of Directors of the Issuer acts upon the relevant Conversion Notice will be the date upon which the Notes are converted into Ordinary Shares and shall be the date from which the relevant Noteholder shall be entitled to the economic rights of a holder of Ordinary Shares and is referred to herein as the "Share Record Date". On the Share Record Date, subject to the next following sentence, the relevant Noteholder will become entitled to the economic rights of a Shareholder for the purposes of dividend entitlement and otherwise. However, the relevant Noteholder will not be able to transfer newly-issued Ordinary Shares until they have been registered in Iberclear or existing Ordinary Shares until they have been credited to the account of the relevant Noteholder or its nominee with Iberclear. The date that the newly-issued Ordinary Shares are registered in, or existing Ordinary Shares are credited to, Iberclear, is referred to herein as the "Registry Date".

The Issuer shall use its reasonable endeavours to register newly-issued Ordinary Shares and have these Ordinary Shares listed on the Spanish Stock Exchanges or credit existing Ordinary Shares (as applicable) in Iberclear as soon as practicable but in no event later than 15 (fifteen) Trading Days, in the case of new Ordinary Shares, and 5 (five) Trading Days, in the case of existing Ordinary Shares, after the relevant Share Record Date.

The Registry Date for existing Ordinary Shares and for newly-issued Ordinary Shares is generally expected to occur between one and two weeks after the relevant Share Record Date.

On or as soon as reasonably practicable after the Share Record Date with respect to any Notes in respect of which the Conversion Right has been exercised, the Issuer, through the Fiscal Agent, will notify the relevant Noteholder of the Share Record Date and the number of existing Ordinary Shares and/or newly-issued Ordinary Shares (as the case may be) to be transferred and/or issued upon such conversion. On or as soon as reasonably practicable after the Registry Date, the Issuer, through the Fiscal Agent, will notify the relevant Noteholder of the Registry Date and in the event that any newly-issued Ordinary Shares are issued, the Issuer will also notify the relevant Noteholder of the date of listing. In the relevant Conversion Notice the Noteholder is required to designate, *inter alia*, details of the Iberclear account and the name or names in which the newly-issued Ordinary Shares shall be issued and registered (or in the case of existing Ordinary Shares, credited).

Notwithstanding delivery by a Noteholder of a Conversion Notice with respect to any Notes, such Noteholder shall remain a Noteholder for the purposes of these Conditions until the relevant Share Record Date, provided that once Conversion Rights with respect to a Note have been exercised, such Note will not be redeemable, subject to this Condition 6(*g*), on the Final Maturity Date or otherwise.

(h) Ordinary Shares

(i) Ordinary Shares delivered or issued upon conversion of the Notes will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Share Record Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, except that such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Share Record Date or, as the case may be, the relevant date upon which any retroactive adjustment under Condition 6(*d*) becomes effective (the "Reference Date").

(ii) Save as provided in Condition 6(*i*), no payment or adjustment shall be made on conversion for any interest which otherwise would have accrued on the relevant Notes since the last Interest Payment Date preceding the Conversion Date relating to such Notes (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

(i) Interest on Conversion

If any notice requiring the redemption of any Notes is given pursuant to Condition 7(*b*) on or after the fifteenth Madrid business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) in respect of any Distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 (fourteen) days after the Interest Payment Date next following such record date, interest shall accrue at the rate provided in Condition 5 on Notes in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date in respect of such Distribution, in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Closing Date) to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 (fourteen) days after the relevant Conversion Date by transfer to, a euro account with a bank in a city in which banks have access to the TARGET System and in accordance with instructions given by the relevant Noteholder in the relevant Conversion Notice.

(j) Net Share Settlement

The Issuer may make an election from time to time (a "Net Share Settlement Election"), by giving prior notice (a "Net Share Settlement Notice") to the Noteholders in accordance with Condition 15, to satisfy the exercise of Conversion Rights by a Noteholder relating to any Notes held by such Noteholder and in respect of which the Conversion Date falls on or after the Election Date specified in such Net Share Settlement Notice and prior to the Revocation Date specified in any subsequent notice of revocation (a "Notice of Revocation") of such Net Share Settlement Election as provided below by:

(i) paying to the relevant Noteholder the Cash Conversion Amount; and

(ii) delivering to the relevant Noteholder the Net Shares.

The Issuer shall pay the Cash Conversion Amount by not later than 5 TARGET Business Days following the end of the Net Share Settlement Calculation Period by transfer to a euro account with a bank in a city in which banks have access to the TARGET System in accordance with the instructions contained in the relevant Conversion Notice.

The Net Shares shall be delivered as provided in Condition 6(*g*).

"Cash Conversion Amount" means the sum of the Daily Cash Conversion Amounts as determined in respect of each dealing day in the Net Share Settlement Calculation Period.

"Converted Notes" means the aggregate principal amount of the Notes held by a Noteholder and in respect of which the relevant Conversion Rights shall have been exercised.

"Daily Cash Conversion Amount" means, in respect of a Trading Day, the lesser of (i) an amount equal to one-tenth of the Converted Notes and (ii) the Daily Conversion Value in respect of such Trading Day translated into euro at the Prevailing Rate on such Trading Day (rounded, if necessary to five decimal places, with 0.000005 being rounded up).

"Daily Conversion Value" means, in respect of any dealing day, the amount determined in accordance with the following formula:

$$\frac{ROS \, x \, VWAP}{10}$$

where

ROS	*means the Reference Ordinary Shares*
VWAP	*means the Volume Weighted Average Price of an Ordinary Share on such Trading Day*

"Daily Net Shares" means in respect of any Trading Day in respect of which the Daily Conversion Value exceeds one-tenth of the Converted Notes, the number of Ordinary Shares determined in accordance with the following formula (rounded if necessary to five decimal places, with 0.000005 being rounded up):

$$\frac{A}{VWAP}$$

where

A	*means the Daily Conversion Value on such dealing day minus one-tenth of the Converted Notes.*
VWAP	*means the Volume Weighted Average Price of an Ordinary Share on such Trading Day.*

"Election Date" means the date specified as such in a Net Share Settlement Notice and which shall not be earlier than ten nor later than fifteen days after the date such notice is given.

"Net Share Settlement Calculation Period" means the period of 10 consecutive Trading Days commencing on and including the Trading Day immediately following the relevant Conversion Date (or the next dealing day if such Conversion Date is not a Trading Day).

"Net Shares" means the sum of the Daily Net Shares (if any) determined in respect of each Trading Day in the Net Share Settlement Calculation Period, rounded down, if necessary, to the nearest whole number.

"Reference Ordinary Shares" means, in respect of the exercise of Conversion Rights, the number of Ordinary Shares determined by dividing the Converted Notes by the Conversion Price in effect on the relevant Conversion Date, rounded down, if necessary, to the nearest whole number.

"Revocation Date" means the date specified as such in a Notice of Revocation and which shall not be earlier than ten nor later than fifteen days after the date such notice is given.

If there is a Retroactive Adjustment to the Conversion Price following the exercise of Conversion Rights by a Noteholder, in circumstances where a Net Share Settlement Election was made in respect of such exercise of Conversion Rights, the Issuer shall pay to the relevant Noteholder an additional amount (the "Additional Cash Amount") equal to the Market Price of such number of Ordinary Shares equal to that by which the number of Ordinary Shares by reference to which the number of Reference Ordinary Shares would have been increased if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date.

The Issuer will pay the Additional Cash Amount not later than 5 TARGET Business Days following the relevant Reference Date by transfer to a euro account with a bank in a city in which banks have

access to the TARGET System in accordance with instructions contained in the relevant Conversion Notice.

(k) *Purchase or Redemption of Ordinary Shares*

The Issuer may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back its own shares (including Ordinary Shares) or any depositary or other receipts representing the same without the consent of the Noteholders.

(l) *Consolidation, Amalgamation or Merger*

Without prejudice to Condition 7(*e*), in the case of any consolidation, amalgamation or merger of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Issuer, the Issuer will forthwith notify the Noteholders of such event and take such steps as shall be required to ensure that each Note then outstanding will (during the period in which Conversion Rights may be exercised) be converted into the class and amount of shares and other securities property and cash receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Ordinary Shares which would have become liable to be issued or delivered if the Conversion Rights had been exercised immediately prior to such consolidation, amalgamation, merger, sale or transfer. The above provisions of this Condition 6(*l*) will apply, *mutatis mutandis* to any subsequent consolidations, amalgamations, mergers, sales or transfers.

7 Redemption, Purchase and Triggering Event Protections

(a) *Final Redemption*

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Notes will be redeemed at their principal amount on the Final Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with Condition 7(*b*).

(b) *Redemption at the Option of the Issuer*

On giving not less than 30 (thirty) nor more than 90 (ninety) days' notice (an "Optional Redemption Notice") to the Noteholders in accordance with Condition 15, the Issuer may redeem all but not some only of the Notes on the date (the "Optional Redemption Date") specified in the Optional Redemption Notice at the principal amount, together with accrued and unpaid interest to such date (the "Optional Redemption Price"):

(i) at any time on or after 8 August 2012, if the Aggregate Value of a Note in the principal amount of €50,000 on at least 20 (twenty) Trading Days in any period of 30 (thirty) consecutive Trading Days ending not earlier than 15 (fifteen) days prior to the giving of the relevant Optional Redemption Notice, exceeds euro 65,000 on such dealing date; or

(ii) if, at any time prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in nominal amount of the Notes originally issued; or

(iii) at any time within the period of 90 days commencing on the calendar day following the end of the Put Period.

As used above, "Aggregate Value" of a Note in the principal amount of €50,000 on a Trading Day means €50,000 divided by the Conversion Price on such day multiplied by the Closing Price of an Ordinary Share as derived from the Relevant Stock Exchange.

For the purposes of Condition 7(*b*)(i), if on any Trading Day in such 30 (thirty) Trading Day period the Closing Price on such Trading Day shall have been quoted cum-Distribution (or cum-any other entitlement) the Closing Price of an Ordinary Share on such Trading Day shall be deemed to be the amount thereof reduced by an amount equal to the fair value of any such Distribution or entitlement per Ordinary Share as at the date of first public announcement of such Distribution (or entitlement), which amount shall be determined by an Independent Financial Adviser.

(c) Optional Redemption Notices

Any Optional Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date and the Optional Redemption Price, (ii) the Conversion Price, the aggregate nominal amount of the Notes outstanding and the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice and (iii) the last day on which Conversion Rights may be exercised by Noteholders.

(d) Redemption at the option of Noteholders following a Triggering Event

(i) If a Tender Offer Triggering Event shall occur, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date at the Put Price, together with accrued interest to (but excluding) the Put Date.

(ii) If a Relevant Person Triggering Event shall occur, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date at its principal amount, together with accrued interest to (but excluding) the Put Date.

To exercise the right set out in paragraphs (*i*) or (*ii*) above, the holder of the relevant Note must present such Note at the specified office of any Paying, Transfer and Conversion Agent together with a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent (a "Put Exercise Notice") at any time in the period (the "Put Period") of 60 days commencing on the occurrence of the Triggering Event (as defined below) and ending 60 days thereafter, or, if later, 60 days following the date upon which notice as required by Condition 7(*f*) is given to Noteholders by the Issuer. The "Put Date" shall be, the fourteenth calendar day after the expiry of the Put Period.

Payment in respect of any such Note shall be made by transfer to a bank in a city in which banks have access to the TARGET System specified by the relevant Noteholder in the applicable Put Exercise Notice.

In these Conditions:

"CNMV" means Spain's *Comisión Nacional del Mercado de Valores*.

"Determination Date" means the last day of the Tender Offer Period.

"Put Price" means, in respect of a Note, the greater of (i) the principal amount of such Note and (ii) the Tender Offer Value.

"Relevant Person" means Inversión Corporativa IC, S.A. and/or any person or persons controlled by Inversión Corporativa IC, S.A.

A "Relevant Person Triggering Event" shall occur if a Relevant Person and/or any person or persons acting together with a Relevant Person acquires or becomes entitled to control more than 80 per cent. of the Voting Rights of the Issuer.

"Tender Offer" means a tender offer (including a competing tender offer) made in accordance with applicable Spanish laws and regulations following approval from the CNMV.

"Tender Offer Consideration" means the consideration (on a per Ordinary Share basis) receivable by Shareholders in respect of the relevant Tender Offer, provided that:

(a) if the consideration is comprised solely of cash or there is alternative consideration that is comprised solely of cash, the Tender Offer Consideration shall be the amount of such cash;

(b) if the consideration is comprised solely of a consideration other than cash, the Tender Offer Consideration shall be determined by an Independent Financial Adviser as the Fair Market Value of such consideration as at the Determination Date;

(c) if the consideration is comprised partly of cash and partly of a consideration other than cash, the Tender Offer Consideration shall be determined by an Independent Financial Adviser as the aggregate of (x) the relevant cash amount and (y) the Fair Market Value of such non-cash consideration as at the Determination Date;

(d) if there is alternative consideration that the Shareholders may elect to receive, neither of which alternative consideration is comprised solely of cash, the Tender Offer Consideration shall be determined by an Independent Financial Adviser as the consideration having the highest value, based on any cash amount comprised in either or any alternative consideration and the Fair Market Value of the non-cash consideration comprised in either or any alternative consideration as at the Determination Date; and

(e) if the Tender Offer Consideration as determined as provided above is in a currency other than euro, it shall be translated, if necessary, into euro at the Prevailing Rate on the Determination Date.

"Tender Offer Period" means the period during which Shareholders are able to tender Ordinary Shares pursuant to the relevant Tender Offer.

A "Tender Offer Triggering Event" shall occur where a Tender Offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any person or persons acting together with the offeror) to acquire all or any of the issued Ordinary Share capital of the Issuer and where, immediately following completion of the Tender Offer, the offeror has control of the Issuer, where for this purpose "control" means (i) the acquisition or holding or legal or beneficial ownership or control of more than 50 per cent. of the Voting Rights of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer's Board of Directors or other governing body, whether obtained directly or indirectly and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise.

"Tender Offer Value" means an amount in cash in euro per Note calculated by multiplying the quotient of the principal amount of such Note divided by the Conversion Price prevailing on the Determination Date (with the Conversion Price for this purpose being calculated by reference to the formula in Condition 7(*e*) below, save that for the purposes of this formula "RP" shall mean the Conversion Price prevailing on the Determination Date, divided by (1 + CP)), by the Tender

Offer Consideration (with the result rounded, if necessary, to the nearest €0.01, with €0.005 being rounded down).

"Triggering Event" means a Relevant Person Triggering Event or a Tender Offer Triggering Event, as the case may be.

(e) Conversion Price and Protection in relation to a Relevant Person Triggering Event

If a Relevant Person Triggering Event shall occur, the Conversion Price shall be adjusted in accordance with the formula set out below, provided that any adjustment to the Conversion Price pursuant to this Condition 7(*e*) shall apply only to Notes in respect of which Conversion Rights are exercised and the relevant Conversion Date falls within the period (the "Relevant Person Triggering Event Period") commencing on and including the date the Relevant Person Triggering Event occurs and ending on and including the date falling 60 (sixty) days thereafter or, if later, 60 (sixty) days after the date on which notice of the Relevant Person Triggering Event is given to Noteholders:

Conversion Price = RP x (1 + (CP x (1 - c/t))) where:

RP is the Conversion Price prevailing on the relevant Conversion Date, divided by (1 + CP);

CP is 30 per cent. (expressed as a fraction);

c is the number of days from and including the first day when the adjusted Conversion Price is applicable to but excluding the Final Maturity Date, calculated on an Act/Act ICMA basis; and

t is the number of days from and including the Closing Date to but excluding the Final Maturity Date, calculated on an Act/Act ICMA basis.

(f) Notice of Triggering Event

Within 14 (fourteen) calendar days following the occurrence of a Triggering Event, the Issuer shall give notice thereof to the Noteholders in accordance with Condition 15. Such notice shall (in the case of a Relevant Person Triggering Event) contain a statement informing Noteholders of their entitlement to exercise their Conversion Rights as provided in these Conditions, and (in any case) to exercise their rights to require redemption of their Notes pursuant to Condition 7(*d*).

Such notice shall also specify:

(a) all information material to Noteholders concerning the Triggering Event;

(b) the Conversion Price immediately prior to the occurrence of the Triggering Event and (in the case of a Relevant Person Triggering Event) the Conversion Price applicable pursuant to Condition 7(*e*) during the Relevant Person Triggering Event Period on the basis of the Conversion Price in effect on the date the Relevant Person Triggering Event occurs;

(c) the Closing Price of the Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the relevant notice;

(d) the last day of the Put Period and (if applicable) the Relevant Person Triggering Event Period;

(e) the Put Date; and

(f) (in the case of a Tender Offer Triggering Event) the Put Price.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Notes the subject of Put Exercise Notices delivered as aforesaid on the relevant Put Date.

(g) Purchase

Subject to the requirements (if any) of any stock exchange on which the Notes may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise at any price.

(h) Cancellation

All Notes which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Notes purchased by the Issuer or any of its Subsidiaries shall be surrendered to the Fiscal Agent for cancellation and may not be reissued or re-sold.

(i) Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail.

8 Payments

(a) Principal and Premium

Payment of principal and premium in respect of the Notes and accrued interest payable on a redemption of the Notes (other than on an Interest Payment Date) will be made to the persons shown in the Register at the close of business on the Record Date and subject to the surrender (or, in the case of partial payment only, endorsement) of the relevant Notes at the specified office of the Registrar or of any of the Paying, Transfer and Conversion Agents.

(b) Interest and other Amounts

(i) Payments of interest due on an Interest Payment Date will be made to the persons shown in the Register at close of business on the Record Date.

(ii) Payments of all amounts other than as provided in Condition 8(*a*) and (*b*)(i) will be made as provided in these Conditions.

(c) Record Date

"Record Date" means the seventh business day, in the place of the specified office of the Registrar, before the due date for the relevant payment.

(d) Payments

Each payment in respect of the Notes pursuant to Condition 8(*a*) and (*b*)(i) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(e) Payments subject to fiscal laws

Without prejudice to the application of the provisions of Condition 9, all payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(f) Delay in payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due (i) as a result of the due date not being a business day or (ii) if the

Noteholder is late in surrendering the relevant Note (where such surrender is required pursuant to these Conditions as a precondition to any payment).

(g) *Business Days*

In this Condition, "business day" means a day (other than a Saturday or Sunday) which is a TARGET Business Day and in the case of presentation or surrender of a Note on which commercial bank and foreign exchange markets are open for business in the place of the specified office of the Registrar or relevant Paying, Transfer and Conversion Agent, to whom the relevant Note is presented or surrendered.

(h) *Paying, Transfer and Conversion Agents, etc.*

The initial Paying, Transfer and Conversion Agents and Registrar and their initial specified offices are listed below. The Issuer reserves the right under the Fiscal Agency Agreement at any time to vary or terminate the appointment of any Paying, Transfer and Conversion Agent or the Registrar and appoint additional or other Fiscal Agents, provided that it will (i) maintain a Fiscal Agent, (ii) maintain Paying, Transfer and Conversion Agents having specified offices in at least two major European cities, (iii) maintain a Paying, Transfer and Conversion Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive and (iv) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying, Transfer and Conversion Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Noteholders in accordance with Condition 15. In addition, at any time when a determination is required to be made by an Independent Financial Adviser, the Issuer shall promptly appoint and maintain such an Independent Financial Adviser.

(i) *Fractions*

When making payments to Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

9 Taxation

All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by applicable laws or regulations. If any such withholding or deduction is so required, the relevant payment shall be made subject to and after any such withholding or deduction and no additional amounts shall be payable by the Issuer in respect of any such withholding or deduction.

10 Events of Default

If any of the following events (each an "Event of Default") shall have occurred and is continuing:

(a) default is made in the payment on the due date of principal, premium or interest or any other amount in respect of any of the Notes and such failure continues for a period of 5 (five) days in the case of principal or premium and 7 (seven) days in the case of interest; or

(b) the Issuer does not perform or comply with any one or more of its other obligations in respect of the Notes, which default is incapable of remedy or, is not remedied within 30 (thirty) days after written

notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or

(c)

(i) any other present or future indebtedness for or in respect of moneys borrowed or raised of the Issuer or any Material Subsidiary becomes, or is declared, due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Material Subsidiary; or

(ii) any such indebtedness for or in respect of moneys borrowed or raised is not paid when due or, as the case may be, within any applicable grace period; or

(iii) the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness for or in respect of moneys borrowed or raised,

provided that the aggregate amount of the indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds euro 30,000,000 or its equivalent; or

(d) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any Material Subsidiary and is not discharged or stayed within 30 (thirty) days provided that the aggregate amount of property, assets and/or revenues involved in any such distress, attachment, execution or legal process equals or exceeds euro 30,000,000 or its equivalent; or

(e) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary in respect of an obligation the principal amount of which equals or exceeds euro 30,000,000 or its equivalent is enforced (including by the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or

(f) the Issuer or any Material Subsidiary is insolvent or bankrupt (*concurso*) or unable to pay its debts, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of the debts of the Issuer or any Material Subsidiary; or

(g) an order is made or an effective resolution passed for the winding-up (*liquidación*) or dissolution (*disolución*) of any Material Subsidiary, or the Issuer or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a resolution of the Syndicate of Noteholders; or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary; or

(h) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Notes admissible in evidence is not taken, fulfilled or done; or

(i) any event occurs which under the laws of any relevant jurisdiction has a similar effect to any of the events referred to in any of the foregoing paragraphs; or

(j) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

then, any Note may, by notice in writing given to the Fiscal Agent at its specified office by (i) the Commissioner acting upon a resolution of the Syndicate of Noteholders, in respect of all Notes, or (ii) unless there has been a resolution to the contrary by the Syndicate of Noteholders, any Noteholder in respect of such Note, be declared immediately due and payable whereupon it shall become immediately due and payable at their principal amount, together with accrued interest, without further formality.

11 Undertakings

Whilst any Conversion Right remains exercisable, the Issuer will, save with the approval of a resolution of the Syndicate of Noteholders:

(a) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:

(i) by the issue of fully paid Ordinary Shares to Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Ordinary Shares or other shares or securities on a capitalisation of profits or reserves; or

(ii) by the issue of Ordinary Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend; or

(iii) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or

(iv) by the issue of Ordinary Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Distribution or otherwise gives rise (or would, but for the provisions of Condition 6(*c*) relating to roundings or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price;

(b) not in any way modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 11(b) shall prevent:

(i) any consolidation, reclassification or subdivision of the Ordinary Shares; or

(ii) any issue of Ordinary Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an

employee, director or executive share or option scheme whether for all employees, directors, or executives or any or more of them; or

(iii) any modification of such rights which is not, in the opinion of an Independent Financial Adviser (acting as an expert), materially prejudicial to the interests of the holders of the Notes; or

(iv) any issue of equity share capital where the issue of such equity share capital results, or would, but for the fact that the consideration per Ordinary Share receivable therefore is at least 95 per cent. of the Current Market Price per Ordinary Share, otherwise result, in an adjustment to the Conversion Price; or

(v) any issue of equity share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Issuer shall have instructed an Independent Financial Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Independent Financial Adviser shall have determined either that no adjustment is required or that an adjustment resulting in an increase in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly);

(c) procure that no Securities (whether issued by the Issuer or any Subsidiary of the Issuer or procured by the Issuer or any Subsidiary of the Issuer to be issued or issued by any other person pursuant to any arrangement with the Issuer or any Subsidiary of the Issuer) issued without rights to convert into, or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last Trading Day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise to an adjustment to the Conversion Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;

(d) not make any issue, grant or distribution or any other action taken if the effect thereof would be that, on the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;

(e) not reduce its issued share capital, share premium (*prima de emisión de acciones*) account or capital redemption reserve (*reserva por capital amortizado*) or any uncalled liability in respect thereof, or any non-distributable reserves, except:

(i) pursuant to the terms of issue of the relevant share capital; or

(ii) a reduction of share premium (prima de emisión de acciones) account or capital redemption reserve to facilitate the writing off of goodwill arising on consolidation which does not involve the return, either directly or indirectly, of an amount standing to the credit of the share premium (prima de emisión acciones) account or capital redemption reserve (reserva por capital amortizado) of the Issuer and in respect of which the Issuer shall have tendered to the court of competent jurisdiction such undertaking as it may require (if any) limiting, so long as any of the Notes remains outstanding, the extent of any distribution (except by way of capitalisation issue) of any reserve which arise in the books of the Issuer as a result of such reduction; or

(iii) as permitted under applicable law and whether by way of transfer to reserves or otherwise, as long as no Distribution is made to Shareholders; or

(iv) where the reduction is permitted by applicable law and either it results in an adjustment to the Conversion Price or the Independent Financial Adviser (acting as expert) advises that the interests of the Noteholders will not be materially prejudiced,

provided that, without prejudice to the other provisions of these Conditions, the Issuer may exercise such rights as they may from time to time enjoy pursuant to applicable law to purchase its Ordinary Shares and any depositary or other receipts or certificates representing Ordinary Shares without the consent of Noteholders;

(f) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate (or affiliate) of the offeror) to acquire the whole or any part of the issued Ordinary Shares, or if any person proposes a scheme with regard to such acquisition, give notice of such offer or scheme to the Noteholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying, Transfer and Conversion Agents and, where such an offer or scheme has been recommended by the board of directors of the Issuer, or where such an offer has become or been declared unconditional in all respects, use all reasonable endeavours to procure that a like offer is extended to the holders of any Ordinary Shares issued during the period of the offer arising out of the exercise of the Conversion Rights by the Noteholders;

(g) use its reasonable endeavours to ensure that (i) its issued and outstanding Ordinary Shares shall be admitted to listing and to trading on the Relevant Stock Exchange, (ii) the Ordinary Shares issued upon exercise of Conversion Rights will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in and comply with such requirements and conditions as may be imposed by the managing companies of the Spanish Stock Exchanges (*Sociedades Rectoras de las Bolsas*) or the CNMV for the official admission to listing of shares and (ii) the Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Euro MTF Market and that such admissions are maintained for so long as any Notes remain outstanding, unless to do so proves unduly onerous, in which case, it shall use its reasonable endeavours to maintain a listing and admission to trading for the Notes on such other international stock exchange as it may reasonably decide;

(h) issue and allot or, as the case may be, transfer and deliver Ordinary Shares on exercise of Conversion Rights and at all times following the date on which the New Issue Requirements have been met keep available for issue free from pre-emptive rights out of its authorised but unissued capital sufficient authorised but unissued Ordinary Shares to enable the exercise of a Conversion Right, and all rights of subscription and conversion for Ordinary Shares, to be satisfied in full;

(i) appoint an Independent Financial Adviser to carry out any action requested of them under the Notes; and

(j) not take any action (nor refrain from taking any action) that would cause the Issuer to be subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax other than or in addition to the Kingdom of Spain if, at such time and under current laws and regulations, the Issuer would be required generally to make any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such territory or any political subdivision thereof or therein having power to tax in respect of payments of interest on the Notes and where any such withholding or deduction

exceeds any such withholding or deduction imposed or levied by or on behalf of the Kingdom of Spain.

12 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 (ten) years (in the case of principal or premium) or 5 (five) years (in the case of interest) from the appropriate Relevant Date in respect of such payment and thereafter any principal, premium interest or other sums payable in respect of such Notes shall be forfeited and revert to the Issuer.

13 Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying, Transfer and Conversion Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

14 Syndicate of Noteholders, Modification and Waiver

(a) Syndicate of Noteholders

Noteholders shall meet in accordance with certain regulations governing the Syndicate of Noteholders (the ''Regulations''). The Regulations contain the rules governing the Syndicate of Noteholders and the rules governing its relationship with the Issuer and are attached to the Public Deed (as defined in the introduction to these Conditions) and are included in the Fiscal Agency Agreement.

Deutsche Bank, S.A.E. will be appointed as a temporary Commissioner for the Noteholders. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have agreed to: (i) the appointment of the temporary Commissioner; (ii) grant the temporary Commissioner full power and authority to take any action and/or to execute and deliver any document or notices necessary to implement the New Issue Requirements; and (iii) become a member of the Syndicate of Noteholders. Upon the subscription of the Notes, the temporary Commissioner will call a general meeting of the Syndicate of Noteholders to ratify or reject the acts of the temporary Commissioner, confirm its appointment or appoint a substitute Commissioner for it and to ratify the Regulations. Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have granted to the Fiscal Agent full power and authority to take any action and/or to execute and deliver any document or notices for the purposes of attending the first meeting of the Syndicate of Noteholders called to confirm the appointment of the temporary Commissioner, approve its actions and ratify the Regulations contained in the Fiscal Agency Agreement, and vote in favour of each of those resolutions.

Provisions for meetings of the Syndicate of Noteholders are contained in the Regulations and in the Fiscal Agency Agreement. Such provisions shall have effect as if incorporated herein.

The Issuer may, with the consent of the Fiscal Agent and the Commissioner, but without the consent of the holders of the Notes amend these Conditions insofar as they may apply to the Notes to correct a manifest error or which amendments are of a formal minor or technical nature or to comply with mandatory provisions of law. Subject as aforesaid, no other modification may be made to or waiver of any breach or proposed breach of, these Conditions except with the sanction of a resolution of the Syndicate of Noteholders.

For the purposes of these Conditions,

(i) "Commissioner" means the *comisario* as this term is defined under the Spanish Corporations Law (*Ley de Sociedades Anónimas*) of the Syndicate of Noteholders; and

(ii) "Syndicate of Noteholders" means the *sindicato* as this term is described under the Spanish Corporations law (*Ley de Sociedades Anónimas*).

In accordance with Spanish law, a general meeting of the Syndicate of Noteholders shall be validly constituted upon first being convened provided that Noteholders holding or representing two-thirds of the Notes outstanding attend. If the necessary quorum is not achieved at the first meeting, a second general meeting may be convened one month after the first general meeting and shall be validly constituted regardless of the number of Noteholders who attend. A resolution shall be passed by holders holding an absolute majority in nominal amount of Notes at any properly constituted assembly.

(b) Modification of Fiscal Agency Agreement

The Issuer shall only permit any modification, waiver or authorisation of any breach or proposed breach or any failure to comply with the Fiscal Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) Notification to the Noteholders

Any modification, waiver or authorisation in accordance with this Condition 14 shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15.

15 Notices

All notices regarding the Notes will be valid if sent to the address of the relevant Noteholder as specified in the Register. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such notice. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Fiscal Agent may approve.

Notwithstanding the above, while all the Notes are represented by the Global Certificate and the Global Certificate is deposited with a common depositary for Euroclear Bank SA/NV ("Euroclear") and/or Clearstream, Luxembourg, *société anonyme* ("Clearstream, Luxembourg"), notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg and such notices shall be deemed to have been given to Noteholders on the seventh day after the day of delivery to Euroclear and/or Clearstream, Luxembourg; provided that for so long as any of the Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, a notice will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, alternatively on the website of the Luxembourg Stock Exchange (www.bourse.lu).

16 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Notes) or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes,

bonds or debentures of any series (including the Notes) or upon such terms as to interest, conversion, premium, redemption and otherwise as the Issuer may determine at the time of their issue.

17 Waiver of Statutory Pre-Emption Rights

Without prejudice to Condition 6(b), Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have:

(a) waived any pre-emption rights (*derecho de suscripción preferente/asignación gratuita*) in relation to Ordinary Shares or further issues by the Issuer of securities convertible into or exercisable or exchangeable for, Ordinary Shares which may arise from Spanish statutory provisions; and

(b) granted the Commissioner full power and authority to take any action and/or to sign or execute and deliver any documents or notices that may be necessary or desirable for the Noteholders to comply with, and to give effect to, the waiver of pre-emption rights (*derecho de suscripción preferente/asignación gratuita*) pursuant to Condition 17*(a)* above.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19 Governing Law and Jurisdiction

(a) Governing Law

The Fiscal Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The provisions of Condition 14 relating to the appointment of the Commissioner and the Syndicate of Noteholders are governed by, and shall be construed in accordance with, Spanish law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer has appointed Befesa Salt Slags Limited at its registered office for the time being, currently at Fenns Bank, Whitchurch, Shropshire, SY13 3PA as its agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

REGULATIONS OF THE SYNDICATE OF NOTEHOLDERS

The following are the Regulations of the Syndicate of Noteholders referred to in the terms and conditions of the Notes which will be incorporated by reference into the Global Certificate and endorsed on the Notes in definitive form. The use of the word "conversion" (and related terms) in the following shall be construed as encompassing the exchange of Notes for existing Ordinary Shares and, when the New Issue Requirements have been met, the exchange of Notes for new Ordinary Shares. The Spanish version of the Regulations of the Syndicate of Noteholders is the legally binding version. The English translation provided below is for information purposes only.

ESTATUTOS

TÍTULO I

CONSTITUCIÓN, DENOMINACIÓN, OBJETO, DOMICILIO Y DURACIÓN DEL SINDICATO DE BONISTAS.

ARTÍCULO 1º.– CONSTITUCIÓN

Con sujeción a lo dispuesto en la Sección Cuarta del Capítulo X del Real Decreto Legislativo 1564/1989, de 22 de diciembre, por el que se aprueba el Texto Refundido de la Ley de Sociedades Anónimas, quedará constituido, una vez inscrita en el Registro Mercantil la escritura pública relativa a la emisión, un sindicato de los titulares de los Bonos (los "Bonistas") que integran la "**EMISIÓN DE BONOS CANJEABLES DE ABENGOA, S. A., 2009**".

Este Sindicato se regirá por el presente reglamento y por el Texto Refundido de la Ley de Sociedades Anónimas y demás disposiciones legales vigentes.

ARTÍCULO 2º.- DENOMINACIÓN

El Sindicato se denominará "**SINDICATO DE BONISTAS DE LA EMISIÓN DE BONOS CANJEABLES DE ABENGOA, S.A., 2009**".

ARTÍCULO 3º.- OBJETO

El Sindicato tendrá por objeto la representación y defensa de los legítimos intereses de los Bonistas frente a la Sociedad Emisora, mediante el ejercicio de los derechos que le reconocen las Leyes por las que se rigen y el presente reglamento, para ejercerlos y conservarlos de forma colectiva, y bajo la representación que se determina en las presentes normas.

REGULATIONS

TITLE I

INCORPORATION, NAME, PURPOSE, ADDRESS AND DURATION FOR THE SYNDICATE OF NOTEHOLDERS.

ARTICLE 1º.- INCORPORATION

*In accordance with the provisions of Section Four of Chapter X of the Spanish Royal Decree 1564/1989, of 22 December 1989, approving the Spanish Companies Act, there shall be incorporated, once the Public Deed of the Issue has been filed with the Commercial Registry, a Syndicate of the owners of the Notes (hereinafter, the "Noteholders") which compose the "**ISSUE OF CONVERTIBLE NOTES OF ABENGOA, S. A., 2009**"*

This Syndicate shall be governed by these Regulations and by the Spanish Companies Act and other applicable legislation.

ARTICLE 2°.- NAME

*The Syndicate shall be named "**SYNDICATE OF NOTEHOLDERS OF THE ISSUE OF CONVERTIBLE NOTES OF ABENGOA, S. A., 2009**".*

ARTICLE 3°.- PURPOSE

This Syndicate is formed for the purpose of representing and protecting the lawful interest of the Noteholders before the Issuer, by means of the exercise of the rights granted by the applicable laws and the present Regulations, to exercise and preserve them in a collective way and under the representation determined by these regulations.

ARTÍCULO 4º.- DOMICILIO

El domicilio del Sindicato se fija en Avenida de la Buhaira, nº 2, Sevilla.

La Asamblea General de Bonistas podrá, sin embargo, reunirse, cuando se considere oportuno, en otro lugar de la ciudad de Sevilla, expresándose así en la convocatoria.

ARTICLE 4°.- ADDRESS

The address of the Syndicate shall be located at Avenida de la Buhaira, nº 2, Sevilla.

However, the Noteholders General Meeting is also authorised to hold a meeting, when considered convenient, in any other place in Sevilla, that is specified in the notice convening the meeting.

ARTÍCULO 5º.- DURACIÓN

El Sindicato estará en vigor hasta que los Bonistas se hayan reintegrado de cuantos derechos por principal, intereses o cualquier otro concepto les corresponda, o se hubiese procedido al canje de la totalidad de los Bonos de acuerdo con los términos y condiciones de emisión de los Bonos.

ARTICLE 5°.- DURATION

This Syndicate shall be in force until the Noteholders have been reimbursed for any rights they may hold for the principal, interest or any other concept, or until all of the Notes have been converted into shares as set forth in the terms and conditions of issue of the Notes.

TÍTULO II

RÉGIMEN DEL SINDICATO

TITLE II

SYNDICATE'S REGIME

ARTÍCULO 6º.- ÓRGANOS DEL SINDICATO

ARTICLE 6°.- SYNDICATE MANAGEMENT BODIES

El gobierno del Sindicato corresponderá:

The Management bodies of the Syndicate are:

a) A la Asamblea General de Bonistas (la "Asamblea General").

a) The General Meeting of Noteholders (the "General Meeting").

b) Al Comisario de la Asamblea General de Bonistas (el "Comisario").

b) The Commissioner of the General Meeting of Noteholders (the "Commissioner").

ARTÍCULO 7º.- NATURALEZA JURÍDICA

La Asamblea General, debidamente convocada y constituida, es el órgano de expresión de la voluntad de los Bonistas, con sujeción al presente reglamento, y sus acuerdos vinculan a todos los Bonistas en la forma establecida por las Leyes.

ARTICLE 7°.- LEGAL NATURE

The General Meeting, duly called and constituted, is the body of expression of the Noteholders' will, subject to the provisions of these Regulations, and its resolutions are binding for all the Noteholders in the way established by the Law.

ARTÍCULO 8º.- LEGITIMACIÓN PARA CONVOCATORIA

La Asamblea General será convocada por el Consejo de Administración de la Sociedad Emisora o por el Comisario, siempre que cualquiera de ellos lo estime conveniente.

No obstante, el Comisario deberá convocarla cuando lo soliciten por escrito, y expresando el objeto de la convocatoria, los Bonistas que representen, por lo menos, la vigésima parte del importe total de la Emisión que no esté amortizado. En este caso, la Asamblea General deberá convocarse para ser celebrada

ARTICLE 8°. - CONVENING MEETINGS

The General Meeting shall be convened by the Board of Directors of the Issuer or by the Commissioner, whenever they may deem it convenient.

Nevertheless, the Commissioner shall convene a General Meeting when Noteholders holding at least the twentieth of the non-amortised entire amount of the Issue, request it by writing. In such case, the General Meeting shall be held in the following thirty days of receipt of the written notice by the Commissioner.

dentro de los treinta días siguientes a aquél en que el Comisario hubiere recibido la solicitud.

ARTÍCULO 9º.- FORMA DE CONVOCATORIA

La convocatoria de la Asamblea General se hará mediante anuncio que se publicará, por lo menos quince días antes de la fecha fijada para su celebración, en el "Boletín Oficial del Registro Mercantil" y, si se estima conveniente, en uno o más periódicos de difusión nacional o internacional.

Cuando la Asamblea General sea convocada para tratar o resolver asuntos relativos a la modificación de los términos y condiciones de emisión de los Bonos y otros de trascendencia análoga, a juicio del Comisario, el anuncio se publicará, por lo menos, un mes antes de la fecha fijada para su celebración, en el "Boletín Oficial del Registro Mercantil" y en uno de los diarios de mayor difusión nacional o internacional. En todo caso, se expresará en el anuncio el lugar y la fecha de reunión, los asuntos que hayan de tratarse y la forma de acreditar la titularidad de los Bonos para tener derecho de asistencia a la Asamblea General.

ARTÍCULO 10º.- DERECHO DE ASISTENCIA

Tendrán derecho de asistencia a la Asamblea General los Bonistas que lo sean, con cinco días de antelación, por lo menos, a aquél en que haya de celebrarse la reunión.

Los Consejeros de la Sociedad Emisora tendrán derecho de asistencia a la Asamblea General aunque no hubieren sido convocados.

ARTÍCULO 11º.- DERECHO DE REPRESENTACIÓN

Todo Bonista que tenga derecho de asistencia a la Asamblea General podrá hacerse representar por medio de otra persona. La representación deberá conferirse por escrito y con carácter especial para cada Asamblea General.

ARTÍCULO 12º.- QUÓRUM DE

notice by the Commissioner.

ARTICLE 9°.- PROCEDURE FOR CONVENING MEETINGS

The General Meeting shall be convened by notice published, at least fifteen days before the date set for the meeting, in the Official Gazette of the Commercial Registry and, if considered convenient, in one of the national or international major circulation newspapers.

When the General Meeting is convened to consider or resolve matters relating to the amendment of the terms and conditions of issue of the Notes or any others matters considered to be of similar relevance by the Commissioner, the notice shall be published, at least, one month before the date set for the meeting, in the Official Gazette of the Commercial Registry and in one of the national or international major circulation newspapers. In any case, the notice shall state the place and the date for the meeting, the agenda for the meeting and the way in which the ownership of the Notes shall be proved in order to have the right to attend the meeting.

ARTICLE 10°.- RIGHT TO ATTEND MEETINGS

Noteholders who have been so at least five days prior to the date on which the meeting is scheduled, shall have the right to attend the meeting.

The members of the Board of Directors of the Issuer shall have the right to attend the meeting even if they have not been requested to attend.

ARTICLE 11°.- RIGHT TO BE REPRESENTED

All Noteholders having the right to attend the meetings also have the right to be represented by another person. Appointment of a proxy must be in writing and only for each particular meeting.

ARTICLE 12°.- QUORUM FOR MEETINGS

ASISTENCIA Y ADOPCIÓN DE ACUERDOS

La Asamblea General podrá adoptar acuerdos siempre que los asistentes representen a las dos terceras partes del importe total de los Bonos en circulación de la Emisión, debiendo adoptarse estos acuerdos por mayoría absoluta de los asistentes.

Si no se lograse ese quórum, podrá ser nuevamente convocada la Asamblea General, de acuerdo con lo establecido en el artículo 301 del Texto Refundido de la Ley de Sociedades Anónimas, al menos un mes después de la primera reunión, quedando en este caso válidamente constituida con independencia del número de Bonistas que asistan y adoptándose los acuerdos por mayoría absoluta de los asistentes. No obstante, la Asamblea General se entenderá convocada y quedará válidamente constituida para tratar de cualquier asunto de la competencia del Sindicato, siempre que estén presentes los Bonistas representantes de todos los Bonos en circulación y los asistentes acepten por unanimidad la celebración de la Asamblea General.

AND TO PASS RESOLUTIONS

The General Meeting shall be entitled to pass resolutions if Noteholders representing at least two thirds of the entire amount of the Notes in issue are present, and these resolutions shall be approved by an absolute majority of the Noteholders present at the meeting

If such quorum is not present, the General Meeting may be reconvened in accordance with article 301 of the Spanish Companies Act, at least a month after the original meeting, and will be validly constituted regardless of the number of Noteholders present and the resolutions may be passed by an absolute majority of the Noteholders present. Nevertheless, the General Meeting shall be deemed validly constituted to transact any business within the remit of the Syndicate if Noteholders representing the entire Notes in issue are present and provided that the Noteholders present unanimously approve the holding of such meeting.

ARTÍCULO 13º.- DERECHO DE VOTO

En las reuniones de la Asamblea General cada Bono, presente o representado, conferirá derecho a un voto.

ARTICLE 13°.- VOTING RIGHTS

In the meetings of the General Meeting, each Note, present or represented, shall have the right to one vote.

ARTÍCULO 14º.- PRESIDENCIA DE LA ASAMBLEA

La Asamblea General estará presidida por el Comisario, quien dirigirá los debates, dará por terminadas las discusiones cuando lo estime conveniente y dispondrá que los asuntos sean sometidos a votación.

ARTICLE 14º.- PRESIDENT OF THE GENERAL MEETING

The Commissioner shall be the president of the General Meeting and shall chair the discussions and shall have the right to bring the discussions to an end when he considered it convenient and shall arrange for matters to be put to the vote.

ARTÍCULO 15º.- LISTA DE ASISTENCIA

El Comisario formará, antes de entrar a discutir el orden del día, la lista de los asistentes, expresando el carácter y representación de cada uno y el número de Bonos propios o ajenos con que concurren.

ARTICLE 15°.- ATTENDANCE LIST

Before discussing the agenda for the meeting, the Commissioner shall form the attendance list, stating the nature and representation of each of the Noteholders present and the number of Notes at the meeting, both directly owned and/or represented.

ARTÍCULO 16º.- FACULTADES DE LA

ARTICLE 16°.- POWER OF THE GENERAL

ASAMBLEA

La Asamblea General podrá acordar lo necesario para la mejor defensa de los legítimos intereses de los mismos frente a la Sociedad Emisora; modificar, de acuerdo con la misma, las condiciones establecidas para la emisión de Bonos; destituir o nombrar Comisario; ejercer, cuando proceda, las acciones judiciales correspondientes y aprobar los gastos ocasionados por la defensa de los intereses de los Bonistas.

MEETING

The General Meeting may pass resolutions necessary for the best protection of Noteholders' lawful interest before the Issuer; to modify, in accordance with it, the terms and conditions of the issue of the Notes; dismiss or appoint the Commissioner; to exercise, when appropriate, the corresponding legal claims and to approve the expenses caused by the defence of the Noteholder's interest.

ARTÍCULO 17º.- IMPUGNACIÓN DE LOS ACUERDOS

Los acuerdos de la Asamblea General podrán ser impugnados por los Bonistas conforme a lo dispuesto en la Sección 2ª del Capítulo V del Texto Refundido de la Ley de Sociedades Anónimas.

ARTICLE 17°.- CHALLENGE OF RESOLUTIONS

The resolutions of the General Meeting may be challenged by the Noteholders in accordance with Section 2° of Chapter V of the Spanish Companies Act.

ARTÍCULO 18º.- ACTAS

El acta de la sesión podrá ser aprobada por la propia Asamblea General, acto seguido de haberse celebrado ésta, o, en su defecto, y dentro del plazo de quince días, por el Comisario y dos Bonistas designados al efecto por la Asamblea General.

ARTICLE 18°.- MINUTES

The minutes of the meeting may be approved by the General Meeting, after the meeting has been held, or, if not, and within a fifteen days term, by the Commissioner and two Noteholders appointed for such purpose by the General Meeting.

ARTÍCULO 19º.- CERTIFICACIONES

Las certificaciones de las actas serán expedidas por el Comisario o su sustituto.

ARTICLE 19°.- CERTIFICATES

The certificates shall be issued by the Commissioner or its substitute.

ARTÍCULO 20º.- EJERCICIO INDIVIDUAL DE ACCIONES

Los Bonistas sólo podrán ejercitar individualmente las acciones judiciales o extrajudiciales que corresponda cuando no contradigan los acuerdos adoptados previamente por el Sindicato, dentro de su competencia, y sean compatibles con las facultades que al mismo se hubiesen conferido.

ARTICLE 20°.- INDIVIDUAL EXERCISE OF ACTIONS

The Noteholders will only be entitled to individually exercise judicial or extra judicial claims in case such claims do not contradict the resolutions previously adopted by the Syndicate, within its powers, and are compatible with the faculties conferred upon the Syndicate.

TITULO III
DEL COMISARIO

TITLE III
THE COMMISSIONER

ARTÍCULO 21º.- NATURALEZA JURÍDICA DEL COMISARIO

Incumbe al Comisario ostentar la representación legal del Sindicato y actuar de órgano de relación entre éste y la Sociedad

ARTICLE 21°.- NATURE OF THE COMMISSIONER

The Commissioner shall bear the legal representation of the Syndicate and shall be the body for liaison between the Syndicate and the

Emisora.

Issuer.

ARTÍCULO 22º.- NOMBRAMIENTO Y DURACIÓN DEL CARGO

ARTICLE 22°.- APPOINTMENT AND DURATION OF THE OFFICE

Sin perjuicio del nombramiento del Comisario, que deberá ser ratificado por la Asamblea General, esta última tendrá facultad para nombrarlo y ejercerá su cargo en tanto no sea destituido por la Asamblea General.

Notwithstanding the appointment of the Commissioner, which will require the ratification of the General Meeting, this latter shall have the faculty to appoint him and he shall exercise his office while he is not dismissed by the General Meeting.

ARTÍCULO 23º.- FACULTADES

ARTICLE 23°.- FACULTIES

Serán facultades del Comisario:

1º Tutelar los intereses comunes de los Bonistas.

2º Convocar y presidir las Asambleas Generales.

3º Informar a la Sociedad Emisora de los acuerdos del Sindicato.

4º Vigilar el pago de los intereses y del principal.

5º Ejecutar los acuerdos de la Asamblea General.

6º Ejercitar las acciones que correspondan al Sindicato.

7º En general, las que le confiere la Ley y el presente reglamento.

The Commissioner shall have the following faculties:

1º To protect the common interest of the Noteholders.

2º To call and act as president of the General Meeting.

3º To inform the Issuer of the resolutions passed by the Syndicate.

4º To control the payment of the principal and the interest.

5º To execute the resolutions of the General Meeting.

6º To exercise the actions corresponding to the Syndicate.

7º In general, the ones granted to him in the Law and the present Regulations.

TITULO IV
DISPOSICIONES ESPECIALES

TITLE IV
SPECIAL DISPOSITIONS

ARTÍCULO 24º.- SUMISIÓN A FUERO

ARTICLE 24°.- JURISDICTION

Para cuantas cuestiones se deriven de este reglamento, los Bonistas, por el solo hecho de serlo, se someten, con renuncia expresa de su propio fuero, a Derecho Español y a la jurisdicción de los Juzgados y Tribunales de Madrid.

For any dispute arising from these Regulations, the Noteholders, by the own fact of being so, shall submit to Spanish law and to the jurisdiction of the courts and tribunals of the city of Madrid, with express waiver of their own forum.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Notes while they are in global form, some of which will modify the effect of the terms and conditions of the Notes. The following is a summary of certain of those provisions.

1 Exchange

The Global Certificate is exchangeable in whole but not in part (free of charge to the holder) for definitive registered Notes if the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (the "Alternative Clearing System") and any such clearing system: (i) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or (ii) announces an intention permanently to cease business or does in fact do so by such holder giving notice to the Fiscal Agent of its intention to exchange the Global Certificate for definitive registered Notes on or after the Exchange Date specified in the notice.

On or after the Exchange Date the holder of the Global Certificate may surrender the Global Certificate to or to the order of the Registrar (as defined herein). In exchange for the Global Certificate, the Issuer shall deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated definitive registered Notes.

"Exchange Date" means a day falling not less than 60 days after the date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located and in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System are located.

Except as otherwise described in the Global Certificate, the Global Certificate is subject to the Terms and Conditions of the Notes (the "Conditions") and the Fiscal Agency Agreement and, until it is exchanged for definitive registered Notes, its holder shall be entitled to the same benefits as if it were the holder of the definitive registered Notes for which it may be exchanged and as if such definitive registered Notes had been issued on the date of the Global Certificate.

2 Notices

So long as the Global Certificate is held by or on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System, notices required to be given to Noteholders may be given by their being delivered to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, rather than by publication as required by the Conditions, in which case such notices shall be deemed to have been given to Noteholders on the date of delivery to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System. All such notices shall, for so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and/or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

3 Prescription

Claims in respect of principal, interest and other amounts payable in respect of the Global Certificate will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest or any other amounts) from the appropriate Relevant Date.

4 Meetings

The holder of the Global Certificate shall be treated as one person for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €50,000 nominal amount of Notes for which the Global Certificate may be exchanged. Any accountholder (or the representative of any such person) of a clearing system with an interest in the Notes ("accountholders") represented by this Global Certificate, on confirmation of entitlement and proof of identity, may attend and speak (but not vote) at any meeting of Noteholders.

5 Purchase and Cancellation

Cancellation of any Note represented by the Global Certificate which is required by the Conditions to be cancelled will be effected by reduction in the nominal amount of the Global Certificate on its presentation to or to the order of the Fiscal Agent for notation in Schedule B of the Global Certificate.

6 Conversion

For so long as the Global Certificate is held on behalf of any one or more of Euroclear, Clearstream, Luxembourg or the Alternative Clearing System, Conversion Rights (as defined in the Conditions) may be exercised as against the Issuer at any time during the Conversion Period by the presentation to or to the order of the Fiscal Agent of the Global Certificate for appropriate notation, together with one or more Conversion Notices in accordance with the standard procedures for Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System (which may include notice being given on such accountholder's instructions by Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System or any common depositary for them to the Fiscal Agent by electronic means) and in a form acceptable to Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System.

7 Redemption at the Option of Noteholders

The option of the Noteholders provided for in Condition 7(d)(i) and (ii) may be exercised by the holder of the Global Certificate giving notice to the Fiscal Agent within the time limits set out in Condition 7(d), in accordance with the standard procedures for Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System (which may include notice being given on such accountholder's instructions by Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System or any common depositary for them to the Fiscal Agent by electronic means) and in a form acceptable to Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System, stating the nominal amount of the Notes in respect of which the option is exercised and at the same time presenting the Global Certificate to the Fiscal Agent for annotation accordingly in Schedule B of the Global Certificate.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are estimated at €196 million. The proceeds will be used to fund the Issuer's organic growth, strengthen its balance sheet and diversify its funding sources.

DESCRIPTION OF THE ISSUER

General Information

Abengoa, S.A. (the "Issuer" and "Abengoa") was incorporated in Seville on 4 January 1941 as a limited liability company and was subsequently transformed into a corporation (sociedad anónima) for an indefinite period on 20 March 1952. It is currently registered in the Mercantile Register of Seville in volume 573, folio 69, sheet SE-1507.

The Issuer's current registered office is located at Avenida de la Buhaira 2, 41018 Seville, Spain, with telephone number +34 95 493 7000.

The Issuer (together with its consolidated subsidiaries, the "Group") is an industrial and technology company which provides innovative solutions for sustainable development in the infrastructure, environment and energy sectors, aiming to deliver long-term value to its shareholders through a management model characterised by encouragement of entrepreneurship, social responsibility and transparent and efficient management. It operates in five fast growing and profitable sectors (solar energy, bioenergy, environmental services, information technology and industrial engineering and construction), where it enjoys a leadership position.

Share capital and major shareholders

As at 31 December 2008, the Issuer's share capital was made up of 90,469,680 ordinary shares of nominal value €0.25 each, represented by book entries and forming a single class. The Issuer's share capital is fully subscribed and paid up. The Issuer's shares have been listed on the Madrid and Barcelona stock exchanges (together with the Bilbao and Valencia stock exchanges, the "Spanish Stock Exchanges") and quoted on the Automated Quotation System (AQS) of the Spanish Stock Exchanges since 29 November 1996.

The major shareholders of the Issuer are Inversión Corporativa IC, S.A. ("Inversión Corporativa") and Finarpisa, S.A. ("Finarpisa"), which at 30 June 2009 held 50% and 6.04% of the share capital, respectively. Finarpisa is a wholly-owned subsidiary of Inversión Corporativa. Therefore Inversión Corporativa owns, directly and indirectly, 56.04% of the Issuer.

Group Structure

At 31 December 2008, the Group comprised 580 companies: Abengoa, 516 subsidiary companies, 26 associate companies and 37 joint ventures.

The Issuer determines the general strategies and corporate policies and is responsible for the overall control of the Group's activities.

Abengoa's Business

Abengoa operates through five business units: Engineering and Industrial Construction, Environmental Services, Bioenergy, Information Technology and Solar.

The table below sets out the entity that heads up each business unit and includes each business unit's "*gross cash flows from operating activities*"[1] for the years ended 31 December 2008 and 2007:

			2008	2007	
Business Unit	**Entity**	**Description**	**Gross cash flows from operating activities (in millions of euros)**	**Gross cash flows from operating activities (in millions of euros)**	**% Variation**
Engineering & Industrial Construction	Abeinsa Ingeniería y Construcción Industrial, S.A. ("Abeinsa")	Constructs, maintains and operates conventional and renewable power plants, power transmission systems and industrial infrastructures	224.8	204.0	10.2
Environmental Services	Befesa Medio Ambiente, S.A. ("Befesa")	Specialises in industrial waste management and water production and management	157.8	123.8	27.4
Bioenergy	Abengoa Bioenergía, S.A. ("Abengoa Bioenergía")	Produces and develops biofuels for transport	111.6	79.8	39.8
Information Technology	Telvent GIT, S.A. ("Telvent")	An information technology and industrial automation company which specialises in products, services and integrated solutions in the energy, transportation, environmental and public administration	81.0	55.9	44.9
Solar	Abengoa Solar, S.A. ("Abengoa Solar")	Develops and applies technologies for generating electrical power from solar energy	40.6	9.5	-327.4
Corporate activity and adjustments		Corporate activity and consolidation adjustments	10.5	-20.7	150.7
TOTAL	-	-	626.3	452.3	38.5

Note:

(1) "*Gross cash flows from operating activities*" are earnings before interest, tax, depreciation and amortisation, adjusted by the work flows done for own fixed assets and the share of profit/loss of associated companies. Please note that "*gross cash flows from operating activities*" is not a GAAP measure. Nevertheless, without prejudice to international guidelines, and for the purpose of offering a fair view of the results and cash flows from operating activities, the consolidated cash flows statement as presented in the 2008 Accounts and the 2007 Accounts includes the line "*gross cash flow from operating activities"* which fairly reflects the cash flow generated from the operating activities. For further information see Note 27 of the 2008 Accounts, which excludes "*gross cash flows from operating activities*'' from Telvent, as it was discontinued in 2008.

Engineering and Industrial Construction Business Unit

Business Unit and Production

Abeinsa, the parent company in the Industrial Engineering and Industrial Construction Business Unit, is dedicated to engineering, construction and maintenance of electrical, mechanical and instrumental infrastructures in the energy, industry, transport and services sectors. It also promotes, constructs and operates conventional industrial power plants (co-generation and combined-cycle), renewable energy-based plants (bioethanol, biodiesel, biomass, wind and solar), and manages telecommunications networks and projects.

Abeinsa is a global leader in international contracts relating to the construction of electricity transmission and distribution infrastructures, is ranked first as a contractor in transmission and distribution infrastructures and is the third largest international contractor in the power sector (Source: Engineering New Records 15 December 2008 Index).

The financial information disclosed hereafter may include intercompany transactions within the Group and has been extracted from Abeinsa's consolidated annual accounts for the year ended 31 December 2008.

- Presence in the energy sector

  Within the energy sector, the Engineering and Industrial Construction Business Unit focuses on the promotion, design, engineering, construction and operation and maintenance of new power plants (both conventional and renewable energy plants) and industrial facilities, with special emphasis on the solar and biofuels sectors, as well as upgrading existing facilities and research, development and innovation ("R&D+i") activities focused on developing new methods of electricity production.

  In 2008, the energy division reported €835 million in sales compared to €392.2 million in 2007.

  (a) Abener Energía, S.A.

  Abener Energía, S.A. ("Abener"), a wholly owned subsidiary of Abeinsa, heads the energy sector in the Engineering and Construction Business Unit. It is focused in three business areas: solar, biofuels and generation.

  Abengoa believes that Abener achieved a leadership position in 2007 with PS10 (the world's first tower technology solar thermal power plant to operate commercially). In 2008 it surpassed its growth expectations thanks to completion of the PS20 tower technology power plant. Both plants were constructed for Abengoa Solar and PS20 marks Abener's second venture into this type of power plant. It is a 20 Megawatts ("MW") plant with more than 1,200 mirrors (twice that of PS10). Abengoa believes this project consolidates Abener as a leading construction company for these types of facilities.

  Abener's entry into Central Europe took place through the construction, for the Bioenergy Business Unit, of a bioethanol plant in Rotterdam, The Netherlands, with a production capacity of 127 million gallons of bioethanol per year. See "– Bioenergy Business Unit – Unit Production". Abener has successfully completed the construction of a 53 million gallon capacity bioethanol facility in Lacq, France.

  In Spain, for the Solar Business Unit, Abener constructed a solar thermal tower plant, as well as a commercial concentration photovoltaic plant. These plants are located in Sanlúcar la Mayor (Seville) and are part of the Solúcar Platform, which, when all phases of construction have been completed, will have an installed capacity of 300 MW. See "– Solar Business Unit – Unit Production".

For the Solar Business Unit, Abener has also entered the African market after being awarded the construction contracts for the world's first combined solar-cycle hybrid plants, one in Algeria (with an installed capacity of 150 MW) and the other in Morocco (with an installed capacity of 470 MW), which will both use combined cycle technology integrated with a solar field of cylinder parabolic collectors to generate electricity.

Abener is currently present in Poland (Abener Energo Project Gliwice), the United States (Abener Engineering and Construction Services, Abencs), India (Abencs Engineering Private Limited, AEPL), Mexico (Abener México) and Brazil (Abentey). Its expansion most recently involved the incorporation of the company Abener Ghenova Ingeniería following an agreement signed with the engineering firm Ghenova. The main activity of this new company will be to provide engineering services for the solar power plants and industrial plants undertaken by Abener, in coordination with available engineering resources in Poland and India.

The operation and maintenance services are provided by Abener principally in Spain and include preventive, programmed and corrective maintenance of equipment and systems, as well as the operation of the equipment and systems to ensure facility reliability and compliance with design specifications in terms of power, availability and load factor.

(b) Hynergreen Technologies, S.A.

Hynergreen Technologies, S.A. ("Hynergreen"), wholly owned by Abengoa through Abeinsa and Instalaciones Inabensa, S.A., is dedicated to hydrogen as an energy vector and to fuel cells as electric energy production systems. It carries out numerous R&D+i projects on these technologies and offers solutions to its clients in different sectors.

In 2008, Hynergreen has increased its 2007 R&D+i investment to move to the forefront of the sectors it operates in. Among the most significant lines of R&D+i are the renewable hydrogen production technologies (mainly from biofuels and solar energy, both PV and thermal), storage and processing of the same (with developments in carbon and metal hydride structure storage systems), and ancillary systems for fuel cells with power conditioners, controllers and cooling circuits, amongst others.

Hynergreen receives support from Spanish and European research centres, public research bodies and universities.

(c) Zero Emissions Technologies, S.A.

Zero Emissions Technologies, S.A. ("Zeroemissions"), wholly owned by Abengoa through Abeinsa and Hynergreen, was launched in 2007 as Abengoa's carbon business unit, consolidating the carbon trading and Clean Development Mechanism project activities associated with the Kyoto Protocol which Abengoa has been carrying out since 2005.

Zeroemissions provides global solutions to climate change through the promotion, development and trading of carbon credits, voluntary compensation of green house gas emissions with carbon credits and innovation in greenhouse gas reduction technologies. Zeroemissions contributes to a number of carbon funds such as the Spanish Corporate Carbon Fund and the Biocarbon Fund, both promoted by the World Bank.

- Facilities

Activity in the facilities area is focused on engineering, construction and maintenance of electrical, mechanical and instrumental infrastructures for the energy, industry, transportation and service sectors. This line of activity is led by Instalaciones Inabensa, S.A. which is wholly owned by Abengoa through Abeinsa. The main products that are developed are:

(a) Electric facilities: hydroelectric, thermal and combined-cycle plants, substations, airport and industrial infrastructures, singular buildings, maritime and railway transport, industrial parks and residential areas.

(b) Mechanical facilities: systems associated with power and gas plants and the chemical and petrochemical industry.

(c) Insulation, refractory lining and passive fire protection.

(d) Instrumentation and maintenance: chemical and gas production plants, nuclear and thermal power plants, state bodies and singular buildings.

(e) High voltage lines: construction and maintenance of power transmission lines, underground circuit-laying, live line works and stringing of fiber optic cable.

(f) Railway facilities: catenary installation.

(g) Singular building construction: hospital facilities, academic centres and court houses.

In 2008, sales in the facilities division of the Engineering and Industrial Construction Business Unit amounted to €532.8 million compared to €530.7 million in 2007.

- Communications

  Abentel Telecommunicaciones, S.A. ("Abentel"), wholly owned by Abengoa through Abeinsa and Abener, focuses on the integration of networks and development of turnkey projects. It carries out external plant maintenance and supplies and maintains customer loops and equipment such as wideband Asymmetric Digital Subscriber Line (ADSL) and associated products. In 2007 Abentel renewed its contract for the provision of services with Telefónica de España, S.A. for a five year period.

  This division also delivers engineering services and telecommunications network integration (including stationary and mobile telephone lines, cable television and radio) and products and services for the development, construction and operation of telecommunications networks (design and engineering, infrastructure construction and testing, operation and maintenance).

  In 2008, the communications division reported sales of €57.2 million compared to €55.3 million in 2007.

- Marketing and Auxiliary Manufacturing

  This division manufactures auxiliary elements for the energy and telecommunications sectors. For example, the division manufactures reticulated steel structures (pylons for power lines, telecommunications towers and substations) and thin plate-derived products (panels, signals and telephone booths), structures for parabolic trough collector system thermosolar plants, as well as PV plants.

  In 2008 the sales in this division amounted to €127.7 million compared to €92.1 million in 2007.

- Latin America

  Abeinsa has had a presence in Latin America for over 40 years through subsidiaries in Argentina, Brazil, Chile, Mexico, Peru and Uruguay. In the region Abeinsa conducts business in the construction market, mainly in the energy and infrastructure segments.

  One of the areas of focus of this division is the construction and operation of high voltage transmission lines and transformer stations. Since 2001, Abeinsa has built 1,800 kilometres of 500kV transmission line and 200 kilometres of 230kV line and their associated stations. Transmission line works are

executed under concession schemes, whereby different assets are owned by different companies belonging to the Engineering and Industrial Construction Business Unit.

In 2008, completion was achieved on the ATE III transmission line works, with 318 km of 500 Kilovolts ("kV") and 107 km of 230 kV transmission line corresponding to Section I of the North South III Interconnection, comprising the Colinas – Itacaiunas 500 kV single circuit, the Itacaiunas – Carajas 230 kV double circuit subsections, and the 500/230 kV – 900 megavolt ampere Itacaiunas substation.

In 2008 Consorcio Amazonas, in which Abengoa holds 50.5% and Grupo Electrobras the remaining 49.5%, was awarded by the National Electric Energy Agency of Brazil ("ANEEL") a contract to operate the 586 km, 500 kV transmission line on the left bank of the Amazon River for 30 years.

In 2008, ANEEL awarded a contract to Consorcio Integración Norte Brasil (of which 25.5% is owned by Abengoa) to construct, maintain and operate for 30 years the Colectora Porto Velho electrical substation and two current converter stations, as well as to construct the direct current transmission line that will carry the electricity produced by the Río Madeira hydroelectric complex to Brazil's principal centre of consumption in Sao Paolo. The project is expected to have a capacity of 3,150 MW, a voltage of 600 kV and a length of 2,375 km.

In 2008 the sales in this division amounted to €616.1 million compared to €449.1 million in 2007.

R&D+i

Abeinsa has 272 employees dedicated to R&D+i and invested €4.4 million in R&D+i in 2008.

Unit Results of Operations

The Industrial Engineering and Construction Business Unit as a whole reported "*gross cash flows from operating activities*" of €224.8 million for the year ended 31 December 2008.

Environmental Services Business Unit

Business Unit and Production

Abengoa entered this division with the acquisition of Befesa in 2000. The Environmental Services Business Unit, which is headed by Befesa, specialises in industrial waste management and water. It manages more than 2.5 million tons of waste a year, of which more than 1.2 million tons are recycled, and has a desalination capacity of one million cubic meters per day.

Befesa's activities can be broken down into four divisions: aluminium waste recycling, steel waste recycling and galvanisation, industrial waste management and water.

- Aluminium Waste Recycling

  This division recycles aluminium waste thereby producing alloys which it sells to the car industry and construction sector. It also recycles salt slag (a by-product from aluminium secondary industry). In 2008, Befesa recycled approximately 190,000 tons of aluminium waste and produced 128,000 tons of alloys. Befesa carries out such activities in four plants, three of which are located in Spain and one in Poland. As at 31 December 2008, it had the capacity to treat 230,600 tons of salt slag per year through its two plants in Spain and the United Kingdom.

  The division also sells recycling technology. It engages in designing, building, assembling and starting up 'turnkey' plants for the aluminium and zinc industries. Befesa has developed more than 100 projects in 40 countries, including Bahrain, Iceland, Oman, Russia and Spain.

  Sales in this division amounted to €252.4 million in 2008 compared to €218.1 million in 2007.

In October 2007, an agreement was reached between Befesa and the Qualitas Investment Fund ("QIF") for the integration and merger of their respective aluminium waste recycling activities into a joint venture. Befesa contributed the aluminium companies of the division and QIF contributed Aluminio Catalán. The process of integrating the aluminium waste recycling activities of Befesa and QIF was completed in December 2007. Befesa owns 60% of the new entity.

- Steel Waste Recycling and Galvanisation

  Befesa's steel waste recycling and galvanisation business treats and recycles steel dust and other residues generated in the production of common and stainless steel, as well as waste from galvanisation.

  Following the purchase of B.U.S. AB, the largest European recycler of steelworks waste, at the end of 2006, as at 31 December 2008 Befesa's steel and galvanisation business had 8 plants throughout Spain, France, Germany and Sweden.

  In July 2008 the new Befesa Zinc Aser production plant in Erandio (Biscay, Spain) was inaugurated as part of the plan for modernisation and improvement of the plant that began in 2004, representing an investment of €35 million.

  Six plants (one in Spain, two in France, two in Germany and one in Sweden) are engaged in treating and revaluing the wastes generated in the manufacture of common and stainless steel. This division also includes another two factories located in Spain which recycle zinc waste from the galvanic industry to achieve zinc oxide as well as metal waste and zinc scrap for the manufacture of raw zinc ingot, electrolytic zinc ingot and fine zinc ash.

  In 2008, 645,000 tons of steel and galvanisation waste were treated, an increase of 5% with respect to the 615,000 tons treated the previous year, reflecting improvements in efficiency in the recycling processes.

  In 2008, sales in this division amounted to €253.6 million, compared to €251.8 million in 2007.

- Industrial Waste Management

  Befesa's industrial waste management division is specialised in providing environmental services to the industrial sector, recycling and revaluing and designing specific solutions for each customer and industrial sector. Befesa carries out its activities in waste management and industrial cleaning, desulfurating, plastic management, polychlorinated biphenyls ("PCB") management and soil decontamination.

  Through its subsidiary Befesa Plásticos, S.L., it specialises in the manufacture of special low density polyethylene dross by recycling the film used in greenhouse coverings. Dross is then used commercially to manufacture different products such as rubbish bags and sacks, signalling mesh, pipes for irrigation, electrical and telecommunications conducts and bottle sleeves.

  Befesa Gestión de PCB, S.A. specialises in providing solutions for the collection, transport and elimination of transformers, condensers and other materials contaminated with PCB. In 2008, this company treated more than 4,200 tons of materials polluted with PCB, an increase of 15% over 2007.

  Befesa Desulfuración, S.A. produces sulphuric acid and oleum from waste sulphur recovered from the plants of the petrochemical sector through a process which also generates electricity. In 2008, it produced 285,720 tons of acid and generated 69,612 Megawatt hours ("MWh") of electrical energy. Befesa uses such electricity in its owns facilities and sells any surplus energy. In 2008, 43,962 MWh of surplus electricity were sold.

Waste management is a regulated activity. In Spain, the regulatory regime applicable to solid waste management (including recycling activities) is mainly regulated by the Law on Waste, 10/1998 and the Regulation on Hazardous Waste, approved by Royal Decree 833/1988 and Act 16/2002 which regulates pollution prevention and control. There is similar legislation in the other jurisdictions where Befesa operates.

In 2008, this division reported sales of €136.9 million, compared to €124.3 million in 2007.

- Water

Befesa specialises in both the generation and management of water. Its activities include desalination, treatment and reuse of urban waste waters, sewage sludge treatment, treatment of industrial waters, supply and municipal cleaning, promoting and operating hydraulic infrastructures, providing information and control systems to manage the integral water cycle and the construction and operation of irrigation infrastructures. In addition to its Spanish operations, Befesa has a stable presence in the United States of America, Argentina, Chile, Peru, Mexico, Nicaragua, Ecuador, China, India, Algeria and Morocco.

Befesa constructs and operates large desalination plants in Spain as well as in certain other jurisdictions such as Algeria and India. As at 31 December 2008, the desalination projects it had in the development and construction phases in addition to those that were operational, both in Spain and other jurisdictions had an aggregate production capacity of one million cubic meters of water per day.

This division reported sales of €230.6 million in 2008, compared with €175.5 million turnover in 2007, as a result of the international desalination contracts.

R&D+i

Across all four areas Befesa dedicates 15 people to R&D+i. Befesa invested €3.5 million in R&D+i in 2008.

Unit Results of Operations

The Environmental Services Business Unit reported "*gross cash flows from operating activities*" of €157.8 million for the year ended 31 December 2008.

Bioenergy Business Unit

Business Unit and Production

The parent company of the Bioenergy Business Unit is Abengoa Bioenergía, which produces and develops biofuels such as bioethanol and biodiesel for transport using biomass (cereals, sugar cane, cellulose biomass, and oilseeds) as raw materials, and as by-products of bioethanol production, produces distillers, grains and solubles ("DGS"), which is used as a nutritional complement in cattle feed, electricity, which is sold on to the network and carbon dioxide which is sold to third party facilities.

This business unit has three main areas (in addition to its R&D+i activities as explained below):

- **Raw material origination**: Acquires cereal grain (wheat, barley and corn) and grows sugar cane as raw material for its plants to produce bioethanol and DGS.

- **Production**: Produces its main product, bioethanol, in Abengoa Bioenergía's own facilities in Europe, the United States of America and Brazil. Abengoa Bioenergía obtains bioethanol from cereal grain and sugar cane by means of chemical processes and treatments to (a) produce ETBE (a component of all gasolines), or (b) for direct blending with conventional gasoline. DGS, a highly proteic compound used as feedstock for cattle, is obtained as a secondary product from the extraction of starch from cereal grain. As a by-product, electricity is produced in Abengoa Bioenergía's cogeneration plants. Any electricity which is not consumed by Abengoa Bioenergía is sold to the grid.

- **Marketing of bioethanol and DGS**: Assists in meeting demand for bioethanol and DGS in the European and North-American markets from corporate offices in key locations such as Rotterdam, The Netherlands, from where there is direct access to the Europoort, and St. Louis, in the United States of America, from where there is direct access to cereal crops and cattle farms.

The production and sale of biofuels is a regulated activity. The relevant legislation in the United States of America is the Energy Policy Act of 2005, which contains the governmental subsidies for the sector and sets out a target for production of 36 billion gallons by 2022. In Europe, a new directive on the promotion of the use of energy from renewable sources has been approved which sets targets for (i) an overall 20% share of energy consumed in the European Union to be from renewable sources and (ii) a 10% share of energy consumed in transport in the European Union to be from renewable sources, by 2020. The production and sale of biofuels in Brazil is less stringently regulated.

Unit Production

As at 31 December 2008 Abengoa Bioenergía owned 1 biodiesel plant in the process of being constructed and 13 bioethanol and DGS production facilities in Europe, the United States of America and Brazil (being 10 in operation and 3 under construction), with a combined total production capacity of approximately 825 million gallons annually.

In the United States, construction has continued on two new ethanol plants, with a joint capacity of 180 Mgal, in the states of Indiana and Illinois, after successfully closing their non-recourse financing. Engineering works were started for the project under development together with the Department of Energy in the State of Kansas producing ethanol from biomass on a commercial scale. The plant will process 700 metric tons of biomass per day in order to produce 12 Mgal of ethanol per year, in addition to other renewable energies, specifically electricity and steam. Abengoa Bioenergía also operates three other smaller plants in Kansas, Nebraska and New Mexico.

In Europe, the plant in Lacq (France) began operation in August 2008 with a production capacity of 66 millions of gallons ("Mgal"), using approximately 500 mega tons ("Mt") of cereal per year. During 2008, construction continued on the plant in Rotterdam, Holland with a capacity of 127 Mgal and on the biodiesel plant in San Roque, with a capacity of 60 Mgal, which will use crude vegetable oils as raw material.

In Brazil in 2008, two cogeneration plants annexed to the existing plants in the state of São Paulo were launched.

Abengoa Bioenergía operates 3 bioethanol facilities in Spain with a combined production capacity of 139 million gallons of bioethanol per year.

R&D+i

Abengoa Bioenergía develops new processing technology for bioethanol production and co-products (including the development of ligocellulosic biomass technology) in collaboration with other R&D+i centres, universities and industrial partners such as the US Department of Energy ("DOE"), Kansas State University and Compañía Española de Petróleos, S.A. (CEPSA). Abengoa Bioenergía employs 51 people dedicated to R&D+i. Abengoa Bioenergía invested €18.7 million in R&D+i in 2008.

Unit Results of Operations

In 2008, this business unit reported "*gross cash flows from operating activities*" of €111.6 million.

Information Technology Business Unit

Business Unit and Production

Telvent is an information technology company which is listed on the National Association of Securities Dealers Automated Quotation System (NASDAQ). Telvent provides information technology solutions,

systems and applications to assist clients with the global management of their operating and business processes across five different sectors: energy, transport, environment, public administration and global services.

The year 2008 witnessed a very important milestone in the history of the Information Technology Business Unit following the strategic acquisition of DTN Holding Company Inc. ("DTN"), which will expand and strengthen Telvent's presence in the North American market and consolidate its position in the information services sector. DTN strengthens Telvent's leadership in the energy and meteorology markets in the USA as well as contributing to agriculture, a key segment to the economy and sustainability of any country.

On 19 November 2008, Abengoa published a significant event (*hecho relevante*) that was notified to the Spanish National Securities Market Commission ("CNMV"), stating that as a result of the interest expressed by certain entities, the Issuer had begun a process to potentially sell its stake in Telvent. Therefore Telvent appears under "discontinued operations" in the 2008 Accounts. See "Recent Developments'' for further information.

Telvent specialises in real-time control systems for leading and pioneering companies worldwide, present in various sectors such as:

- Energy

  Telvent provides information technology systems and services to assist its clients' management of energy efficiency in three main areas: electricity, oil and gas. Telvent's work in this sector has focused on R&D+i and strengthening key collaborative agreements and relationships.

  In 2008, sales for the energy division amounted to €198.4 million compared to €228.1 million in 2007.

- Transport

  Telvent provides global traffic information and control systems, applications for highway management and information and solutions for automatic toll payments.

  In 2007, Telvent consolidated the integration of companies acquired in China and the United States in 2006 (Telvent-BBS and Telvent Farradyne, respectively).

  In May 2007 Telvent finalised the acquisition of Caseta Technologies, headquartered in Austin, Texas (U.S.), a company specialising in the development, integration and maintenance of the complete cycle of toll management and collection systems.

  In 2008, sales for the transport division amounted to €295.2 million compared to €246.8 million in 2007.

- Environment

  In this area, Telvent provides services and applications for water and weather management.

  Telvent operates in this sector across North America, Latin America, EMEA, Asia and Australia.

  In 2007, Telvent entered the German and UK markets for the first time through a contract with Lucebit GmbH to supply and install an Aviation Weather Observing System (AWOS) for the Mengen-Hohentengen airport in Germany, and a contract with Systems Inferface in the United Kingdom, to supply Revolver Transmitters for the Liverpool (John Lennon) and Doncaster (Robin Hood) airports.

  In 2008, the environment division in the Information Technology Business Unit reported sales of €47 million compared with €38.3 million in the previous year.

- Public Administration

  Telvent's activities are geared towards developing, implementing and maintaining global technological administration solutions for individuals and institutions. Examples of projects in this division are the development and supply of equipment and software to Spain's Interior Ministry (Ministerio del Interior) for laser engraving of data in electronic national ID cards and the implementation of a healthcare monitoring information system for the Health Council of the Andalusian regional Government.

- Global Services

  Telvent offers a global technological outsourcing model covering the entire scope of the client's information and communications technologies. This business unit integrates consulting, infrastructures, communications, systems and applications and outsourcing services in a single business division. Services offered through this business division includes IT infrastructure and security (disaster recovery) management services, design and management of multimedia web portals, implementation of backup centres, housing of information systems and communication nodes and upgrading of technological platforms.

  In 2008 the Global Services division reported sales of €168.8 million compared to €111.1 million in 2007.

R&D+i

Across all five areas Telvent dedicates 360 people to R&D+i. Investment in the R&D+i area totalled €23.8 million, representing 3.3% of total revenues.

Unit Results of Operations

In 2008, the Information Technology Business Unit reported "*gross cash flows from operating activities*" of €81.0 million.

Solar Business Unit

Business Unit and Production

Abengoa Solar is the company at the head of the Solar Business Unit. Abengoa Solar develops and sells technology, as well as designing, promoting, constructing and operating electricity power plants, in most cases owned by Abengoa, which use the sun as a primary source of energy.

Abengoa Solar conducts its activity using two technologies: concentrated solar ("CSP") and photovoltaic ("PV"). CSP technology captures the direct radiation from the sun to generate steam which either drives a conventional turbine or is used, as an energy source, directly in industrial processes. PV technologies capture the sun's energy for direct generation of electricity.

These two technologies are used in three lines of activity:

- **CSP technology**: Promotes, designs, constructs and operates CSP energy plants with central receiving systems (tower and heliostats) and parabolic trough collectors, in each case with or without storage. It also designs, builds and operates personalised industrial facilities for the production of heat and electricity. Solar uses its own technology in both the design and operation of the plants. This activity is currently in development in various geographic locations, including Spain, North Africa, the Middle East and the United States of America.

- **PV technologies**: Promotes, designs, constructs and operates PV plants and facilities. Abengoa Solar uses a variety of PV technologies including one and two-axis trackers and plants with concentration systems.

- **Sale of technology**: Manufactures and commercialises the technology it develops such as heliostats and parabolic trough collectors.

Renewable energy generation, including solar technologies, is a regulated activity. The Spanish regulatory regime applicable to renewable energy generators as of 31 March 2009 is governed primarily by the Electricity Sector Act (54/1997) dated 27 November 1997, as implemented and amended by Royal Decree 661/2007 dated 25 May regulating the production of electricity in the special regime. Among other things, Royal Decree 661/2007 regulates the economic regime applicable to renewable producers (including the applicable regulated tariff and premiums). Other jurisdictions in which Abengoa Solar is active have similar legislation.

In 2008, Abengoa Solar presented its project for building two 50 MW solar plants in Écija (Seville), called Helioenergy 1 and 2. The two plants will produce enough energy to meet the power consumption needs of approximately 52,000 homes.

On 7 May 2009, the Spanish government published Royal Decree 6/2009 dated 30 April 2009 and created a registry for all other renewable energy technologies. Under the Royal Decree 6/2009, for projects under the special regime (renewable energy) to benefit from the regulated tariff, they must be registered at the Registry for the Preliminary Assignment of Remuneration.

In the United States in 2008, Abengoa Solar signed a contract with Arizona Public Service to sell solar power for a 25 year period. This endeavour requires the construction of a 280 MW parabolic trough technology-based plant.

Unit Production

During 2008, Abengoa Solar put three new photovoltaic plants into operation with a total of 9.5 MW of capacity in addition to the 11 MW with solar thermal tower technology (PS 10) and the 2.2 MW with photovoltaic technology (Copero and Sevilla PV) in operation since 2007.

Furthermore, as of December 2008 Abengoa Solar has 170 MW in 4 solar heating plants under construction (one of 20 MW, with tower technology, and three parabolic trough collector plants) in the Solúcar platform located in Sanlúcar la Mayor (Seville). The 20 MW plant was commissioned in April 2009. Construction of a 150 MW hybrid gas-solar plant is also under way in Algeria. Despite the difficult financial market conditions, Abengoa has managed to arrange long term financing for six solar plants over the last 12 months.

R&D+i

Abengoa Solar carries out R&D+i for the improvement of current technologies and development of new ones. It also works in collaboration with important research institutes such as Centro de Investigaciones Energéticas, Medioambientales y Tecnológicas (CIEMAT), German Aerospace Centre (Deutsches Zentrum fur Luft- und Raumfahrt - DLR), Fraunhofer-Gesellschaft, ISE Corporation and National Renewable Energy Laboratory (NREL) among others. The DOE has pledged to support three projects proposed by Abengoa Solar to develop new, more efficient trough CSP technologies. Abengoa Solar dedicates 60 people to R&D+i. Abengoa Solar invested €33.6 million in R&D+i in 2008.

Unit Results of Operations

In 2008, Abengoa Solar reported "*gross cash flows from operating activities*" of €40.6 million.

International Operations

Abengoa operates in more than 70 countries, with offices and projects in more than 30 of them. This allows it to meet the challenges of its increasingly consolidated presence in the international and global sustainable development market.

At the end of 2008, 65.5% of its revenue was generated outside of Spain.

The table below sets out the sales distribution of Abengoa by geographical area for the years ended 31 December 2008 and 2007:

Geographic area	2008 €million	%	2007* € million	%
Spanish market	1,075.8	34.5	**1,007.7**	**37.9**
Foreign markets	2,038.7	65.5	**1,648.1**	**62.1**
USA and Canada	348.3	11.2	325.8	12.3
Latin America	787.8	25.3	561.3	21.1
European Union	499.2	16.0	520.8	19.6
Other countries	403.4	13.0	240.2	9.1
Total	3,114.5	**100.0**	**2,655.8**	**100.0**

* Figures exclude the Information Technology Business Unit, as stated in Note 14 (Non Current Assets and Liabilities held for sale) of the Consolidated Financial Statements of the Group.

Abengoa decided over ten years ago to focus its growth strategy on the creation of new technologies that contribute to sustainable development. Abengoa therefore invests in R&D+i which, together with an export plan aligned with its strategy, it is using to globally expand the technologies with greatest potential and also attract and train the necessary talent.

Abengoa's vision is reflected in its efforts at globalisation, with the aim of becoming a world leader in the development of innovative technology solutions for sustainable development.

Thanks to its vision of the future, Abengoa believes it has kept up with the changes taking place by reorganising its business lines, updating its organisational structure and adopting a more flexible strategy capable of adapting to the evolution of the international markets. This work can be seen in its business groups of industrial construction and engineering, environmental services, bioenergy, and solar energy.

Evolution 1998 to 2008 (Consolidated Data)[2]	**4 Business Units**	**Engineering Company**
	2008	**1998[1]**
Location	**Percentage of Sales**	**Percentage of Sales**
USA and Canada	11.2	-
Latin America	25.3	44.6
Europe (Excluding Spain)	16.0	3.1
Other countries	13.0	3.5
Spain	34.5	48.8
Consolidated Total	100.0	100.0

[1] Adjusted information for making consistent comparisons with the 2008 Accounts, in which Telvent appears as a discontinued activity.

[2] 2008 information was prepared under International Financial Reporting Standards and 1998 information was prepared under the applicable standards in Spain during 1998 (*Plan General Contable Español*).

Engineering and Industrial Construction

Abeinsa has made significant investment in internationalisation as a key element of its strategic plan. Through its strategy of business growth and international development, Abeinsa has positioned itself as one of the global leaders in its sector. Over the last few years, Abeinsa has worked to strengthen this leadership, consolidating and developing its position in the Latin American markets where it operates and expanding its presence in other growth markets.

The diversification of its activities, combined with synergies between its companies, has provided it with a wide-ranging capacity to supply integrated solutions to all of its clients in any location around the world. The Group has various work centres that allow it to identify opportunities and the market's needs, as well as contributing, as far as possible, to the development and evolution of economies.

The Group's strong internationalisation is demonstrated by its presence in more than 30 countries including Brazil, Mexico, Argentina, Chile, Uruguay, Peru, Morocco, France, Portugal, India, China, Poland, Algeria and the USA.

Environmental Services

In the last few years, Befesa has developed an active international expansion policy with a significant presence in more than 20 countries. Befesa's activities abroad have developed from a series of business opportunities into a consolidated group based in a number of markets and geographical areas of interest.

Befesa aims to allow for its companies and projects located abroad to maximise their profits based on technological and commercial improvements that the Group can provide from Spain by implementing the business model and culture it has developed there.

Abengoa Bioenergía

Abengoa expects that once Abengoa Bioenergía has consolidated and become a leader in the production and commercialisation of bioethanol and its co-products in Spain, internationalisation should become a key aspect in its growth.

The international expansion policy involves exporting the Group's business model. Its primary objectives are:

- To be an international leader in the promotion, construction and operation of bioethanol production plants.
- To guarantee the efficient commercialisation of the business group's products around the world.
- To achieve leadership in bioethanol technology and production capacity in the world in order to supply alternative and sustainable energy to the transport sector.

Over the last few years the business group has acquired a considerable international presence as a result of this internationalisation policy and Abengoa believes that Abengoa Bioenergía is now the only company with a significant presence in the three major and global bioethanol markets of Europe, the USA and Brazil.

Abengoa Solar

Abengoa Solar is committed to a process of internationalisation as a key element of its strategic plan. The internationalisation of the business group is based on three fundamental concepts:

- To be an international leader in the promotion, construction and operation of thermosolar and photovoltaic plants.
- To provide customised solutions for all industrial sectors.
- To supply its technology around the world.

To achieve these objectives, Abengoa Solar aims to establish the activities that it develops in Spain in the rest of the world, providing services from its own business model in the countries in which it invests.

Thanks to this internationalisation policy, over the last few years the Group has acquired a very significant international presence in countries like the USA, Algeria and Morocco. It is also taking significant steps to develop projects in other parts of the world.

Environmental Matters

Abengoa's activities are subject to environmental regulation. This requires, amongst other things, that Abengoa commissions environmental impact studies for future projects and that it obtains the licences, permits and other authorisations required to construct and operate relevant projects. In recent years there has been a significant increase in environmental regulation in Spain, the European Union and other jurisdictions in which Abengoa operates. These include regulations in relation to carbon dioxide emissions and limitations on pollutant emissions from large plants and facilities.

Abengoa specifically establishes within its common management regulations, applicable to all Abengoa companies, the obligation to implement environmental management systems certified under the ISO 14001 standard of the International Organization for Standardization. As at 31 December 2008, 83.36% of the Abengoa companies in terms of sales volume had environmental management systems certified under the ISO 14001 standard.

The table below sets out the percentage of companies within each business unit in terms of sales volume with environmental management systems certified under the ISO 14001 standard as at December 31, 2008:

Business unit	**% of companies certified as ISO 14001 compliant (% of sales)**
Solar	46.37
Bioenergy	88.12
Environmental Services	82.74
Engineering and Industrial Construction	85.35

Internal Control Procedures

The Issuer is the first European company to have undertaken to comply with the United States Sarbanes-Oxley Act requirements voluntarily. Since 2007, it has performed internal control-compliance audits in line with the Public Company Accounting Oversight Board standards, pursuant to the requirements set forth in Section 404 of the Sarbanes-Oxley Act. The independent auditors' report for the year ended 31 December 2008, which expresses an unqualified opinion on the Group's internal control over financial reporting, is available on the Issuer's website.

Intellectual Property

The companies in the Group implement substantially similar intellectual property ("IP") protection policies and procedures.

These IP protection policies and procedures are applied to (i) all knowledge which has or might have a commercial value, whether or not it is capable of being patented, including R&D+i and know-how, and (ii)

any documentation (in hard copy or in electronic format) which contains any confidential proprietary information.

The measures taken by Abengoa to protect its IP include the entry into confidentiality, non-disclosure and/or non-compete agreements by employees, service providers and counterparties, as appropriate, and the dissemination throughout Abengoa of an internal security code and internal security protocol. Individual companies of Abengoa determine whether or not to file patents in relation to the knowledge, products and technology they produce.

In order to prevent third parties from being able to use and benefit from their names or internet dominions, Abengoa's policy is for all affiliates and subsidiaries to: (i) register and protect their names in accordance with local legislation, (ii) register their names as commercial brands in the relevant product areas, and (iii) register their internet dominions through services provided by Telvent Outsourcing, S.A.

Insurance

Abengoa maintains insurance which provides cover against a number of risks, including property damage, fire, flood, third party liability and business interruption.

Employees

In 2008, the Group had an average of 23,234 employees.

Management

Management of Abengoa

The Board of Directors of the Issuer as at the date hereof is made up of the following 15 Directors:

Name	Position
Felipe Benjumea Llorente	Executive Chairman
José B. Terceiro[1]	Executive Vice-Chairman, Lead Director
José Joaquín Abaurre Llorente	Director
José Luis Aya Abaurre	Director
Mª Teresa Benjumea Llorente	Director
Javier Benjumea Llorente	Director
Mercedes Gracia Díez	Director
Miguel Martín Fernández	Director
Carlos Sebastián Gascón	Director
Ignacio Solís Guardiola	Director
Fernando Solís Martínez-Campos	Director
Carlos Sundheim Losada	Director
Alicia Velarde Valiente	Director
Daniel Villalba Vilá	Director
Miguel Ángel Jiménez-Velasco Mazarío	Director, Secretary

(1) Representative of Aplicaciones Digitales, S.L.

The business address of the members of the Board of Directors of the Issuer is Avenida de la Buhaira 2, 41018 Seville, Spain.

Felipe Benjumea Llorente is also a member of the Board of Directors of Iberia Líneas Aéreas de España, S.A. and a representative of Aplicaciones Digitales, S.L. is a member of the Board of Directors of each of Unión Fenosa, S.A., Promotora de Informaciones, S.A. and Iberia Líneas Aéreas de España, S.A. To the Issuer's knowledge, there are no potential conflicts of interest between the private interests or other duties of the members of the Board of Directors listed above and their duties to the Issuer.

Management Structure of the Issuer

The Strategy Committee of the Issuer has the following composition:

Name	**Position**
Felipe Benjumea Llorente	Chief Executive Officer of Abengoa
José B. Terceiro[1]	Executive Vice-Chairman of Abengoa
Germán Bejarano García	Assistant Chief Executive Officer and International Institutional Relations Director of Abengoa
Santiago Seage Medela	Solar Business Group President
Javier Salgado Leirado	Bioenergy Business Group President
Javier Molina Montes	Environmental Services Business Group President
Manuel Sánchez Ortega	Information Technologies Business Group President
Alfonso González Domínguez	Engineering and Industrial Construction and Latin America Business Group President
Amando Sánchez Falcón	Financial Director
Juan Carlos Jiménez Lora	Investor Relations, Management Control Director
Miguel Ángel Jiménez-Velasco Mazarío	General Secretary
Armando Zuluaga Zilbermann	General Vice Secretary
Luis Fernández Mateo	Organisation, Quality and Budgeting Director
Fernando Martínez Salcedo	General Secretary for Sustainability
José Domínguez Abascal	Technical Secretary
Alvaro Polo Guerrero	Human Resources Director

(1) Representative of Aplicaciones Digitales, S.L.

The business address of the members of the Strategy Committee of the Issuer is Avenida de la Buhaira 2, 41018 Seville, Spain.

Remuneration of Management

Directors are remunerated in accordance with Article 39 of the Issuer's Bylaws. Directors' remuneration may consist of a fixed amount as agreed at the annual shareholders' meeting and need not be equal for all directors. Additionally, Directors may receive a proportion of retained earnings of the Issuer of between 5% and a maximum of 10% of earnings after dividends in the year to which the remuneration relates. Additionally, relocation costs are reimbursed if undertaken as part of their role as a Director.

Payments made during 2008 to the Board of Directors of the Issuer totalled €9,049,000, consisting of fixed and variable remuneration and expenses as well as €200,407 made up of other concepts.

The following table shows a breakdown of remuneration by individual member of the Board of Directors in 2008 (in thousands of Euros):

Name of Director	Remuneration and Allowances as Director of the Issuer	Remuneration as Director of any other Group company	Remuneration of Executive Members	Total
Felipe Benjumea Llorente	93	-	3,407	3,500
Javier Benjumea Llorente	78	-	672	750
Miguel A. Jiménez-Velasco Mazario	-	-	204	204
José Luis Aya Abaurre	165	-	-	165
José Joaquín Abaurre Llorente	165	-	-	165
José B. Terceiro	-	21	-	21
José B. Terceiro[1]	200	-	2,756	2,956
Carlos Sebastián Gascón	249	26	-	275
Daniel Villalba Vilá	304	26	-	330
Mercedes Gracia Díez	165	-	-	165
Miguel Martín Fernández	154	-	-	154
Alicia Velarde Valiente	125	-	-	125
Maria Teresa Benjumea Llorente	78	24	-	102
Ignacio Solís Guardiola	78	-	-	78
Fernando Solís Martínez-Campos	78	-	-	78
Carlos Sundheim Losada	78	-	-	78
TOTAL	2,010	97	7,039	9,146

(1) Representative of Aplicaciones Digitales, S.L.

In addition to the above, during 2008 remuneration paid to senior management of the Issuer (those who are not executive Directors) totalled €5,757,000, made up of fixed and variable amounts. As of 31 December 2008, the senior management comprised 16 people.

No pre-payments or loans have been made to the members of the Board of Directors, nor have any obligations such as guarantees or other commitments been taken on by the Issuer on their behalf. For the year ending 31 December 2008, amounts accrued for retirement obligations and commitments totalled €1,973,000.

Issuer shares held by Members of the Board of Directors

Name of Board Member	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
Felipe Benjumea Llorente	-	814,111	0.900
Aplicaciones Digitales, S.L.	930,750	-	1.029

Alicia Velarde Valiente	400	-	0.000
Carlos Sebastián Gascón	12,000	12,000	0.027
Carlos Sundheim Losada	47,027	-	0.052
Daniel Villalba Vilá	13,430	-	0.015
Fernando Solís Martínez-Campos	50,832	34,440	0.094
Ignacio Solís Guardiola	15,336	-	0.017
Javier Benjumea Llorente	1,960	-	0.002
José Joaquín Abaurre Llorente	1,900	-	0.002
José Luis Aya Abaurre	55,076	-	0.061
Maria Teresa Benjumea Llorente	12,390	-	0.014
Mercedes Gracia Díez	500	-	0.001
Miguel Martín Fernández	1,600	-	0.002
Miguel A. Jiménez-Velasco Mazario	27,040	-	0.030

Staff share schemes

The Issuer has implemented the following described share purchase plan for the directors of the Group, which was approved by the Board of Directors as well as by the shareholders at an extraordinary shareholders' meeting on 16 October 2005 (the "Plan"):

- Available to up to 122 directors of the Issuer (directors of business groups, directors of business units, technical and R&D+i management and those responsible for corporate services) covering all subsidiaries and business areas, existing and future, which voluntarily wish to participate in the Plan.
- The Plan is not available to any member of the Issuer's main board. The remuneration plan is linked to the achievement of certain management objectives.
- Including up to 3,200,000 shares in the Issuer, making up 3.53% of the share capital.
- Those who benefit from the plan have been granted access to a bank loan facility, guaranteed by the Issuer and free of personal liability, for the purchase of shares in the Issuer already in issue at market value, in accordance with the rules of the Spanish Stock Exchanges, for an amount of € 87 million (including costs, commissions and interest). The repayment date of the loan is 7 August 2011. The Plan sets out certain requirements to be reached, such as individual annual objectives for each director as well as their continued employment by the Group during the course of the scheme.

Recent Developments

Despite the overall industrial decline due to the global economic crisis since the end of 2008, Befesa's industrial waste recycling units are performing better than the markets that they service due to the management policies that have been applied to date and the Issuer expects that this will continue during this

year, as shown by levels of production and the margins being achieved. Compared to Befesa's other business units, the water business is not being influenced by the global economic crisis.

During the first quarter of 2009, growth in the Information Technology sector was driven by an increase in the activity of the Issuer's main business segments (transport and energy) and the sales contribution from the acquisition of DTN, the North American company acquired at the end of 2008.

On 18 May 2009, ANEEL awarded a consortium composed of the Issuer and Companhia de Transmissão de Energia Elétrica Paulista a contract for the construction and operation of two transmission electricity lines with 230 kV of power and a length of 1,500 km. The contract includes the construction of associated facilities and its subsequent operation and maintenance for a period of 30 years.

Furthermore and as part of an ongoing strategy aimed at strengthening the Issuer's balance sheet and diversifying its financing sources, the Issuer continues to explore alternatives to raise funding through different sources as debt financing, certain divestments and/or potential partnerships, including in respect of further development of its Brazilian transmission projects.

On 27 May 2009, the Issuer entered into an agreement to sell 3,109,975 shares of Telvent, representing 9.12% of Telvent. The transaction resulted in €39.6 million in cash and a net profit of €13.1 million for the Issuer. In addition, an option was granted to the buyer to purchase up to 466,495 ordinary shares of Telvent to cover over-allotments, which was exercised resulting in the Issuer's current participation in Telvent standing at 53.4%.

DESCRIPTION OF THE ORDINARY SHARES

The following summary provides information concerning the Issuer's share capital and briefly describes certain significant provisions of its by-laws (estatutos) and Spanish corporate law. This summary does not purport to be complete and is qualified in its entirety by reference to the Issuer's by-laws and Spanish corporate law. Copies of the Issuer's by-laws are available at its principal administrative office.

General

The Issuer's issued share capital currently amounts to €22,617,420 divided into 90,469,680 ordinary shares in book-entry form, with a nominal value of €0.25 each. All of the Issuer's shares are fully paid and non-assessable. Non-residents of Spain may hold and vote the Issuer's shares, subject to the restrictions described under "*Restrictions on Foreign Investment."*

The general shareholders' meeting held on 27 June 2004 passed a resolution, as ratified and extended by the general shareholders' meeting held on 5 April 2009, granting the board of directors the authority to increase the share capital for a term of five years in accordance with article 153.1.b) of the Spanish Companies Act. Pursuant to the resolution, the board of directors is authorised to issue shares with or without a premium, on one or more occasions, up to a maximum aggregate amount of half the share capital existing at the date the resolution was passed (€11,308,710).

In addition, the board of directors of the Issuer approved on 25 June 2009 to convene an extraordinary shareholders' meeting to take place on 27 July 2009, on the first call, or on 28 July 2009, on the second call, and proposed the Issuer's shareholders to approve the convertibility of the Notes into newly-issued shares in the Issuer, to exclude the pre-emptive rights that would inure to the shareholders of the Issuer, and to increase the share capital in the amount required to meet the conversion of the Notes, up to an initial maximum amount of €2,367,424.25, subject to the potential adjustments of the Conversion Price, and to delegate in the board of directors the execution of such capital increase.

Dividend and Liquidation Rights

Payment of dividends is proposed by the board of directors and must then be authorised by the Issuer's shareholders at a general meeting. Holders of shares participate in such dividends for each year from the date such dividends are agreed by a general shareholders' meeting. Spanish law requires each company to contribute at least 10% of its profit for the year to a legal reserve each year until the balance of such reserve is equivalent to at least 20% of such company's issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon such company's liquidation. According to Spanish law, dividends may only be paid out from the portion of profits or distributable reserves that exceed the Issuer's amortisable goodwill and its incorporation, research and development expenses, and only if the value of the Issuer's net worth is not, and as a result of distribution would not be, less than its share capital plus legal reserve. In accordance with Section 947 of the Spanish Commercial Code, the right to a dividend lapses and reverts to the Issuer if it is not claimed within five years after it becomes due.

Dividends payable by the Issuer to non-residents of Spain are subject to a Spanish withholding tax at the rate of 15%. However, residents of certain countries will be entitled to the benefits of a Double Taxation Convention. See "*Taxation - Spanish Tax Considerations - Taxation of dividends."*

Upon its liquidation, the Issuer's shareholders would be entitled to receive proportionately any assets remaining after the payment of the Issuer's debts and taxes and expenses of the liquidation.

Shareholders' Meetings and Voting Rights

Pursuant to the Issuer's by-laws, rules of the general shareholders' meeting and Spanish corporate law, the annual general shareholders' meeting of the Issuer's shareholders is held during the first six months of each fiscal year on a date fixed by the board of directors. Extraordinary general shareholders' meetings may be called by the board of directors whenever it deems appropriate or at the request of shareholders representing at least 5% of the Issuer's share capital. Such meetings must be held at least one month after the request being made. Notices of all shareholders' meetings are published in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*) and in a local newspaper of wide circulation in the province where the Issuer is domiciled (currently Seville, Spain) at least one month prior to the meeting. Furthermore, minority shareholders representing at least 5% of the Issuer's share capital are entitled to include additional points to the agenda of the meeting by publishing an addendum to the notice.

Action is taken at ordinary shareholders' meetings on the following matters: the approval of the management carried out by the directors of the Issuer during the previous fiscal year, the approval of the annual accounts from the previous fiscal year, and the application of the previous fiscal year's income or loss. All other matters can be considered at either an extraordinary shareholders' meeting or at an ordinary shareholders' meeting if the matter is within the authority of the meeting and is included on the agenda.

Each share entitles the holder to one vote. Only holders of 1,500 shares or more shares are entitled to attend a general shareholders' meeting, but holders of fewer than 1,500 shares may aggregate their shareholdings and select a shareholder as their representative to attend a general shareholders' meeting. Under Spanish corporate law, shareholders who voluntarily aggregate their shares so that the share capital so aggregated is equal to or greater than the result of dividing the total share capital by the number of directors have the right to appoint a corresponding proportion of the members of the board of directors (disregarding fractions). Shareholders who exercise this right may not vote on the appointment of other directors. Any share may be voted by proxy. Proxies must be in writing and are valid for a single shareholders' meeting. Proxies may be given to another shareholder, and may be revoked, either expressly, by attendance by the shareholder at the meeting, or by the exercise by the shareholder of a vote of abstention.

Subject to the minimum share requirements and aggregation rules described in the preceding paragraph, holders of shares duly registered in the book-entry records maintained by Iberclear, and its member entities at least five days prior to the day on which a shareholders' meeting is scheduled may, in the manner provided in the notice for such meeting, attend and vote at such meeting.

The Issuer's by-laws provide that, on the first call of an ordinary or extraordinary general shareholders' meeting, the presence in person or by proxy of shareholders representing at least 25% of the Issuer's voting capital will constitute a quorum. If on the first call a quorum is not present, the meeting can be reconvened by a second call, which according to Spanish corporate law requires no quorum. However, a resolution in a shareholders' meeting to change the Issuer's share capital or corporate purpose, issue bonds, merge, dissolve, spin off assets, transform the Issuer's legal form or modify the Issuer's by-laws, requires on first call the presence in person or by proxy of a number of shareholders representing at least 50% of its voting capital, and on second call the presence in person or by proxy of shareholders representing at least 25% of its voting capital. On second call, such resolutions may only be passed upon the vote of shareholders representing two thirds of the Issuer's capital present or represented at such meeting. The interval between the first and the second call for a shareholders' meeting must be at least 24 hours. Resolutions in all other cases are passed by a majority of the votes cast.

A resolution passed in a shareholders' meeting is binding on all shareholders, unless such resolution is: (i) contrary to Spanish law or the by-laws of the company; or (ii) prejudicial to the interest of the company and beneficial to one or more shareholders or third parties. In the case of resolutions contrary to Spanish law, the right to contest is extended to all shareholders, directors and interested third parties. In any other case, such

right is extended to shareholders who attended the shareholders' meeting and recorded their opposition in the minutes of the meeting, to shareholders who were absent and to those unlawfully prevented from casting their vote as well as to members of the board of directors. In certain circumstances (such as a modification of corporate purpose or change of the corporate form or transfer of domicile to a foreign country), Spanish corporate law gives dissenting or absent shareholders the right to withdraw from the company. If this right were exercised, the company would be obliged to purchase the relevant shareholding(s) at a price equal to the average market value of the shares for the quarter preceding the date of exercise of this right.

Shareholder Law Suits

Under Spanish corporate law, directors are liable to shareholders for illegal acts, acts that violate the by-laws and for failure to carry out their legal duties with due diligence. Shareholders are not required to submit these actions to arbitration. Under Spanish law, shareholders must generally bring actions against the Issuer in the province where the Issuer is domiciled (currently Seville, Spain).

Registration and Transfer

The Issuer's shares are in book-entry form and are indivisible. Joint holders of one share must designate a single person to exercise their shareholders' rights, but they are jointly and severally liable to the Issuer for all the obligations flowing from their status as shareholders, such as the payment of any pending capital calls. Iberclear, which manages the Spanish clearance and settlement system of the Spanish Stock Exchanges, maintains the central registry reflecting the number of shares held by each of its member entities *(entidades participantes)* as well as the amount of these shares held by beneficial owners. Each member entity, in turn, maintains a registry of the owners of such shares.

As a general rule, transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Spanish Stock Exchange. Brokerage firms, official stockbroker or dealer firms, Spanish credit entities, investment services entities authorised in other EU member states and investment services entities authorised by their relevant authorities and in compliance with the Spanish regulations are eligible to be members of the Spanish Stock Exchanges. The transfer of shares may be subject to certain fees and expenses.

Restrictions on Foreign Investment

In light of Spanish regulations on foreign investment, including Royal Decree 664/1999 and the Spanish Foreign Investment Law (Ley 18/1992), which liberalised exchange controls and foreign investments, and subject to the restrictions described below, foreign investors may freely invest in shares of Spanish companies as well as transfer invested capital, capital gains and dividends out of Spain without limitation (subject to applicable taxes and exchange controls), and need only file a notification with the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments within the Ministry of Economy following the investment or divestiture, if any, solely for statistical, economic and administrative purposes. Where the investment or divestiture is made in shares of Spanish companies listed on any of the Spanish Stock Exchanges, the duty to provide notice of a foreign investment or divestiture lies with the relevant entity with whom the shares in book-entry form have been deposited or which has acted as an intermediary in connection with the investment or divestiture.

If the foreign investor is a resident of a tax haven, as defined under Spanish law (Royal Decree 1080/1991 of 5 July 1991), notice must be provided to the Registry of Foreign Investments prior to making the investment, as well as after completing the transaction. However, prior notification is not necessary in the following cases:

- investments in listed securities, whether or not trading on an official secondary market, as well as investments in participations in investment funds registered with the CNMV*;* and
- foreign shareholdings that do not exceed 50% of the capital of the Spanish company in which the investment is made.

Additional regulations to those described above apply to investments in some specific industries, including air transportation, gambling, mining, manufacturing and sales of weapons and explosives for civil use and national defence, radio, television and telecommunications. These restrictions do not apply to investments made by EU residents, other than investments by EU residents in activities relating to the Spanish defence sector or the manufacturing and sale of weapons and explosives for non-military use.

The Spanish Council of Ministers, acting on the recommendation of the Ministry of Economy, may suspend the aforementioned provisions relating to foreign investments for reasons of public policy, health or safety, either generally or in respect of investments in specified industries, in which case any proposed foreign investments falling within the scope of such a suspension would be subject to prior authorisation from the Spanish government, acting on the recommendation of the Ministry of Economy.

Finally, in addition to the notices relating to significant shareholdings that must be sent to the relevant company, the CNMV and the relevant Spanish Stock Exchanges, as described in this section under *"Reporting Requirements,"* foreign investors are required to provide said notices to the Registry of Foreign Investments.

Pre-emptive Rights and Increases of Share Capital

Pursuant to Spanish corporate law and as of 4 July 2009, only shareholders have pre-emptive rights to subscribe for any new shares issued by the company involving cash contributions and for any new bonds convertible into shares. Such pre-emptive rights may be waived under special circumstances by a resolution passed at a meeting of shareholders or the board of directors (when the company is listed and the shareholders' meeting delegates the right to increase the share capital and waive pre-emptive rights to the board of directors), in accordance with Article 159 of the Spanish corporate law.

The pre-emptive rights, in any event, will not be available in an increase in share capital to meet the requirements of a convertible bond issue or a merger in which shares are issued as consideration. Pre-emptive rights are transferable, may be traded on the Automated Quotation System and may be of value to existing shareholders because new shares may be offered for subscription at prices lower than prevailing market prices.

Reporting Requirements

Pursuant to Royal Decree 1362/2007 of 19 October 2007, any individual or legal entity who, by whatever means, purchases or transfers shares which grant voting rights in a company for which Spain is listed as the Country of Origin (*Estado Miembro*) (as defined therein) and which is listed on a secondary official market or other regulated market in the EU, must notify the relevant issuer and the CNMV, if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a 3% threshold of the company's total voting rights. The notification obligations are also triggered at thresholds of 5% and multiples thereof (excluding 55%, 65%, 85%, 95% and 100%).

The individual or legal entity obliged to carry out the notification must serve the notification by means of the standard form approved by the CNMV from time to time, within four business days from the date on which the transaction is acknowledged (the Royal Decree deems a transaction to be acknowledged within two business days from the date on which such transaction is entered into).

The reporting requirements apply not only to the purchase or transfer of shares, but also to those transactions in which, without purchase or transfer, the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the threshold that triggers the obligation to report as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to the CNMV and disclosed by it.

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares, and any individual or legal entity who owns, acquires or transfers, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, will also have an obligation to notify the company and the CNMV of the holding of a significant stake in accordance with the regulations.

Should the individual or legal entity effecting the transaction be resident in a tax haven (as defined under Royal Decree 1080/1991 of 5 July 1991), the threshold that triggers the obligation to disclose the acquisition or disposition of our shares is reduced to 1% (and successive multiples thereof).

The Issuer will be required to report to the CNMV any acquisition of its own shares which, aggregated together with all other acquisitions since the last notification, reaches or exceeds 1% of the Issuer's share capital (irrespective of whether the Issuer has sold any of its own shares in the same period). In such case, the notification must include the number of shares acquired since the last notification (detailed by transaction), the number of shares sold (detailed by transaction) and the resulting net holding of treasury shares.

All members of the Board of Directors must report to both the Issuer and the CNMV the percentage and number of voting rights in the Issuer held by them at the time of becoming or ceasing to be a member of the Board of Directors. Furthermore, all members of the Board of Directors must report any change in the percentage of voting rights they hold, regardless of the amount, as a result of any acquisition or disposition of the Issuer's shares or voting rights, or financial instruments which carry a right to acquire or dispose of shares which have voting rights attached, including any stock-based compensation that they may receive pursuant to any of the Issuer's compensation plans.

Members of the Issuer's senior management must also report any stock-based compensation that they may receive pursuant to any of the Issuer's compensation plans or any subsequent amendment to such plans. Royal Decree 1362/2007 refers to the definition given by Royal Decree 1333/2005, of 11 November 2005, developing the Securities Market Act, regarding market abuse, which defines senior management (*directivos*) as those "high-level employees in positions of responsibility with regular access to insider information (*información privilegiada*) related, directly or indirectly, to the issuer and that, furthermore, are empowered to adopt management decisions affecting the future development and business perspectives of the issuer".

In addition, pursuant to Royal Decree 1333/2005 of 11 November 2005 (implementing European Directive 2004/72/EC), any member of the Issuer's Board of Directors and any of the Issuer's senior management or any parties closely related to any of them, as such terms are used therein, must report to the CNMV any transactions carried out with respect to the Issuer's shares or derivatives or other financial instruments relating to the shares within five business days of such transaction. The notification of the transaction must include particulars of, among others, the type of transaction, the date of the transaction and the market in which the transactions were carried out, the number of shares traded and the price paid.

The Securities Market Act *(*Law 24/1988, of 28 July 1988) and the Spanish Companies Act require parties to disclose certain types of shareholders' agreements which concern the exercise of voting rights at a general shareholders' meeting or contain restrictions or conditions on the transferability of shares or bonds that are convertible or exchangeable into shares. If the Issuer's shareholders enter into such agreements with respect to shares of the Issuer, they must disclose the execution, amendment or extension of such agreements to the Issuer and the CNMV and file such agreements with the appropriate commercial registry. Failure to comply

with these disclosure obligations renders any such shareholders' agreement unenforceable and constitutes a violation of the Securities Market Act.

Share Buy-backs

Pursuant to Spanish corporate law and as of 4 July 2009, the Issuer may only buy-back its own shares within certain limits and in compliance with the following requirements:

- the buy-back must be authorised by the general shareholders' meeting by a resolution establishing the maximum number of shares to be acquired, the minimum and maximum acquisition price and the duration of the authorisation, which may not exceed five years from the date of the resolution;
- the aggregate nominal value of the shares repurchased, together with the aggregate nominal value of the shares already held by the Issuer and its subsidiaries, must not exceed 10% of the share capital;
- the acquisition cannot lead to net equity being lower than the share capital plus those reserves that are untouchable pursuant to law and the provisions of the articles of association of the Issuer; and
- the shares bought back must be fully paid and must not have "ancillary contributions" (*prestaciones accesorias*) attached.

Treasury shares do not have voting rights or economic rights (the right to receive dividends and other distributions, liquidation rights, etc.), except the right to receive bonus shares, which will accrue proportionately to all of the Issuer's shareholders. Treasury shares are counted towards establishing the quorum and majority requirements to validly hold shareholders' meetings and pass resolutions at shareholders' meetings.

Directive 2003/6/EC of the European Parliament and the European Council dated 28 January 2003 on insider dealing and market manipulation, established rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence in those markets. Article 8 of the Directive establishes an exemption from the market manipulation rules regarding share buy-back programs by companies on the stock exchange of an EU member state.

The European Commission Regulation No. 2273/2003, dated 22 December 2003 (the "Regulation"), implemented the aforementioned Directive with regard to exemptions for buy-back programs. Article 3 of the Regulation states that in order to benefit from the exemption provided for in Article 8 of the Directive, a buy-back program must comply with certain requirements established under such Regulation and the sole purpose of the buy-back program must be to reduce the share capital of an issuer (in value or in number of shares) or to meet obligations arising from either:

- debt financial instruments exchangeable into equity instruments; or
- employee share option programs or other allocations of shares to employees of the Issuer or an associated company.

TAXATION

Spanish Tax Considerations

Introduction

The following summary describes the main Spanish tax implications arising in connection with the acquisition and holding of the Notes by individuals or entities who are the beneficial owners of the Notes (the "Noteholders" and each a "Noteholder"). The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Spain and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Prospective purchasers of the Notes should consult their own tax advisors as to the tax consequences, including those under the tax laws of the country of which they are resident, of purchasing, owning and disposing of Notes.

The summary set out below is based upon Spanish law as in effect on the date of this offering circular and is subject to any change in such law that may take effect after such date, including changes with retroactive effect.

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this offering memorandum:

(a) of general application, Second Additional Provision of Law 13/1985, dated 25 May 1985, on investment ratios, own funds and information obligations of financial intermediaries as amended by, among others, Law 19/2003, dated 4 July 2003 on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures, Law 23/2005, dated 18 November 2005 on certain tax measures to promote productivity and Law 4/2008, dated 23 December 2008, which abolishes Wealth Tax, provides for a monthly Value Added Tax refund system and introduces other amendments to Spanish tax legislation ("Law 13/1985"), as well as Royal Decree 1065/2007, dated 27 July 2007;

(b) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax ("PIT"), Law 35/2006, dated 28 November 2006, on Personal Income Tax and partial amendment of Corporate Tax Law and Non Residents Income Tax Law, and Royal Decree 439/2007, dated 30 March 2007, enacting the Personal Income Tax Regulations, along with Law 29/1987, dated 18 December 1987 on Inheritance and Gift Tax;

(c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax ("CIT"), Royal Legislative Decree 4/2004, dated 5 March 2004 promulgating the Consolidated Text of the Corporate Income Tax Law, Royal Decree 1777/2004, dated 30 July 2004 promulgating the Corporate Income Tax Regulations and the Ministry Order dated 22 December 1999; and

(d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax ("NRIT"), Royal Legislative Decree 5/2004, dated 5 March 2004 promulgating the Consolidated Text of the Non-Resident Income Tax Law, and Royal Decree 1776/2004, dated 30 July 2004 promulgating the Non-Resident Income Tax Regulations, Law 29/1987, dated 18 December 1987 on Inheritance and Gift Tax and the Ministry Order dated 13 April 2000.

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, dated 24 September 1993

and exempt from Value Added Tax, in accordance with Law 37/1992, dated 28 December 1992 regulating such tax.

Individuals with Tax Residence in Spain

Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)

Both interest periodically received and income derived from the transfer, redemption or conversion 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 PIT Law, and therefore will form part of the so called savings income tax base pursuant to the provisions of the aforementioned Law and will be taxed at a flat rate of 18%.

The Issuer will deduct withholdings at an 18% rate on interest payments made to individual Noteholders who are resident for tax purposes in Spain. In addition, income obtained upon transfer or redemption of the Notes may also be subject to PIT withholdings. In any event, individual Noteholders may credit the withholding against their final PIT liability for the relevant fiscal year.

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

Law 4/2008 has effectively abolished Wealth Tax with effects as of 1 January 2008, and, consequently, no Wealth Tax is due as from fiscal year 2008.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates range between 0% and 81.6%, depending on relevant factors.

Legal Entities with Tax Residence in Spain

Corporate Income Tax (*Impuesto sobre Sociedades*)

Both interest periodically received and income derived from the transfer, redemption or conversion of the Notes will be included in the CIT taxable income and will be taxed at the general tax rate of 30% in accordance with the rules for this tax.

In accordance with Section 59.s) of CIT Regulations, there is no obligation to withhold on income obtained by Spanish CIT taxpayers from financial assets listed on a market of an OECD country, as in the case of the Notes.

The Spanish Directorate General of Taxes (*Dirección General de Tributos*) issued a ruling dated 27 July 2004 in which it determined that issues made by persons resident in Spain, such as the Issuer, may benefit from the OECD withholding tax exemption if the relevant securities are both listed and placed in an OECD State other than Spain. The Issuer considers that the issue of the Notes falls within the scope of this exemption since the Notes are to be sold outside Spanish territory and, therefore, that income deriving from the Notes will not be subject to Spanish withholding tax, provided that the payer complies with the identification requirements mentioned below. However, if the Spanish Tax Authorities determined that this exemption is not applicable to the Notes, the Issuer will be required with immediate effect to make the corresponding withholdings, and the Issuer will not be obliged to pay any additional amounts to the Holders nor to indemnify them, in connection with any payments under the Notes.

In order to apply the mentioned withholding tax exemption in respect of the interest under the Notes, the procedure set out in Spanish Order dated 22 December 1999 must be followed.

Notwithstanding the above, amounts withheld, if any, may be credited against the final CIT liability.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but must include the market value of the acquired Notes in their taxable income for Spanish CIT purposes.

Individuals and Legal Entities with no Tax Residence in Spain

Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*) - Non-resident investors acting through a permanent establishment in Spain.

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See "—Legal Entities with Tax Residence in Spain—Corporate Income Tax (*Impuesto sobre Sociedades*)."

Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*) - Non-resident investors not acting through a permanent establishment in Spain.

Both interest payments periodically received and income derived from the transfer, redemption or conversion of the Notes obtained by individuals or entities who are not resident in Spain for tax purposes and do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT on the same terms set forth for income from Spanish public debt.

For these purposes, under Spanish tax legislation currently in force, it is necessary to comply with certain information obligations relating to the identity and tax residency of the Noteholders in the manner detailed under "—Evidencing of Beneficial Owner Residence in Connection with Interest Payments" as currently set forth in Section 44 of Royal Decree 1065/2007 ("Section 44").

Law 4/2008, dated 23 December 2008, has amended Law 13/1985 and has restricted information obligations to be complied with by the Issuer with the Spanish Tax Authorities to the disclosure of the identity of Spanish individual Noteholders and Noteholders which are CIT taxpayers or non-residents acting through a permanent establishment in Spain. It is expected that the procedures currently established in Section 44 will be amended in the future but, for the time being, it should be noted that the Spanish Tax Authorities have provided, in two binding rulings dated 20 January 2009, that such procedures must be followed during a transitional period until the relevant implementing regulations enter into force.

If these information obligations are not complied with in the manner indicated, the Issuer will withhold 18% from any interest payment in respect of any principal amount of the Notes, and the Issuer will not pay additional amounts.

Non-Spanish tax resident Noteholders and entitled to exemption from NRIT who do not timely provide evidence of their tax residence in accordance with the procedure described in detail below may obtain a refund of the amount withheld from the Spanish Tax Authorities by following the standard refund procedure described under "—Evidencing of Beneficial Owner Residence in Connection with Interest Payments."

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over Notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish rules, unless they reside in a country for tax purposes with which Spain has entered into a treaty for the avoidance of double taxation in relation to inheritance tax. In such case, the provisions of the relevant treaty for the avoidance of double taxation will apply.

Non-Spanish resident entities which acquire ownership or other rights over Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), without prejudice to the provisions of any applicable treaty for the avoidance of double taxation entered into by Spain. In general, treaties for the avoidance of double taxation provide for the taxation of this type of income in the country of residence of the beneficiary.

Evidencing of Beneficial Owner Residence in Connection with Interest Payments

As described under "—Individual and Legal Entities with no Tax Residence in Spain" and provided, among other conditions set forth in Law 13/1985, that the Notes are listed on an organised market in an OECD country, interest and other financial income paid with respect to the Notes for the benefit of non-Spanish resident investors not acting, with respect to the Notes, through a permanent establishment in Spain will not be subject to Spanish withholding tax unless such non-Spanish resident investor fails to comply with the relevant information procedures, as summarised below.

In response to the combined effect of various rulings dated 28 September 2007 and 31 January 2008, Euroclear and Clearstream, Luxembourg have adapted the procedures put in place by them to assist Spanish issuers in complying with the reporting obligations required by Spanish tax law and regulations.

The following is a summary only of the procedures implemented by Euroclear and Clearstream, Luxembourg following such rulings and is subject to any publications and notifications which may be made by Euroclear and Clearstream, Luxembourg detailing such procedures (and as amended from time to time), as well as to any changes in Spanish tax law and/or regulations, or the interpretation thereof, which the Spanish Tax Authorities may promulgate from time to time. Noteholders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Notes. None of the Issuer, the Managers, the Fiscal Agent, the Paying, Transfer and Conversion Agent or Euroclear and Clearstream, Luxembourg (or any other clearing system) assume any responsibility therefore.

1. Individuals and Legal Entities without tax residency in Spain

In accordance with sub-section 44(1) of Royal Decree 1065/2007, each annual return filed by the Issuer with the Spanish Tax Authorities must include the following information with respect to the relevant Notes:

(i) the identity and country of residence of the recipient of the income from the Notes. When such income is received on behalf of the holder of Notes by a third party, the identity and country of residence of that third party;

(ii) the amount of income received; and

(iii) details identifying the Notes.

In accordance with sub-section 44(2) of Royal Decree 1065/2007, for the purpose of preparing the return referred to in sub-section 44(1), certain documents with information regarding the identity and country of residence of each non-Spanish resident holder of Notes must be received by the Issuer at the time of each payment in respect of the Notes. In particular, on each payment of income, and in order to obtain an immediate refund of Spanish withholding taxes initially deducted by the Issuer, the following documentation must be obtained from Euroclear and Clearstream, Luxembourg and the entities holding accounts with them ("Participants" and "Customers") either acting on their own name and behalf or duly represented Euroclear and Clearstream, Luxembourg (each a "Legal Representative") no earlier than the close of business on the day preceding the relevant payment date:

(A) a non-Spanish resident Noteholder who acts on its own account and is a central bank, other public institution or international organisation, a bank or credit institution or a financial entity, including collective investment institutions, pension funds and insurance entities resident in an OECD country or in a country with which Spain has entered into a treaty for the avoidance of double-taxation subject to a specific administrative

registration or supervision scheme (a "Qualified Institution"), must certify its name and tax residency in accordance with Annex I of the Order of 16 September 1991 establishing the procedure for the payment on Book Entry State Debt to non-residents who invest in Spain without a permanent establishment, developing the Royal Decree 1285/1991 of 2 August, the form of which is attached hereto as Annex I;

(B) in the case of transactions in which the Participant or Customer is a Qualified Institution which is not the Noteholder but acts as an intermediary, the entity in question must, in accordance with the information contained in its own records, certify the name and tax residency of each non-Spanish resident Noteholder in accordance with Annex II of the Order of 16 September 1991, the form of which is attached hereto at Annex II;

(C) if the Participant or Customer is not a Qualified Institution, refunds of Spanish withholding taxes initially deducted by the Issuer will only be available if Euroclear and Clearstream, Luxemburg issue in their own name and behalf an Annex II. However, Euroclear and Clearstream, Luxemburg are not obliged to do so, in which case Noteholders will have to seek their own tax advice in order to seek a refund from the Spanish Tax Authorities.

In accordance with sub-section 44(3) of Royal Decree 1065/2007, on the relevant payment date the Issuer must arrange for the net amounts payable after deduction of Spanish withholding tax at the applicable rate (currently 18%) to be transferred to the entities referred to in paragraphs (A), (B) and (C). Withholding tax will be applied to the whole amount of the interest payable on the relevant Notes on the relevant payment date. Provided the procedures put in place from time to time by Euroclear and Clearstream, Luxembourg are complied with, the Issuer will pay an immediate refund on the payment date of amounts withheld to those non-Spanish resident Noteholders entitled to receive payments free of withholding on that date. Payments made to non-Spanish resident Noteholders who provide the relevant document (or in respect of whom the relevant document is provided) to the Fiscal Agent other than by the Legal Representative, or in respect of whom the relevant document is provided after the relevant time on the payment date will be subject to Spanish withholding tax on the relevant payment date at the current rate of 18%, although such holders may be entitled to a refund at a later date of amounts withheld as further described below.

2. Legal Entities with tax residency in Spain subject to Spanish Corporate Income Tax

Noteholders who are legal entities resident for tax purposes in Spain and subject to Spanish Corporate Income Tax may receive payments in respect of the Notes free of withholding provided that they provide (or arrange to be provided on their behalf by their Legal Representative) accurate and timely information enabling them to qualify for such an exemption from withholding substantially in the form set out in Annex III below and following the procedures put in place from time to time by Euroclear and Clearstream, Luxembourg. In such case, the Issuer will pay an immediate refund of amounts withheld to those holders of Notes entitled to receive payments free of withholding on that date. Payments made to Noteholders who provide the relevant information (on in respect of whom the relevant information is provided) to the Fiscal Agent other than by the Legal Representative, or in respect of whom the relevant document is provided after the relevant payment date will be subject to Spanish withholding tax on the relevant payment date at the current rate of 18%.

3. Quick Refund by the Issuer

In the case of both paragraphs 2 and 3 above, in order for a Noteholder to benefit from an applicable exemption from Spanish withholding tax, the documentation must be received by the Fiscal Agent in accordance with the detailed procedures established in the Fiscal Agency Agreement (which may be inspected during normal business hours).

If the Fiscal Agent does not receive the relevant certificate in respect of an eligible Noteholder by the relevant time on the relevant payment date, it will be obliged to transfer payment to such holder (or to a nominee on behalf of such holder) subject to Spanish withholding tax (currently at the rate of 18%). However, the

Noteholder may obtain a refund by the Issuer of the amount withheld by ensuring that the Fiscal Agent receives the relevant, correctly completed certificate by no later than 10:00 am (CET) on the business day before the 10th calendar day of the month following the relevant payment date (or if such date is not a business day (as defined in the Fiscal Agency Agreement), the business day immediately preceding such date) (the "Quick Refund Deadline").

4. Refund by the State

Noteholders who might otherwise have been entitled to a refund but in respect of whom the Fiscal Agent does not receive the relevant, accurately completed certificate on or before a Quick Refund Deadline may seek a refund of Spanish tax withheld directly from Spanish Tax Authorities.

Annex I

Modelo de certificación en inversiones por cuenta propia

Form of Certificate for Own Account Investments

(nombre) (name).....

(domicilio) (address) .....
……
……

(NIF) (fiscal ID number) .....

(en calidad de) (function) ..... , en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2.a) del Real Decreto 1065/2007,

in the name and on behalf of the Entity indicated below, for the purposes of article 44.2.a) of Royal Decree 1065/2007,

CERTIFICO:

I certify:

1. **Que el nombre o razón social de la Entidad que represento es:**

   that the name of the Entity I represent is: .....

2. **Que su residencia fiscal es la siguiente:**

   that its residence for tax purposes is:.....

3. **Que la Entidad que represento está inscrita en el Registro de**

   that the institution I represent is recorded in the Register ……of…….

   (país estado, ciudad), con el número

   (country, state, city), under number.....…….....

4. **Que la Entidad que represento está sometida a la supervisión de**

   (Organo supervisor)

   that the institution I represent is supervised by.....(Supervisory body)

   en virtud de (normativa que lo regula)

   under .....….....(governing rules).

Todo ello en relación con:

All the above in relation to:

Identificación de los valores poseídos por cuenta propia

Identification of securities held for own account.....

Importe de los rendimientos

Amount of income….....

Lo que certifico en a de de 20

I certify the above in .....……..on the..…….... of …….....….....of 20 .....

Annex II

Modelo de certificación en inversiones por cuenta ajena

Form of Certificate for Third Party Investments

(nombre) (name).....

(domicilio) (address).....

.....

.....**(N**

IF) (fiscal ID number) .....

(en calidad de) (function) ..... , en nombre y representación de la Entidad bajo señalada a los efectos previstos en el artículo 44.2.b) y c) del Real Decreto 1065/2007, in the name and on behalf of the Entity indicated below, for the purposes of article 44.2.b) and c) of Royal Decree 1065/2007,

CERTIFICO:

I certify:

1. **Que el nombre o razón social de la Entidad que represento es:**

   that the name of the Entity I represent is: .....

2. **Que su residencia fiscal es la siguiente:**

   that its residence for tax purposes is: .....

3. **Que la Entidad que represento está inscrita en el Registro de**

   that the institution I represent is recorded in the ..... Register of .....

   (país estado, ciudad), con el número

   (country, state, city), under number ….....…….....

4. **Que la Entidad que represento está sometida a la supervisión de**

   (Organo supervisor)

   that the institution I represent is supervised by.....(Supervision body)

   en virtud de (normativa que lo regula)

   under..... (governing rules).

5. **Que, de acuerdo con los Registros de la Entidad que represento, la relación de titulares adjunta a la presente certificación, comprensiva del nombre de cada uno de los titulares no residentes, su país de residencia y el importe de los correspondientes rendimientos, es exacta, y no incluye personas o Entidades residentes en España ~~o en los países o territorios que tienen en España la consideración de paraíso fiscal de acuerdo con las normas reglamentarias en vigor~~.**

   That, according to the records of the Entity I represent, the list of beneficial owners hereby attached, including the names of all the non-resident holders, their country of residence and the amounts of the corresponding income is accurate, and does not include person(s) or institution(s) resident ~~either~~ in Spain ~~or in tax haven countries or territories as defined under Spanish applicable regulations~~.

Lo que certifico en a de de 20

I certify the above in ..... on the..... of .....of 20……

RELACION ADJUNTA A CUMPLIMENTAR:

TO BE ATTACHED:

Identificación de los valores:

Identification of the securities

Listado de titulares:

List of beneficial owners:

Nombre / País de residencia / Importe de los rendimientos

Name / Country of residence / Amount of income

Annex III

Modelo de certificación para hacer efectiva la exclusion de retención a los sujetos pasivos del Impuesto sobre Sociedades y a los establecimientos permanentes sujetos pasivos del Impuesto sobre la Renta de No Residentes (a emitir por las entidades citadas en el art. 44.2.a) del Real Decreto 1065/2007)

Certificate for application of the exemption on withholding to Spanish Corporate Income Tax taxpayers and to permanent establishments of Spanish Non-Resident Income Tax taxpayers (to be issued by entities mentioned under article 44.2.a) of Royal Decree 1065/2007)

(nombre) (name) .....

(domicilio) (address).....……..
..…….....
……

(NIF) (fiscal ID number) .....

(en calidad de) (function) ....., en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 59.s) del Real Decreto 1777/2004, in the name and on behalf of the Entity indicated below, for the purposes of article 59.s) of Royal Decree 1777/2004,

CERTIFICO:

I certify:

1. **Que el nombre o razón social de la Entidad que represento es:**

   that the name of the Entity I represent is: .....……..

2. **Que su residencia fiscal es la siguiente:**

   that its residence for tax purposes is: .....…….

3. **Que la Entidad que represento está inscrita en el Registro de**

   that the institution I represent is recorded in the .....……..…. Register of.....

   (país, estado, ciudad), con el número

   (country, state, city), under number.....…….

4. **Que la Entidad que represento está sometida a la supervisión de**

   (Organo supervisor)

   that the institution I represent is supervised by .....(Supervision body)

   en virtud de (normativa que lo regula)

   under..... (governing rules).

5. **Que, a través de la Entidad que represento, los titulares incluídos en la relación adjunta, sujetos pasivos del Impuesto sobre Sociedades y establecimientos permanentes en España de sujetos pasivos del Impuesto sobre la Renta de no Residentes, son perceptores de los rendimientos indicados.**

   That, through the Entity I represent, the list of holders hereby attached, are Spanish Corporate Income Tax taxpayers and permanent establishment in Spain of Non-Resident Income Tax taxpayers, and are recipients of the referred income.

6. **Que la Entidad que represento conserva, a disposición del emisor, fotocopia de la tarjeta acreditativa del número de identificación fiscal de los titulares incluídos en la relación.**

That the Entity I represent keeps, at the disposal of the Issuer, a photocopy of the card evidencing the Fiscal Identification Number of the holders included in the attached list.

Lo que certifico en a de de 20

I certify the above in ..... on the……..of .....of 20 .....

RELACION ADJUNTA

TO BE ATTACHED

Identificación de los valores:

Identification of the securities

Razón social / Domicilio / Número de identificación fiscal / Número de valores / Rendimientos brutos / Retención al 18%

Name / Domicile / Fiscal Identification Number / Number of securities / Gross income / Amount withheld at 18%.

EU Savings Directive

Under European Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into 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 in one of those territories.

Luxembourg

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding tax

Under Luxembourg tax law currently in effect, and subject to the provisions of the Laws (as defined below) and the law dated 23 December 2005, there is no Luxembourg withholding tax on payments of principal, premium or interest (including accrued but unpaid interest), nor is any Luxembourg withholding tax payable on redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 (the "Laws") implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive") and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("EU"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to or to the immediate benefit of an individual beneficial owner who is resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain ''residual entities'' within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish

and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised 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 recognised in accordance with the Council Directive 85/611/EEC).

Where withholding tax is applied, it is currently levied at a rate of 20% and will be levied at a rate of 35% as of 1 July 2011. 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 Laws would at present be subject to withholding tax of 20%.

Luxembourg resident individuals

Under the law dated 23 December 2005, as amended, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. 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 Law would be subject to withholding tax of 10%.

SUBSCRIPTION AND SALE

Subscription Agreement

Pursuant to a subscription agreement dated 25 June 2009 (the "Subscription Agreement") between the Issuer and BNP Paribas and Deutsche Bank AG, London Branch, as Joint Lead Managers (the "Joint Lead Managers"), each of the Joint Lead Managers severally (but not jointly) agreed, subject to certain customary closing conditions, to subscribe for the Notes in the nominal amount of €200,000,000 at an issue price of 100% of their nominal amount.

The Joint Lead Managers are entitled, in certain customary circumstances, to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

The Joint Lead Managers shall receive an offering commission in respect of their services provided to the Issuer in connection with the issue of the Notes. In addition, the Issuer may, at its discretion, pay the Joint Lead Managers a discretionary performance related fee.

The Issuer has agreed to reimburse the Joint Lead Managers for certain costs and expenses incurred by them in connection with the issue of the Noses.

Each of the Issuer and the Major Shareholder has undertaken that, for a period of 90 days from 25 June 2009 it will not and it will procure that none of its subsidiaries or any other party acting on its or their behalf (other than the Joint Lead Managers) will, without the prior written consent of the Joint Lead Managers: (i) directly or indirectly, issue, offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares; or (ii) enter into any swap or any other agreement or any transaction that transfers in whole or in part, directly or indirectly, any of the economic consequences of ownership of Ordinary Shares, whether any such swap or transaction described in paragraph (i) or (ii) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise. The foregoing sentence shall not apply to the entering into of a stock lending arrangement by the Major Shareholder relating to the Ordinary Shares dated 23 June 2009, or the performance of the terms thereunder.

The restrictions set forth above shall not apply (a) to the issue of the Notes, (b) to the issue of Ordinary Shares pursuant to conversion of the Notes, (c) upon exercise of options in respect of Ordinary Shares existing as at 25 June 2009, (d) to the grant of options under any employees' share scheme existing and publicly disclosed as at 25 June 2009, or (e) to the disposal or purchase of treasury shares (*autocartera*) in accordance with the Issuer's general policies and arrangements in force as at 25 June 2009. For the purposes of this section, "Ordinary Shares" shall include participation certificates and any depositary or other receipt, instrument, rights or entitlements representing Ordinary Shares.

Selling Restrictions

General

This Offering Circular does not constitute an offer by, or an invitation by or on behalf of, the Issuer or the Joint Lead Managers or any other person to subscribe for any of the Notes, or the solicitation of an offer to subscribe for any of the Notes. No action has been taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes or possession or distribution of the Offering Circular or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering

circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

United States

The Notes and the Ordinary Shares to be issued upon conversion of the Notes have not been and will not be registered under the Securities Act find may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Notes (or the Ordinary Shares to be issued upon conversion of the Notes) constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, none of the Joint Lead Managers nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes or the Ordinary Shares to be delivered upon conversion of the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(i) it has complied and will comply with all applicable provisions of the United Kingdom Financial Services and Markets Act 2000 ("FSMA") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

(ii) 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of FSMA does not apply to the Issuer.

Spain

The Notes have not been and will not be registered with the CNMV. Accordingly, each Joint Lead Manager has represented, warranted and agreed that the Notes may not be offered or sold in Spain save in accordance with the requirements of the Spanish Securities Market Law (*Ley del Mercado de Valores*) of 28 July 1988, as amended and restated and Royal Decree 1310/2005 (*Real Decreto 1310/2005 de 4 de Noviembre*), as amended and restated and the decrees and regulations made thereunder.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Joint Lead 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 (the "Relevant Implementation Date") it has not made and will not make an offer of the Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any other Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 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 and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

GENERAL INFORMATION

1 Listing

Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange; and traded on the Euro MTF Market.

The Issuer has undertaken to apply to have the Ordinary Shares issuable and/or deliverable upon conversion of the Notes listed on the Spanish Stock Exchanges.

2 Authorisation

The conversion of the Notes into newly issued Ordinary Shares will need to be authorised by a resolution of the Issuer's shareholders at a shareholders' meeting which is expected to be held on 27 July 2009. The creation and issue of the Notes has been authorised by resolutions of the board of directors of the Issuer passed on 22 June 2009 and 25 June 2009.

3 Clearing

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number for the Notes is XS0437092322. The Common Code is 043709232. The address of Euroclear is 1 Boulevard de Roi Albert I, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855, Luxembourg. The ISIN number for the Ordinary Shares is ES0105200416.

4 Governmental, Legal or Arbitration Proceedings

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

5 Financial and Trading Position

Other than as set out in this Offering Circular (see especially "Recent Developments"), there has been no significant change in the financial or trading position of the Issuer and its Subsidiaries taken as a whole since the date of the last published unaudited interim financial information for the period ended 31 March 2009.

6 Financial Information

PriccwaterhouseCoopers Auditores, S.L., whose address is Edificio Pórtico, Concejal Francisco Ballesteros, 4, 41018, Sevilla, Spain, is the auditor of the Issuer and audited the consolidated annual accounts of the Issuer for the years ended 31 December 2007 and 31 December 2008. The reports in respect of such annual accounts were unqualified.

7 Documents on Display

So long as the Notes are listed in the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market and the rules of the Luxembourg Stock Exchange shall so require, copies of the following documents (and, where appropriate, English translations) are available free of charge from the offices of the Paying, Transfer and Conversion Agents in Luxembourg and may be inspected during normal

business hours at the offices of the Issuer at Avenida de la Buhaira, 2, 41018, Sevilla, Spain for so long as any Notes remain outstanding.

Documents on display:

- the by-laws of the Issuer;
- the annual report, including the audited consolidated annual accounts of the Issuer, for the two years ended 31 December 2008 and 2007 and the unaudited interim consolidated financial information for the three months ended 31 March 2009;
- the unaudited interim consolidated financial information of the Issuer for the three months ended 31 March 2009;
- the Fiscal Agency Agreement; and
- each set of consolidated interim financial information (published quarterly) and each annual report, including the consolidated annual accounts, of the Issuer and the Group, published by the Issuer.

In addition, this Offering Circular is also available at the website of the Luxembourg Stock Exchange (www.bourse.lu).

8 Notices

Financial notices concerning the Issuer including annual accounts, quarterly interim reports and notices of general meetings shall be published on the Issuer's website at www.abengoa.es.

All notices regarding the Notes and any notices relevant to the rights attaching to the Ordinary Shares shall be published (for so long as the Notes are admitted to the official list of the Luxembourg Stock Exchange and traded on the Euro MTF market of the Luxembourg Stock Exchange and the rules of that exchange so require), in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange on www.bourse.lu. The additional publication of such notices on the Luxembourg Stock Exchange does not alter the effectiveness of the publication in a leading newspaper or as otherwise prescribed by the Conditions.

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