

*ACS, Actividades de Construcción y Servicios, S.A.*

**Comisión Nacional del Mercado de Valores**  
**Edison, 4**  
**28006 MADRID**

Madrid, 9 January 2019

Dear Sirs,

For the purpose established in section 228 of Law 4/2015, of 23 October 2015, regulating the Spanish Stock Market, and supplementary provisions, I hereby disclose to you the following Significant Event:

ACS Actividades de Construcción y Servicios, S.A. resolved today to carry out the second execution of the capital increase charged to reserves which was passed by the Ordinary General Shareholders' Meeting on 8 May 2018. The operation aims to implement a flexible remuneration to shareholders ("Scrip Dividend"), with the purpose of allowing shareholders to choose between receiving cash remuneration or new shares in the Company.

Likewise, the Company resolved to execute the capital reduction by means of the retirement of treasury shares that was passed at the same General Meeting, in an amount maximum equal to the effective amount of the share capital increase as a result of the first execution mentioned in the preceding paragraph.

Enclosed is an Information Document for the purposes provided in articles 26.1.e) and 41.1.d) of Royal Decree 1310/2005, of 4 November, in section 3.1 which contains the schedule of the operation.

Sincerely,

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José Luis del Valle Pérez  
Director - Secretary General

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*Translation of originally issued in Spanish and prepared in accordance with the regulatory applicable to the Group. In the event of a discrepancy, the Spanish-language version prevails.*



**INFORMATION DOCUMENT**

**CAPITAL INCREASE CHARGED TO RESERVES**

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y  
SERVICIOS, S.A.**

**9 January 2019**

*This Information Document has been prepared pursuant to the provisions in articles 26.1 d) and 41.1d) of Royal Decree 1310/2005.*

## 1 Object

The Annual General Meeting of Shareholders of ACS, Actividades de Construcción y Servicios, S.A. (“ACS” or the “Company”) held on 8 May 2018 resolved to increase the share capital of ACS charged to voluntary reserves in an amount to be determined according to the terms established in the agreement itself (the “Capital Increase”), as well as to simultaneously reduce the share capital of the Company by an maximum amount equal to the amount of the share capital that is actually issued as a consequence of the Capital Increase (the Capital Increase and this reduction are the “Resolution”), delegating the execution of the resolution to the Board of Directors (with express powers of substitution) (the “Resolution” pursuant to article 297.1.a) of the Capital Companies Act, approved by Legislative Royal Decree 1/2010, of 2 July (the “Capital Companies Act”).

According to the terms of the Resolution, the maximum reference fair value of the Capital Increase is 441 million euros and it may be exercised within the year following the date of the Resolution on one or two occasions at the very most, and the reference fair value is not to exceed 299 million euros in the First Execution, or 142 million euros in the second execution, in the event it is carried out.

The Board of Directors of the Company, at its meeting held on 13 December 2018, among, and using the powers of delegation in the Resolution, resolved to carry out a Second Execution of the Capital Increase delegate indiscriminately to the Executive Commission, the Chairman of the Board of Directors and the Director and Secretary so that they may carry out any actions they deem appropriate or necessary for the execution of everything contained in the Resolution and they may sign any documents required or considered appropriate for the above-mentioned purposes.

By virtue thereof, on 9 January 2019, resolved to carry out a Second Execution of the Capital Increase (the “Second Execution”) setting the maximum reference value of said Second Execution (Amount of the Executed Option) at 142 million euros. In the event (a mere theoretical possibility) that none of the shareholders were to choose to sell their rights to the Company pursuant to the Purchase Commitment (section 2.2 below) and that the PreCot (quoted price, the reference Price used to determine the number of shares to be issued, see also section 2.2 below) coincides with the closing share price of the day before the date of this document, this Second Execution would determine a capital increase of approximately 1.30 %. However, as a consequence of the simultaneous capital reduction by means of the amortisation of shares that is mentioned in section 2.1 below, in any event following the increase and the reduction, the current share capital amount will remain unchanged.

Pursuant to the provisions in articles 26.1.e) and 41.1.d) of Royal Decree 1310/2005, of 4 November, it is not necessary to prepare and publish a prospectus in respect of the issuance and Listing of the shares issued as a consequence of the Second Execution insofar as the existence of this information document means that a document is available with information on the number and nature of the shares and the reasons for and details of the offer.

The purpose of this information document is to furnish the information among that mentioned above which is available as of the present date. Once the First Execution is executed and the remaining information is available, it will be disclosed as a supplement to this information document. The disclosure of the Second Execution of the Capital Increase and of the particulars thereof that are yet to be concretised by means of a supplement to this information document is scheduled to take place on 17 January 2019.

## 2 Purpose and functioning of the Capital Increase

### 2.1 Purpose

The purpose of the transaction forming the object of this Informative Document is to offer the shareholders of the Company, in lieu of what would be an interim cash dividend, fully paid-up shares with the possibility of immediately monetising the free allotment rights corresponding to said shares through their sale to the Company at a pre-defined price.

The transaction is in line with similar transactions carried out by ACS, since 2012, and with the practices of other important listed companies in recent years. It involves remunerating the shareholder in accordance with a flexible "optional dividend" which enables to receive and retain the shares or the receipt of money in conditions which are equivalent, including as regards taxation, to those of an actual dividend.

Likewise, at the time of the Second Execution, has resolved to partially execute the capital reduction by means of the amortisation of treasury shares established in the Resolution in a nominal amount maximum equal to the actual nominal amount of the Second Execution, simultaneously thereto. With this reduction, the shareholders who decide to transfer their free allocation rights as a consequence of the Second Execution will not be subject to a dilution of their ownership interest in the Company.

## 2.2 Functioning

The shareholders of the Company will receive a free allocation right for each ACS share in their possession. These shall be negotiable rights, and therefore they may be transferred on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges during a term of 15 calendar days, after which the rights will automatically become newly issued shares of ACS, and they will be attributed to those who at the time are holders of free allocation rights.

Therefore, at the time of the Second Execution, the shareholders of ACS will be free to choose between:

- (a) Not transferring their free allocation rights. In such event, at the end of each trading period the shareholder will receive the fully liberated new shares to which he is entitled. This allocation of shares is not subject to withholding for tax purposes.
- (b) Transferring the entirety or part of their free allocation rights to ACS by virtue of the Purchase Commitment assumed by ACS at a guaranteed fixed price for the Second Execution (the "**Purchase Commitment**"). In this way, a shareholder would choose to monetise his rights, receiving the Executed Option in cash rather than receiving shares. Rights that were acquired on the secondary market cannot be transferred. The free allocation rights may only be transferred to the Company by virtue of the Purchase Commitment by the shareholders who had acquired their shares until 21 January 2019 (on the date of publication of the announcement of the Second Execution in the Mercantile Registry Official Gazette, BORME) and whose transactions had been settled until 23 January 2019 to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U (Iberclear), both inclusive. The tax regime applying to the amount received as a consequence of choosing this option is the same as for cash dividends, therefore the amount payable to shareholders shall be subject to the relevant withholding.
- (c) Transferring the entirety or part of his free allocation rights on the market. In this case a shareholder would also choose to monetise his rights, but he would not receive a guaranteed fixed price, because the consideration for the rights would depend on the market conditions in general and on the quoted Price of those rights in particular. Amounts obtained from the sale of rights on the market will be considered as equity gain and will be subject to the corresponding withholding in accordance with the rules established in the regulations in force for taxpayers subject to Income Tax of Individuals.

Also, shareholders may combine the above options (that is, they may choose one or more of them in respect of the entirety or part of the rights and shares to which they are entitled in the Second Execution of the Capital Increase), depending on what they freely decide.

Shareholders who do not communicate a specific decision will receive the number of new shares to which they are entitled.

As stated above, shareholders will receive a free allocation right for each share of ACS of which they are holders. The number of rights required to receive a new share and the guaranteed price at which

ACS shall undertake to buy the rights from those choosing to receive cash by virtue of the Purchase Commitment will depend on the quoted price of the ACS share on the days prior to the Second Execution of the Capital Increase and on the number of shares outstanding at the time. The number of rights and the final price of the Purchase Commitment are scheduled to be disclosed on 17 January 2019, by means of a supplement to this information document, and said data will be calculated by applying the formulas established in the Resolution approved by the Meeting (available at the ACS website ([www.grupoacs.com](http://www.grupoacs.com)) and at the CNMV website ([www.cnmv.es](http://www.cnmv.es)), said formulas being laid out below.

In any event, the number of shares to be issued shall be such that the fair value of those shares calculated according to the quoted Price of the ACS share on the days before the Second Execution of the Capital Increase shall be 142 million euros. Said amount has been established pursuant to the provisions in the Resolution of the Annual General Meeting of Shareholders.

In this way, the approximate value of each free allocation right is 0.449 euros. This shall also be the approximate price of the ACS Purchase Commitment.

Specifically, the number of rights required in order to receive a new share and the price of the Purchase Commitment in respect of those rights shall be calculated as follows:

*No. of rights = NTAcc / (142,000,000 / PreCot), (rounded to the next highest whole number).*

Where,

“**No. of rights**” shall be the number of rights required in order to receive a new share of ACS in the Second Execution.

“**NTAcc**” shall be the number of shares outstanding on the date of the Second Execution of the Capital Increase (as of the date of this document, 314.664.594 shares). For the purpose herein, the date of the Second Execution shall be that on which the Executive Commission, the Chairman of the Board of Directors or the Director-Secretary General, by virtue of the delegation of powers executed by the Board of Directors at its meeting of 19 December 2018, carries out the arithmetical operations resulting from the application of the formulas mentioned herein, in order to calculate the provisional number of shares to be issued, the number of free allocation rights required for the allocation of a share, the “PreCot” (quoted price) and the maximum nominal amount of the Capital Increase as a result of the Second Execution, which is scheduled to take place on 17 January 2019;

“**PreCot**” shall be the (simple) arithmetic mean of the weighted average quoted prices of the Company share on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges in the 5 stock exchange sessions of 10, 11, 14, 15 and 16 January 2019, rounded to the nearest thousandth of euro and, if there is a half thousandth euro, it will be rounded to immediately higher thousandth of euro

If necessary, ACS shall waive the number of free allocation rights required to guarantee that the number of shares to be issued in the Second Execution and the number of rights required to receive a share is a whole number rather than a fraction.

“**Fixed price of the Purchase Commitment**” = PreCot / No. of rights rounded to the nearest thousandth of euro and, if there is a half thousandth euro, it will be rounded to immediately higher thousandth of euro.

Where “PreCot” and “No. of rights” have the meanings stated above.

### **3 Details of the Offer**

#### **3.1 Calendar of the Second Execution**

The calendar scheduled for the Second Execution is the following:

17 January 2019: Publication, by means of a supplement to the information document, of the number of free allocation rights required to receive a share and the final price of the Purchase Commitment.

21 January 2019: Publication of the announcement of the First Execution in the BORME. Last day in which ACS shares are traded with the right to participate in the second execution of capital increase (last trading day).

22 January 2019: Commencement of the trading period of the free allocation rights and of the term for requesting the cash remuneration (sale of rights to ACS) by virtue of the Purchase Commitment. Date from which ACS shares are traded without the right to participate in the second execution of capital increase (ex-date)

23 January 2019: Determination date by Iberclear of the positions for the allocation of free allocation rights (record date).

30 January 2019: End of the term for requesting the cash remuneration (sale of rights to ACS) by virtue of the Purchase Commitment.

5 February 2019: End of the trading period for the free allocation rights. Acquisition by ACS of the free allocation rights from the shareholders who have chosen to receive cash by virtue of the Purchase Commitment.

6 February 2019: ACS waives any free allocation rights which holds the end of the trading period. End of the Second Execution.

7 February 2019: Cash payment to the shareholders who requested their remuneration in cash by virtue of the Purchase Commitment.

7 February - 22 February 2019: Formalities for the registration of the Second Execution and the Listing of the new shares on the Spanish Stock Exchanges.

25 February 2019: Date scheduled for the new shares to begin trading on the Spanish Stock Exchanges.

This schedule is adapted to the widespread interpretation in the market provisions of Royal Decree 878/2015, of October 2, on clearing, settlement and registration of securities represented by book entries, on the legal status of central securities depositories and central counterparties and transparency requirements issuers of securities admitted to trading on an official secondary market published in the official Gazette on October 3, 2015. This Royal Decree involves, among other things, the reform of the system of clearing, settlement and registration of securities.

It notes that the schedule for implementation of the Capital Increase is based on estimates made according to the information available until the date regarding the implementation of the reform above mentioned. Consequently, certain issues or milestones (such as the date of commencement of trading of the new issued shares) are subject to any changes that may take place later. In this regard, ACS will inform the market of changes that may occur to the estimated timing of the Second Execution of the Capital Increase, either by complement to present information document or by notice of significant event.

### **3.2 Allocation of rights and procedure for choosing between cash or new shares**

The free allocation rights shall be allocated to the shareholders of ACS who had acquired their shares until 21 January 2019 (date of publication of the announcement of the Second Execution in the Mercantile Registry Official Gazette, BORME) and whose transactions had been settled until 23 January 2019 in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), both inclusive. The period for trading these rights on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges via the Stock Exchange Interconnection System (Continuous Market) shall commence on the next business day after the publication of the

announcement of the execution of the Capital Increase in the Mercantile Registry Official Gazette, BORME, (that is 21 January 2019) and it will last fifteen calendar days (from 22 January to 5 February 2019, both inclusive).

During the trading period for the free allocation rights, shareholders may choose between cash or new shares under the terms stated above, and they may acquire on the market sufficient free allocation rights in the proportion required to be able to subscribe new shares. However, shareholders wishing to accept the ACS Purchase Commitment in respect of rights and to receive cash at the guaranteed fixed price must notify their decision no later than 30 January 2019. The Purchase Commitment applies only to the rights received free of charge by shareholders, whereas any rights bought on the market are excluded.

To decide between the options provided by ACS in connection with the Second Execution of the Capital Increase, shareholders must contact the institutions where they have deposited their shares and the corresponding free allocation rights by virtue of the Purchase Commitment within the terms indicated in the preceding paragraph. In the absence of an express communication, a shareholder shall receive the number of new shares in proportion to what he is entitled, being fully liberated shares.

### **3.3 Expenses and fees**

This Second Execution will be free of expenses and fees in respect of the allocation of the newly issued shares. ACS shall bear the issuance, subscription, circulation, listing and any other expenses related to the Second Execution of the Capital Increase.

Subject to the foregoing, the shareholders of the Company must bear in mind that institutions that are members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) at which they have their shares deposited may establish, in accordance with the law in force any administration-related fees and expenses that they freely determine, arising from maintaining the securities in their book records. Also, the above-mentioned institutions may establish, according to the law in force, any fees or expenses related to the processing of orders to buy and sell free allocation rights which they freely determine.

## **4 Number and nature of the shares to be issued**

### **4.1 Number of shares to be issued**

The number of shares to be issued as a consequence of the Second Execution of the Capital Increase (“NAN”) shall be that resulting from the formula approved by the Resolution, by the Annual General Meeting of Shareholders of ACS indicated below, rounded to the immediately lower whole number:

$$\text{NAN} = \text{NTAcc} / \text{No. of rights}$$

Where NTAcc and No. of rights have the meaning indicated above.

The number of shares to be issued in the Second Execution is scheduled to be disclosed on 17 January 2019, by means of a supplement to this information document.

Subject to the foregoing, the number of shares actually issued in the Second Execution will depend on the number of shareholders asking to receive their remuneration in cash at the fixed price of the Purchase Commitment. ACS shall waive the free allocation rights acquired by virtue of the Purchase Commitment from shareholders who ask to be paid in cash, therefore only the shares corresponding to the free allocation rights not acquired by ACS under the above-mentioned Purchase Commitment shall be issued.

## **4.2 Nominal value, issuance rate and representation of the shares**

The new shares issued in the Second Execution of the Capital Increase shall be ordinary shares, each with a nominal value of 0.5 euros per share, of the same class and series as those currently outstanding, represented by means of book entries, the accounting of which is entrusted to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its member entities.

## **4.3 Reserve to which the issuance of the shares is charged and balance sheet used as a basis for the operation**

The Second Execution of the Capital Increase is liberated and, as such, it does not entail any disbursement whatsoever for the shareholders of ACS. As mentioned above, this disbursement will be fully charged to freely available reserves in the voluntary reserves account, the amount of which as of 31 December 2017 was 1,137,891,828.77 euros.

The balance sheet serving as the basis for the Second Execution of the Capital Increase is the one corresponding to the year ended 31 December 2017, audited by Deloitte, S.L., which is submitted for approval to the Annual General Meeting of Shareholders on 8 May 2018 under item one of the Agenda.

## **4.4 Shares in deposit**

At the end of the trading period of the free allocation rights, any new shares that have not been allocated for reasons that cannot be attributed to the Company will be kept in deposit at the disposal of those accrediting their legitimate entitlement to the corresponding free allocation rights. Once three years have elapsed following the date when the trading period for the free allocation rights ended, any shares yet to be allocated may be sold according to the provisions in article 117 of the Capital Companies Act, on behalf and at the risk of the parties concerned. The net amount of said sale will be deposited at the Bank of Spain or at the General Deposit Fund at the disposal of the parties concerned.

## **4.5 Rights of the new shares**

The new shares shall give their holders the same voting and dividend rights as the ordinary shares of ACS that are currently outstanding following the date on which the Second Execution of the Capital Increase is declared to be subscribed and called up.

## **4.6 Listing**

ACS will apply for the listing of the new shares issued as a consequence of the First Execution on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, via the Stock Exchange Interconnection System (Continuous Market) and will carry out the formalities and actions necessary for the Listing of the newly issued shares.

## **5 Tax scheme**

Below is a brief description of the tax scheme in Spain under prevailing Spanish legislation that is applicable to the various options available to shareholders. The description should not be construed as tax advice and does not take into account tax considerations that may be relevant to a shareholder owing to their personal circumstances. In particular, it does not include any potential consequences in the countries of residence of shareholders who are not tax resident in Spain. Therefore, we recommend that shareholders consult their tax advisers about the specific impact of the "optional dividend" on their tax situation, taking into account the personal circumstances of each shareholder or holder of free allotment rights. We also



recommend that they keep abreast of any changes that may occur to prevailing legislation as of the date of this document and to their interpretation criteria.

Shareholders opting to receive new shares resulting from the Capital Increase will not be subject to personal income tax (*Renta de las Personas Físicas* - "IRPF"), corporation tax (*Impuesto de Sociedades* - "IS") or non-residents' income tax (*Impuesto sobre la Renta de no Residentes* - "IRNR"); whether are acting through a permanent establishment in Spain or if they are not, no withholding or interim payment will apply at all.

For these shareholders, the purchase value of new shares received as a result of the Capital Increase and of the original shares will be the result of distributing the purchase cost across the number of old and released shares. The age of these released shares for these shareholders will be those corresponding to the original shares.

In the event that the shareholders sell their free allotment rights in the market, the proceeds of such market sale will be subject to the tax scheme indicated below:

- (i) With respect to IRPF, and IRNR for non-residents with no permanent establishment in Spain, the proceeds from the market sale of the free allotment rights are subject to the same scheme established by tax law for pre-emptive rights. Consequently, the proceeds of the sale will be considered as a capital gain for sellers who are subject to IRPF and IRNR for non-residents with no permanent establishment in Spain, and this gain will be posted in the tax period in which the sale takes place. The foregoing is without prejudice to the potential application of international conventions to taxpayers of IRNR with no permanent establishment in Spain, including agreements to avoid double taxation and prevent income tax evasion signed in Spain, to which they may be entitled, and without prejudice to exemptions set out in IRNR regulations.

Furthermore, for IRPF taxpayers selling free allotment rights, the proceeds thereof will be subject to the corresponding interim withholding for this tax (currently 19%).

The withholding will be made by the corresponding deposit entity (and, in absence thereof, by the financial broker or attesting official witnessing the sale). ACS will not intervene in this withholding and will not provide its shareholders with tax information in this respect. Accordingly, shareholders are advised to contact their depositary entity in this respect.

- (ii) For IS and IRNR for non-residents with permanent establishment in Spain, tax will be payable pursuant to applicable accounting regulations. This is without prejudice to the rules applicable for determining taxable income for the above-indicated taxes.

Should the owners of free allotment rights decide to resort to the Purchasing Commitment, the tax scheme applicable to the proceeds of the sale of their free allotment rights to ACS will be equivalent to the scheme applicable to dividends

distributed directly in cash and, therefore, will be subject to the corresponding withholding and taxation.

## **6 Supplement to this information document and information available to the public**

As stated in prior sections of this document, certain information in respect of the Second Execution of the Capital Increase I not available as of the present date. Specifically, the number of shares to be issued in this Second Execution, the number of rights required to receive a share and the final price of the Purchase Commitment are scheduled to be published on 17 January 2019 by means of a supplement to this information document.

This document and the supplement to be disclosed on 17 January 2019 will be available on the website of ACS ([www.grupoacs.com](http://www.grupoacs.com)) and of the CNMV ([www.cnmv.es](http://www.cnmv.es)) as from the date of publication thereof.

Madrid, 9 January 2019

ACS, Actividades de Construcción y Servicios, S.A.

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José Luis del Valle Pérez

Director - Secretary General