

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA) (the "United States") OR TO ANY U.S. PERSON (AS DEFINED BELOW).

IMPORTANT: You must read the following before continuing. The following disclaimer applies to the attached document and you are therefore required to read it carefully before reading or making any other use of the document. By accepting the email to which this document was attached and by accessing the document, you agree to be bound by all of the following terms and conditions, including any modifications to them from time to time, each time you receive any information from ACS Actividades Finance B.V. (the "**2018 Bonds Issuer**"), ACS Actividades Finance 2 B.V. (the "**2019 Bonds Issuer**" and together with the 2018 Bonds Issuer, the "**Issuers**"), ACS, Actividades de Construcción y Servicios, S.A. (the "**Guarantor**"), Natixis and/or Société Générale (together with Natixis, the "**Dealer Managers**") or any of their affiliates, as a result of such acceptance and access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meanings given to them in the attached document.

THE ATTACHED DOCUMENT MAY NOT BE FORWARDED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE DOCUMENT MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES AND TO PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO SEND THE DOCUMENT AND, IN PARTICULAR, SHOULD NOT BE FORWARDED TO ANY U.S. PERSON OR ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THESE REQUIREMENTS MAY RESULT IN A VIOLATION OF APPLICABLE LAWS.

Confirmation of your representation: The attached document contains an invitation by the Issuers and the Guarantor to the holders of the outstanding Bonds (as defined below) to make offers to exchange their Bonds (the "**Incentive Offers**"). The document was sent at your request and, by accepting the e-mail to which the document was attached and accessing the document, you shall be deemed (in addition to the above) to have represented to the Issuers, the Guarantor and the Dealer Managers that:

- (i) you are a holder or a beneficial owner of the €721,100,000 2.625 per cent. Guaranteed Secured Exchangeable Bonds due 2018 issued by the 2018 Bonds Issuer and guaranteed by the Guarantor (the "**2018 Bonds**"), and/or the €405,600,000 1.625 per cent. Guaranteed Secured Exchangeable Bonds due 2019 issued by the 2019 Bonds Issuer and guaranteed by the Guarantor (the "**2019 Bonds**" and together with the 2018 Bonds, the "**Bonds**");
- (ii) the electronic mail address which you have given to us and to which the document has been delivered is not located in the United States;
- (iii) neither you nor any beneficial owner of the Bonds nor any other person on whose behalf you are acting, either directly or indirectly, is located or resident in the United States or is a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended);
- (iv) you are a person to whom it is lawful to send the document or for the Issuers and the Guarantor to make an invitation pursuant to the Incentive Offers under applicable laws and regulations; and
- (v) you consent to delivery of the document to you by electronic transmission.

You are otherwise reminded that the document has been delivered to you on the basis that you are a person into whose possession the document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident. If you have recently sold or otherwise transferred some or all of your Bonds you are requested to notify the Dealer Managers. The document should not be forwarded or distributed to any other person and should not be reproduced in any manner whatsoever.

None of the materials relating to the Incentive Offers constitutes, or may be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the Incentive Offers be made by a licensed broker or dealer and any of the Dealer Managers or their

affiliates is such a licensed broker or dealer in that jurisdiction, the Incentive Offers shall be deemed to be made by the relevant Dealer Manager or affiliate, as the case may be, on behalf of the Issuers and the Guarantor in such jurisdiction. If the document is communicated to persons in the United Kingdom, it may only be so communicated in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

The document has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuers, the Guarantor, the Dealer Managers or any person who controls any of them or any of their respective directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from the Dealer Managers.

Restrictions: Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in (i) the United States; or (ii) any other jurisdiction in which such offer or solicitation would be unlawful.

The distribution of the attached document in certain jurisdictions may be restricted by law - see "*Offer Restrictions*". Persons into whose possession the document comes are required by the Issuers, the Guarantor and the Dealer Managers to inform themselves about, and to observe, any such restrictions.

This document contains important information which should be read carefully before any decision is made with respect to the Incentive Offers. If any holder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Any individual or company whose Bonds are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to offer Bonds for exchange in the Incentive Offers.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA) (the "United States") OR TO ANY U.S. PERSON (AS DEFINED BELOW).

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION



9 DECEMBER 2014

IRREVOCABLE VOLUNTARY INCENTIVE PAYMENT OFFER TO EXCHANGE EUR 721,100,000 IN PRINCIPAL AMOUNT OF 2.625% ACS ACTIVIDADES FINANCE BV EXCHANGEABLE BONDS 2018, AND EUR 405,600,000 IN PRINCIPAL AMOUNT OF 1.625% ACS ACTIVIDADES FINANCE 2 BV EXCHANGEABLE BONDS 2019

The Cash Incentive Payment for the 2018 Bonds (as described below) would represent a +3.2% premium to the par value. For example, based on a market price of 111.25%, the price offered would equate to 114.45% plus accrued interest, as adjusted by a share price variation formula (see below).

The Cash Incentive Payment for the 2019 Bonds (as described below) would represent a +3% premium to the par value. For example, based on a market price of 104.40%, the price offered would equate to 107.40% plus accrued interest, as adjusted by a share price variation formula (see below).

Reference is made to the €721,100,000 2.625 per cent Guaranteed Secured Exchangeable bonds due 2018 (the “**2018 Bonds**”), bearing ISIN XS0951366136, of ACS Actividades Finance B.V. (the “**Issuer of the 2018 Bonds**”) and to the €405,600,000 1.625 per cent Guaranteed Secured Exchangeable bonds due 2019 (the “**2019 Bonds**”), bearing ISIN XS1046590805, (together the “**Bonds**”) of ACS Actividades Finance B.V. 2 (the “**Issuer of the 2019 Bonds**”) and together with the Issuer of the 2018 Bonds, the “**Issuers**”).

ACS, Actividades de Construcción y Servicios, S.A (the “**Guarantor**”) is the Guarantor of both the 2018 Bonds and the 2019 Bonds.

Each of the Issuer of the 2018 Bonds and the Issuer of the 2019 Bonds, supported by the Guarantor, hereby offers (the “**Incentive Offers**”), from 9 December to 11 December at 17:00 CET (the “**Acceptance Period**”), to make a cash incentive payment (the “**Cash Incentive Payment**”) to the holders of the 2018 Bonds (each a “**2018 Bondholder**”) and the holders of the 2019 Bonds (each a “**2019 Bondholder**” and, together with the 2018 Bondholders, “**the Bondholders**”) who exercise their Exchange Rights (as defined in the respective terms and conditions of the 2018 Bonds and 2019 Bonds) to exchange their Bonds during the Acceptance Period for their *pro rata* entitlement to the Iberdrola S.A. shares (the “**Shares**”) comprising the Exchange Property underlying such Bonds.

Subject as provided below, the Cash Incentive Payment will not impact the rights of those of the Bondholders who do not wish to exchange their Bonds in the context of the Incentive Offers.

If, following the Incentive Offers, 85 per cent. or more in principal amount of the 2018 Bonds and/or the 2019 Bonds originally issued have been exchanged, the Issuer of the 2018 Bonds and/ or as the case may be, the Issuer of the 2019 Bonds reserves the right to exercise its option, pursuant to the respective terms and conditions, to redeem the Bonds that remain outstanding at their principal amount together with accrued interest.

The Incentive Offers are irrevocable and may not be withdrawn by the Issuer of the 2018 Bonds or the Issuer of the 2019 Bonds at the level of:

- a) the sum of Premium 1 (i.e. a value of EUR 11,044.31 per EUR 100,000 principal amount of the 2018 Bonds), the Variable Cash Amount1 and the Accrued Interest1 for the 2018 Bonds and
- b) the sum of Premium 2 (i.e. a value of EUR 15,672.32 per EUR 100,000 principal amount of the 2019 Bonds), the Variable Cash Amount2 and the Accrued Interest2 for the 2019 Bonds.

The Guarantor will pay, or procure payment of, the relevant Cash Incentive Payment and procure delivery of the Shares to the relevant Bondholders on 18 December 2014 (the "**Settlement Date**").

Natixis and Société Générale are acting as dealer managers for the Incentive Offers (the "**Dealer Managers**").

Description of the Bonds	ISIN / Common Code	Outstanding Principal Amount	Cash Incentive Payment
EUR 721,100,000 2.625% Guaranteed Secured Exchangeable Bonds due 2018	XS0951366136 / 095136613	€ 721,100,000	Premium1 + Variable Cash Amount1 + Accrued Interest1
EUR 405,600,000 1.625% Guaranteed Secured Exchangeable Bonds due 2019	XS1046590805 / 104659080	€ 405,600,000	Premium2 + Variable Cash Amount2 + Accrued Interest2

The Incentive Offers are subject to the following terms and conditions

	2018 Bonds	2019 Bonds
Exchange ratio	17,562.1072 Shares per EUR 100,000 principal amount of 2018 Bonds as provided for in the terms and conditions of the 2018 Bonds.	15,578.7506 Shares per EUR 100,000 principal amount of 2019 Bonds as provided for in the terms and conditions of the 2019 Bonds.
Cash Incentive Payment	<p>2018 Bondholders accepting the Incentive Offer will be eligible to receive a cash consideration per EUR 100,000 in principal amount of 2018 Bonds calculated as follows:</p> <p>Premium1 + Variable Cash Amount1 + Accrued Interest1</p> <p>Where: "Premium1" is a cash amount of EUR 11,044.31 per EUR 100,000 principal amount of the 2018 Bonds. The Issuer of the 2018 Bonds and/or the Guarantor reserve the right to increase the Premium1 until December 11, 2014.</p> <p>"Variable Cash Amount1" =</p>	<p>2019 Bondholders accepting the Incentive Offer will be eligible to receive a cash consideration per EUR 100,000 in principal amount of 2019 Bonds calculated as follows:</p> <p>Premium2 + Variable Cash Amount2 + Accrued Interest2</p> <p>Where: "Premium2" is a cash amount of EUR 15,672.32 per EUR 100,000 principal amount of the 2019 Bonds. The Issuer of the 2019 Bonds and/or the Guarantor reserve the right to increase the Premium2 until December 11, 2014.</p> <p>"Variable Cash Amount2" =</p>

	<p>17,562.1072 x [Reference Share Price - VWAP) x (1-Reference Delta1)] subject to a minimum payment of - EUR -666.97 (a negative amount), corresponding to a VWAP = 101.5% x Reference Share Price, and a maximum payment of EUR 1778.58 corresponding to a VWAP = 96% x Reference Share Price. The Reference Share Price is EUR 5.888 (closing price of December 8, 2014).</p> <p>"VWAP" is the arithmetic mean of the daily volume weighted average price of the Shares between opening and closing of the market on the Madrid Stock Exchange between December 9 and December 11, 2014 (inclusive). Each daily volume weighted average price of the Shares (using the Bloomberg ticker "IBE SM equity") will be calculated from Bloomberg page "VAP" (or any successor page from time to time).</p> <p>The "Reference Delta1" is 57%</p> <p>Accrued Interest1: 2018 Bondholders accepting the Incentive Offer will be eligible to receive accrued interest on the 2018 Bonds, from and including 22 October 2014 (being the immediately preceding interest payment date in relation to the Bonds) to and including December 18, 2014, which is expected to equal EUR 406.59 per EUR 100,000 in principal amount of 2018 Bonds.</p>	<p>15,578.7506 x [Reference Share Price - VWAP) x (1-Reference Delta2)] subject to a minimum payment of - EUR -811.79 (a negative amount), corresponding to a VWAP = 101.5% x Reference Share Price, and a maximum payment of EUR 2164.77, corresponding to a VWAP = 96% x Reference Share Price. The Reference Share Price is EUR 5.888 (closing price of December 8, 2014).</p> <p>"VWAP" is the arithmetic mean of the daily volume weighted average price of the Shares between opening and closing of the market on the Madrid Stock Exchange between December 9 and December 11, 2014 (inclusive). Each daily volume weighted average price of the Shares (using the Bloomberg ticker "IBE SM equity") will be calculated from Bloomberg page "VAP" (or any successor page from time to time).</p> <p>The "Reference Delta2" is 41%</p> <p>Accrued Interest2: 2019 Bondholders accepting the Incentive Offer will be eligible to receive accrued interest on the 2019 Bonds, from and including 27 September 2014 (being the immediately preceding interest payment date in relation to the Bonds) to and including December 18, 2014, which is expected to equal EUR 366.07 per EUR 100,000 in principal amount of 2019 Bonds.</p>
Acceptance Period	<p>The acceptance period for the Incentive Offer runs from its public announcement by way of a Euroclear/Clearstream notice, until December 11, 2014 at 17:00 CET</p> <p>The Guarantor may in its sole discretion extend the acceptance period (one or more times). Such extension will be notified by way of a Euroclear/Clearstream notice.</p>	<p>The acceptance period for the Incentive Offer runs from its public announcement by way of a Euroclear/Clearstream notice, until December 11, 2014 at 17:00 CET</p> <p>The Guarantor may in its sole discretion extend the acceptance period (one or more times). Such extension will be notified by way of a Euroclear/Clearstream notice.</p>
Acceptance	By delivering a duly executed acceptance form (" Acceptance	By delivering a duly executed acceptance form (" Acceptance

	<p>Form) as attached hereto to the Dealer Managers within the Acceptance Period, each 2018 Bondholder irrevocably commits itself to the terms and conditions of the Incentive Offer, and undertakes to ensure that its custodian or prime broker sends an executed Exchange Notice (as defined in the terms & conditions of the 2018 Bonds) to the Principal Paying, Transfer & Exchange Agent, to be received by the Paying Agent no later than December 11, 2014 at 17:00 CET.</p> <p>The acceptance of the Incentive Offer is irrevocable by the 2018 Bondholders, and may not be withdrawn, in whole or in part, once the Dealer Managers have received the Acceptance Form.</p>	<p>Form) as attached hereto to the Dealer Managers within the Acceptance Period, each 2019 Bondholder irrevocably commits itself to the terms and conditions of the Incentive Offer, and undertakes to ensure that its custodian or prime broker sends an executed Exchange Notice (as defined in the terms & conditions of the 2019 Bonds) to the Principal Paying, Transfer & Exchange Agent, to be received by the Paying Agent no later than December 11, 2014 at 17:00 CET.</p> <p>The acceptance of the Incentive Offer is irrevocable by the 2019 Bondholders, and may not be withdrawn, in whole or in part, once the Dealer Managers have received the Acceptance Form.</p>
Principal Paying, Transfer & Exchange Agent	Société Générale Bank & Trust SA	Société Générale Bank & Trust SA
Settlement	Settlement of the Cash Incentive Payment according to the Incentive Offer will be made on December 18, 2014. The settlement procedure will be as is customary for exchanges of bonds to shares and in accordance with the terms and conditions of the 2018 Bonds.	Settlement of the Cash Incentive Payment according to the Incentive Offer will be made on December 18, 2014. The settlement procedure will be as is customary for exchanges of bonds to shares and in accordance with the terms and conditions of the 2019 Bonds.
Governing law and jurisdiction	The Incentive Offer and all acceptances of the Incentive Offer are governed by English law.	The Incentive Offer and all acceptances of the Incentive Offer are governed by English law.

Bondholders whose Bonds are registered in the name of brokers, banks, investment companies or other nominees, must contact such persons to accept the Incentive Offers. Acceptance of the Incentive Offers for Bonds registered in the name of an investment manager must be done by such manager on behalf of the Bondholders.

All Bonds submitted and exchanged pursuant to the Incentive Offers are to be transferred free of any encumbrances and any other third party rights and with all rights attached to them. The Issuers and the Guarantor will not exercise their option to elect for cash settlement in respect of any Exchange Notices which are validly delivered during the Acceptance Period.

All questions as to the validity, form and eligibility (including time of receipt) of any Exchange Notice or Acceptance Form will be determined by the Issuers and the Guarantor, in their sole and absolute discretion, and such determination will be final and binding. The Issuers and the Guarantor reserve the right to waive any defects, irregularities or delay in the submission of any and all Exchange Notices or Acceptance Forms in connection with the Incentive Offers. The Issuers and the Guarantor also reserve the right to waive any such defect, irregularity or delay in respect of particular Bonds, whether or not they elect to waive similar defects, irregularities or any delay in respect of other Bonds

Amendments to the Incentive Offers

Notwithstanding any other term of the Incentive Offers, the Issuers and the Guarantor may, subject to applicable laws, at their option and in their sole and absolute discretion, extend the Acceptance Period or re-open one or both of the Incentive Offers, as applicable, or otherwise amend one or both of the Incentive Offers in any respect, other than a reduction in the irrevocable pricing levels specified above.

The Issuers and the Guarantor will ensure that an announcement is made of any such extension, re-opening, or amendment as soon as is reasonably practicable after the relevant decision is made.

Requests for information in relation to the Incentive Offers should be directed to:

THE DEALER MANAGERS

Natixis

47 quai d'Austerlitz, 75013 Paris
France

Tel: +33 1 58 55 02 27

Fax: +33 1 58 55 03 30

Attention: Benjamin Tran

E-mail: equity-syndicate@natixis.com

Société Générale

17 Cours Valmy, La Défense, 75886 Paris CEDEX 18
France

Tel: +33.1.42.13.56.24

Fax: +33.1.42.13.75.51

Attention : Jose Antonio Gagliardi

E-mail: Jose-Antonio.GAGLIARDI@sgcib.com

Requests for information in relation to the procedures for exchanging the relevant Bonds in, and for any documents or materials relating to, the Incentive Offers should be directed to:

THE PRINCIPAL PAYING, TRANSFER & EXCHANGE AGENT

Société Générale Bank & Trust SA

11, avenue Emile Reuter, L-2420

Luxembourg

Fax number: +352 24 15 75

Attention: SGSS\SBO\CIS\ISS

E-mail: newissues.sgbtlux@sgss.socgen.com; evenements.sgbtlux@sgss.socgen.com

Offer Restrictions

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuers, the Guarantor and the Dealer Managers to inform themselves about and to observe any such restrictions.

This document does not constitute an offer to buy or a solicitation of an offer to sell Bonds, and offers to exchange Bonds in the Incentive Offers will not be accepted from Bondholders, in any jurisdiction in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Incentive Offers to be made by a licensed broker or dealer and either Dealer Manager or any affiliate of the Dealer Managers is such a licensed broker or dealer in such jurisdictions, the Incentive Offers shall be deemed to be made on behalf of the Issuers and the Guarantor by such Dealer Manager or affiliate.

Each Bondholder participating in the Incentive Offers will be required to give certain representations in respect of the below-mentioned jurisdictions and generally. Any offer of Bonds for exchange pursuant to the Incentive Offers from a Bondholder that is unable to make these representations will not be accepted. The Issuers, the Guarantor and the Dealer Managers reserve the right, in their absolute discretion, to investigate, in relation to any offer of Bonds for exchange pursuant to the Incentive Offers, whether any such representation given by a Bondholder is correct and, if such investigation is undertaken and as a result the Issuers and the Guarantor determine (for any reason) that such representation is not correct, such offer to exchange shall not be accepted.

United States

The Incentive Offers are not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a "**U.S. Person**")). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this document and any other documents or materials relating to the Incentive Offers are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to a U.S. Person and the Bonds cannot be offered for exchange by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by any U.S. Person. Any purported offer of Bonds for exchange in the Incentive Offers resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer of Bonds for exchange made by a person located in the United States or a U.S. Person, by any person acting for the account or benefit of a U.S. Person, or by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States, will be invalid and will not be accepted.

Each Bondholders participating in the Incentive Offers will represent that it is not a U.S. Person located in the United States and is not participating in such Incentive Offers from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in such Incentive Offers from the United States and who is not a U.S. Person. For the purposes of this and the above paragraph, "**United States**" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

United Kingdom

The communication of this document and any other documents or materials relating to the Incentive Offers are not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or within Article 43(2) of the Order, or to other persons to whom it may lawfully be communicated in accordance with the Order.

Important Note

Any decision to participate in the Incentive Offers should only be made on the basis of an independent review by the Bondholders of the Issuers' and the Guarantor's publicly available information.

Each Bondholder should take its own independent advice on the merits of the Incentive Offers including the tax consequences thereof for the Bondholder.

By accepting the Incentive Offers, you will be required to acknowledge, represent to and agree with the Issuers, the Guarantor and the Dealer Managers that:

- (a) you have such business and financial experience as is required to give you the capacity to protect your own interests in connection with the exchange of the Bonds;
- (b) you acknowledge that the Dealer Managers are agents of the Issuers and the Guarantor and appointed by the Issuers and the Guarantor and owe no duty to any Bondholder and you may not rely, and have not relied, on any investigation that a Dealer Manager or any of its respective affiliates, or any person acting on their behalf or any of their respective affiliates, may have conducted with respect to the Issuers, the Guarantor, Iberdrola, S.A. ("**Iberdrola**") the Shares or the Bonds, and neither Dealer Manager nor any of its affiliates has made any representation or recommendation to you, express or implied, with respect to the Issuers, the Guarantor, Iberdrola, the Shares, the Bonds, this document or the Incentive Offers or the accuracy, completeness or adequacy of any publicly available information;
- (c) you understand that no disclosure or offering document has been prepared in connection with the Incentive Offers;
- (d) you have made your own assessment of the Issuers, the Guarantor, Iberdrola, the Shares, the Bonds and the terms of the Incentive Offers based on this document and such other information as is publicly available (which you acknowledge you have been able to access, read and understand);
- (e) you have made your own investment decision regarding the acceptance of the Incentive Offers and to exchange Bonds based on your own knowledge and investigation of the Issuers, the Guarantor, Iberdrola, the Shares and the Bonds;
- (f) you will not hold the Dealer Managers or any of their affiliates responsible for any misstatements in or omissions from any publicly available information concerning the Issuers, the Guarantor, Iberdrola, the Bonds and the Shares, and the Dealer Managers shall have no liability for any other representations (express or implied) contained in, or for any omissions from, such information or any other written or oral communication transmitted to you in the course of your evaluation of the Incentive Offers;
- (g) the Dealer Managers shall have no obligation to update any such information or to correct any inaccuracies therein or omissions there from which may become apparent, even where the Dealer Managers are aware of such inaccuracies or omissions;
- (h) you have full power and authority to exchange the Bonds in the relevant Incentive Offer and such Bonds will be transferred to, or to the order of, the relevant Issuer with full title free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached thereto, and you will, upon request, execute and deliver any additional documents and/or do such other things deemed by the relevant Issuer or the Guarantor to be necessary or desirable to complete the transfer and cancellation of such Bonds or to evidence such power and authority;
- (i) by providing your Exchange Notice you will consent to the Principal Paying, Transfer and Exchange Agent providing details concerning your identity to the Issuer, the Guarantor and the Dealer Managers, and their respective legal advisers;
- (j) you are not a person to whom it is unlawful to send this document or to make an invitation pursuant to the Incentive Offers under applicable securities laws and you have (before submitting, or arranging for the submission on your behalf, as the case may be, of the Acceptance Form and Exchange Notice in respect of the Bonds you are offering for exchange) complied with all laws and regulations applicable to you for the purposes of your participation in the Incentive Offers; and

- (k) you have consulted your own independent advisers or otherwise have satisfied yourself concerning, without limitation, any accounting, regulatory, tax or other consequences of exchanging the Bonds in the light of your own particular situation under the laws of all relevant jurisdictions.

Neither the Issuers, the Guarantor nor the Dealer Managers makes any representation as to (i) the suitability of accepting the Incentive Offers for any particular investor, (ii) the appropriate accounting treatment and potential tax consequences of accepting the Incentive Offers, or (iii) the future performance of the Bonds or Shares either in absolute terms or relative to competing investments.

The Dealer Managers (and their respective directors, officers, employees, agents or affiliates) have not separately verified the information contained herein.

Neither the delivery of this document nor any acceptance of any Bonds for exchange shall, under any circumstances, create any implication that the information contained herein is current as of any time subsequent to the date of this document. Subject to the offer restrictions set out below, this document is solely directed at Bondholders.

The Dealer Managers are acting exclusively for the Issuers and the Guarantor and nobody else in relation to the Incentive Offers and will not be responsible for giving advice or other investment services in relation to the Incentive Offers to any party in relation to the Incentive Offers. The Dealer Managers and/or their affiliates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Bonds.

ANNEX: FORM OF ACCEPTANCE

TO: **Natixis**
Attention: Benjamin Tran
E-mail: equity-syndicate@natixis.com

TO: **Société Générale**
Attention: Jose Antonio Gagliardi
E-mail: Jose-Antonio.GAGLIARDI@sgcib.com

FROM: _____ (BLOCK LETTERS)

DATE: _____

For use in accepting the incentive offers (the "**Incentive Offers**") relating to the €721,100,000 2.625 per cent. Guaranteed Secured Exchangeable Bonds due 2018 issued by ACS Actividades Finance B.V. (the "**2018 Bonds Issuer**") and guaranteed by ACS, Actividades de Construcción y Servicios, S.A. (the "**Guarantor**"), ISIN: XS0951366136 (the "**2018 Bonds**"), and/or the €405,600,000 1.625 per cent. Guaranteed Secured Exchangeable Bonds due 2019 issued by ACS Actividades Finance 2 B.V. (the "**2019 Bonds Issuer**" and together with the 2018 Bonds Issuer, the "**Issuers**") and guaranteed by the Guarantor, ISIN: XS1046590805 (the "**2019 Bonds**" and together with the 2018 Bonds, the "**Bonds**").

Capitalised terms used in this form and not otherwise defined shall have the meanings given to them in the termsheet for the Incentive Offers dated 9 December 2014 (the "**Incentive Offer Termsheet**").

Acceptance guidance:

- This acceptance includes all Bonds which, in addition to the Bonds stipulated in the box "Number of Bonds" below, have been or will be acquired and which will be credited to the Euroclear or Clearstream account(s) set out below at any time up until expiration of the Incentive Offers.
- Bonds covered by this acceptance will be blocked in the above mentioned Euroclear or Clearstream account(s), and may not in any way be disposed.
- Settlement of the Share consideration will be made by way of transfer to the accounts specified in the relevant Exchange Notice.
- This acceptance may be treated as invalid if the Euroclear or Clearstream account(s), with which the Bonds are registered, is not filled in below.
- The Bonds must be transferred free of any encumbrances.
- By delivering this executed Acceptance Form, the Bondholder (acting on its own behalf or represented by its portfolio manager or any other person having the necessary powers, as the case may be) irrevocably undertakes to have instructed, or will instruct, its prime broker/custodian for the relevant Euroclear or Clearstream account(s) to deliver an Exchange Notice by the end of the Acceptance Period in respect of the Bonds listed below.
- It is not a person to whom it is unlawful to send this document or to make an invitation pursuant to the Incentive Offers under applicable securities laws and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of this Acceptance Form in respect of the Bonds it is offering for exchange) complied with all laws and regulations applicable to it for the purposes of its participation in the Invitation.
- It is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person falling within the definition of "investment professionals" (as defined in Article 19(5) of the Order) or within Article 43(2) of the Order, or to whom this document may lawfully be communicated in accordance with the Order.

- Either (a) (i) it is the beneficial owner of the Bonds being exchanged in the Incentive Offers and (ii) it is located and resident outside the United States and is participating in the Incentive Offers from outside the United States or (b) (i) it is acting on behalf of the beneficial owner of the Bonds being exchanged in the Incentive Offers on a non discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is located and resident outside the United States and is participating in the Incentive Offers from outside the United States.

Bonds and Euroclear or Clearstream account(s):

We/I hold the following number of Bonds which are registered with the following Euroclear or account(s):

Bonds	EUR Principal Amount:	Clearing accounts:	Global Custodian
2018 Bonds		Euroclear Account: [•]	
2018 Bonds		Clearstream Account: [•]	
2019 Bonds		Euroclear Account: [•]	
2019 Bonds		Clearstream Account: [•]	

Please deliver the Cash Consideration including the accrued interest payment to the above Clearing accounts.

Acceptance and signature

By duly executing and delivering this Acceptance Form I/we warrant that that:

- I/we have received the Incentive Offer Termsheet and accept the Incentive Offer(s) to exchange my/our Bonds according to the terms and conditions of the Incentive Offer(s) and this acceptance form,
- I/we acknowledge that that my/our acceptance is irrevocable and may not be reduced or cancelled, and
- I/we hereby make the representations, warranties and acknowledgments set out in paragraphs (a) to (k) of the section headed "*Important Note*" in the Incentive Offer Termsheet.

Place Date Binding signature* Telephone Email

** If signed by power of attorney, the power of attorney (and with respect to companies, Certificate of Registration or similar documentation) shall be enclosed. If signed by a person with signatory right, Certificate of Registration or similar documentation shall be enclosed.*

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA) (THE "UNITED STATES") OR TO ANY U.S. PERSON (AS DEFINED BELOW).



11 DECEMBER 2014

IRREVOCABLE VOLUNTARY INCENTIVE PAYMENT OFFER TO EXCHANGE EUR 721,100,000 IN PRINCIPAL AMOUNT OF 2.625% ACS ACTIVIDADES FINANCE BV EXCHANGEABLE BONDS 2018, AND EUR 405,600,000 IN PRINCIPAL AMOUNT OF 1.625% ACS ACTIVIDADES FINANCE 2 BV EXCHANGEABLE BONDS 2019

This document relates to the Incentive Offers in relation to the €721,100,000 2.625 per cent. Guaranteed Secured Exchangeable Bonds due 2018 issued by ACS Actividades Finance B.V. (the "**2018 Bonds Issuer**") and guaranteed by ACS, Actividades de Construcción y Servicios, S.A. (the "**Guarantor**"), ISIN: XS0951366136 (the "**2018 Bonds**"), and/or the €405,600,000 1.625 per cent. Guaranteed Secured Exchangeable Bonds due 2019 issued by ACS Actividades Finance 2 B.V. (the "**2019 Bonds Issuer**" and together with the 2018 Bonds Issuer, the "**Issuers**") and guaranteed by the Guarantor, ISIN: XS1046590805 (the "**2019 Bonds**" and together with the 2018 Bonds, the "**Bonds**").

Further to their announcements of 9 December 2014 and 10 December 2014 (the "**Incentive Offer Terms**"), the Issuers and the Guarantor hereby confirm the final pricing terms in relation to the Incentive Offers.

	2018 Bonds	2019 Bonds
Exchange ratio	17,562.1072 Shares per EUR 100,000 principal amount of 2018 Bonds as provided for in the terms and conditions of the 2018 Bonds.	15,578.7506 Shares per EUR 100,000 principal amount of 2019 Bonds as provided for in the terms and conditions of the 2019 Bonds.
Cash Incentive Payment	<p>2018 Bondholders who have accepted the Incentive Offer will receive a cash consideration per EUR 100,000 in principal amount of 2018 Bonds calculated as follows:</p> <p>Cash Incentive Payment₁= EUR 13,104.72</p> <p>Where :</p> <p>Cash Incentive Payment₁= Premium₁ + Variable Cash Amount₁ + Accrued Interest₁</p> <p>"Premium₁" is a cash amount of</p>	<p>2019 Bondholders who have accepted the Incentive Offer will receive a cash consideration per EUR 100,000 in principal amount of 2019 Bonds calculated as follows:</p> <p>Cash Incentive Payment₂= EUR 18,051.32</p> <p>Where:</p> <p>Cash Incentive Payment₂= Premium₂ + Variable Cash Amount₂ + Accrued Interest₂</p> <p>"Premium₂" is a cash amount of</p>

	<p>EUR 11,044.31 per EUR 100,000 principal amount of the 2018 Bonds.</p> <p>"Variable Cash Amount1" = EUR 1,653.82, calculated as $17,562.1072 \times [(Reference\ Share\ Price - VWAP) \times (1 - Reference\ Delta1)]$.</p> <p>The "Reference Share Price" is EUR 5.888 (closing price of December 8, 2014).</p> <p>"VWAP" is EUR 5.6690, being the arithmetic mean of the daily volume weighted average price of the Shares between opening and closing of the market on the Madrid Stock Exchange between December 9 and December 11, 2014 (inclusive). Each daily volume weighted average price of the Shares (using the Bloomberg ticker "IBE SM equity") was calculated from Bloomberg page "VAP".</p> <p>The "Reference Delta1" is 57%</p> <p>Accrued Interest1: 2018 Bondholders who have accepted the Incentive Offer will receive accrued interest on the 2018 Bonds, from and including 22 October 2014 (being the immediately preceding interest payment date in relation to the Bonds) to and including December 18, 2014, which is expected to equal EUR 406.59 per EUR 100,000 in principal amount of 2018 Bonds.</p>	<p>EUR 15,672.32 per EUR 100,000 principal amount of the 2019 Bonds.</p> <p>"Variable Cash Amount2" = EUR 2,012.93, calculated as $15,578.7506 \times [(Reference\ Share\ Price - VWAP) \times (1 - Reference\ Delta2)]$.</p> <p>The "Reference Share Price" is EUR 5.888 (closing price of December 8, 2014).</p> <p>"VWAP" is EUR 5.6690, being the arithmetic mean of the daily volume weighted average price of the Shares between opening and closing of the market on the Madrid Stock Exchange between December 9 and December 11, 2014 (inclusive). Each daily volume weighted average price of the Shares (using the Bloomberg ticker "IBE SM equity") was calculated from Bloomberg page "VAP".</p> <p>The "Reference Delta2" is 41%</p> <p>Accrued Interest2: 2019 Bondholders who have accepted the Incentive Offer will receive accrued interest on the 2019 Bonds, from and including 27 September 2014 (being the immediately preceding interest payment date in relation to the Bonds) to and including December 18, 2014, which is expected to equal EUR 366.07 per EUR 100,000 in principal amount of 2019 Bonds.</p>
Principal Paying, Transfer & Exchange Agent	Société Générale Bank & Trust SA	Société Générale Bank & Trust SA
Settlement	Settlement of the Cash Incentive Payment according to the Incentive Offer will be made on December 18, 2014 or 23 December 2014 in accordance with the Incentive Offer Terms. The settlement procedure will be as is customary for exchanges of bonds to shares and in accordance with the terms and conditions of the 2018 Bonds.	Settlement of the Cash Incentive Payment according to the Incentive Offer will be made on December 18, 2014 or 23 December 2014 in accordance with the Incentive Offer Terms. The settlement procedure will be as is customary for exchanges of bonds to shares and in accordance with the terms and conditions of the 2019 Bonds.
Governing law and jurisdiction	The Incentive Offer and all acceptances of the Incentive Offer are	The Incentive Offer and all acceptances of the Incentive Offer are

	governed by English law.	governed by English law.
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Requests for information in relation to the Incentive Offers should be directed to:

THE DEALER MANAGERS

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47 quai d'Austerlitz, 75013 Paris
France

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Fax: +33 1 58 55 03 30
Attention: Benjamin Tran

E-mail: equity-syndicate@natixis.com

Société Générale

17 Cours Valmy, La Défense, 75886 Paris CEDEX 18
France

Tel: +33.1.42.13.56.24
Fax: +33.1.42.13.75.51
Attention : Jose Antonio Gagliardi

E-mail: Jose-Antonio.GAGLIARDI@sgcib.com

Requests for any documents or materials relating to the Incentive Offers should be directed to:

THE PRINCIPAL PAYING, TRANSFER & EXCHANGE AGENT

Société Générale Bank & Trust SA

11, avenue Emile Reuter, L-2420
Luxembourg

Fax number: +352 24 15 75
Attention: SGSS\SBO\CIS\ISS
E-mail: newissues.sgbtlux@sgss.socgen.com; evenements.sgbtlux@sgss.socgen.com

Important Notice

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuers, the Guarantor and the Dealer Managers to inform themselves about and to observe any such restrictions.

The Dealer Managers (and their respective directors, officers, employees, agents or affiliates) have not separately verified the information contained herein.

Neither the delivery of this document nor any acceptance of any Bonds for exchange shall, under any circumstances, create any implication that the information contained herein is current as of any time subsequent to the date of this document. Subject to the offer restrictions set out below, this document is solely directed at Bondholders.

The Dealer Managers are acting exclusively for the Issuers and the Guarantor and nobody else in relation to the Incentive Offers and will not be responsible for giving advice or other investment services in relation to the Incentive Offers to any party in relation to the Incentive Offers. The Dealer Managers and/or their affiliates may

have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Bonds.

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17 DECEMBER 2014

VOLUNTARY INCENTIVE OFFERS IN RESPECT OF GUARANTEED SECURED EXCHANGEABLE BONDS GUARANTEED BY ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A, AND EXCHANGEABLE FOR ORDINARY SHARES OF IBERDROLA, S.A.

This document relates to the Incentive Offers in relation to the €721,100,000 2.625 per cent. Guaranteed Secured Exchangeable Bonds due 2018 issued by ACS Actividades Finance B.V. (the "**2018 Bonds Issuer**") and guaranteed by ACS, Actividades de Construcción y Servicios, S.A. (the "**Guarantor**"), ISIN: XS0951366136 (the "**2018 Bonds**"), and/or the €405,600,000 1.625 per cent. Guaranteed Secured Exchangeable Bonds due 2019 issued by ACS Actividades Finance 2 B.V. (the "**2019 Bonds Issuer**" and together with the 2018 Bonds Issuer, the "**Issuers**") and guaranteed by the Guarantor, ISIN: XS1046590805 (the "**2019 Bonds**" and together with the 2018 Bonds, the "**Bonds**").

Further to their announcements of 9 December 2014 and 10 December 2014, the Issuers and the Guarantor hereby announce the final results of the Incentive Offers.

Description of the Bonds	ISIN / Common Code	Principal amount of Bonds to be exchanged	Outstanding principal amount of Bonds following settlement of the Incentive Offers
EUR 721,100,000 2.625% Guaranteed Secured Exchangeable Bonds due 2018	XS0951366136 / 095136613	€423,500,000	€297,600,000
EUR 405,600,000 1.625% Guaranteed Secured Exchangeable Bonds due 2019	XS1046590805 / 104659080	€170,300,000	€235,300,000

The final pricing terms of the Incentive Offers were set out in a termsheet dated 11 December 2014, which is available to Bondholders upon request from the Dealer Managers. Settlement of the Incentive Offers is expected to occur on 18 December 2014 and 23 December 2014.

Contact Information

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Fax: +33.1.42.13.75.51

Attention : Jose Antonio Gagliardi

E-mail: Jose-Antonio.GAGLIARDI@sgcib.com

Requests for information in relation to the procedures for exchanging the relevant Bonds in, and for any documents or materials relating to, the Incentive Offers should be directed to:

THE PRINCIPAL PAYING, TRANSFER & EXCHANGE AGENT

Société Générale Bank & Trust SA

11, avenue Emile Reuter, L-2420

Luxembourg

Fax number: +352 24 15 75

Attention: SGSS\SBO\CIS\ISS

E-mail: newissues.sgbtlux@sgss.socgen.com; evenements.sgbtlux@sgss.socgen.com

DISCLAIMER

The Dealer Managers (and their respective directors, officers, employees, agents or affiliates) have not separately verified the information contained herein.

The Dealer Managers are acting exclusively for the Issuers and the Guarantor and nobody else in relation to the Incentive Offers and will not be responsible for giving advice or other investment services in relation to the Incentive Offers to any party in relation to the Incentive Offers. The Dealer Managers and/or their affiliates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Bonds.