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Sacyr, S.A.
SHARE CAPITAL INCREASE CHARGED TO RESERVES

The Ordinary General Meeting of Shareholders of Sacyr, S.A. (the “**Company**”) held on 7 June 2018, at second call, resolved, under item eight, section 8.2, of its agenda, to increase share capital, with a charge to profits or reserves (“scrip dividend”), by a maximum nominal amount of up to 18,000,000 euros through the issuance and putting into circulation of new ordinary shares of the same class and series, carrying the same rights, as the shares currently in circulation, with a nominal value of 1 euro per share and without a share premium, represented by book entries, delegating authority to execute the increase to the Board of Directors, with authority to subdelegate, within a period of one year counting from the date of that meeting (the “**Capital Increase**”).

Exercising the authority thus delegated to it by the Ordinary General Meeting of Shareholders, the Company’s Board of Directors, at its meeting on 20 December 2018, resolved to set most of the terms and conditions of the Capital Increase and to delegate authority to set the rest of the terms and conditions of the Capital Increase, including the date for execution thereof, to the Executive Chairman of the Board of Directors, with express authority to subdelegate.

Accordingly, exercising the authority delegated to him, the Executive Chairman of the Board of Directors decided on 8 January 2019 to put the execution of the Capital Increase into effect and to set the terms and conditions of the Capital Increase not approved by the meeting of the Board of Directors of the Company held on 20 December 2018.

The terms and conditions of the Capital Increase are set out below:

1) Maximum nominal amount of the Capital Increase and maximum number of new shares to be issued

The maximum nominal amount of the Capital Increase is 15,815,866 euros and a maximum number of 15,815,866 ordinary shares of the Company, with a nominal value of 1 euro per share, of the same class and series as the shares of the Company currently outstanding, will be issued and put into circulation.

The new shares will be issued at par, without a share premium, so the issue price is the shares’ nominal value.

The new shares will be represented by book entries in registers kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) and its participants.

2) Rights conferred by the new shares

From the date the Capital Increase is announced to have been subscribed and paid in, the new shares will confer upon their holders the same voting rights as, and will rank pari passu with, the ordinary shares of the Company currently outstanding.

3) Consideration and balance sheet for the Capital Increase

The Capital Increase does not entail any payment by shareholders of the Company. The payment will be made entirely out of unrestricted reserves held in the voluntary reserves account.

The balance sheet used as the basis for the Capital Increase is that for the year ended 31 December 2017, which was duly audited and approved by the Ordinary General Meeting of Shareholders on 7 June 2018 as the first item of business on the agenda.

4) Free allocation rights

Under the terms of the Capital Increase, shareholders of the Company will receive one (1) free allocation right for every share of the Company they hold.

The new shares that are issued will be allocated free of charge to the Company's shareholders in the proportion of one (1) new share for every thirty-five (35) free allocation rights. The Company expressly waives its right to nineteen (19) free allocation rights corresponding to nineteen (19) own shares held in treasury in order to round off the proportion of free allocation of new shares.

Free allocation rights will be allotted to shareholders of the Company who have acquired their shares on the day of publication of this announcement. The allocation will be made in accordance with the applicable rules, systems and procedures for securities clearing and settlement.

5) Rights trading period

The free allocation rights will be transferable on the same terms as the shares from which they derive and may be offered for sale on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and through the Sistema de Interconexión Bursátil (Continuous Market) for a period that will start on the dealing day following the day of publication Boletín Oficial del Registro Mercantil (i.e. 14 January 2019) for a period of fifteen (15) calendar days (i.e. from 14 January 2019 to 28 January 2019 inclusive) (the "**Trading Period**"). This period will not be extended.

6) Irrevocable purchase commitment

The Company has assumed an irrevocable commitment to purchase any free allocation rights received by shareholders in the Capital Increase. Under that commitment, the holders of free allocation rights will be able to sell them to the Company at the price of 0.051 euros gross per right.

The purchase commitment extends solely to allocation rights received free of charge by shareholders of the Company and not to free allocation rights purchased or otherwise acquired on the market.

This purchase commitment will be in force and open to acceptance from 14 January 2019 to 24 January 2019, inclusive.

7) Shares in deposit

Once the Trading Period has ended, any new shares which, once issued, have not been allocated for reasons not attributable to the Company will be held in deposit at the disposal of any person who is able to prove legitimate ownership of the necessary free allocation rights.

After three years have elapsed since the end of the Trading Period, any shares still unallocated may be sold, pursuant to article 117 of the Corporate Enterprises Act, at the expense and risk of the interested parties. Any cash proceeds from such sale will be deposited at the Bank of Spain or the General Deposit Fund (Caja General de Depósitos) at the disposal of the interested parties.

8) Incomplete allocation and incomplete increase

The Capital Increase resolution expressly provides for the possibility of incomplete allocation and incomplete increase. Given that the Company will waive its right to the new shares corresponding to any free allocation rights it may have acquired in compliance with its irrevocable purchase commitment, the capital will be increased by the corresponding amount.

The final amount of the Capital Increase will be determined at the end of the Trading Period.

9) Disbursement

As indicated, the disbursement will be charged entirely to voluntary reserves and will be considered to have taken place when, once the Trading Period has ended, the application of the balance of the voluntary reserves account in the final amount of the Capital Increase is recorded in the accounts.

10) Expenses and fees

The Capital Increase will be free of expenses and fees in respect of the allocation of the new shares issued. The Company will bear the costs of issue, subscription, putting into circulation, admission to trading and other costs related to the Capital Increase.

Nevertheless, the shareholders of the Company should bear in mind that the participants of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) that hold their shares in custody may, under applicable law, charge such fees and administrative expenses as they may freely determine for holding the securities in their book-entry registries.

Likewise, IBERCLEAR participants may, under applicable law, pass on such fees and expenses as they may freely determine for the processing of orders to buy and sell free allocation rights.

11) Application for admission to trading

The Company will make application for the admission to trading of the new shares issued in the Capital Increase on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Sistema de Interconexión Bursátil (Continuous Market)

12) Information Document

As required by applicable law, on 8 January 2019 the Company made available to the public an information document relating to the Capital Increase, containing the available information on the number and nature of the shares and the reasons for and details of the offer, all this for the purpose specified in article 26.1.e) of Royal Decree 1310/2005 of 4 November.

This information document was filed with the Comisión Nacional del Mercado de Valores (CNMV) as a relevant information notice and is available on the CNMV web site (www.cnmv.es) and on the corporate website of the Company (www.sacyr.com).

In Madrid, 10 January 2019.

Manuel Manrique Cecilia
Chairman of the Board of Directors of Sacyr, S.A.