

Alcobendas, August 5th 2015

SPANISH STOCK EXCHANGE COMISSION (CNMV)

Pursuant to article 82 of the Securities Market Act we hereby inform you of the following event relating to this company.

RELEVANT FACT

On August the 4th, the Company and the majority of the legal representation of the employees have reached a pre-agreement that concludes the negotiation process started on July 7th for the procedure for collective redundancies. This pre-agreement includes, among other things, the ending of a maximum of 1,750 jobs up to December 31st 2016. Total cost of the process will be assumed by the Company.

The pre-agreement is within the actions presented last July 8th in the context of the 2014-18 Strategic Plan of the Company that implies, among other things, expected savings of 120 €m per year due to the organizational restructuring of the activities mainly in Spain and Latam.

The execution of the plan in Latam started already in the second quarter, while the implementation of the plan in Spain is expected to be concentrated throughout the fourth quarter, with a portion pending to be finalized in 2016. Thus, the majority of associated annual savings of the plan will be accounted during 2016.

The foregoing is reported for all pertinent effects.

Yours Faithfully,

Carlos González
Vice-Secretary to the Board of Directors