

TERMS AND CONDITIONS OF THE NOTES

(as amended and restated following a Resolution of the Noteholders passed on [] 2012)

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 ~~issue of the up to euro 150,000,000 2.75 per cent.~~ amendment and restatement of these Conditions relating to the ~~€~~ Senior Unsecured Floating Rate Convertible Notes due ~~2012 (the "Notes")~~ 2016 (~~•~~ Notes having been redeemed between the Closing Date and the Resolution Date) (the "Notes", which expression shall, unless otherwise indicated, include ~~any additional Notes issued pursuant to the option to increase the nominal amount of the Notes (described in the Fiscal Agency Agreement referred to below) (the "Optional Notes")~~ and any further notes issued pursuant to Condition 16 and consolidated and forming a single series with the Notes) was approved by a resolution of the Noteholders (as defined below) passed at a validly convened general meeting on [] 2012 (the "Resolution"), conditional on and with effect from the later of (i) the adoption by the Issuer's ordinary shareholders of the resolutions necessary to approve and make effective these Conditions (including but not limited to the approval of a capital increase (the "Capital Increase") and (ii) the date on which the Issuer notifies Noteholders of the completion of the restructuring of the Issuer's senior debt facilities (including its machinery-related debt, non-shareholder unsecured debt, shareholder debt and working capital facilities but excluding the Notes) substantially in accordance with the terms set out in the document entitled "Key Terms of the Restructuring" ("Términos Principales de la Reestructuración") published on the website of the Company on or about 4 January 2012 (the later of such dates being the "Implementation Date").

A supplemental fiscal, transfer and conversion agency agreement dated [] 2012 (the "Supplemental Fiscal Agency Agreement") was entered into in relation to the Notes between the Issuer and the Calculation Agent.

The original ~~issue of the up to euro 150,000,000 2.75 per cent.~~ Senior Unsecured Convertible Notes due 2012 was (save in respect of any such further notes to be issued pursuant to Condition 16) authorised by resolutions of the General Shareholders' Meeting of General de Alquiler de Maquinaria, S.A. (the "Issuer") passed on 28 June 2007 and of the Board of Directors of the Issuer passed on 6 July 2007. A fiscal, transfer and conversion agency agreement dated 20 August 2007 (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 AG, London Branch 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, the Supplemental Fiscal Agency Agreement and these amended and restated 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, the Supplemental Fiscal Agency Agreement and these Conditions which are applicable to them. The Supplemental Fiscal Agency Agreement and includes the form of the Notes, as amended and restated. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement and the Supplemental Fiscal Agency Agreement.

The Issuer, as required by Spanish law, ~~has~~ executed an escritura pública (the "First Public Deed") before a Spanish notary public in relation to the issue of the Notes and ~~has~~ registered the First Public Deed with Madrid's Mercantile Registry. The First Public Deed contains, among other information, ~~these Conditions~~ the Conditions of the Notes as at the Closing Date. Following approval of the Capital Increase referred to above by the Issuer's ordinary shareholders, the Issuer will execute a further escritura pública (the "Second Public Deed") before a Spanish notary public in relation to the Notes, containing, among other information, these Conditions as amended and restated pursuant to the Resolution and will register the Second Public Deed with Madrid's Mercantile Registry.

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 and higher integral multiples thereof (“Authorised Denominations”).

(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 insolvency, save for such indebtedness 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 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 ~~elevant~~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).~~ “Accreted Principal Amount” means €[_____].

~~“Accreted Principal Amount” has the meaning provided in Condition 7(a).~~ “Amortised Principal Amount” means the Accreted Principal Amount until, but not including, the first anniversary of the Implementation Date and thereafter shall mean the Accreted Principal Amount less all amortisation payments made from time to time pursuant to Condition 5(h).

“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.

“Calculation Agent” shall mean the agent appointed by the Issuer from time to time pursuant to the Fiscal, Transfer and Conversion Agency Agreement, as amended and restated by the Supplemental Fiscal Agency Agreement.

“Closing Date” means 20 August 2007.

“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(f).~~

~~“Commencement Date” has the meaning provided in Condition 7(f).~~ “Commencement Date” means the date of the first public announcement of the proposed Tender Offer by or on behalf of the relevant offeror or, as the case may be, the date of the first public announcement of the relevant scheme, provided that if the Commencement Date would otherwise have occurred less than 90 (ninety) days after the end of a previous Tender Offer period, then the Commencement Date shall be the commencement of such previous offer period.

“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~~b).

“Conversion Notice” has the meaning provided in Condition 6(~~g~~b).

“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).~~

“equity share capital” means, in relation to a company, 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.

“Final Maturity Date” means ~~20 August 2012~~, 31 January 2016.

“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 any investment bank of international repute appointed by the Issuer from time to time.~~

~~“Interest” has the meaning provided in Condition 6(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.

“Material Subsidiary” means, at any relevant time, a Subsidiary of the Issuer:

(a) whose total assets or revenues (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets or revenues) at any relevant time represent no less than 5 per cent. of the total consolidated assets or revenues, respectively, of the Issuer and its Subsidiaries, as calculated by reference to the then latest consolidated audited accounts or consolidated six-month or quarterly reports of the Issuer and the latest accounts or six-month or quarterly reports of each relevant Subsidiary as restated in accordance with International Financial Reporting Standards; 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, provided that, as a result of such transfer, the relevant Subsidiary’s assets or revenues shall represent at least 5 per cent. of the total consolidated assets or revenues, respectively, of the Issuer and its Subsidiaries, as calculated pursuant to paragraph (a) above.

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

“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 1.00 each.

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

“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(e).

“Put Exercise Notice” has the meaning provided in Condition 7(e).

“Record Date” has the meaning provided in Condition 8(c).

~~“Reference Date” has the meaning provided in Condition 6(g).~~

“Registry Date” has the meaning provided in Condition 6(~~g~~b).

“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 Event” ~~has the meaning provided in Condition 7(f).~~ shall mean a Tender Offer being 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 associate of the offeror) to acquire all, or any of the issued ordinary share capital of the Issuer.

“Relevant Event Notice” has the meaning provided in Condition 7(e).

“Relevant Event Period” ~~has the meaning provided in Condition 7(f).~~ means the period commencing on and including the Commencement Date and ending on and including the date falling 120 (one hundred and twenty) days after the Commencement Date or, if later, the last day of the relevant Tender Offer period.

“Relevant Indebtedness” means any present or future indebtedness (whether being principal, interest or in the form of or evidenced by notes, bonds, debentures 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.

“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).~~ “Resolution Date” means [] 2012, being the date on which Noteholders voted to approve the passing of the resolution conditionally amending and restating these Conditions.

“Securities” means any securities including, without limitation, Ordinary Shares, or options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares.

“Shareholders” means the holders of Ordinary Shares.

“Share Record Date” has the meaning provided in Condition 6(~~g~~b).

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

“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 (other than a company) 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 (TARGET) System.

“Tax Redemption Date” has the meaning provided in Condition 7(c).

“Tax Redemption Notice” has the meaning provided in Condition 7(c).

“Tax Redemption Price” has the meaning provided in Condition 7(c).

“Tender Offer” means a tender offer (including a competing tender offer) made in accordance with applicable Spanish laws and regulations following approval from the Comisión Nacional del Mercado de Valores.

“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.

“Treasury Ordinary Shares” means Ordinary Shares in issue and beneficially owned by the Issuer or any of its Subsidiaries.

“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 reenactment 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, 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) or 7(c); (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 6(~~g~~b); (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 and Amortisation**

(a) *Interest calculation*

The Notes shall bear interest from and including the Implementation Date calculated by reference to the Amortised Principal Amount thereof, payable semi-annually in arrear on 30 June and 31 December in each year (each an "Interest Payment Date"), commencing with the Interest Payment Date falling on 30 June 2012 or, in the event that the Implementation Date has not yet occurred by 30 June 2012, 31 December 2012 and continuing until (but excluding) the earlier of the day on which such Note has been redeemed in full and the Final Maturity Date.

(b) *Interest Amount*

The amount of interest payable by the Issuer in respect of each Note on any Interest Payment Date (the "Interest Amount") shall be calculated by applying the Interest Rate (as defined in Condition 5(d) for the relevant Interest Period (as defined in Condition 5(c)):

(i) In the case of Interest Periods in which no amortisation payment is made pursuant to Condition 5(h) to the Amortised Principal Amount of the Note outstanding immediately prior to the relevant Interest Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the resulting figure downward, if necessary, to the nearest euro; and

(ii) In the case of Interest Periods in which an amortisation payment is made pursuant to Condition 5(h) to:

(a) the Amortised Principal Amount of the Note outstanding immediately prior to the anniversary of the Implementation Date on which the amortisation payment is made and multiplying the result by the actual number of days from beginning of the relevant Interest Period to the relevant anniversary of the Implementation Date divided by 360 and rounding the resulting figure downward, if necessary, to the nearest euro; and to

(b) the Amortised Principal Amount of the Note outstanding with effect from the anniversary of the Implementation Date on which the amortisation payment is made and multiplying the result by the actual number of days from to the relevant anniversary of the Implementation Date to the end of the relevant Interest Period divided by 360 and rounding the resulting figure downward, if necessary, to the nearest euro;

and the sum of these amounts shall be the Interest Amount in respect of such Interest Period.

(c) *Interest Period*

"Interest Period" shall mean:

- (a) in respect of the first Interest Payment Date falling after the Implementation Date, the period commencing on and including the Implementation Date and ending on (but excluding) 30 June 2012 (provided that where the Implementation Date falls after 30 June 2012, the relevant Interest Period shall end on, but exclude, 31 December 2012);
- (b) in respect of each subsequent Interest Payment Date except for the last Interest Period prior to the Final Maturity Date, the period commencing *on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date* up to 31 December 2015;
- (c) in respect of the last Interest Period prior to the Final Maturity Date, the period commencing on and including 31 December 2015 and ending on the Final Maturity Date.

(d) ~~(a)~~ Interest Rate

~~The Notes bear interest from and including the Closing Date at the rate of 2.75 per cent. per annum calculated by reference to the nominal amount thereof and payable annually in arrear on 20 August in each year (each an "Interest Payment Date"), commencing with the Interest Payment Date falling on 20 August 2008.~~ interest rate payable on any Note for each Interest Period shall be the higher of (i) 5.00 per cent. and (ii) EURIBOR plus 3.25 per cent. per annum, as determined by the Calculation Agent.

"EURIBOR" with respect to an Interest Period shall mean the rate (expressed as a percentage per annum) for deposits in euro for a six month period beginning on the EURIBOR Determination Date which appears on the Telerate Page 248 (or such other Telerate Page as may in the future contain the per annum rate for six month EURIBOR). If Telerate ceases to publish such a rate:

- (i) the Calculation Agent shall request, two TARGET Business Days prior to each such Interest Period, the principal Euro-zone office of each of four major banks in the Euro-zone inter-bank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered rate for deposits in euros, at approximately 11:00 a.m. (Brussels time) on such date, to prime banks in the Euro-zone inter-bank market for a period of six months and for an amount approximately equal to the nominal amount outstanding of the Notes, in that market at that time. If at least two quotations are provided, EURIBOR will be the arithmetic mean of those quotations (rounded, if necessary, to 1/1,000,000 of one per cent., 0.000005 being rounded upwards);
- (ii) if fewer than two quotations are provided, EURIBOR will be the arithmetic mean of the rates quoted by four major banks in the Euro-zone, as selected by the Calculation Agent, at approximately 11:00 a.m. (Brussels time) on the applicable Interest Payment Date for loans in euro to leading European banks for a period of six months and for an amount approximately equal to the nominal amount outstanding of the Notes; and
- (iii) if the banks so selected by the Calculation Agent are not quoting as mentioned in (ii) above, the EURIBOR rate in effect for the applicable Interest Period will be the same as EURIBOR for the immediately preceding Interest Period.

"EURIBOR Determination Date" means, for any Interest Period, a day which is two business days preceding the first day of that Interest Period.

"Euro-zone" means the region comprised of member states of the European Union that adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.

(e) Notifications

The Calculation Agent shall, as soon as practicable after each EURIBOR Determination Date, determine the relevant Interest Period, any Interest Shortfall, Interest Rate, Interest Amount and Interest Payment Date with respect to each Note and shall notify the Paying, Transfer and Conversion Agents. The Paying, Transfer and Conversion Agents shall notify such information (i) to the Issuer and the Commissioner, (ii) on behalf of the Issuer, by means of notification in accordance with Condition 15, to the Noteholders and (iii) as long as any 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, to the Luxembourg Stock Exchange. In the event that such notification is required to be given to the Luxembourg Stock Exchange, this notification shall be given no later than the close of the first business day following the relevant EURIBOR Determination Date.

~~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 number of days in the Interest Period in which the relevant period falls.~~

(f) Interest Shortfall

~~"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.~~

Accrued interest not distributed on any Interest Payment Date related to the Interest Period in which it accrued will be an "Interest Shortfall" with respect to the relevant Note. An Interest Shortfall shall become due and payable on the next Interest Payment Date and on any following Interest Payment Date until it is reduced to zero. Interest shall not accrue on Interest Shortfalls at any time.

(g) ~~(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~~(id)~~); 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 relevant ~~Accreted~~Amortised Principal Amount 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).

(h) Amortisation

On each anniversary of the Implementation Date until the Final Maturity Date, the Issuer shall pay to Noteholders by way of amortisation an amount representing 0.5 per cent. of the Accreted Principal Amount and the Amortised Principal Amount shall be reduced by the same amount.

6. Conversion of Notes

(a) Conversion Period and Conversion Price

Subject as provided below, each Note shall entitle the holder (a "Conversion Right") to convert into new and/or existing Ordinary Shares, 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 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 37.05 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) 1,349.5277 Ordinary Shares. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b). Conversion Price upon each exercise of a Conversion Right shall be determined at a price per Ordinary Share that represents a 20 per cent. discount to the volume weighted average trading price of the Ordinary Shares on the Spanish Stock Exchanges over the period of fifteen (15) calendar days preceding the delivery of a Conversion Notice in accordance with Condition 6(b), provided always that the Conversion Price per Ordinary Share shall in any event be greater than or equal to the nominal value of the Ordinary Shares from time to time.~~

~~The initial Conversion Price per Ordinary Share is (i) higher than the nominal value of such Ordinary Share and (ii) corresponds to the "reasonable value" of an Ordinary Share as determined at the time of issue of the Notes by an "independent auditor" as defined by, and in accordance with, Spanish corporate law.~~

A Noteholder may exercise the Conversion Right in respect of a Note by delivering such Note 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 ~~19 October 2007 to the close of business~~ and including the date that falls twenty-four (24) months after the Implementation Date (the "Conversion Period Start Date") to 5.00 p.m. (Madrid time) (at the place where the relevant Note is delivered for conversion) on the date falling ~~7 (seven)~~ five (5) business 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) or 7(c) prior to the Final Maturity Date, then up to the close of business (at the place aforesaid) on the ~~seventh~~ fifth business day before the date fixed for redemption thereof pursuant to Condition 7(b) or 7(c), 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 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.

If any of the following events has occurred:

- (i) there has been an increase of the Issuer's capital by means of capitalization of reserves, profits or premia by distribution of Ordinary Shares, or a sub-division or consolidation of Ordinary Shares;
- (ii) there has been an issue of Ordinary Shares or Other Securities to Shareholders by way of conferring subscription or purchase rights;
- (iii) there has been a non-preemptive issue of Ordinary Shares or Other Securities to third parties;

(iv) there has been a spin-off or capital distribution other than a cash distribution;

(v) there has been a cash distribution; or

(vi) any other corporate event has occurred which results in an increase or decrease in the number of Ordinary Shares outstanding from time to time,

then Conversion Rights may not be exercised in respect of a Note until fifteen (15) calendar days after announcement of such event.

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(e).

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 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)~~ volume-weighted average trading price per Ordinary Share (to be determined based on the price quoted on the Madrid Stock Exchange) over the 15 calendar days 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:~~

$$N_{\text{Old}}/N_{\text{New}}$$

~~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:~~

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

~~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:~~

$$R = P_{\text{cum}} - \text{TERP}$$

~~where:~~

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

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:~~

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

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:~~

$$\frac{(P_{cum} - D)}{P_{cum}}$$

~~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:~~

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

~~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:~~

$$\frac{(P_{\text{cum}} - D)}{P_{\text{cum}}}$$

~~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:

$$P_{\text{after}} / P_{\text{before}}$$

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) Cash Distribution:~~

Subject to Condition 6(e), in case of a cash Distribution by the Issuer to holders of its Ordinary Shares (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)) then, the Conversion Price shall be adjusted by multiplying the Conversion Price by the following fraction:

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

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; and~~

~~D is the amount of the cash 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 such relevant financial year.~~

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

~~(e) 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(f)) 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; or~~
- ~~(v) — for the avoidance of doubt, in relation to the issue of 2,264,121 new Ordinary Shares as partial consideration for the acquisition of Vilatel, S.L. and Comercial Marsal, S.A., which was announced by the Issuer on 23 April 2007 and approved by an extraordinary meeting of shareholders held on 25 July 2007.~~
- ~~(f) — *Other Events*~~

~~If the Issuer determines, at its discretion or in case a resolution of the Syndicate of Noteholders determines after consultation with the Issuer, 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(c), 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.~~

(b) ~~(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. [If such delivery is made at a time when Conversion Rights may not be exercised, such delivery shall be deemed for all purposes of these Conditions to have been made on the first following business day on which Conversion Rights may be exercised.](#)

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 either the allotment and issue of new Ordinary Shares or the transfer of Treasury Ordinary Shares. Pursuant to the authority granted by the Shareholders of the Issuer to the Board of Directors of the Issuer and a delegation from such Board of Directors to its members, each such member is authorised to allot and issue new Ordinary Shares or transfer Treasury Ordinary Shares in connection with conversions of the Notes. 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 2 (two) Madrid business days prior to such day. Any Conversion Notice in respect of which the Conversion Date falls after the second 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, in the case of Conversion Notices delivered in the context of final redemption pursuant to Condition 7(a), redemption at the option of the Issuer pursuant to Condition 7(b) or 7(c) or following a Relevant Event pursuant to Condition 7(~~f~~e), 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, Tax Redemption Date or last day of the Relevant Event Period, respectively.

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 Treasury 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 Treasury 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 Treasury 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 Treasury Ordinary Shares, after the relevant Share Record Date.

The Registry Date for newly-issued Ordinary Shares and for Treasury 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 newly-issued Ordinary Shares and/or Treasury Ordinary Shares (as the case may be) to be issued and/or transferred 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 Treasury 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.

(c) ~~(+)~~ *Ordinary Shares*

- (i) Ordinary Shares issued or delivered 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).

(d) ~~(+)~~ *Interest on Conversion*

If any notice requiring the redemption of any Notes is given pursuant to Condition 7(b) or 7(c) 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.

(e) ~~(f)~~ *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.

(f) ~~(g)~~ *Consolidation, Amalgamation or Merger*

~~Without prejudice to Condition 7(f), in~~ 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(~~k~~l) will apply, mutatis mutandis to any subsequent consolidations, amalgamations, mergers, sales or transfers.

7. Redemption, Purchase and Relevant Event Protections

(a) Final Redemption

Unless previously purchased and cancelled, redeemed or converted as herein provided, on the Final Maturity Date the Notes will be redeemed at their ~~Accreted~~Amortised Principal Amount ~~(as defined below) 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) or 7(c).

~~In these terms and conditions, the “Accreted Principal Amount” in respect of each euro 50,000 nominal amount of Notes shall mean (i) in the case of a redemption of Notes on the Final Maturity Date, euro 56,941.62 and (ii) in the case of a redemption of the Notes pursuant to Condition 7(b), 7(c) or 7(e) or if the Notes become due and payable pursuant to Condition 10, the amount which is determined to be the amount which, together with unpaid accrued interest from the immediately preceding Interest Payment Date or, if none, the Closing Date, and after taking into account any interest paid in respect of those Notes in preceding periods, represents for the Noteholder on the relevant date of determination a gross annual yield to maturity of 5.25 per cent. per annum and shall be calculated in accordance with the following formula, rounded down (if necessary) to two decimal places (provided that if the relevant date fixed for redemption or the date on which the Notes become due and payable pursuant to Condition 10 (as the case may be) is an Interest Payment Date, the Accreted Principal Amount shall be as set out below in respect of such Interest Payment Date):~~

~~Accreted Principal Amount = (Previous Accreted Principal Amount x (1 + r)^{d/p}) — AI~~

~~where:~~

~~Previous Accreted Principal Amount = The Accreted Principal Amount on the Interest Payment Date immediately preceding the relevant date fixed for redemption or the date on which the Notes~~

~~become due and payable as provided in Condition 10 (as the case may be) as set out below (or, if the Notes are to be redeemed prior to the first Interest Payment Date, euro 50,000):~~

Interest Payment Date	Accreted Principal Amount (euro)
20 August 2008	€51,252.11
20 August 2009	€52,566.36
20 August 2010	€53,949.54
20 August 2011	€55,405.26
20 August 2012	€56,941.62

~~and where:~~

~~r~~ is 5.25 per cent. (expressed as a fraction);

~~d~~ is the number of days from and including the immediately preceding Interest Payment Date (or, if the Notes are to be redeemed or repaid on or before the first Interest Payment Date, from and including the Closing Date) to but excluding the date fixed for redemption or repayment;

~~p~~ is the number of days from and including the immediately preceding Interest Payment Date or, if the Notes are to be redeemed or repaid on or before the first Interest Payment Date, from and including the Closing Date, to but excluding the next following Interest Payment Date; and

~~AI~~ is the accrued interest on the nominal amount of the Notes from and including the immediately preceding Interest Payment Date (or if the Notes are to be redeemed or repaid on or before the first Interest Payment Date, from and including the Closing Date) to but excluding the relevant date fixed for redemption or repayment, calculated on the basis described in Condition 5(a).

~~If the Accreted Principal Amount payable in respect of any Note upon its redemption pursuant to Condition 7(a), (b), (c) or 7(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Accreted Principal Amount due and payable in respect of such Note shall be the Accreted Principal Amount of such Note as described above, except that such Conditions shall have effect as though the reference therein to the date fixed for redemption of the Notes or, as the case may be, the date on which the Note becomes due and payable had been replaced by a reference to the Relevant Date, and interest shall accrue on the nominal amount of such Note to the Relevant Date. The calculation of the Accreted Principal Amount in accordance with this Condition will continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Final Maturity Date, in which case the amount due and payable shall be 113.88 per cent. of the nominal amount of the Notes together with interest (inclusive of interest payable pursuant to Condition 5) thereon, at the rate of 5.25 per cent. per annum from and including the Final Maturity Date to but excluding the Relevant Date.~~

(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 ~~Accreted Principal Amount as at the Optional Redemption Date~~[price set out below](#), together with accrued and unpaid interest to such date (the "Optional Redemption Price"):

- (i) ~~at any time on or after 10 September 2010, if the Aggregate Value of a Note 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 130 per cent. of the Accreted Principal Amount on such dealing date; or(ii) the Amortised Principal Amount~~ 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 including any Optional Notes: or

~~(iii) — as used above, “Aggregate Value” of a Note on a Trading Day means the nominal amount of such Note divided by the Conversion Price on such day multiplied by the Closing Price of an Ordinary Share as derived from the Relevant Stock Exchange.ii) _____ at any time from and including the date that falls twenty-four (24) months after the Implementation Date, at a redemption price equal to 120 per cent. of the Amortised Principal Amount of the Notes, together with any accrued and unpaid interest to the date of redemption.~~

~~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) *Redemption for Taxation Reasons*

At any time the Issuer may, having given not less than 30 (thirty) nor more than 90 (ninety) days' notice (a “Tax Redemption Notice”) to the Noteholders (which notice shall be irrevocable) redeem (subject to the second following paragraph) all, and not some only, of the Notes on the date (the “Tax Redemption Date”) specified in the Tax Redemption Notice at their ~~Accreted~~Amortised Principal Amount ~~as at the Tax Redemption Date~~, together with accrued but unpaid interest to such date (the “Tax Redemption Price”), if (i) the Issuer has or will become obliged to pay additional amounts in respect of principal or interest pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised international standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of a Tax Redemption Notice, the Issuer shall (subject to the next following paragraph) redeem the Notes at their Tax Redemption Price. On or prior to the giving of any Tax Redemption Notice, the Issuer shall procure the determination of the Tax Redemption Price by ~~an Independent Financial Adviser~~the Calculation Agent.

If the Issuer gives a notice of redemption pursuant to this Condition 7(c), each Noteholder will have the right to elect that his Note(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of interest to be made on such Note(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the Kingdom of Spain or any authority thereof or therein having power to tax. To exercise such right, the holder of the relevant Note must complete, sign and deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent together with the relevant Notes on or before the day falling 10 (ten) days prior to the Tax Redemption Date.

(d) *Optional and Tax Redemption Notices*

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date and the Optional Redemption Price or, as the case may be, the Tax 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 or, as the case may be, the Tax Redemption Notice and (iii) the last day on which Conversion Rights may be exercised by Noteholders.

(e) *Redemption at the option of Noteholders following a Relevant Event*

Following the occurrence of a Relevant Event, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date at its ~~Accreted~~ Amortised Principal Amount ~~as at the relevant Put Date~~, together with accrued interest to the Put Date (the "Put Redemption Price"). To exercise such right, 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 Relevant Event Period. The "Put Date" shall be, the fourteenth calendar day after the expiry of the Relevant Event 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.

Within 14 (fourteen) calendar days following the occurrence of a Relevant Event, the Issuer shall give notice thereof to the Noteholders in accordance with Condition 15 (a "Relevant Event Notice"). Such notice shall contain a statement informing Noteholders of their entitlement to exercise their Conversion Rights as provided in these Conditions, or to exercise their rights to require redemption of their Notes pursuant to this Condition 7(e).

The Relevant Event Notice shall also specify:

- (i) all information material to Noteholders concerning the Relevant Event;
- (ii) the Conversion Price immediately prior to the occurrence of the Relevant Event ~~and the Conversion Price applicable pursuant to Condition 7(f)~~ during the Relevant Event Period;
- (iii) 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 Event Notice;
- (iv) the last day of the Relevant Event Period; and
- (v) the Put Date and the relevant Put Redemption Price (as defined above).

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.

~~(f) *Conversion Price and Protection in relation to a Relevant Event*~~

~~If 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 associate of the offeror, to acquire all or any of the issued ordinary share capital of the Issuer (a "Relevant Event"), 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(f) shall apply only to Notes in respect of which Conversion Rights are exercised and the relevant Conversion Date falls within the period (the "Relevant Event Period") commencing on and including the Commencement Date and ending on and~~

~~including the date falling 120 (one hundred and twenty) days after the Commencement Date or, if later, the last day of the relevant Tender Offer period;~~

~~Conversion Price = $RP \times (1 + (CP \times (1 - e/t)))$ where:~~

~~RP is Conversion Price prevailing 5 (five) business days before the Commencement Date, divided by $(1 + CP)$;~~

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

~~e 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 ISMA 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 ISMA basis.~~

~~“Commencement Date” means the date of the first public announcement of the proposed Tender Offer by or on behalf of the relevant offeror or, as the case may be, the date of the first public announcement of the relevant scheme, provided that if the Commencement Date would otherwise have occurred less than 90 (ninety) days after the end of a previous Tender Offer period, then the Commencement Date shall be the commencement of such previous offer period.~~

~~“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.~~

~~“CNMV” means Spain’s Comisión Nacional del Mercado de Valores.~~

(f) ~~(e)~~ 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. Any purchase by tender shall be made available to all Noteholders alike.

(g) ~~(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.

(h) ~~(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 and amortisation payments 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 of the 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 euro cheque drawn on a bank in a city in which Banks have access to the TARGET System mailed to the holder of the relevant Note at his address appearing in the Register. However, upon application by the holder to the specified office of the Registrar or any Paying, Transfer and Conversion Agent not less than 15 (fifteen) days before the due date for any payment in respect of a Note, such payment may 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.

Where payment is to be made by cheque, the cheque will be mailed, on the business day preceding the due date for payment or, in the case of payments referred to in Condition 8(a), if later, on the business day on which the relevant Note is surrendered as specified in Condition 8(a) (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder).

(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, (ii) if the Noteholder is late in surrendering the relevant Note or (iii) if a cheque mailed in accordance with this Condition arrives after the date for payment.

(g) *Business ~~Days~~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~~[\(including the Calculation Agent\) and the Registrar](#) and their initial specified offices are listed below. The Issuer reserves the right under the Fiscal Agency Agreement [\(as amended and restated by the Supplemental Fiscal Agency Agreement\)](#) at any time to vary or terminate the appointment of any Paying, Transfer and Conversion Agent [\(including the Calculation Agent\)](#) 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 [\(including a Calculation Agent\)](#) having specified offices in at least two major European cities including, 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 the Luxembourg Stock Exchange so require, a Paying, Transfer and Conversion Agent having a specified office in Luxembourg, (iii) 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 or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 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 [\(including the Calculation Agent\)](#) 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 Calculation Agent](#), the Issuer shall promptly appoint and maintain such ~~an Independent Financial Adviser~~[a Calculation Agent](#).

(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 of principal, premium and interest made by or on behalf of the Issuer in respect of the Notes will be made free from any restriction or condition and will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law.

In the event that any such withholding or deduction is required to be made, the Issuer will pay such additional amounts as will result in the receipt by the Noteholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of interest on any Note:

(a) to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Kingdom of Spain otherwise than merely by holding the Note; or

(b) (in the case of a payment of principal or premium) if the Note is surrendered more than 30 (thirty) days after the Relevant Date except to the extent that the holder would have been entitled to such additional amount on surrendering the Note for payment on the last day of such period of 30 (thirty) days; or

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) to, or to a third party on behalf of, a holder in respect of whom the Issuer does not receive such information (which may include a tax residence certificate) concerning such holder's identity and tax residence as it may require in order to comply with Law 13/1985 (as defined below) and any implementing legislation; or

(e) to, or to a third party on behalf of, individuals resident for tax purposes in the Kingdom of Spain or individuals or any other entity resident in, or obtaining income through, a tax haven (as defined in Spain's Royal Decree 1080/1991 of 5 July 1991, as amended from time to time); or

(f) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish corporation tax or a non-Spanish resident person subject to Spanish non-resident income tax acting with relation to the Notes through a permanent establishment in Spain if the Spanish tax authorities determine that the Notes do not comply with exemption requirements specified in the Reply to a Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or

(g) where such withholding tax or deduction is imposed on a payment to an individual resident of Luxembourg pursuant to the Luxembourg Law dated 23 December 2005 introducing a withholding tax in full discharge of income tax on certain interest income.

For the purposes of this Condition 9, "Law 13/1985" means Spain's Law 13/1985 of 25 May 1985 on investment ratios, capital adequacy and information requirements for financial intermediaries (Ley 13/1985, de 25 de mayo, de coeficientes de inversion, recursos propios y obligaciones de información de los intermediarios financieros) as amended by Law 19/2003 of 4 July 2003 on foreign capital movements and financial transactions and on certain measures to prevent money laundering (Ley 19/2003, de 4 de julio, sobre el régimen jurídico de los movimientos de capitales y de las transacciones económicas con el exterior y sobre determinadas medidas del blanqueo de capitales) and Law 23/2005 of 18 November 2005 on certain tax measures to promote the productivity (Ley 23/2005, de 18 de noviembre, de reformas en materia tributaria para el impulso a la productividad).

References in these Conditions to principal or premium and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition.

10. Events of Default

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

(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 of the Issuer or any Material Subsidiary for or in respect of moneys borrowed or raised becomes, or becomes capable of being 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 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 moneys borrowed or raised,

provided that the aggregate amount of the indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds euro 15,000,000 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 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 15,000,000 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 becomes enforceable and any step is taken to enforce it (including 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 (or is deemed by law or a court to be) insolvent or bankrupt (*concurso*) or unable to pay its debts, or is declared or a 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 a material part 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 an analogous 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 ~~Accreted~~Amortised 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 to an adjustment to the Conversion Price;~~

(b) not 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~~the Calculation Agent (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 95.80 per cent. of the ~~Current Market Price per Ordinary Share at the close of business on the last Trading Day~~volume-weighted average trading price per Ordinary Share (to be determined based on the price quoted on the Madrid Stock Exchange) over the 15 calendar days 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) by way of transfer to reserves as permitted under applicable law; ~~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~~the Calculation Agent (acting as expert) advises that the interests of the Noteholders will not be materially prejudiced; ~~or~~
 - (v) when a capital reduction is compulsory under Spanish law as a consequence of losses that have diminished the Company's net worth below two thirds of the capital figure of the Company (in accordance with Article 327 of the Spanish Companies Law (*Ley de Sociedades de Capital*), and when a capital reduction is necessary to avoid the Company undergoing a "dissolution event" as a consequence of losses that have diminished the Company's net worth below half the capital figure of the Company (in

[accordance with Article 363.1e of the Spanish Companies Law \(Ley de Sociedades de Capital\)](#),

provided that, without prejudice to the other provisions of these Conditions, the Issuer may exercise such rights as ~~they~~it 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) 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 Receptoras 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) at all times 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; and

(i) appoint (i) a firm of reputable international accountants if the auditors for the time being of the Issuer are unable or unwilling to carry out any action requested of them under the Notes, to duly perform any such action, and (ii) ~~an Independent Financial Adviser~~the Calculation Agent to carry out any action requested of ~~them~~it under the Notes.

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, Sociedad Anónima Española will be appointed as a temporary Commissioner for the Noteholders. Noteholders shall, by virtue of purchasing Notes, be deemed to have agreed to the appointment of the temporary Commissioner and to 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 his appointment or appoint a substitute Commissioner for him and to ratify the Regulations. 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~~Companies Law (*Ley de Sociedades Anónimas de Capital*) of the Syndicate of Noteholders; and
- (ii) “Syndicate of Noteholders” means the *sindicato* as this term is described under the Spanish ~~Corporations law~~Companies Law (*Ley de Sociedades Anónimas de Capital*).

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 depository 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 d’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, including, but not limited to, Sections 158 and 293 of the Spanish Company Law (*Ley de Sociedades Anónimas*); 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.~~

17. ~~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.

18. ~~19.~~ Governing Law and Jurisdiction

(a) *Governing Law*

The Fiscal Agency Agreement and the Notes 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 Capita Trust Secretaries Ltd. with its registered office for the time being, currently at 7th Floor, Phoenix House, 18 King William Street, London EC4N 7HE 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.

Summary of deletions:

Document comparison done by Workshare Professional on 04 January 2012
12:27:17

5 2012 (the “Notes”
7 any additional Notes issued pursuant to the option to increase the nominal amount of
the Notes (described in the Fiscal Agency Agreement referred to below) (the “Optional
Notes”) and
20 has
22 has
25 these Conditions
27 elevant
29 Additional Ordinary Shares” has the meaning provided in Condition 6(d).
31 “Accreted Principal Amount” has the meaning provided in Condition 7(a)
34 “CNMV” has the meaning provided in Condition 7(f).
35 “Commencement Date” has the meaning provided in Condition 7(f).
39 g
41 g
43 “Current Market Price” has the meaning provided in condition 6(b).
44 “Distribution” has the meaning provided in Condition 6(b).
45 “Distribution Date” has the meaning provided in Condition 6(b).
46 20 August 2012.
48 “Independent Financial Adviser” means any investment bank of international repute
appointed by the Issuer from time to time.
49 “Interest” has the meaning provided in Condition 6(e).
50 “Purchase Rights” has the meaning provided in Condition 6(b).
51 “Reference Date” has the meaning provided in Condition 6(g).
52 g
54 has the meaning provided in Condition 7(f).
58 has the meaning provided in Condition 7(f).
62 ,
64 “Retroactive Adjustment” has the meaning provided in Condition 6(d).

66	g
71	In making any calculation or determination of Current Market 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.
72	, (d), (g)
73	h
75	(and which, in the case of Condition 6(b)(i), (ii) and (iv), do not rank for the relevant right or other entitlement)
76	g
105	(a)
106	Notes bear interest from and including the Closing Date at the rate of 2.75 per cent. per annum calculated by reference to the nominal amount thereof and payable annually in arrear on 20 August in each year (each an “Interest Payment Date”), commencing with the Interest Payment Date falling on 20 August 2008.
120	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 number of days in the Interest Period in which the relevant period falls.
123	“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
125	.
127	(b)
128	i
130	Accreted
135	initial Conversion Price is euro 37.05 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) 1,349.5277 Ordinary Shares. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b).
137	<i>The initial Conversion Price per Ordinary Share is (i) higher than the nominal value of such Ordinary Share and (ii) corresponds to the “reasonable value” of an Ordinary Share as determined at the time of issue of the Notes by an “independent auditor” as defined by, and in accordance with, Spanish corporate law.</i>
138	g
140	19 October 2007 to the close of business
142	7 (seven)
144	seventh

164 or pursuant to Condition 6(d)
165 Current Market Price (as defined in Condition 6(b)) per Ordinary Share on the Trading
Day (as defined in Condition 3)

167 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.

168 (b)

169 *Adjustment of Conversion Price*

170 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:

171 (i) *Increase of capital by means of capitalisation*

173 *division or consolidation of Ordinary Shares:*

174 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:

175 N_{Old} / N_{New}

176 where:

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

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

179 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.

180 (ii) *Issues of*

182 :

183 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:

184 $(P_{cum} - R) / P_{cum}$

185 where:

186 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

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

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

189 $R = P_{cum} - TERP$
190 where:
191 $TERP = (N_{old} \times P_{cum} + N_{new} \times (X_{rights} + Div)) / (N_{old} + N_{new})$
192 and:
193 $TERP$ is the theoretical ex-Purchase Rights price; and
194 N_{old} is the number of Ordinary Shares existing before the change in share capital; and
195 N_{new} is the number of Ordinary Shares being newly issued; and
196 X_{rights} is the price at which one new Ordinary Share can be subscribed, exercised or
purchased; and
197 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;
198 (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:
199 $R = N_{rights} \times P_{rights}$
200 where:
201 N_{rights} is the number of Purchase Rights granted per Ordinary Share; and
202 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
203 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.
204 (C) in all other cases where neither of the previous paragraphs (A) or (B) is
applicable:
205 R will be determined by an Independent Financial Adviser.
206 Such adjustment shall become effective:
207 (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;
208 (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
209 (3) in the case of Condition 6(b)(ii)(C), on the date determined by the Independent
Financial Adviser.
210 (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
211 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:

212 $(P_{cum} - D) / P_{cum}$

213 where:

214 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

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

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

217 $D = P_{cum} - TDP$

218 where:

219 $TDP = (N_{old} \times P_{cum} + N_{new} \times (X_{issue} + Div)) / (N_{old} + N_{new})$

220 and:

221 TDP is the theoretical diluted price; and

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

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

224 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

225 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;

226 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;

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

228 D will be determined by an Independent Financial Adviser.

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

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

231 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:

232 (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:

233 $(P_{cum} - D) / P_{cum}$

234 where:

235 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

236 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);

237 (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:

238 P_{after} / P_{before}

239 where:

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

241 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

242 (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.

243 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.

244 (v) *Cash Distribution:*

245 Subject to Condition 6(e), in case of a cash Distribution by the Issuer to holders of its Ordinary Shares (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)) then, the Conversion Price shall be adjusted by multiplying the Conversion Price by the following fraction:

246 $(P_{cum} - D) / P_{cum}$

247 where:

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

249 D is the amount of the cash 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 such relevant financial year.

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

251 (c)

252 *Calculation of Adjustments*

253 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

254

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.

255 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.

256 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.

257 (d)

258 *Retroactive Adjustments*

259 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(f)) to the Conversion Price had in fact been made and become effective immediately prior to the relevant Conversion Date.

260 (e)

261 *Events not Giving Rise to Adjustments*

262 No adjustment to the Conversion Price will be made:

263 (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:

264 (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;

265 (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

266 (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

267 (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

268 (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; or

269 (v) for the avoidance of doubt, in relation to the issue of 2,264,121 new Ordinary Shares as partial consideration for the acquisition of Vilatel, S.L. and Comercial Marsal, S.A., which was announced by the Issuer on 23 April 2007 and approved by an extraordinary meeting of shareholders held on 25 July 2007.

270 (f)

271 *Other Events*

272 If the Issuer determines, at its discretion or in case a resolution of the Syndicate of Noteholders determines after consultation with the Issuer, 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.

273 (g)

275 (including any Additional Ordinary Shares)

276 f

278 (h)

279 Date or, in the case of Additional Ordinary Shares, on the relevant Reference

280 or, as the case may be, Additional Ordinary Shares

281 or, as the case may be, the relevant date upon which any retroactive adjustment under Condition 6(d) becomes effective (the "Reference Date")

282 i

284 or adjustment

285 (i)

286 (or in the case of the first Interest Period, since the Closing Date)

287 (or, if such Conversion Date falls before the first Interest Payment Date, from the Closing Date)

288 (j)

289 (k)

290 Without prejudice to Condition 7(f), in

292 k

295 Accreted

297 (as defined below)

299 In these terms and conditions, the “Accreted Principal Amount” in respect of each euro 50,000 nominal amount of Notes shall mean (i) in the case of a redemption of Notes on the Final Maturity Date, euro 56,941.62 and (ii) in the case of a redemption of the Notes pursuant to Condition 7(b), 7(c) or 7(e) or if the Notes become due and payable pursuant to Condition 10, the amount which is determined to be the amount which, together with unpaid accrued interest from the immediately preceding Interest Payment Date or, if none, the Closing Date, and after taking into account any interest paid in respect of those Notes in preceding periods, represents for the Noteholder on the relevant date of determination a gross annual yield to maturity of 5.25 per cent. per annum and shall be calculated in accordance with the following formula, rounded down (if necessary) to two decimal places (provided that if the relevant date fixed for redemption or the date or which the Notes become due and payable pursuant to Condition 10 (as the case may be) is an Interest Payment Date, the Accreted Principal Amount shall be as set out below in respect of such Interest Payment Date):

300 Accreted Principal Amount = (Previous Accreted Principal Amount \times (1 + r)^{d/p}) – AI

301 where:

302 Previous Accreted Principal Amount = The Accreted Principal Amount on the Interest Payment Date Amount immediately preceding the relevant date fixed for redemption or the date on which the Notes become due and payable as provided in Condition 10 (as the case may be) as set out below (or, if the Notes are to be redeemed prior to the first Interest Payment Date, euro 50,000):

303 **Interest Payment Date**

304 **Accreted Principal Amount (euro)**

305 20 August 2008

306 €51,252.11

307 20 August 2009

308 €52,566.36

309 20 August 2010

310 €53,949.54

311 20 August 2011

312 €55,405.26

313 20 August 2012

314 €56,941.62

315 and where:

316 r is 5.25 per cent. (expressed as a fraction);

317 d is the number of days from and including the immediately preceding Interest Payment Date (or, if the Notes are to be redeemed or repaid on or before the first Interest Payment Date, from and including the Closing Date) to but excluding the date fixed for redemption or repayment;

318 p is the number of days from and including the immediately preceding Interest Payment Date or, if the Notes are to be redeemed or repaid on or before the first Interest Payment Date, from and including the Closing Date, to but excluding the next following Interest Payment Date; and

319 AI is the accrued interest on the nominal amount of the Notes from and including the immediately preceding Interest Payment Date (or if the Notes are to be redeemed or repaid on or before the first Interest Payment Date, from and including the Closing Date) to but excluding the relevant date fixed for redemption or repayment, calculated on the basis described in Condition 5(a).

320 If the Accreted Principal Amount payable in respect of any Note upon its redemption pursuant to Condition 7(a), (b), (c) or 7(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Accreted Principal Amount due and

payable in respect of such Note shall be the Accreted Principal Amount of such Note as described above, except that such Conditions shall have effect as though the reference therein to the date fixed for redemption of the Notes or, as the case may be, the date on which the Note becomes due and payable had been replaced by a reference to the Relevant Date, and interest shall accrue on the nominal amount of such Note to the Relevant Date. The calculation of the Accreted Principal Amount in accordance with this Condition will continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Final Maturity Date, in which case the amount due and payable shall be 113.88 per cent. of the nominal amount of the Notes together with interest (inclusive of interest payable pursuant to Condition 5) thereon, at the rate of 5.25 per cent. per annum from and including the Final Maturity Date to but excluding the Relevant Date.

321 Accreted Principal Amount as at the Optional Redemption Date
any time on or after 10 September 2010, if the Aggregate Value of a Note on at least 20
323 (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 130 per cent. of the Accreted Principal Amount on such dealing date; or

324 (ii)

326 .

328 iii) as used above, "Aggregate Value" of a Note on a Trading Day means the
nominal amount of such Note 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
330 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.

331 Accreted

333 as at the Tax Redemption Date

334 an Independent Financial Adviser

336 Accreted

338 as at the relevant Put Date

339 and the Conversion Price applicable pursuant to Condition 7(f)

340 (f)

341 *Conversion Price and Protection in relation to a Relevant Event*

342 If a Tender Offer is

, to acquire all or any of the issued ordinary share capital of the Issuer (a "Relevant
Event"), the Conversion Price shall be adjusted in accordance with the formula set out
344 below provided that any adjustment to the Conversion Price pursuant to this Condition
7(f) shall apply only to Notes in respect of which Conversion Rights are exercised and
the relevant Conversion Date falls within the period (the "Relevant Event Period")

346 :

347 Conversion Price = $RP \times (1 + (CP \times (1 - c/t)))$ where:

348 RP is Conversion Price prevailing 5 (five) business days before the
Commencement Date, divided by $(1 + CP)$;

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

350 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 ISMA basis; and
351 t is the number of days from and including the Closing Date to but excluding the
Final Maturity Date, calculated on an Act/Act ISMA basis.
352 “Commencement Date”
354 .
355 “Tender Offer”
357 CNMV.
358 “CNMV” means Spain’s
360 (g)
361 (h)
362 (i)
363 and
366 *Days*
368 and
373 and
375 an Independent Financial Adviser
377 an Independent Financial Adviser
379 Accreted
381 ,
382 unless, in any such case, the same constitutes a Distribution or otherwise gives rise to an
adjustment to the Conversion Price
383 an Independent Financial Adviser
385 or
(iv) any issue of equity share capital where the issue of such equity share capital
386 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
387 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);
388 95
390 Current Market Price per Ordinary Share at the close of business on the last Trading
Day
392 unless the same gives rise to an adjustment to the Conversion Price
393 or
394 either it results in an adjustment to the Conversion Price or the Independent Financial
Adviser
398 they
400 an Independent Financial Adviser
402 them

404	Corporations
406	<i>Anónimas</i>
408	Corporations law
410	<i>Anónimas</i>
412	17.
413	Waiver of Statutory Pre-Emption Rights
414	Without prejudice to Condition 6(b), Noteholders shall, by virtue of purchasing and/or holding Notes, be deemed to have:
415	(a) waived any pre-emption rights (<i>derecho de suscripción preferente/asignación gratuita</i>) 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, including, but not limited to, Sections 158 and 293 of the Spanish Company Law (<i>Ley de Sociedades Anónimas</i>); and
416	(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 (<i>derecho de suscripción preferente/asignación gratuita</i>) pursuant to Condition 17 (a) above.
417	18.
418	19.

Document comparison by Workshare Professional on 04 January 2012
12:27:17

Input:	
Document 1 ID	interwovenSite://EU-WORKSITE/London_11/4817026/1
Description	#4817026v1<London_11> - Conditions
Document 2 ID	interwovenSite://EU-WORKSITE/London_11/4817026/5
Description	#4817026v5<London_11> - Conditions
Rendering set	Colour + Summary + Moves

Legend:	
Insertion	
Deletion	
<i>Moved from</i>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Redline Summary:		
No.	Change	Text
1	Insertion	(as amended and restated...passed on [] 2012)
2	Moved from	The issue of the up to...2.75 per cent.
3	Change	"Senior Unsecured" changed to "amendment and restatement...the €● Senior Unsecured"
4	Change	"Senior Unsecured Convertible Notes due" changed to "Senior Unsecured Floating...Convertible Notes due"
5-6	Change	"Convertible Notes due...expression shall, unless" changed to "Convertible Notes due...expression shall, unless"
7	Change	"unless otherwise...notes issued pursuant" changed to "unless otherwise...notes issued pursuant"
8	Insertion	a single series with the..."Implementation Date").

9	Insertion	A supplemental fiscal,...the Calculation Agent.
10	Insertion	The original
11	Moved to	issue of the up to euro...2.75 per cent.
12	Change	"was (save in respect of any such" changed to "Senior Unsecured...in respect of any such"
13	Change	"Copies of the Fiscal Agency Agreement and these" changed to "Copies of the Fiscal...Agreement and these"
14	Change	"and these terms and conditions (the "Conditions")" changed to "and these amended and...(the "Conditions")"
15	Change	"provisions of the Fiscal...Conditions which are" changed to "provisions of the Fiscal...Conditions which are"
16	Change	"which are applicable to...Fiscal Agency Agreement" changed to "which are applicable to...Fiscal Agency Agreement"
17	Change	"Fiscal Agency Agreement...the form of the Notes" changed to "Fiscal Agency Agreement...the form of the Notes"
18	Change	"includes the form of the...in these Conditions" changed to "includes the form of the...in these Conditions"
19	Change	"to, the detailed...Fiscal Agency Agreement." changed to "to, the detailed...Fiscal Agency Agreement."
20	Change	"Issuer, as required by...escritura pública (the" changed to "Issuer, as required by...escritura pública (the"
21	Change	"executed an escritura...before a Spanish notary" changed to "executed an escritura...before a Spanish notary"
22	Change	"relation to the issue of...and has registered the" changed to "relation to the issue of...Notes and registered the"
23	Change	"registered the Public Deed with Madrid" changed to "registered the First Public Deed with Madrid"
24	Change	"s Mercantile Registry....contains, among other" changed to "s Mercantile Registry....contains,

		among other"
25-26	Change	"contains, among other...these Conditions." changed to "contains, among other...Mercantile Registry."
27-28	Change	"or indemnity in respect...is not increased" changed to "or indemnity in respect...is not increased"
29-30	Change	"“Additional Ordinary...in Condition 6(d).” changed to ““Accreted Principal Amount” means €[]”
31-32	Change	"“Accreted Principal...in Condition 7(a).” changed to ““Amortised Principal...to Condition 5(h).”
33	Insertion	"Calculation Agent" shall...Fiscal Agency Agreement.
34	Deletion	“CNMV” has the meaning...in Condition 7(f).
35-36	Change	"“Commencement Date” has...in Condition 7(f).” changed to ““Commencement Date””
37	Moved to	means the date of the...previous offer period
38	Insertion	.
39-40	Change	"meaning provided in Condition 6(g).” changed to "meaning provided in Condition 6(b).”
41-42	Change	"meaning provided in Condition 6(g).” changed to "meaning provided in Condition 6(b).”
43	Deletion	“Current Market Price”...in condition 6(b).
44	Deletion	“Distribution” has the...in Condition 6(b).
45	Deletion	“Distribution Date” has...in Condition 6(b).
46-47	Change	"“Final Maturity Date” means 20 August 2012.” changed to ““Final Maturity Date” means 31 January 2016.”
48	Deletion	“Independent Financial...from time to time.
49	Deletion	“Interest” has the...in Condition 6(e).
50	Deletion	“Purchase Rights” has the...in Condition 6(b).
51	Deletion	“Reference Date” has the...in Condition 6(g).
52-53	Change	"meaning provided in Condition 6(g).” changed to "meaning provided in Condition 6(b).”

54-55	Change	"“Relevant Event” has the...in Condition 7(f)." changed to "“Relevant Event” shall mean a Tender Offer being"
56	Moved to	made to all (or as nearly...associate of the offeror
57	Insertion) to acquire all, or any...capital of the Issuer.
58-59	Change	"“Relevant Event Period”...in Condition 7(f)." changed to "“Relevant Event Period” means the period"
60	Moved to	commencing on and...Tender Offer period
61	Insertion	.
62-63	Change	"or other similar debt...for cash or in whole" changed to "or other similar debt...for cash or in whole"
64-65	Change	"“Retroactive Adjustment”...in Condition 6(d)." changed to "“Resolution Date” means [...these Conditions."
66-67	Change	"meaning provided in Condition 6(g)." changed to "meaning provided in Condition 6(b)." "
68	Insertion	"Tender Offer"
69-70	Moved to	means a tender offer...del Mercado de Valores.
71	Deletion	In making any calculation...like or similar event.
72	Change	"the purposes of Conditions 6(b), (d), (g) and (" changed to "the purposes of Conditions 6(b) and ("
73-74	Change	"and (h) and Condition 10 only, (a) references" changed to "and (c) and Condition 10 only, (a) references"
75	Change	"any of its respective...considered as or treated" changed to "any of its respective...considered as or treated"
76-77	Change	"in accordance with...of which a holder" changed to "in accordance with...of which a holder"
78	Insertion	5. Interest and Amortisation
79-80	Insertion	(a) Interest calculation
81	Insertion	The Notes shall bear...the Final Maturity Date.
82-83	Insertion	(b) Interest Amount
84	Insertion	The amount of interest...in Condition 5(c)):
85-86	Insertion	(i) In the case of...to the nearest euro; and
87-88	Insertion	(ii) In the case of...to Condition 5(h) to:
89-90	Insertion	(a) the Amortised...the nearest euro; and to
91-92	Insertion	(b) the Amortised...to the nearest euro;
93	Insertion	and the sum of these...of such Interest Period.

94-95	Insertion	(c) Interest Period
96	Insertion	"Interest Period" shall mean:
97-98	Insertion	(a) in respect of the...31 December 2012);
99-100	Insertion	(b) in respect of each...the period commencing
101	Moved to	on (and including) an...Interest Payment Date
102	Insertion	up to 31 December 2015;
103-104	Insertion	(c) in respect of the...the Final Maturity Date.
105	Change	"Interest Rate" changed to "(a) Interest Rate"
106-107	Change	"The Notes bear interest...on 20 August 2008." changed to "The interest rate payable...the Calculation Agent."
108	Insertion	"EURIBOR" with respect to...to publish such a rate:
109-110	Insertion	(i) the Calculation Agent...being rounded upwards);
111-112	Insertion	(ii) if fewer than two...of the Notes; and
113-114	Insertion	(iii) if the banks so...Interest Period.
115	Insertion	"EURIBOR Determination...of that Interest Period.
116	Insertion	"Euro-zone" means the...on European Union.
117-118	Insertion	(e) Notifications
119	Insertion	The Calculation Agent...Determination Date.
120	Deletion	Where interest is...relevant period falls.
121-122	Insertion	(f) Interest Shortfall
123	Deletion	"Interest Period" means...period beginning
124	Moved from	on (and including) an...Interest Payment Date
125	Deletion	.
126	Insertion	Accrued interest not...Shortfalls at any time.
127	Change	"Accrual of Interest" changed to "(b) Accrual of Interest"
128-129	Change	"case as provided in...where such Note is being" changed to "case as provided in...where such Note is being"
130-131	Change	"thereof, payment of the...Amount is improperly" changed to "thereof, payment of the...Amount is improperly"
132-133	Insertion	(h) Amortisation
134	Insertion	On each anniversary of...by the same amount.
135-136	Change	"The initial Conversion...in Condition 6(b)." changed to "The Conversion Price upon...from time to time."
137	Deletion	The initial Conversion...Spanish corporate law.
138-139	Change	"in accordance with...Issuer shall (subject"

		changed to "in accordance with...Issuer shall (subject"
140-141	Change	"and as hereinafter...place where the relevant" changed to "and as hereinafter...place where the relevant"
142-143	Change	"conversion) on the date...to the Final Maturity" changed to "conversion) on the date...to the Final Maturity"
144-145	Change	"(at the place aforesaid)...fixed for redemption" changed to "(at the place aforesaid)...fixed for redemption"
146	Insertion	If any of the following events has occurred:
147-148	Insertion	(i) there has been an...means of capitalization
149	Moved to	of reserves, profits or...of Ordinary Shares, or
150	Insertion	a sub-division or...of Ordinary Shares;
151-152	Insertion	(ii) there has been an issue of
153	Moved to	Ordinary Shares or Other...or purchase rights
154	Insertion	;
155-156	Insertion	(iii) there has been a...to third parties;
157-158	Insertion	(iv) there has been a...a cash distribution;
159-160	Insertion	(v) there has been a cash distribution; or
161-162	Insertion	(vi) any other corporate...from time to time,
163	Insertion	then Conversion Rights...of such event.
164	Change	"will not be delivered on...and except where any" changed to "will not be delivered on...and except where any"
165-166	Change	"determined by reference...preceding the relevant" changed to "determined by reference...preceding the relevant"
167	Deletion	following the relevant...of Ordinary Shares.
168-169	Deletion	(b) Adjustment of Conversion Price
170	Deletion	Upon the occurrence of...be adjusted as follows:
171	Deletion	(i) Increase of capital...means of capitalisation
172	Moved from	of reserves, profits or...of Ordinary Shares, or
173	Deletion	division or consolidation of Ordinary Shares:
174	Deletion	Subject to Condition...the following formula:
175	Deletion	N_{Old} / N_{New}
176	Deletion	where:
177	Deletion	N_{Old} is the number of...in share capital; and
178	Deletion	N_{New} is the number of...change in share capital.
179	Deletion	Such adjustment shall...Relevant Stock Exchange.

180	Deletion	(ii) Issues of
181	Moved from	Ordinary Shares or Other...or purchase rights
182	Deletion	:
183	Deletion	Subject to Condition...the following formula:
184	Deletion	$(P_{cum} - R) / P_{cum}$
185	Deletion	where:
186	Deletion	P_{cum} is the arithmetic...Trading Day; and
187	Deletion	R is the value of the...calculated as follows:
188	Deletion	(A) in the event the...to Ordinary Shares:
189	Deletion	$R = P_{cum} - TERP$
190	Deletion	where:
191	Deletion	$TERP = (N_{old} \times P_{cum} + \dots + Div) / (N_{old} + N_{new})$
192	Deletion	and:
193	Deletion	$TERP$ is the theoretical...Rights price; and
194	Deletion	N_{old} is the number of...in share capital; and
195	Deletion	N_{new} is the number of...being newly issued; and
196	Deletion	X_{rights} is the price at...or purchased; and
197	Deletion	Div is the amount (in...the last paid dividend;
198	Deletion	provided, however, that...following Trading Day;
199	Deletion	(B) in the event the...Canada or Japan:
200	Deletion	$R = N_{rights} \times P_{rights}$
201	Deletion	where:
202	Deletion	N_{rights} is the number of...per Ordinary Share; and
203	Deletion	P_{rights} is the average of...10 (ten) Trading Days.
204	Deletion	(C) in all other cases...or (B) is applicable:
205	Deletion	R will be determined by...Financial Adviser.
206	Deletion	Such adjustment shall become effective:
207	Deletion	(1) in the case of...Relevant Stock Exchange;
208	Deletion	(2) in the case of...whichever is sooner; and
209	Deletion	(3) in the case of...Financial Adviser.
210	Deletion	(iii) Issues of Ordinary...to Third Parties:
211	Deletion	Subject to Condition...the following formula:
212	Deletion	$(P_{cum} - D) / P_{cum}$
213	Deletion	where:
214	Deletion	P_{cum} is the arithmetic...Issue of Securities; and
215	Deletion	D is the dilution as a...calculated as follows:
216	Deletion	(A) in the event of the issue of Ordinary Shares:
217	Deletion	$D = P_{cum} - TDP$
218	Deletion	where:

219	Deletion	$TDP = (N_{old} \times P_{cum} + N_{new} \dots + Div) / (N_{old} + N_{new})$
220	Deletion	and:
221	Deletion	TDP is the theoretical diluted price; and
222	Deletion	N_{old} is the number of...in share capital; and
223	Deletion	N_{new} is the number of...being newly issued; and
224	Deletion	X_{issue} is the issue price...Financial Adviser; and
225	Deletion	Div is the amount (in...the last paid dividend;
226	Deletion	provided, however, that...following Trading Day;
227	Deletion	(B) in all other cases...(A) is not applicable:
228	Deletion	D will be determined by...Financial Adviser.
229	Deletion	Such adjustment shall...security is issued.
230	Deletion	(iv) Spin-offs and...than cash distributions:
231	Deletion	Subject to Condition...be adjusted as follows:
232	Deletion	(A) where the...the following formula:
233	Deletion	$(P_{cum} - D) / P_{cum}$
234	Deletion	where:
235	Deletion	P_{cum} is the arithmetic...Distribution; and
236	Deletion	D is the value of the...of 6 (b) (iv) (A) (y);
237	Deletion	(B) in all other cases...the following formula:
238	Deletion	P_{after} / P_{before}
239	Deletion	where:
240	Deletion	P_{after} is the Current...Date"); and
241	Deletion	P_{before} is the Current...the Distribution Date;
242	Deletion	whereby for purposes of...Distribution; and
243	Deletion	(C) in all other cases...necessary adjustment.
244	Deletion	Such adjustment shall...the Distribution Date.
245	Deletion	(v) Cash Distribution:
246	Deletion	Subject to Condition...the following fraction:
247	Deletion	$(P_{cum} - D) / P_{cum}$
248	Deletion	where:
249	Deletion	P_{cum} is the Closing Price...ex-Distribution; and
250	Deletion	D is the amount of the...relevant financial year.
251	Deletion	Such adjustment shall...traded ex-Distribution.
252-253	Deletion	(c) Calculation of Adjustments
254	Deletion	Each adjustment to be...case of manifest error.
255	Deletion	If in case of any...at the relevant time.
256	Deletion	The Issuer will procure...that such is the case.
257-258	Deletion	(d) Retroactive Adjustments
259	Deletion	If the Share Record Date...Conversion Date.

260-261	Deletion	(e) Events not Giving Rise to Adjustments
262	Deletion	No adjustment to the...Price will be made:
263	Deletion	(i) if the Issuer sells...and for this purpose:
264	Deletion	(x) where such Interest...Financial Adviser;
265	Deletion	(y) where such Interest...of such Interest; or
266	Deletion	(ii) if Ordinary Shares...or option scheme; or
267	Deletion	(iii) if an increase in...of Ordinary Shares; or
268	Deletion	(iv) without prejudice to...will be reduced; or
269	Deletion	(v) for the avoidance of...held on 25 July 2007.
270-271	Deletion	(f) Other Events
272	Deletion	If the Issuer determines,...terms of Condition 6.
273	Change	"Procedure for exercise of Conversion" changed to "(g) Procedure for exercise of Conversion"
274	Change	"next following such business day." changed to "next following such...Rights may be exercised."
275	Change	"Ordinary Shares on such...be paid by the Issuer)" changed to "Ordinary Shares on such...be paid by the Issuer)"
276-277	Change	"Relevant Event pursuant...shall act upon any" changed to "Relevant Event pursuant...shall act upon any"
278	Change	"Ordinary Shares" changed to "(h) Ordinary Shares"
279	Change	"issue on the relevant...that such Ordinary" changed to "issue on the relevant...that such Ordinary"
280	Change	"except that such Ordinary...rights, distributions" changed to "except that such Ordinary...rights, distributions"
281	Change	"to the relevant Share...(the "Reference Date")." changed to "to the relevant Share Record Date."
282-283	Change	"(ii) Save as provided in...6(i), no payment" changed to "(ii) Save as provided in...6(d), no payment"
284	Change	"), no payment or...made on conversion for" changed to "), no payment shall be made on conversion for"
285	Change	"Interest on Conversion" changed to "(i) Interest on Conversion"
286	Change	"since the last Interest...of any Distribution" changed to "since the last Interest...of any Distribution"
287	Change	"preceding Interest...such Conversion" changed to

		"preceding Interest...such Conversion"
288	Change	"Purchase or Redemption of Ordinary" changed to "(j) Purchase or Redemption of Ordinary"
289	Change	"Consolidation, Amalgamation or Merger" changed to "(k) Consolidation, Amalgamation or Merger"
290-291	Change	"Without prejudice to...of any consolidation," changed to "In the case of any consolidation,"
292-293	Change	"provisions of this...mutatis mutandis to" changed to "provisions of this...mutatis mutandis to"
294	Change	"or converted as herein provided," changed to "or converted as herein...the Final Maturity Date"
295-296	Change	"Notes will be redeemed at...Principal Amount" changed to "Notes will be redeemed at...Principal Amount"
297	Deletion	Principal Amount (as defined below)
298	Change	"on the Final Maturity...may not be redeemed" changed to ". The Notes may not be redeemed"
299	Deletion	In these terms and...Interest Payment Date):
300	Deletion	Accreted Principal Amount... $x(1+r)d/p$ – AI
301	Deletion	where:
302	Deletion	Previous Accreted...Date, euro 50,000):
303	Deletion	Interest Payment Date
304	Deletion	Accreted Principal Amount (euro)
305	Deletion	20 August 2008
306	Deletion	€51,252.11
307	Deletion	20 August 2009
308	Deletion	€52,566.36
309	Deletion	20 August 2010
310	Deletion	€53,949.54
311	Deletion	20 August 2011
312	Deletion	€55,405.26
313	Deletion	20 August 2012
314	Deletion	€56,941.62
315	Deletion	and where:
316	Deletion	r is 5.25 per cent. (expressed as a fraction);
317	Deletion	d is the number of days...redemption or repayment;
318	Deletion	p is the number of days...Payment Date; and
319	Deletion	AI is the accrued...in Condition 5(a).
320	Deletion	If the Accreted Principal...the Relevant Date.

321-322	Change	"Optional Redemption...with accrued and unpaid" changed to "Optional Redemption...with accrued and unpaid"
323	Deletion	(i) at any time on or...on such dealing date; or
324-325	Change	"(ii) if, at any time prior to the date" changed to "the Amortised Principal...time prior to the date"
326-327	Change	"issued including any Optional Notes." changed to "issued including any Optional Notes; or"
328-329	Change	"(iii) as used above,...Relevant Stock Exchange." changed to "(ii) at any time from and...the date of redemption."
330	Deletion	For the purposes of...Financial Adviser.
331-332	Change	"Tax Redemption Notice at...Principal Amount" changed to "Tax Redemption Notice at...Principal Amount"
333	Change	"Principal Amount as at...with accrued but unpaid" changed to "Principal Amount,...with accrued but unpaid"
334-335	Change	"of the Tax Redemption...Financial Adviser." changed to "of the Tax Redemption...the Calculation Agent."
336-337	Change	"that Note on the Put Date...Principal Amount" changed to "that Note on the Put Date...Principal Amount"
338	Change	"Principal Amount as at...with accrued interest" changed to "Principal Amount, together with accrued interest"
339	Change	"occurrence of the...Relevant Event Period;" changed to "occurrence of the...Relevant Event Period;"
340-341	Deletion	(f) Conversion Price and...to a Relevant Event
342	Deletion	If a Tender Offer is
343	Moved from	made to all (or as nearly...associate of the offeror
344	Deletion	, to acquire all or any...“Relevant Event Period”)
345	Moved from	commencing on and...Tender Offer period
346	Deletion	:
347	Deletion	Conversion Price = $RP \times \dots (CP \times (1 - c/t))$ where:
348	Deletion	RP is Conversion Price...divided by $(1 + CP)$;
349	Deletion	CP is 30 per cent. (expressed as a fraction);
350	Deletion	c is the number of days...Act/Act ISMA basis; and
351	Deletion	t is the number of days...an Act/Act ISMA basis.

352	Deletion	“Commencement Date”
353	Moved from	means the date of the...previous offer period
354	Deletion	.
355	Deletion	“Tender Offer”
356	Moved from	means a tender offer...approval from the
357	Deletion	CNMV.
358	Deletion	“CNMV” means Spain’s
359	Moved from	Comisión Nacional del Mercado de Valores.
360	Change	"Purchase" changed to "(g) Purchase"
361	Change	"Cancellation" changed to "(h) Cancellation"
362	Change	"Multiple Notices" changed to "(i) Multiple Notices"
363-364	Change	"Payment of principal and premium" changed to "Payment of principal, premium"
365	Change	"premium in respect of the Notes and accrued" changed to "premium and amortisation...of the Notes and accrued"
366-367	Change	"(g) Business Days" changed to "(g) Business days"
368-369	Change	"Transfer and Conversion...their initial specified" changed to "Transfer and Conversion...their initial specified"
370	Change	"under the Fiscal Agency...to vary or terminate" changed to "under the Fiscal Agency...to vary or terminate"
371	Change	"Paying, Transfer and...and appoint additional" changed to "Paying, Transfer and...and appoint additional"
372	Change	"Paying, Transfer and...specified offices in at" changed to "Paying, Transfer and...specified offices in at"
373	Change	"to conform to, such...a Registrar with a" changed to "to conform to, such...a Registrar with a"
374	Change	"Paying, Transfer and...or their specified" changed to "Paying, Transfer and...or their specified"
375-376	Change	"determination is required...shall promptly appoint" changed to "determination is required...shall promptly appoint"
377-378	Change	"promptly appoint and...Financial Adviser." changed to "promptly appoint and...a Calculation Agent."
379-380	Change	"immediately due and...Amount together with" changed to "immediately due and...Amount together with"

381	Deletion	executives or any one or more of them,
382	Change	"unless, in any such case,...to the Conversion Price;" changed to ";
383-384	Change	"which is not, in the...an expert), materially" changed to "which is not, in the...an expert), materially"
385	Deletion	interests of the holders of the Notes; or
386	Deletion	(iv) any issue of equity...the Conversion Price; or
387	Deletion	(v) any issue of equity...effect accordingly);
388-389	Change	"Ordinary Share which is...than 95 per cent. of the" changed to "Ordinary Share which is...than 80 per cent. of the"
390-391	Change	"per cent. of the Current...the date of the first" changed to "per cent. of the...the date of the first"
392	Change	"proposed inclusion of...at no time shall there" changed to "proposed inclusion of...at no time shall there"
393	Deletion	permitted under applicable law; or
394-395	Change	"permitted by applicable...as expert) advises that" changed to "permitted by applicable...as expert) advises that"
396	Insertion	will not be materially prejudiced; or
397	Change	"," changed to "(v) when a capital...Sociedades de Capital),"
398-399	Change	"Issuer may exercise such...to time enjoy pursuant" changed to "Issuer may exercise such...to time enjoy pursuant"
400-401	Change	"perform any such action,...out any action requested" changed to "perform any such action,...out any action requested"
402-403	Change	"carry out any action...of them under the Notes." changed to "carry out any action...of it under the Notes."
404-405	Change	"term is defined under the...Law (Ley de Sociedades" changed to "term is defined under the...Law (Ley de Sociedades"
406-407	Change	"Law (Ley de Sociedades...of Noteholders;" changed to "Law (Ley de Sociedades de...of Noteholders;"
408-409	Change	"is described under the...law (Ley de Sociedades" changed to "is described under the...Law (Ley de Sociedades"
410-411	Change	"(Ley de Sociedades Anónimas)." changed to

		"(Ley de Sociedades de Capital)."
412-413	Deletion	17. Waiver of Statutory Pre-Emption Rights
414	Deletion	Without prejudice to...be deemed to have:
415	Deletion	(a) waived any...Anónimas); and
416	Deletion	(b) granted the...Condition 17 (a) above.
417	Change	"Contracts (Rights of Third Parties)" changed to "18. Contracts (Rights of Third Parties)"
418	Change	"Governing Law and Jurisdiction" changed to "19. Governing Law and Jurisdiction"

Statistics:	
	Count
Insertions	145
Deletions	253
Moved from	10
Moved to	10
Style change	0
Format changed	0
Total changes	418