

2006

CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED FINANCIAL STATEMENTS



ACCIONA, S.A. and subsidiaries

Consolidated Annual Accounts at 31 December 2006
and Annual Report, with independent auditors' report

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 35). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
ACCIONA, S.A.:

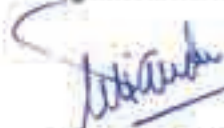
We have audited the consolidated financial statements of ACCIONA, S.A. (the Parent) and Subsidiaries (the Group) comprising the consolidated balance sheet at 31 December 2006 and the related consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made. Our work did not include an examination of the 2006 financial statements of certain subsidiaries and associates whose aggregate assets and net profit for the year represented 29% and 22%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors (see Appendixes I, II and III to the notes to the consolidated financial statements). Our opinion as expressed in this report on the consolidated financial statements of ACCIONA, S.A. and Subsidiaries is based, with respect to these companies, on the reports of the other auditors.

For comparison purposes the Parent's directors present, in addition to the consolidated figures for 2006 for each item in the consolidated balance sheet, consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity, the figures for 2005. Our opinion refers only to the consolidated financial statements for 2006. On 23 March 2006, we issued our auditors' report on the 2005 consolidated financial statements, in which we expressed an unqualified opinion.

In our opinion, based on our audit and on the reports of the other auditors (see Appendixes I, II and III), the accompanying consolidated financial statements for 2006 present fairly, in all material respects, the consolidated equity and consolidated financial position of ACCIONA, S.A. and Subsidiaries at 31 December 2006 and the consolidated results of their operations, the changes in the consolidated equity and their consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union applied on a basis consistent with that of the preceding year.

The accompanying consolidated directors' report for 2006 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2006. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of ACCIONA, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. S0692



Miguel Fiancés Román

CONSOLIDATED FINANCIAL STATEMENTS



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ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS FOR 2006 AND 2005

Thousands of Euros

ASSETS	NOTE	2006	2005
Property, plant and equipment	4	4,701,917	2,889,844
Investment property	5	532,204	533,542
Goodwill	6	1,161,753	602,046
Other intangible assets	7	617,124	192,338
Non-current financial assets	10	7,947,866	1,159,641
Investments accounted for using the equity method	8	116,961	150,717
Biological assets	11	4,999	4,649
Deferred tax assets	22	146,177	85,788
Other non-current assets		96,143	95,436
NON-CURRENT ASSETS		15,325,144	5,714,001
Biological assets	11	--	--
Inventories	12	1,443,335	976,856
Trade and other receivables	13	2,315,706	1,833,174
Other current financial assets	10	300,253	1,337,444
Current income tax assets	22	5,660	2,730
Other current assets		284,924	180,560
Cash and cash equivalents	14	1,612,344	866,344
CURRENT ASSETS		5,962,222	5,197,108
TOTAL ASSETS		21,287,366	10,911,109

Thousands of Euros

EQUITY AND LIABILITIES	NOTE	2006	2005
Share capital		63,550	63,550
Other reserves		170,616	440,838
Retained earnings		4,229,398	2,703,274
Treasury shares		(134,668)	(19,217)
Exchange differences		(4,847)	9,374
Equity attributed to shareholders of the Parent		4,324,049	3,197,819
Minority interests		309,112	233,094
EQUITY	15	4,633,161	3,430,913
Debt instruments and other held-for-trading liabilities	20	95,192	103,990
Bank borrowings and other financial liabilities	17	9,991,337	1,522,753
Deferred tax liabilities	22	644,895	369,250
Provisions	16	287,877	258,363
Other non-current liabilities	21	457,412	413,584
NON-CURRENT LIABILITIES		11,476,713	2,667,940
Debt instruments and other held-for-trading liabilities	20	250	205
Bank borrowings and other financial liabilities	17	953,788	1,684,667
Trade and other payables		3,351,768	2,524,468
Provisions		181,241	190,294
Current income tax liabilities	22	195,461	54,647
Other current liabilities	21	494,984	357,975
CURRENT LIABILITIES		5,177,492	4,812,256
TOTAL EQUITY AND LIABILITIES		21,287,366	10,911,109

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS FOR 2006 AND 2005

Thousands of Euros

CONSOLIDATED INCOME STATEMENTS FOR 2006 AND 2005	NOTE	2006	2005
Revenue	24	6,272,428	4,852,734
Other income		545,787	494,265
Changes in inventories of finished goods and work in progress		442,397	276,156
Procurements	25	(2,073,082)	(1,570,670)
Staff costs	25	(1,105,894)	(855,977)
Depreciation and amortisation charge and change in allowances	4, 5 y 7	(329,428)	(231,066)
Other expenses	25	(3,121,988)	(2,453,492)
PROFIT FROM OPERATIONS		630,220	511,950
Finance income	27	119,634	132,519
Finance costs	27	(257,531)	(143,904)
Exchange differences		(4,034)	(4,404)
Gains resulting from changes in value of financial instruments at fair value	24	184,275	--
Gains resulting from changes in value of non-financial assets at fair value		--	177
Net impairment losses (recognised)/reversed		1,967	(17,457)
Result of companies accounted for using the equity method	8	7,756	7,042
Gains on disposal of non-current assets	24	1,100,375	20,911
Other gains or losses		(25,779)	(13,908)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1,756,883	492,926
Income tax expense	22	(368,294)	(150,090)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		1,388,589	342,836
PROFIT FOR THE YEAR		1,388,589	342,836
Minority interests	15	(18,478)	(18,459)
PROFIT ATTRIBUTABLE TO THE PARENT		1,370,111	324,377
BASIC EARNINGS PER SHARE (Euros)	30	21.84	5.13

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR 2006 AND 2005

Thousands of Euros

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2006										
	Share Capital	Share Premium	Reval. Reserve	Reserves	Consol. Profit	Treasury Shares	Trans. Diff.	Int. Divid.	Minority Interests	Total
Balance at 31/12/05	63,550	170,110	428	2,649,197	324,377	(19,217)	9,374	--	233,094	3,430,913
Distribution of profit				324,377	(324,377)					--
Changes due to derivatives				15,915					219	16,134
Changes due to treasury shares						(115,451)				(115,451)
Change due to disposal of treasury shares				371						371
Changes due to financial assets				280,890						280,890
Transfer to income of revalued assets				(270,300)						(270,300)
Dividends distributed				(147,436)					(2,633)	(150,069)
Change due to translation differences							(14,221)		(384)	(14,605)
Profit for the year					1,370,111				18,478	1,388,589
Other changes				6,351					60,338	66,689
Balance at 31/12/06	63,550	170,110	428	2,859,365	1,370,111	(134,668)	(4,847)	--	309,112	4,633,161

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR 2006 AND 2005

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2005										
	Share Capital	Share Premium	Reval. Reserve	Reserves	Consol. Profit	Treasury Shares	Trans. Diff.	Int. Divid.	Minority Interests	Total
Balance at 31/12/04	63,550	170,110	428	2,272,699	230,314		(1,155)		277,594	3,013,540
Application IASs 32 and 39: Jan. 2005				93,069		(11,748)			(371)	80,950
Distribution of profit				230,314	(230,314)					--
Changes due to derivatives				(561)					290	(271)
Changes due to treasury shares						(7,469)				(7,469)
Changes due to financial assets				158,978						158,978
Dividends distributed				(106,129)					(3,874)	(110,003)
Change due to translation differences							10,529		266	10,795
Profit for the year					324,377				18,459	342,836
Other changes				827					(59,270)	(58,443)
Balance at 31/12/05	63,550	170,110	428	2,649,197	324,377	(19,217)	9,374	--	233,094	3,430,913

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR 2006 AND 2004

Thousands of Euros

CONSOLIDATED CASH FLOW STATEMENTS FOR 2006 AND 2004	2006	2005
Profit before tax and minority interests	1,756,883	492,926
Depreciation, amortisation and impairment	328,016	226,055
Results before tax of companies accounted for using the equity method	(7,756)	(7,042)
Gains on disposal of non-current assets	(1,100,375)	(20,950)
Dividends collected on non-current investments	(37,173)	(60,508)
Finance income and costs	179,103	82,497
Other results not giving rise to cash flows	(2,348)	(1,649)
Corporation tax expense (excluding companies accounted for using the equity method)	(363,038)	(148,170)
Cash flows from operations	753,312	563,159

Thousands of Euros

CONSOLIDATED CASH FLOW STATEMENTS FOR 2006 AND 2004	2006	2005
Change in inventories	(384,081)	(156,957)
Current finance income and costs	(178,756)	(76,881)
Change in corporation tax receivables and payables	129,220	19,848
Change in current assets/liabilities	176,757	481,595
Change in non-current operating assets/liabilities	19,357	62,606
Net cash flows from operating activities	515,809	893,370
Acquisition of property, plant and equipment, intangible assets and non-current financial assets	(8,611,483)	(947,037)
Disposal of property, plant and equipment, intangible assets and non-current financial assets	1,663,163	127,588
Investments in Group companies and associates	(1,112,953)	(472,753)
Disposals of Group companies and associates	119,261	--
Dividends received from equity-method companies and from other non-current investments	45,049	34,922
Other cash flows from investing activities	176,238	155
Net cash flows from investing activities	(7,720,725)	(1,257,125)
Dividends paid by Parent to shareholders	(147,436)	(106,128)
Dividends paid to minority interests	(2,633)	(3,874)
Acquisition of treasury shares	(120,291)	(7,469)
Disposal of treasury shares	5,410	--
Net cash flows from current and non-current bank borrowings and other financial liabilities	7,100,733	(34,212)
Net cash flows from other current financial assets	1,069,751	846,733
Other financing cash flows	45,382	(23,602)
Net cash flows from financing activities	7,950,916	671,448
Change in cash and cash equivalents	746,000	307,693
Beginning balance of cash and cash equivalents	866,344	558,651
Ending balance of cash and cash equivalents	1,612,344	866,344

ACCIONA, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP))

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. Group activities

The ACCIONA Group companies operate in several industries through the following major divisions:

- ACCIONA Infrastructure: including construction and engineering activities and transport concessions.
- ACCIONA Real Estate: real estate portfolio and property development.
- ACCIONA Energy: this division engages in the development, construction, exploitation, maintenance and industrial operation of renewable energy facilities.
- ACCIONA Logistics and Transport Services: this division is an integral provider of passenger and goods transportation services (land, sea and air).
- ACCIONA Urban and Environmental Services: carries on activities relating to urban services and environmental protection.
- Other activities: businesses relating to fund management and stock market brokerage, wine production and other investments.

2. Basis of presentation of the financial statements and basis of consolidation

2.1. BASIS OF PRESENTATION

The consolidated financial statements for 2006 of the ACCIONA Group were prepared by the directors of ACCIONA, S.A. at the Board of Directors Meeting held on 22 March 2007, so that they present fairly the Group's consolidated equity and financial position at 31 December 2006, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

They were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by

the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council. The principal mandatory accounting policies and measurement bases applied, as well as the alternative treatments permitted by the relevant standards in this connection, are summarised in Note 3.

These consolidated financial statements were prepared on the basis of the accounting records kept by the Parent and by the other Group companies. These records include the figures relating to the joint ventures, groupings and

consortia in which the Group companies participate, which are proportionately consolidated through the inclusion of the proportion of the assets, liabilities and transactions of these entities relating to the Group's ownership interest therein, after the appropriate eliminations of asset and liability balances and inter-company transactions in the year.

The ACCIONA Group's consolidated financial statements for 2005 were approved by the shareholders at the Annual General Meeting on 10 May 2006. The 2006 consolidated financial statements of the Group and the 2006 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. However, the Parent's Board of Directors considers that the aforementioned financial statements will be approved without any material changes.

Unless stated otherwise, these consolidated financial statements are presented in thousands of euros.

2.2. BASIS OF CONSOLIDATION

A) Consolidation methods

The Group's subsidiaries, considered to be the companies over which effective control is exercised by virtue of ownership of a majority of the voting rights in their representation and decision-making bodies, were fully consolidated (see Appendix I). Joint ventures –entities managed jointly with third parties on the basis of

contractual arrangements– were proportionately consolidated (see Appendix II). Associates, i.e. the companies not classified as subsidiaries or joint and ventures over whose management the Group is in a position to exercise significant influence, were accounted for using the equity method (see Appendix III). As a general rule, associates are deemed to be those companies in which the Group holds more than 20% of the share capital or of the voting power in its governing bodies. In addition, certain companies were considered to be associates, even though the aforementioned percentage was not reached, because the Group exercises significant influence over them (basically through membership of the Board of Directors and/or significant transactions with the associate).

All the companies belonging to the Group (as defined by Article 42 of the Commercial Code) were included in the accompanying 2006 consolidated financial statements using the consolidation methods applicable in each case. At 31 December 2006, ACCIONA, S.A. was not obliged to prepare consolidated financial statements with a scope more extensive than that covered by the accompanying consolidated financial statements.

B) Eliminations on consolidation

All material balances and effects of the transactions performed among the subsidiaries, associates and joint ventures were eliminated on consolidation.

In the case of transactions with an associate, the related profits and losses are eliminated to the extent of the Group's interest in the associate. Exceptionally, the

profits and losses on internal transactions with Group companies, jointly controlled entities or associates in connection with certain concession-related activities were not eliminated.

C) Uniformity

The companies included in the scope of consolidation were consolidated on the basis of their individual financial statements prepared in accordance with the Spanish National Chart of Accounts. All material adjustments required to adapt these financial statements to International Accounting Standards and/or make them compliant with the Group's accounting policies were considered in the consolidation process.

D) Subsidiaries

"Subsidiaries" are defined as companies over which the Parent has the capacity to exercise effective control; control is, in general but not exclusively, presumed to exist when the Parent owns directly or indirectly more than half of the voting power of the investee. In accordance with IAS 27, control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities.

The financial statements of the subsidiaries are fully consolidated with those of the Parent. Accordingly, all material balances and effects of the transactions between consolidated companies are eliminated on consolidation.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the

date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets is recognised as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets, the difference is credited to profit and loss on the acquisition date.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The share of third parties of the equity of their investees is presented within the Group's equity under "Minority Interests" in the consolidated balance sheet. Similarly, their share of the profit or loss for the year is presented under "Minority Interests" in the consolidated income statement.

E) Joint ventures

Joint ventures are deemed to be ventures in which the investee (jointly controlled entity) is jointly managed by a Group company and one or several unrelated third parties, none of which taken on their own exercises control over the investee.

The financial statements relating to jointly controlled entities are proportionately consolidated with those of the

Company and, therefore, the aggregation of balances and subsequent eliminations are only made in proportion to the Group's ownership interest in the capital of these entities.

The assets and liabilities relating to jointly controlled operations and the Group's share of the jointly controlled assets are recognised in the consolidated balance sheet classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint ventures is recognised in the consolidated income statement on the basis of the nature of the related items.

F) Equity method

In the consolidated financial statements, investments in associates are accounted for using the equity method, i.e. at the Group's share of net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations.

The value of these investments in the consolidated balance sheet includes, where applicable, the goodwill arising on the acquisition thereof.

In order to present results uniformly, the Group's share of the profit or loss before and after tax of associates is disclosed in the consolidated income statement.

G) Translation differences

On consolidation, the assets and liabilities of the Group's foreign operations are translated to euros at the exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates

for the year, unless exchange rates fluctuate significantly. Any translation differences arising are classified as equity. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

None of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by IFRSs. Accordingly, at the 2006 accounting close it was not necessary to adjust the financial statements of any of the subsidiaries or associates to correct for the effect of inflation.

H) Changes in the scope of consolidation

Appendix IV includes the changes in the scope of consolidation in 2006.

3. Principal accounting policies

3.1. ACCOUNTING POLICIES

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, were as follows:

A) Property, plant and equipment

Property, plant and equipment acquired for use in the production or supply of goods or services or for administrative purposes are stated in the balance sheet at the lower of acquisition or production cost (less any accumulated depreciation) and their recoverable amounts.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised. Acquisition cost includes professional fees and, for certain assets, the borrowing costs arising from the related financing (see Note 4).

The balances of assets retired as a result of modernisation or for any other reason are derecognised from the related cost and accumulated depreciation accounts.

In-house work on fixed assets is recognised at accumulated cost (external costs, internal costs calculated on the basis of in-house consumption of warehouse materials, and manufacturing costs incurred).

Upkeep and maintenance costs are charged to the income statement for the year in which they are incurred.

Depreciation is generally calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated. The companies depreciate their property, plant and equipment over the years of estimated useful life, giving rise in 2006 to the following annual depreciation rates:

ANNUAL DEPRECIATION RATES	
Structures	2 – 10%
Special plant	3 – 30%
Machinery	5 – 30%
Furniture	8 – 15%
Computer hardware	19 – 33%
Transport equipment	12 – 25%
Other items of property, plant and equipment	6 – 33%

For operations in which, upon expiry of the stipulated term, the items of property, plant and equipment must revert to the related entities, the annual depreciation charge is recognised so that the accumulated amount sufficiently covers the estimated net carrying amount of the revertible asset at the time of reversion plus any expenses required to effect its reversion.

Assets held under finance leases are recognised in the corresponding asset category and are depreciated over their expected useful lives on the same basis as owned assets.

B) Investment property

“Investment Property” in the accompanying consolidated balance sheet reflects the net values (i.e. less any accumulated depreciation) of the land, buildings and other structures held either to earn rentals or for capital appreciation.

Investment property is stated at acquisition cost and for all purposes the Group applies the same policies as those used for identical items of property, plant and equipment.

Each year the Group determines the fair value of its investment property items based on appraisals undertaken by professional valuers or in-house appraisals (see Note 5).

Investment property is depreciated on a straight-line basis over the years of estimated useful life of the assets, which constitute the period over which the companies expect to use them. The average depreciation rate is as follows:

ANNUAL DEPRECIATION RATE	
Buildings held for rental	2 – 10%

C) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group’s interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition.

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

- If it is attributable to specific assets and liabilities of the companies acquired, by increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their balance sheets and whose accounting treatment (amortisation, accrual, etc.) was similar to that of the same assets (liabilities) of the Group.
- If it is attributable to specific intangible assets, by recognising it explicitly in the consolidated balance sheet provided that the fair value at the date of acquisition can be measured reliably.
- The remaining amount is recognised as goodwill, which is allocated to one or more specific cash-generating units.

Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.

Goodwill acquired on or after 1 January 2004 is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003. In both cases, at the end of each reporting period goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to below its

carrying amount) and any impairment is written down with a charge to "Net Impairment Losses" in the consolidated income statement. An impairment loss recognised for goodwill must not be reversed in a subsequent period.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill arising in the acquisition of companies with a functional currency other than the euro is translated to euros at the exchange rates prevailing at the date of the consolidated balance sheet.

D) Other intangible assets

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any reductions required to reflect accumulated impairment losses.

All the intangible assets of the ACCIONA Group are deemed to have finite useful lives and are amortised over those lives using methods similar to those used to depreciate property, plant and equipment. The amortisation rates, which were determined on the basis of the average years of estimated useful life of the assets, are basically as follows:

ANNUAL AMORTISATION RATES	
Development expenditure	10 – 20%
Administrative concessions	2 – 20%
Leasehold assignment rights	10 – 20%
Computer software	10 – 33%

The consolidated companies recognise any impairment loss on the carrying amount of these assets with a charge to "Net Impairment Losses" in the consolidated income statement. The criteria used to recognise the impairment losses on these assets and, where applicable, any subsequent recovery thereof are similar to those used for property, plant and equipment (see Note 3.1.E).

Research and development expenditure

As a general rule, expenditure on research activities is recognised as an expense in the year in which it is incurred, except in development projects in which an identifiable asset is created, it is probable that the asset will generate future economic benefits, and the development cost of the asset can be measured reliably. The Group's development expenditure, which relates basically to the wind power business, is only recognised as an asset if it is probable that it will generate future economic benefits and the development cost of the asset can be measured reliably.

Development expenditure is amortised on a straight-line basis over its useful life. Unless the aforementioned conditions for recognition as an asset are met, development expenditure is recognised as an expense in the year in which it is incurred.

Administrative concessions

"Administrative Concessions" includes the concessions that have been acquired by the Company for consideration (in the case of concessions that can be transferred) or for the amount of the expenses incurred to directly obtain the concession from the State or from the related public agency.

Administrative concessions are amortised on a straight-line basis over the term of the concession.

Computer software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recognised with a charge to "Other Intangible Assets" in the consolidated balance sheet.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

E) Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

F) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases

When the consolidated companies act as the lessee, they present the cost of the leased assets in the consolidated balance sheet, based on the nature of the leased asset, and, simultaneously, recognise a liability for the same amount (which will be the lower of the fair value of the leased asset and the aggregate present values of the amounts payable

to the lessor plus, where applicable, the price of exercising the purchase option). These assets are depreciated using the same criteria as those applied to similar items of property, plant and equipment that are owned.

The finance charges arising under finance lease agreements are charged to the consolidated income statement so as to produce a constant periodic finance cost over the term of the agreements.

When the Company acquires vessels under finance lease agreements, it is obliged to arrange deposits with a pre-established payment schedule and preset interest to cover future finance lease payments.

Operating leases

In operating leases, the ownership of the leased asset and substantially all the risks and rewards relating to the leased assets remain with the lessor, which recognises the assets at their acquisition cost.

These assets are depreciated using a policy consistent with the lessor's normal depreciation policy for similar items and lease income is recognised in the income statement on a straight-line basis.

When the consolidated companies act as the lessee, lease costs, including any incentives granted by the lessor, are recognised as an expense on a straight-line basis.

Amounts received and receivable as incentives for the arrangement of operating leases are also allocated on a straight-line basis over the term of the lease.

G) Current and non-current financial assets

Financial assets are initially recognised at fair value, including, in general, transaction costs.

The financial assets held by the Group companies are classified as:

- **Held-for-trading financial assets:** assets acquired by the companies with the intention of generating a profit from short-term fluctuations in their prices or from differences between their purchase and sale prices. This heading also includes financial derivatives not considered to qualify for hedge accounting, as well as other assets which upon initial recognition are designated, as permitted under IFRSs, as financial assets at fair value through profit or loss.
- **Held-to-maturity investments:** financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold from the date of purchase to the date of maturity. They do not include loans and accounts receivable originated by the Company.
- **Originated loans and receivables:** financial assets originated by the companies in exchange for supplying cash, goods or services directly to a debtor.
- **Available-for-sale financial assets:** these include securities acquired that are not classified in the aforementioned three categories. Changes in the fair value of these assets are recognised in reserves, net of the related tax effect. Fair value is recognised when it can be determined reliably, based on either the market price or, in the absence thereof, the price

established in recent transactions or the discounted present value of the future cash flows. If it is not possible to determine fair value reliably, these assets are measured at acquisition cost adjusted for any impairment losses disclosed. The gains and losses from changes in fair value are recognised directly in equity until the asset is disposed of, at which time the cumulative gains or losses previously recognised in equity are recognised in the net profit or loss for the year.

Held-for-trading financial assets and those classified as at fair value through profit or loss and available-for sale financial assets are measured at fair value at subsequent measurement dates. In the case of held-for-trading financial assets and assets classified as financial assets at fair value through profit or loss, gains and losses from changes in fair value are recognised in the net profit or loss for the year.

In the specific case of the acquisition of vessels under finance lease agreements, the Company is obliged to arrange deposits with a pre-established payment schedule and preset interest to cover future finance lease payments. These deposits are recognised under "Non-Current Financial Assets" and "Other Current Financial Assets" in the accompanying consolidated balance sheet, based on the dates on which the related lease payments payable fall due. Both these headings include the amounts effectively delivered and interest until year-end, calculated by the interest method. The interest earned on these deposits was netted off from the interest expenses on finance lease agreements under "Finance Costs" in the accompanying 2006 consolidated income statement (EUR 8,559 thousand and EUR 9,760 thousand in 2006 and 2005, respectively).

Classification of financial assets as current and non-current

In the accompanying consolidated balance sheet, financial assets maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months are classified as non-current assets.

H) Inventories

The companies measure their inventories as follows:

- 1. Procurements**, consisting basically of construction materials located at the sites of the various construction projects in progress, are measured at acquisition cost. Semi-finished goods or work in progress to be included in the value of the construction projects are recognised at production cost.
- 2. Land and buildable plots of land** are measured at the lower of acquisition cost, plus site development costs, if any, purchase transaction costs and finance costs incurred in the period of site development, and estimated market value. The costs incurred in property developments, (or in parts of a development) unfinished at year-end are treated as inventories. These costs include buildable plot, site development and construction costs, capitalised finance costs incurred in the construction period, and other allocable direct and indirect costs. Commercial costs are charged to the income statement in the year in which they are incurred. The finance costs capitalised at 31 December 2006 and 2005 totalled EUR 19 million and EUR 4 million, respectively.

3. Merchandise is recognised at the lower of acquisition cost and market value.

The Company assesses the net realisable value of the inventories at the end of each period and recognises the appropriate loss if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

I) Treasury shares

At 31 December 2005, ACCIONA, S.A., the Parent, held 346,101 treasury shares representing 0.5446% of the share capital at that date. The acquisition cost of these shares amounted to EUR 19,217 thousand. The acquisition cost of the treasury shares, as well as the gains or losses on transactions involving them, is deducted directly from equity (see Note 15).

At 31 December 2006, ACCIONA, S.A. and its subsidiary Tibest Cuatro, S.A. held 1,342,120 treasury shares representing 2.1119% of the share capital at that date. The acquisition cost of these shares amounted to EUR 134,668 thousand. The acquisition cost of the treasury shares, as well as the gains or losses on transactions involving them, is deducted directly from equity (see Note 15).

J) Financial liabilities

Bank borrowings

Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. Finance

charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in the income statement on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Derivative financial instruments and hedge accounting

The Group's activities expose it mainly to the financial risks of changes in foreign exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. The Group does not use derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity, except when assessment of the hedge shows that it is not sufficiently effective, in which case the ineffective portion of the change in fair value is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or a non-financial liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. Conversely, for hedges that do not result in recognition of an asset or

a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

In 2006 the Group contracted a series of equity swaps on 9.63% of the share capital of Endesa, S.A. In accordance with IAS 39 this transaction, qualifies as a financial derivative and is measured at fair value through profit or loss (see Note 24).

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Current/non-current classification

In the accompanying consolidated balance sheet, debts due to be settled within 12 months are classified as current items and those due to be settled within more than 12 months as non-current items.

Loans due within 12 months but whose long-term refinancing is assured at the Company's discretion, through existing long-term credit facilities, are classified as non-current liabilities.

K) Termination benefits

Under current legislation, the Spanish consolidated companies and certain foreign companies are required to pay termination

benefits to employees terminated without just cause. There are no redundancy plans making it necessary to record a provision in this connection.

L) Provisions

The Group's consolidated financial statements include all the provisions covering present obligations at the balance sheet date arising from past events which could give rise to a loss for the companies that is certain as to its nature but uncertain as to its amount and/or timing. They include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

Litigation and/or claims in process

At the end of 2006 and 2005, certain litigation and claims were in process against the consolidated companies arising from the ordinary course of their operations. The Group's directors, taking into account the opinion of its legal advisers, consider that the outcome of litigation and claims will not have a material effect on the financial statements for the years in which they are settled. Accordingly, they did not deem it necessary to record an additional provision in this respect.

Operating allowances

These allowances include costs not yet materialised. The allowance for the cost of completion of construction projects is intended to meet the expenses arising from the date on which project units are completed to the date of delivery to the customer.

Provisions for pensions and similar obligations

The companies do not have any pension plans that supplement social security benefits. The appropriate provisions are recognised for terminations of permanent site personnel.

However, the collective labour agreements of certain Compañía Trasmediterranea Subgroup companies establish benefits of specific amounts for employees who reach retirement age, subject to compliance with the conditions stipulated in these agreements. Some of these collective labour agreements also establish a loyalty bonus based on the employee's length of service at the company.

On 15 December 2002, pursuant to Royal Decree 1588/1999, of 15 October, Compañía Trasmediterranea externalised its employee retirement benefit obligations by arranging a single-premium insurance policy. The cost recognised in 2006 and 2005 relating to the amounts payable to the insurance company for the benefit obligations accrued in those years amounted to EUR 379 thousand and EUR 265 thousand, respectively.

"Non-Current Liabilities - Provisions - Provision for Third-Party Liability" in the accompanying consolidated balance

sheets at 31 December 2006 and 2005 includes the liabilities relating to Compañía Trasmediterranea's loyalty bonus obligations, amounting to EUR 726 thousand and EUR 725 thousand, respectively.

M) Grants

Government grants to cover staff re-training costs are recognised as income once all the conditions attaching to them have been fulfilled over the periods necessary to match them with the related costs.

Government grants related to property, plant and equipment and intangible assets are treated as deferred income and are taken to income over the expected useful lives of the assets concerned, under the heading "Other Gains or Losses".

N) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Sales of goods are recognised when substantially all the risks and rewards have been transferred.

Following is a detail of certain of the particular features of the business activities carried on by the Group:

Construction business:

The Group companies recognise contract revenue and expenses using the percentage of completion method; percentage of completion is estimated by reference to

the stage of completion of the contract activity at the balance sheet date, determined on the basis of an examination of the work performed. Under this method, contract revenue is recognised in the income statement in the accounting periods in which the contract work is performed, and contract costs are recognised as an expense in the accounting periods in which the work to which they relate is performed, provided that:

- Total contract revenue and the costs to complete the contract can be measured reliably; where appropriate, estimated contract revenue and contract costs are reviewed and revised as the contract progresses.
- It is probable that the economic benefits associated with the contract will be obtained.
- The costs attributable to the contract can be clearly identified and measured reliably.

In exceptional cases, where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Revenue

In practice, revenue relates to the work completed in the year (as determined in the aforementioned examination), measured at the contract prices, provided that the work in question is envisaged in the main contract entered into with the customer.

Since contracts can be subject to variations during the performance of the construction project -due to instructions from the customer to change the scope of the work to be performed -, contract modifications are only recognised as revenue when negotiations have reached an advanced stage and, therefore, it is probable that the customer will approve the variation.

Late-payment interest resulting from a delay in the payment of construction certificates by the customer is only recognised when it can be measured reliably and its collection is reasonably assured.

If, due either to a delay in collection or to the insolvency of the customer, uncertainty arises as to the collectability of an item already recognised as contract revenue, the related provision for uncollectable amounts is recorded on the basis of the estimated customer risk.

Expenses

Construction contract costs are recognised on an accrual basis, i.e. they are recognised as an expense in the year in which the work to which they relate is performed. Costs that relate to future activity on the contract, such as insurance premiums, site installations, fencing and enclosures, are initially recognised as assets and are periodically charged to income on the basis of the stage of completion of the contract.

As regards the depreciation of plant and equipment used in construction contracts, the assets whose estimated useful life coincides with the duration of the construction work are

depreciated over the term of the contract so that they are fully depreciated upon completion thereof.

Machinery whose useful life exceeds the term of the contract is depreciated systematically on the basis of the technical criteria stipulated in the various contracts in which it is used.

Machinery removal and site installation dismantling costs, upkeep costs within the guarantee period and the costs, if any, arising in the period from the completion of the construction work to the date of final settlement are accrued over the life of the construction project, since they relate both to the completed contract units and to future activity on the contract.

When it is considered probable that estimated contract costs will exceed contract revenue, a provision for the expected loss is recognised with a charge to the income statement for the year in which the loss becomes known, irrespective of whether the construction units under the contract have been completed.

Property business

The Group companies recognise property sale revenue and expenses on the date the property is delivered, since this is considered to be the time when the risks and rewards incidental to ownership are transferred to the buyers.

Accordingly, at the date of delivery of the property the Group companies recognise the provisions, if any, required to cover the contractually stipulated costs

not yet incurred in relation to the asset delivered. These provisions arise from a present obligation of the company, the amount of which can be estimated reliably and whose settlement will probably give rise to an outflow of resources from the company.

Rental revenue is recognised on an accrual basis, and incentive-related income and the initial costs of the lease agreements are allocated on a straight-line basis over the term of the agreement.

Borrowing costs directly attributable to the acquisition or construction of property developments or investment property - assets that necessarily require a substantial period of time to be prepared for their intended use or sale - are added to the cost of those assets until such time as the assets are substantially ready for use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Services business

Revenue associated with the rendering of services is also recognised by reference to the stage of completion of the transaction at the balance sheet date, provided the outcome of the transaction can be estimated reliably.

The Group companies recognise as the profit or loss on their services each year the difference between production (value at the sale price of the services provided during the period, as stipulated in the main contract entered into

with the customer or in approved amendments or addenda thereto, or of the services not yet approved whose recovery is reasonably certain) and the costs incurred during the year, since the revenue and expenses from projects in the services industry can undergo major variations during the period of performance which are difficult to predict and quantify objectively.

Price reviews stipulated in the initial contract entered into with the customer are recognised as revenue on accrual, irrespective of whether they have been approved by the customer on an annual basis.

O) Income tax. Deferred tax assets and liabilities

The current income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the adjusted accounting profit for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

Deferred tax assets and liabilities are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. They are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilised. The other deferred tax assets (tax loss and tax credit carryfor-

wards) are only recognised if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at each balance sheet date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

The corporate Group has been granted consolidated taxation status by the competent authorities, applicable in 2006 at the companies meeting the requirements stipulated in Spanish corporation tax legislation.

P) Foreign currency balances and transactions

The Group's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing on the balance sheet date. Any resulting gains or losses are included in net profit for the year.

Q) Environmental activities

In general, environmental activities are considered to be operations whose main purpose is to prevent, reduce or redress damage to the environment.

Investments relating to environmental activities are measured at acquisition cost and capitalised as an

addition to non-current assets in the year in which they are made.

Environmental protection and improvement expenses are charged to income in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

Provisions for probable or certain third-party liability, litigation in process and outstanding environmental indemnity payments or obligations of undetermined amount not covered by the insurance policies taken out are recorded when the liability or obligation giving rise to the indemnity or payment arises.

R) CO₂ emission allowances

Royal Decree 60/2005 approved the assignment for no consideration of individual CO₂ emission allowances for each facility for 2005-2007. The detail of the emission allowances assigned to the ACCIONA Group is as follows:

TONNES OF CO ₂	
Initial assignment per National Assignment Plan (NAP)	1,341,357
Total initially attributed per NAP	1,322,809
Allowances used 2005	(399,747)
Adjustment of allowances used 2005	(38)
Reduction of allowances due to sale of cogeneration plant	(193,721)
New assignments and allowances purchased	15,113
Allowances used 2006	(300,976)
Tonnes of CO₂ allowances available for use in 2007	443,440

CO₂ emission allowances equal to the volume of emissions made during a given year must be delivered in the first few months of the subsequent year.

If the Group's emissions exceed the volume of the allowances assigned to it, it must acquire the required emission allowances in the market. Similarly, if the Group's emissions are lower than the allowances assigned, it can sell the unrequired allowances in the market.

The Group recognises CO₂ emission allowances as non-amortisable intangible assets. The allowances received for no consideration under the related national assignment plans are measured at the market price prevailing on the date they are received, and an item of deferred income is recognised for the same amount.

This deferred income is transferred to "Other Operating Income" in the income statement as the CO₂ emissions to which it relates are made.

The obligation to deliver emission allowances for the CO₂ emissions made during the year is recognised as a provision under "Operating Allowances" in the consolidated balance sheet, and the related cost is recorded under "Procurements" in the consolidated income statement. This obligation is measured at the same amount as that at which the CO₂ emission allowances to be delivered to cover the obligation are recognised under "Intangible Assets".

If at the consolidated balance sheet date the Group does not hold all the CO₂ emission allowances required to

cover the emissions made, the difference between the cost and the provision is recognised on the basis of the best estimate of the acquisition price, which, if no better estimate is available, is taken to be the market price at the date of the consolidated balance sheet.

T) Earnings per share

Basic earnings per share are calculated by dividing net profit or loss attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held by the Group companies.

Diluted earnings per share are calculated by dividing net profit or loss attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Company. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period. Since the Group had no dilutive potential ordinary shares, the basic earnings per share and the diluted earnings per share for 2006 and 2005 coincide.

U) Consolidated cash flow statements

The following terms, with the meanings specified, are used in the consolidated cash flow statements, which were prepared using the indirect method:

- **Cash flows:** inflows and outflows of cash and cash equivalents; the latter relate to changes in value of short-term, highly liquid investments.
- **Operating activities:** the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.
- **Investing activities:** the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- **Financing activities:** activities that result in changes in the size and composition of the equity and borrowings of the Company that are not operating activities.

3.2. ESTIMATES AND ACCOUNTING JUDGMENTS

The information in these financial statements is the responsibility of the Group's directors.

In the consolidated financial statements for 2006 and 2005 estimates were made by the Group's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The evaluation of possible impairment losses on certain assets.
- The useful life of property, plant and equipment, investment property and intangible assets.

- The measurement of goodwill.

These estimates were made on the basis of the best information available at 31 December 2006 and 2005 on the events analysed. However, events that take place in the future might make it necessary to change these estimates. Any such changes would be made in accordance with the requirements of IAS 8.

3.3. CHANGES IN ACCOUNTING ESTIMATES AND POLICIES AND CORRECTION OF FUNDAMENTAL ERRORS

- Changes in accounting estimates: the effect of any change in accounting estimates is recognised under the

same income statement heading as that under which the expense or income measured using the previous estimate was recognised.

- Changes in accounting policies and correction of fundamental errors. The effects of changes and corrections of this kind are recognised as follows: if material, the cumulative effect at the beginning of the year is adjusted under "Reserves" and the effect for the current year is recognised in the income statement. In these cases, the financial data for the comparative year presented together with those for the current year are restated.

The detail of the changes in 2006 and 2005 in cost and accumulated depreciation is as follows (in thousands of euros):

4. Property, plant and equipment

The detail of the changes in 2006 and 2005 in cost and accumulated depreciation is as follows (in thousands of euros):

Property, Plant and Equipment	Land and Structures	Plant and Machinery	Advances and Property, Plant and Equipment in the Course of Construction	Other items of Property, Plant and Equipment	Accumulated Depreciation and Allowances	TOTAL
Balance at 31/12/04	469,144	2,314,472	441,186	190,248	(1,040,467)	2,374,583
Variations due to changes in the scope of consolidation	14,308	36,956	6,411	5,027	(20,623)	42,079
Additions / Charge for the year	33,301	281,821	402,405	90,021	(190,069)	617,479
Disposals	(15,581)	(125,740)	(3,192)	(41,758)	87,692	(98,579)
Transfers	198,793	154,455	(391,154)	(50,755)	(1,896)	(90,557)
Other changes	3,849	30,216	932	6,015	3,827	44,839
Balance at 31/12/05	703,814	2,692,180	456,588	198,798	(1,161,536)	2,889,844
Variations due to changes in the scope of consolidation	17,015	1,042,572	136,351	(2,107)	(148,071)	1,045,760
Additions / Charge for the year	35,702	336,256	709,904	114,455	(290,283)	906,034
Disposals	(20,496)	(130,849)	(7,131)	(32,458)	98,910	(92,024)
Transfers	136,607	283,452	(494,284)	63,251	(4,532)	(15,506)
Other changes	(22,965)	(4,260)	(6,396)	(414)	1,844	(32,191)
Balance at 31/12/06	849,677	4,219,351	795,032	341,525	(1,503,668)	4,701,917

The breakdown, by heading, of the net balances at 2006 and 2005 year-end is as follows:

PROPERTY, PLANT AND EQUIPMENT	2006			2005		
	Cost	Accumulated Depreciation and Allowances	TOTAL	Cost	Accumulated Depreciation and Allowances	TOTAL
Land and structures	849,677	(128,920)	720,757	703,814	(103,135)	600,679
Plant and machinery	4,219,351	(1,257,881)	2,961,470	2,692,180	(933,729)	1,758,451
Advances and property, plant and equipment in the course of construction	795,032	--	795,032	456,588	--	456,588
Other items of property, plant and equipment	341,525	(116,867)	224,658	198,798	(124,672)	74,126
Total	6,205,585	(1,503,668)	4,701,917	4,051,380	(1,161,536)	2,889,844

The main changes in 2005 relate to the acquisition of two vessels by the subsidiary Compañía Trasmediterranea, S.A. and to the investment by the ACCIONA Energía Group in wind farms under construction, which are classified under "Property, Plant and Equipment in the Course of Construction".

In 2006 the main changes were due to the inclusion in the scope of consolidation of the assets of the Ceatesalás Group and the Pridesa Proyectos y Servicios Group, which contributed net property, plant and equipment of EUR 930,335 thousand and EUR 78,813 thousand, respectively. The other changes arose mainly as a result of the acquisition of several vessels by the subsidiary Compañía Trasmediterranea, S.A. and the investment by the ACCIONA Energía Group and the Ceatesalás Group in wind farms under construction, which are classified under "Property, Plant and Equipment in the Course of Construction".

In 2006 the companies capitalised to property, plant and equipment finance costs amounting to EUR 13 million (31 December 2005: EUR 12 million).

Fully depreciated property, plant and equipment in use at 31 December 2006 and 2005 amounted to EUR 296 million and EUR 220 million, respectively; most of these assets are in use.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are

considered to adequately cover the related risks.

The carrying amount of the Group's plant and equipment includes EUR 561 million (2005: EUR 354 million) in respect of assets held under finance leases. A portion of this amount relates to certain vessels of the Trasmediterranea Subgroup which have been mortgaged to secure repayment of the loans granted by a financial institution. These vessels have an acquisition value of EUR 227 million (2005: EUR 225 million).

The Group has mortgaged land and buildings totalling EUR 27 million (2005: EUR 23 million) to secure banking facilities granted to the Group. In addition, at 31 December 2006, certain vessels with an acquisition value of EUR 250 million (2005: EUR 87 million) had been mortgaged to secure repayment of the loans received for their acquisition.

5. Investment property

The Group's investment property relates mainly to properties earmarked for lease.

The changes in 2006 and 2005 in the Group's investment property were as follows:

INVESTMENT PROPERTY (Thousands of Euros)			
	Cost	Accumulated Depreciation and Allowances	Total
Balance at 31/12/04	170,373	(15,471)	55,419
Additions	61,159	(5,740)	(4,491)
Disposals	(4,939)	448	795,032
Transfers	107,566	(408)	107,158
Other changes	229,495	(8,941)	220,554
Balance at 31/12/05	563,654	(30,112)	533,542
Additions	3,061	(9,021)	(5,960)
Disposals	(16,348)	2,102	(14,246)
Transfers	18,477	384	18,861
Other changes	23	(16)	7
Balance at 31/12/06	568,867	(36,663)	532,204

At 31 December 2006 and 2005, the fair value of the Group's investment property (including that accounted for using the equity method), calculated on the basis of appraisals undertaken at those dates by in-house and independent valuers, amounted to EUR 755,265 thousand and EUR 670,600 thousand, respectively.

The rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to EUR 41 million (2005: EUR 27 million). Direct operating expenses arising on the investment property in the year amounted to EUR 18 million (2005: EUR 11 million), and this amount is presented

under "Other Operating Expenses" in the accompanying consolidated income statement.

The Group has mortgaged a portion of its investment property, amounting to EUR 232 million, to secure banking facilities granted to it.

The Group has taken out insurance policies to cover the possible risks to which its investment property is subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The detail, by location and accounting classification, of the cost of the properties earmarked for lease and owned by the ACCIONA Group at 31 December 2006 and 2005 is as follows:

LOCATION	2006		2005	
	Cost	Accumulated Depreciation and Allowances	Cost	Accumulated Depreciation and Allowances
Madrid	452,021	(21,141)	451,506	(14,760)
Levante	29,948	(5,246)	29,652	(4,310)
Andalusia	12,458	(963)	12,534	(590)
Catalonia, Aragon	63,561	(5,549)	52,403	(6,424)
Other	10,879	(3,764)	17,559	(4,028)
TOTAL	568,867	(36,663)	563,654	(30,112)

6. Goodwill

The changes in 2005 in this heading in the accompanying consolidated balance sheet were as follows (in thousands of euros):

	Balance at 31.12.04	Additions	Impairment	Other Changes	Balance at 31.12.05
ACCIONA Energía Subgroup	302,691	49,475	--	1,147	353,313
Interlogística del Frío, S.A.	5,147	--	--	--	5,147
Trasmediterranea Subgroup	9,922	5,273	(681)	--	14,514
Inversiones Técnicas Urbanas Subgroup	76,869	9,489	--	206	86,564
Inmobiliaria Nueva Orleans Subgroup	--	70,922	--	--	70,922
ACCIONA Facility Services Subgroup	--	70,242	--	--	70,242
Other	2,265	377	--	(1,298)	1,344
Total	396,894	205,778	(681)	55	602,046

The changes in 2006 in this heading in the accompanying consolidated balance sheet were as follows (in thousands of euros):

	Balance at 31.12.05	Additions	Impairment	Other Changes	Balance at 31.12.06
Ceatesalas Subgroup	--	493,820	--	--	493,820
ACCIONA Energía Subgroup	353,313	6,952	--	(2,716)	357,549
Interlogística del Frío, S.A.	5,147	--	--	--	5,147
Trasmediterranea Subgroup	14,514	20,226	(681)	--	34,059
Inversiones Técnicas Urbanas Subgroup	86,564	497	--	21	87,082
Inmobiliaria Nueva Orleans Subgroup	70,922	--	--	(6)	70,916
ACCIONA Facility Services Subgroup	70,242	4,239	--	1,174	75,655
Pridesa Subgroup	--	35,428	--	--	35,428
Other	1,344	1,534	(781)	--	2,097
Total	602,046	562,696	(1,462)	(1,527)	1,161,753

Impairment losses amounting to EUR 1,462 thousand and EUR 681 thousand were recognised for goodwill in the income statements for 2006 and 2005, respectively.

The ACCIONA Group uses the purchase method to account for all inclusions of companies in the Group involving the acquisition of a controlling interest. The most significant inclusions in the Group in 2006 and 2005 were as follows:

Company	Acquisition Cost	Percentage Acquired	Carrying Amount of 100% of the Company	Net Increase in Value of Assets and Liabilities through Application of Market Value	Goodwill
2005					
ACCIONA Energía, S.A.	83,539	10,42%	415,496	61,819	33,802
Inmobiliaria Nueva Orleans, S.A.	220,200	50,00%	55,431	121,639	70,845
ACCIONA Facility Services, S.A.	93,297	98,00%	23,526	--	70,242
Inversiones Técnicas Urbanas, S.L.	28,209	25,00%	88,862	--	5,994
Kw Tarifa, S.A.	6,602	46,30%	10,459	1,760	--
Kw Tarifa, S.A.	1,041	7,30%	11,042	235	--
2006					
Ceatesalas, S.L.	967,298	100%	67,689	446,079	453,530
Pridesa Proyectos y Servicios, S.A.	126,067	100%	120,325	--	5,742
Tajro, Sp. Z.o.o.	26,589	100%	(1,199)	27,788	--
Tucana, Sp. Z.o.o.	10,380	100%	13	10,367	--
Europa Ferrys, SA.	19,900	100%	2,198	--	17,702
Secomsa Gestió, S.L.	3,033	50,00%	3,036	--	1,515
Terminal de Carga Rodada, S.A.	3,142	50,00%	4,959	--	663
Pyrenees Wind Energy Development	5,977	50,00%	384	--	5,785
Páramo de los Angostillos	2,885	100%	(19)	2,904	--
Becosa Eólico La Valdivia	4,560	50,00%	4,620	2,250	--

• In January 2005 the remaining 10.42% of ACCIONA Energía, S.A. was acquired from the minority shareholders for EUR 83 million.

• On 27 July 2005, 98% of ACCIONA Facility Services, S.A. (formerly Ramel, S.A.) was acquired for EUR 93 million, giving rise to goodwill of EUR 70 million.

- On 4 October 2005, 50% of the Inmobiliaria Nueva Orleans, S.A. Subgroup (Inosa Subgroup) was acquired for EUR 220 million. The resulting goodwill, after recognising the assets and liabilities at market value, amounted to EUR 71 million.
- On 24 January 2006, 100% of Ceatesalas, S.L. was acquired for EUR 967 million. The main activity of this company is the development, construction and operation of wind farms. The acquisition value was allocated to items of property, plant and equipment or intangible assets on the basis of the market value of the installed capacity or capacity in progress, and the remaining goodwill (EUR 454 million), related mainly to the value allocated to the generating capacity of future developments.
- In June 2006, 100% of Pridesa Proyectos y Servicios, S.A. was acquired for EUR 126 million, giving rise to goodwill of EUR 5.7 million.

7. Other intangible assets

The changes in 2006 and 2005 were as follows (in thousands of euros):

Other Intangible Assets	Development Expenditure	Concessions	Other	Computer Software	Advances	Accumulated Amortisation and Allowances	Total
Balance at 31.12.04	8,800	158,418	10,757	21,197	253	(24,676)	174,749
Additions / Charge for the year	1,628	2,357	12	927	--	(550)	4,374
Disposals	4,090	6,869	5,802	2,607	19	(5,062)	14,325
Transfers	(161)	(221)	(2,674)	(644)	--	2,338	(1,362)
Other changes	(1,059)	(5,652)	2,834	767	(253)	(1,293)	(4,656)
Variations due to changes in the scope of consolidation	(126)	5,037	--	108	--	(111)	4,908
Balance at 31.12.2005	13,172	166,808	16,731	24,962	19	(29,354)	192,338
Variations due to changes in the scope of consolidation	3,128	376,103	860	2,474	1,081	(19,758)	363,888
Additions / Charge for the year	13,817	64,865	12,537	3,906	1,947	(15,574)	81,498
Disposals	(238)	(369)	(7,132)	(2,282)	(1,082)	2,114	(8,989)
Transfers	119	(6,596)	(1,875)	48	(10)	505	(7,809)
Other changes	(204)	(3,602)	--	32	--	(28)	(3,802)
Balance at 31.12.2006	29,794	597,209	21,121	29,140	1,955	(62,095)	617,124

The main changes in 2006 are those resulting from the inclusion of the assets of the Ceatesalas Group and Pridesa Proyectos y Servicios, which contributed net intangible assets of EUR 339,895 thousand and EUR 21,252 thousand, respectively.

Fully amortised intangible assets in use at 31 December 2006 and 2005 amounted to EUR 23,885 thousand and EUR 10,314 thousand, respectively.

8. Investments in associates

The changes in 2005 in this heading in the accompanying balance sheet were as follows (in thousands of euros):

Direct Investments of the Parent	Balance at 31.12.04	Share of Results before Tax	Dividend	Effect	Changes in the Year	Balance at 31.12.05
Vocento Group	24,965	5,813	(1,050)	(1,418)	--	28,310
Concesiones de Madrid, S.A.	4,225	(4)	(819)	(1,008)	10,000	12,394
Infraestructuras y Radiales Group	12,905	(9,787)	--	(4,059)	2,261	1,320
Ruta de los Pantanos, S.A.	2,026	(314)	(281)	(1,041)	--	390
Transportes Ferroviarios de Madrid, S.A.	2,493	64	--	(124)	--	2,433
Tranvía Metropolitá Group	3,899	431	--	(1,274)	--	3,056
Total direct investments	50,513	(3,797)	(2,150)	(8,924)	12,261	47,903

Direct Investments of the Parent	Balance at 31.12.04	Share of Results before Tax	Dividend	Effect	Changes in the Year	Balance at 31.12.05
Tranvía Metropolitá del Besós, S.A.	3,688	226	--	(998)	--	2,916
Inversiones Técnicas Urbanas Subgroup	60,260	6,933	(4,231)	(2,704)	--	60,258
ACCIONA Infraestructuras Subgroup	17,225	1,610	--	(598)	(268)	17,969
Indirectas Subgrupo Trasmediterranea	6,643	1,277	(235)	(886)	40	6,839
ACCIONA Energía Subgroup	4,168	152	--	510	646	5,476
ACCIONA Facilities Services Subgroup	--	630	--	(5)	2,864	3,489
Other	4,405	11	--	1,451	--	5,867
Total indirect investments	96,389	10,839	(4,466)	(3,230)	3,282	102,814
Total investments accounted for using the equity method	146,902	7,042	(6,616)	(12,154)	15,543	150,717

The changes in 2006 in this heading in the accompanying balance sheet were as follows (in thousands of euros):

Direct Investments of the Parent	Balance at 31.12.05	Share of Results before Tax	Dividend	Effect	Changes in the Year	Balance at 31.12.06
Vocento Group	28,310	3,240	(2,750)	(695)	(28,105)	--
Concesiones de Madrid, S.A.	12,394	944	(1,185)	(292)	--	11,861
Infraestructuras y Radiales Group	1,320	(10,015)	--	3,458	1,543	(3,694)
Ruta de los Pantanos, S.A.	390	(122)	(306)	281	--	243
Transportes Ferroviarios de Madrid, S.A.	2,433	480	--	(151)	--	2,762
Tranvía Metropolitá Group	3,056	790	(636)	44	--	3,254
Total direct investments	47,903	(4,683)	(4,877)	2,645	(26,562)	14,426

Direct Investments of the Parent	Balance at 31.12.05	Participación en resultados antes de impuestos	Dividend	Effect	Changes in the Year	Balance at 31.12.06
Tranvía Metropolitá del Besós, S.A.	2,916	268	--	255	--	3,439
Inversiones Técnicas Urb. Subgroup	60,258w	7,855	(5,016)	(3,115)	96	60,078
ACCIONA Infraestructuras Subgroup	9,098	1,227	--	--	(1,064)	9,261
ACCIONA Inmobiliaria Subgroup	8,871	(1,019)	--	274	1,300	9,426
Trasmediterranea Subgroup	6,839	774	(329)	(510)	(3,759)	3,015
ACCIONA Energía Subgroup	5,476	480	--	(389)	255	5,822
ACCIONA Facilities Services Subgroup	3,489	(8)	--	1	(3,379)	103
ACCIONA Serv.Urbanos y Medioambiente Subgroup	--	(114)	--	(176)	3,995	3,705
Pridesa Subgroup	--	(118)	--	--	408	290
Ceatesalas Subgroup	--	2,008	(1,529)	(704)	4,369	4,144
Other	5,867	1,086	--	(3,701)	--	3,252
Total indirect investments	102,814	12,439	(6,874)	(8,065)	2,221	102,535
Total investments accounted for using the equity method	150,717	7,756	(11,751)	(5,420)	(24,341)	116,961

The main change during the year was the sale of the 5% ownership interest held by the Group in Vocento, S.A. (see Note 24).

The detail of the assets, liabilities, revenue and profit or loss for 2006 of the associates, in proportion to the Group's ownership interest therein, is as follows:

	Infrastructure Concession-holders	Other Associates	2006 Total
ASSETS			
Non-current assets	341,147	73,120	414,267
Current assets	29,694	43,346	73,040
Total assets	370,841	116,466	487,307
EQUITY AND LIABILITIES			
Equity	10,598	38,109	48,707
Non-current liabilities	329,910	32,222	362,132
Current liabilities	30,333	46,136	76,469
Total equity and liabilities	370,841	116,467	487,308
PROFIT OR LOSS			
Revenue	19,861	72,851	92,712
Profit/(loss) before tax	(7,655)	15,411	7,756

9. Interests in joint ventures

The ACCIONA Group's interests in joint ventures are presented in Appendix II to these notes to the consolidated financial statements. The most significant amounts included in the financial statements in relation to these interests are summarised as follows:

	Companies	UTES
Revenue	392,242	1,312,617
Gross profit from operations	123,474	185,000
Net profit from operations	85,716	140,514
Non-current assets	1,417,327	167,893
Current assets	430,176	1,078,024
Non-current liabilities	914,096	66,520
Current liabilities	367,813	921,898

10. Current and non-current financial assets

The detail of the balances of these headings in the consolidated balance sheets is as follows:

	2006		2005	
	Non-Current	Current	Non-Current	Current
Financial assets at fair value through profit or loss	--	--	--	--
Available-for-sale financial assets	7,766,756	30,418	993,408	1,103,076
Held-to-maturity investments	--	201,523	--	180,800
Allowances	(31,440)	(41)	(32,624)	--
Subtotal	7,735,316	231,900	960,784	1,283,876
Other loans	53,749	6,545	43,412	5,101
Guarantees and deposits	175,192	63,013	155,599	49,253
Allowances	(16,391)	(1,205)	(154)	(786)
Subtotal	212,550	68,353	198,857	53,568
Net total	7,947,866	300,253	1,159,641	1,337,444

Available-for-sale financial assets

The changes in this heading in the years ended 31 December 2006 and 2005 were as follows:

	Non-Current	Current
Ending balance at 01.01.05	734,223	2,015,437
Additions	12,946	49,746
Variations due to change in fair value	244,582	--
Sales	(11)	(973,431)
Transfers	1,576	--
Other changes	92	11,324
Ending balance at 31.12.2005	993,408	1,103,076
Additions	7,305,613	18,790
Variations due to change in fair value	414,895	--
Sales	(947,655)	(1,055,935)
Transfers	(489)	(36,881)
Other changes	984	1,368
Ending balance at 31.12.2006	7,766,756	30,418
IMPAIRMENT LOSSES		
Saldo inicial 1.1.2005	(31,941)	(110,378)
Additions	(788)	(824)
Sales	105	111,202
Transfers	--	--
Ending balance at 31.12.2005	(32,624)	--
Additions	(405)	(41)
Sales	1,645	--
Transfers	--	--
Other changes	(56)	--
Ending balance at l a 31.12.2006	(31,440)	(41)
Net Total	7,735,316	30,377

The main change in 2006 arose as a result of the purchase of 20.3027 % of Endesa, S.A., which gave rise to the addition of EUR 7,303,336 thousand relating to the

acquisition cost of this holding. At 31 December 2006, this investment was carried at fair value.

The decreases in 2006 are due mainly to the cancellation of the short-term investments held by the Parent through Collective Investment Undertakings. Also noteworthy is the sale of the 15.06% ownership interest held by the Group in the capital of Fomento de Construcciones y Contratas, S.A.

Held-to-maturity investments:

The changes in the investments recognised as current assets under "Held-to-Maturity Investments", are as follows:

	Non-Current Total	Current Total
Ending balance at 1.1.2005	--	191,608
Additions	--	23,886
Variations due to change in fair value	--	--
Sales	--	(34,694)
Transfers	--	--
Ending balance at 31.12.2005	--	180,800
Additions	--	6,740
Variations due to change in fair value	--	--
Sales	--	(5,108)
Transfers	--	(1,611)
Other changes	--	20,702
Ending balance at 31.12.2006	--	201,523

In 2001 the Parent subscribed 134,900 bonds convertible into ordinary shares of Elektrim, which it recognised at EUR 123,925 thousand at 31 December 2006 and 2005. The deadline for

the full redemption of the bonds was set for 15 December 2005. Although the bonds were not settled on maturity, the ACCIONA Group's directors consider the guarantees securing the bonds to be sufficient and do not expect any loss to arise for the Group.

Other financial assets

"Guarantees and Deposits" includes three deposits given by the Compañía Trasmediterranea Subgroup to secure its lease payments on three vessels. At 31 December 2006 and 2005, EUR 70,411 thousand and EUR 112,901 thousand of these deposits, respectively, were classified as non-current assets, and EUR 49,529 thousand and EUR 39,622 thousand, respectively, were classified as current assets. The deposits earn 5.5% fixed annual interest and mature on the same dates and for the same amounts as the respective lease payments. These deposits, and the interest they earn, have been pledged to the vessel owners, and can only be drawn down by Compañía Trasmediterranea to meet the finance lease payments and the related purchase option.

This heading also includes the deposit given to secure the finance lease payments on another vessel; of the total amount of the deposits, EUR 23,405 thousand are classified as non-current assets and EUR 4,840 thousand are classified as current assets. This deposit earns 4.60% fixed annual interest and matures on the same date and for the same amount as the finance lease payment on the vessel. The deposit, and the interest it earns, has been pledged to the vessel owner and the financial institution financing the acquisition, and can only be drawn down by the Company to meet the finance lease payments and the related purchase option.

Another deposit, of which EUR 4,315 thousand are classified as non-current assets (EUR 1,503 thousand as current assets) has been pledged as security for the loan obtained to finance another vessel.

In 2006 a deposit was given to secure the charter payments on a vessel. This deposit, which amounted to EUR 17,995 thousand at 31 December 2006, earns 6% annual interest and matures on the same dates as the charter payments on the vessel. The current portion of this deposit is EUR 3,031 thousand. The interest it earns has been pledged to the vessel owner and can only be drawn down by the Company to meet the charter payments.

In 2006 two long-term deposits totalling EUR 45,320 thousand were given to secure the future finance lease payments on two vessels that were under construction, at 31 December 2006. These transactions earn 6% annual interest and mature on the same dates as the finance lease payments on the corresponding vessels. These deposits, and the interest they earn, have been pledged to the vessel owners, and can only be drawn down by the Company to meet the future finance lease payments or the purchase option.

11. Biological assets

The breakdown of the current and non-current biological assets at 31 December 2006 and 2005 is as follows (in thousands of euros):

	2006	2005
Non-current	4,999	4,649
Current	--	--
Balance at 31 December	4,999	4,649

The non-current biological assets relate to the vineyards belonging to the Hijos de Antonio Barceló subgroup, which in accordance with IAS 41 must be measured at fair value. The annual changes in the value of these assets were not material.

12. Inventories

The detail of the Group's inventories at 31 December 2006 and 2005 is as follows (in thousands of euros):

	2006	2005
Raw materials, other procurements and merchandise	215,490	85,039
Work in progress and semifinished goods	30,413	56,500
Finished goods	5,419	4,346
Assets received in payment of loans	569	569
Construction materials, storable items and other	78,865	87,315
Property developments in progress	1,005,635	642,730
Completed property developments	32,136	57,297
Advances paid	84,398	50,978
Allowances	(9,590)	(7,918)
Total inventories	1,443,335	976,856

At 31 December 2006 and 2005, the net carrying amount of mortgaged inventories was EUR 264,030 thousand and EUR 99,923 thousand, respectively.

At 31 December 2006 and 2005, the Group had firm commitments to purchase various buildable plots of land, documented in purchase contracts or earnest money agreements; at those dates, the amounts payable in this respect totalled EUR 33,023 thousand and EUR 82,106 thousand, respectively.

Property development sale commitments to customers at 31 December 2006 and 2005 amounted to EUR 588,933 thousand and EUR 483,868 thousand, respectively, of which EUR 105,188 thousand have been collected and EUR 23,854 thousand are instrumented in notes receivable whose balancing entry is recorded under "Current Liabilities - Trade and Other Payables" on the liability side of the accompanying consolidated balance sheet until the date of delivery.

13. Trade and other receivables

The detail of the balance of this heading at 31 December 2006 and 2005 is as follows:

	2006	2005
Trade receivables	1,685,250	1,431,978
Doubtful trade receivables	22,843	13,304
Construction work pending certification	388,140	291,219
Total trade receivables for sales and services	2,096,233	1,736,501
Receivable from associates	1,697	1,599
Sundry receivables	296,033	156,293
Allowances	(78,257)	(61,219)
Total trade and other receivables	2,315,706	1,833,174
Customer advances	(581,584)	(577,514)
Total net balance at 31 December	1,734,122	1,255,660

The breakdown, by business activity, of the net balance of trade receivables for sales and services, net of customer advances, is as follows:

	2006	2005
Infrastructure	1,114,311	914,566
Real estate	(65,012)	(62,107)
Energy	200,561	93,017
Logistics and Transport Services	270,880	238,072
Urban and Environmental Services	293,457	166,997
Other activities	169,658	(10,486)
Intra-Group transactions	(249,733)	(84,399)
Total net balance at 31 December	1,734,122	1,255,660

The breakdown relating to the construction business is as follows:

	2006	2005
Construction certificates receivable	989,102	837,571
Completed construction pending certification	343,531	291,877
Sundry receivables	151,434	140,090
Allowances	(29,150)	(27,449)
Total construction trade receivables	1,454,917	1,242,089
Customer advances	(346,707)	(339,778)
Total net balance at 31 December	1,108,210	902,311

The breakdown, by type of customer, of the net balance of construction trade receivables is as follows:

	2006	2005
State	148,785	184,122
Autonomous communities	113,083	48,181
Municipal councils	93,984	29,758
Other	309,588	192,187
Public sector subtotal	665,440	454,248
Private sector subtotal	276,777	320,004
Total domestic customers	942,217	774,252
Total foreign customers	165,993	128,059

14. Cash and cash equivalents

The detail of the balance of this heading at 31 December 2006 and 2005 is as follows:

	2006	2005
Cash	397,394	306,402
Deposits and other	1,214,950	559,942
Total cash and cash equivalents	1,612,344	866,344

“Cash and Cash Equivalents” includes mainly the Group’s cash, as well as loans and bank deposits with an original maturity of three months or less.

In 2006 and 2005, the cash and cash equivalent balances earned interest at market rates.

15. Equity

a) Authorised share capital

The Parent’s share capital consists of 63,550,000 fully paid ordinary shares of EUR 1 par value each, all with the same rights, represented by book entries. There are no bylaw restrictions on the transfer of the shares, all of which are listed on the stock exchange.

At 31 December 2006, per the notifications received by the Company, Grupo Entrecanales, S.A. held a direct and indirect ownership interest totalling 59.60% of the share capital (31 December 2005: 59.69%).

b) Share premium and reserves

The balance of the “Share Premium” account, which at 31 December 2006 and 2005 amounted to EUR 170,110

thousand, arose as a result of the capital increases with share premiums carried out on various occasions. The Consolidated Spanish Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

The breakdown of the reserves included in the consolidated statement of changes in equity is as follows::

	2006	2005
Share premium	170,110	170,110
Revaluation reserves	428	428
Legal reserve	13,248	13,248
Reserve for retired capital	4,408	4,408
Voluntary reserves	1,834,612	2,203,300
Canary Island investment reserve	7,332	7,332
Reserve for treasury shares	134,451	19,217
Reserves at fully proportionately consolidated companies	881,392	415,036
Reserves at companies accounted for using the equity method	(16,078)	(13,344)
Subtotal reserves	2,859,365	2,649,197
Translation differences	(4,847)	9,374
Total reserves	3,025,056	2,829,109

The legal reserve, to which transfers must be made until it reaches to 20% of the share capital, can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds

20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

c) Treasury shares

The changes in 2006 and 2005 in treasury shares were as follows:

Treasury shares	2006		2005	
	Number of Shares	Cost	Number of Shares	Cost
Beginning balance	346,101	19,217	266,892	11,748
Additions	1,042,890	120,291	79,209	7,469
Disposals	(46,871)	(4,840)	--	--
Ending balance	1,342,120	134,668	346,101	19,217

In 2006, 46,871 shares were disposed of, giving rise to a gain of EUR 570 thousand, the net amount of which was recorded as a period addition to reserves.

The period reductions included the 8,871 shares delivered in the year to senior management under the Share Delivery Plan approved by the shareholders at the Annual General Meeting.

In accordance with current legislation, a restricted reserve was recorded for the cost of the treasury shares at 31 December 2006 and 2005.

d) Reserves at consolidated companies

The detail, by line of business, of the consolidation reserves contributed by subsidiaries, joint ventures and associates and of the related translation differences at 31 December 2006 and 2005 is as follows (in thousands of euros):

Line of Business	2006		2005	
	Consolidated Reserves	Translation Differences	Consolidated Reserves	Translation Differences
Infrastructure	180,163	(182)	171,355	4,766
Real estate	20,586	518	(6,390)	(287)
Energy	190,527	(6,551)	82,346	3,387
Logistics and transport services	235,225	(18)	176,817	10
Urban and environmental services	42,635	1,014	25,961	928
Other businesses	199,324	372	(48,397)	570
Consolidation adjustments	(3,146)	--	--	--
Total	865,314	(4,847)	401,692	9,374

A breakdown, by company, of the consolidation reserves at fully and proportionately consolidated companies and at companies accounted for using the equity method and of the related translation differences at 31 December 2006 is provided in Appendix V.

In addition to the Parent, the Group company Mostostal Warszawa, S.A. is listed on the stock exchange. The average market price of this company's shares in the last quarter was PLN 33.718 and the market price at year-end was PLN 41.

e) Valuation adjustments

- **Available-for-sale financial assets** This heading under “Retained Earnings - Valuation Adjustments” in the consolidated balance sheet includes the net amount of changes in the fair value of assets classified as available for sale. These differences are recognised in the income statement when the assets that give rise to them are sold.

The changes in the balance of this heading in 2006 and 2005 were as follows:

	2006	2005
Balance at 1 January	275,854	116,876
Increases in value in the year	280,890	158,978
Decreases in value in the year	--	--
Transfer to income for the year	(270,300)	--
Balance at 31 December	286,444	275,854

The amount transferred to income in 2006 relates in full to the unrealised gain on Fomento de Construcciones y Contratas, S.A., net of the tax effects at 31 December 2005. Of the balance of the heading at 31 December 2006, EUR 269 million relate to the ownership interest in Endesa, S.A. (see Note 10).

- **Cash flow hedges** This heading under “Retained Earnings - Valuation Adjustments” in the consolidated balance sheet includes the net amount of changes in the fair value of financial derivatives designated as cash flow hedging instruments (see Note 19).

The changes in the balance of this heading in 2006 and 2005 were as follows:

	2006	2006
Balance at 1 January	(24,368)	(23,807)
Increases in value in the year	15,915	(561)
Decreases in value in the year	--	--
Balance at 31 December	(8,453)	(24,368)

f) Minority interests

The balance of this heading in the accompanying consolidated balance sheet reflects the equity of minority shareholders in the subsidiaries. Also, "Minority Interests"

in the accompanying consolidated income statement reflects the share of minority shareholders of the profit or loss for the year.

The changes in 2005 were as follows (in thousands of euros):

Company	Balance at 31.12.04	Additions and Changes in Ownership Interests	Difference/ Prior Years and Other	Profit or Loss for 2005	Balance at 31.12.05
Hospital del Norte	--	115	--	(3)	112
Mostostal Warszawa Subgroup	23,376	--	7,159	(4,676)	25,859
Kw Tarifa	--	(43)	--	43	--
Necsoren, S.A.	46	--	--	(331)	(285)
Parque Reforma	--	2,920	10	(128)	2,802
ACCIONA Facility Services Subgroup	--	465	--	76	541
ACCIONA Energía Subgroup	54,400	(45,289)	(3,085)	1,506	7,532
Ineuropa de Cogeneración Subgroup	1,259	--	3	238	1,500
La Luz Terminal de Contenedores, S.A.	209	--	--	(49)	160
ACCIONA Infraestructuras Subgroup	4,452	--	(9)	1,364	5,807
ACCIONA Forwarding Subgroup	6	(16)	88	62	140
Trasmediterranea Subgroup	149,418	--	(2,726)	16,076	162,768
Inversiones Técnicas Urbanas Subgroup	44,014	(21,922)	(240)	4,237	26,089
Biogas Gestión Madrid	60	--	(40)	45	65
Terminal Polivalente del Ferrol, S.L.	5	--	--	(1)	4
Terminal de Contenedores Algeciras, S.A.	349	(349)	--	--	--
Total minority interests	277,594	(64,119)	1,160	18,459	233,094

The changes in 2006 were as follows (in thousands of euros):

Company	Balance at 31.12.05	Additions and Changes in Ownership Interests	Difference/ Prior Years and Other	Profit or Loss for 2006	Balance at 31.12.06
Hospital del Norte	112	--	--	--	112
Mostostal Warszawa Subgroup	25,859	14,841	162	843	41,705
Sociedad Concesionaria Puente del Ebro	--	1,673	--	--	1,673
Necsoren, S.A.	(285)	--	--	310	25
Parque Reforma	2,802	--	(101)	66	2,767
ACCIONA Facility Services Subgroup	541	762	(150)	479	1,632
ACCIONA Energía Subgroup	7,532	2,187	(1,167)	658	9,210
Ineuropa de Cogeneración Subgroup	1,500	--	--	(58)	1,442
La Luz Terminal de Contenedores, S.A.	160	(491)	--	331	--
ACCIONA Infraestructuras Subgroup	5,807	--	(1,626)	1,036	5,217
ACCIONA Forwarding Subgroup	140	--	(37)	140	243
Trasmediterranea Subgroup	162,768	(322)	54	9,180	171,680
Inversiones Técnicas Urbanas Subgroup	26,089	171	(193)	3,644	29,711
Biogas Gestión Madrid	65	--	(46)	81	100
Terminal Polivalente del Ferrol, S.L.	4	--	1	--	5
Ceatesalas Subgroup	--	41,685	131	1,768	43,584
ACVYL Aparcamientos	--	6	--	--	6
Total minority interests	233,094	60,512	(2,972)	18,478	309,112

The detail, by item, of the balance of "Minority Interests" in the accompanying consolidated balance sheet at 31 December 2006 and 2005 is as follows (in thousands of euros):

Company	2006			2005		
	Capital and Reserves	Profit or Loss	Total	Capital and Reserves	Profit or Loss	Total
Hospital del Norte	112	--	112	115	(3)	112
Mostostal Warszawa Subgroup	40,862	843	41,705	30,535	(4,676)	25,859
Kw Tarifa	--	--	--	(43)	43	--
Sociedad Concesionaria Puente del Ebro	1,673	--	1,673			
Necsoren, S.A.	(285)	310	25	46	(331)	(285)
Parque Reforma	2,701	66	2,767	2,930	(128)	2,802
ACCIONA Facilities Services Subgroup	1,153	479	1,632	465	76	541
ACCIONA Energía Subgroup	8,552	658	9,210	6,026	1,506	7,532
Ineuropa de Cogeneración Subgroup	1,500	(58)	1,442	1,262	238	1,500
La Luz Terminal de Contenedores, S.A.	(331)	331	--	209	(49)	160
ACCIONA Infraestructuras Subgroup	4,181	1,036	5,217	4,443	1,364	5,807
ACCIONA Forwarding Subgroup	103	140	243	78	62	140
Trasmediterranea Subgroup	162,500	9,180	171,680	146,692	16,076	162,768
Inversiones Técnicas Urbanas Subgroup	26,067	3,644	29,711	21,852	4,237	26,089
Biogas Gestión Madrid	19	81	100	20	45	65
Terminal Polivalente del Ferrol, S.L.	5	--	5	5	(1)	4
Ceatesalas Subgroup	41,816	1,768	43,584	--	--	--
ACVYL Aparcamientos	6	--	6	--	--	--
Total minority interests	290,634	18,478	309,112	214,635	18,459	233,094

16. Provisions

The detail of the changes in "Non-Current Liabilities - Provisions" on the liability side of the balance sheet at 31 December 2006 and 2005 is as follows (in thousands of euros):

	Provision for Contingencies	Provision for Third-Party Liability	Other Provisions	Total
Balance at 31.12.04	2,378	171,181	57,075	230,634
Additions/Period provisions	98	17,624	15,411	33,133
Disposals	(2,293)	(6,664)	(4,214)	(13,171)
Transfers	8,200	(8,200)	--	--
Other changes	3,863	500	3,404	7,767
Balance at 31.12.05	12,246	174,441	71,676	258,363
Additions/Period provisions	932	28,255	8,656	37,843
Disposals	(1,951)	(11,469)	(2,608)	(16,028)
Transfers	39	(351)	(10)	(322)
Other changes	(151)	4,602	3,570	8,021
Balance at 31.12.06	11,115	195,478	81,284	287,877

These provisions cover, on the basis of the best estimate of the Parent's directors, the liabilities that might arise from the various litigation, appeals and disputes in progress and the obligations outstanding at year-end.

17. Bank borrowings and other financial liabilities

The detail of this heading at 31 December 2006 and 2005 is as follows (in thousands of euros):

Concepto	2006		2005	
	Current	Non-Current	Current	Non-Current
Mortgage loans for non-current asset financing	65,780	409,714	72,233	306,665
Mortgage loans for property developments	172,936	76,256	40,978	8,651
Project financing	226,753	1,412,387	162,929	473,487
Unmatured discounted notes and bills	26,556	--	38,396	43
Finance lease payments payable	24,666	87,649	13,296	26,712
Other bank loans and credits	431,635	2,136,825	1,295,612	570,043
Other limited recourse debt	5,462	5,868,506	61,223	137,152
Total bank borrowings and other financial liabilities	953,788	9,991,337	1,684,667	1,522,753

In 2006 and 2005, the Group's euro loans and credits bore interest at market rates.

With regard to certain loans, the Parent has undertaken to comply with a series of financial ratios that must be calculated on the basis of the ACCIONA Group's consolidated financial statements. The Group complied with all these ratios at 31 December 2006 and 2005.

Noteworthy under "Bank Borrowings and Other Financial Liabilities" is the EUR 560 million increase resulting from the inclusion of Ceatesalas, S.L. in the scope of consolidation.

"Other Bank Loans and Credits" includes a syndicated credit facility of EUR 2,513 million granted to ACCIONA, S.A., of which EUR 1,430 million was drawn down to finance part of the acquisition of Endesa, S.A. shares by the subsidiary Finanzas Dos, S.A. This syndicated credit facility includes EUR 1,083 million, the maximum amount of the funds that ACCIONA, S.A. has undertaken to contribute to Finanzas Dos, S.A. if the senior debt service coverage ratio of this company falls below 1.15. This credit facility bears interest at Euribor plus a spread ranging from 0.60% to 0.30%, based on the Group's financial debt Ebitda ratio.

"Other Limited Recourse Debt" includes a syndicated credit facility of EUR 5,678 million arranged by the Group through its subsidiary Finanzas Dos, S.A., of which EUR 5,575 million were drawn down to finance the acquisition of the Endesa, S.A. shares owned by Finanzas Dos, S.A. A security interest in the Endesa, S.A. shares owned by Finanzas Dos, S.A. was granted as a guarantee for this credit facility. The facility bears interest at Euribor plus a different spread for each of its two tranches. The spread for tranche A ranges from 0.60% to

0.90%, based on the time elapsed, and the margin for tranche B ranges from 0.60% to 0.30%, based on the Group's financial debt/Ebitda ratio.

The maturity schedule of non-current bank borrowings and other financial liabilities, for the five years following the balance-sheet date, taking into account the foreseeable subrogations based on sales expectations in the case of the mortgage loans for property developments, is as follows:

2008	2009	2010	2011	Subsequent Years	Total
557,895	386,393	217,453	220,947	8,608,649	9,991,337

Finance lease payables

The detail of the Group's finance leases at 31 December 2006 and 2005 is as follows:

Amounts payable under finance leases:	Minimum Lease Payments	
	2006	2005
Within one year	29,598	15,221
Between one and two years	33,870	15,058
Between two and five years	46,589	11,530
After five years	20,842	1,381
Total lease payments payable	130,899	43,190
Less: future finance charges	18,584	3,182
Present value of lease obligations	112,315	40,008
Less amount due for settlement within 12 months (current liability)	24,666	13,296
Amount due for settlement after 12 months	87,649	26,712

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is

three to five years. In the year ended 31 December 2006, the average effective borrowing rate was the market rate. Interest rates are set at the contract date. All leases are on

a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18. Risk management policy

The involvement of the ACCIONA Group in various industries and its geographical diversification exposes it to certain financial risks, which are managed appropriately through the application of systems to identify, measure and assess the different types of risk.

Risk management is based on the Group's overall management system and, within this, a set of specific action procedures whose objective is firstly to identify, evaluate and mitigate the risks and secondly to provide a coverage system (through insurance) to ensure that any situations in which risk arises do not jeopardise the Group's financial solvency.

Each of the Group's business areas applies its own risk evaluation and control policy and the Group establishes and coordinates the maximum acceptable levels of risk for each business, thus guaranteeing consistency and uniformity with the Group's global risk management policy.

Interest rate risk

Interest rate fluctuations change the future flows from assets and liabilities that bear floating-rate interest.

Interest rate risk is particularly important in relation to the financing of infrastructure projects under concession contracts and the construction of wind farms, in which project profitability depends on possible changes in interest rates, since it is directly linked to project cash flows.

Based on the ACCIONA Group's projections of the trend in interest rates and of debt structure targets, hedging transactions are carried out by arranging derivatives that mitigate these risks.

The reference interest rate for the borrowings arranged by the ACCIONA Group companies is mainly Euribor. The borrowings arranged for projects in Latin America are normally tied to the local indexes customarily used in the banking industry.

Foreign currency risk

The Group operates in the international market and, therefore, is exposed to currency risk on the transactions performed by it in foreign currencies, particularly the US dollar.

Management of this risk is the responsibility of the Group's Economic and Financial Department, which uses a non-speculative approach.

Foreign currency risk relates basically to the following transactions:

- Debt denominated in foreign currencies arranged by Group companies and associates.
- Payments to be made in international markets for procurements, mainly fuel.
- Collections from Latin America, which are tied mainly to the performance of the US dollar.

In order to mitigate foreign currency risk, the ACCIONA Group uses currency derivatives and exchange rate hedges to cover significant future and transactions cash flows, in keeping with its acceptable risk limits. Occasionally, non-current assets in currencies other than the euro are financed in the same currency as that in which the asset is denominated.

Also, the net assets relating to net investments in foreign operations whose functional currency is not the euro are exposed to foreign currency risk in the translation of the financial statements of these foreign operations on consolidation.

Procurement price risk

The ACCIONA Group is exposed to fluctuations in the price of procurements, mainly fuel, in its sea transportation business.

Most fuel purchase transactions are carried out in international markets.

Procurement price risk is managed basically at short term (one year) through specific hedging transactions, generally derivatives, designed to maintain the economic balance of the Group's procurements.

Liquidity risk

The ACCIONA Group does not have any significant credit risk exposure, since it places cash and arranges derivatives with highly solvent entities.

The Group assesses non-payment risk prior to entering into contracts with public and private customers (basically in the infrastructure business). This assessment includes both a solvency study and supervision of contractual requirements from a financial and legal guarantee viewpoint. During the course of the projects, the correct performance of the debt is monitored constantly, and the related value adjustments are made using financial criteria.

Liquidity risk

The ACCIONA Group manages liquidity risk prudently by ensuring that it has sufficient cash and marketable securities and by arranging committed credit facilities for amounts sufficient to cater for its projected requirements.

19. Derivative financial instruments

Interest rate hedges

The detail of the derivative financial instruments outstanding at 31 December 2006 and 2005, which are recognised in the accompanying balance sheet at their market value, is as follows:

Interest Rate Hedge	31.12.2006			31.12.2005		
	Notional and/or Contractual Amount	Financial Liability	Investment in Associates	Notional and/or Contractual Amount	Financial Liability	Investment in Associates
Cash flow hedges:						
Interest rate swaps	1,033,149	1,349	(4,561)	429,149	17,881	(7,917)
Collars	80,741	317	(3,256)	65,684	905	(3,999)
Caps	83,518	509	--	90,518	624	--
Total	1,197,408	2,175	(7,817)	585,351	19,410	(11,916)

The most commonly used interest rate derivatives are interest rate swaps. The Group arranges these financial derivatives to hedge the cash flows on the debt arranged to purchase vessels, in the case of Compañía Trasmediterranea, to finance wind farms, in the case of the ACCIONA Energía subgroup, and to finance the transport concessions operated mainly through associates. At 31 December 2006 and 2005, the fixed interest rates on these financial derivative instruments ranged from 6.91% to 2.98%.

The amounts recognised by the Group are based on the market values of equivalent instruments at the balance sheet date. Substantially all the interest rate swaps are

designated and effective as cash flow hedges and the fair value thereof is deferred in equity.

Changes in the fair value of these instruments are recognised directly in equity (see Note 15-e). The deferred tax asset arising on recognition of these instruments, which amounted to EUR 505 thousand at 31 December 2006 and EUR 6,727 thousand at 31 December 2005, was recognised in equity (see Note 22).

The Group measures the fair value of these financial instruments based on the calculation of the estimated future cash flows.

The notional value of the liabilities hedged by interest rate hedges was as follows:

Interest Rate Hedge	31.12.2006			31.12.2005		
	Group Companies or Jointly Controlled Entities	Associates	Total	Group Companies or Jointly Controlled Entities	Associates	Total
Contractual notional amount	1.083.724	113.684	1.197.408	479.340	106.011	585.351

The contractual notional amounts of the contracts entered into do not reflect the risk assumed by the Group, since these amounts merely represent the basis on which the derivative settlement calculations are made.

Fuel hedges

The Group uses financial derivatives to manage the risk of fuel purchase price fluctuations in international markets. The Group manages this risk by arranging financial instruments, mainly cap swaps, which mitigate the fuel price fluctuations.

In 2006 the Group, through its subsidiary Compañía Transmediterranea, hedged its gas oil and fuel oil purchases using derivative financial instruments to ensure a fixed USD/tonne purchase price for a total of 142,213 tonnes (2005: 23,420 tonnes). The settlements of these derivatives in 2006 were favourable to the Group and the income relating to the contracts that matured during the year EUR 3,141 thousand (2005: EUR 1,073 thousand),

was recognised in the consolidated income statement as a reduction in the cost of procurements. For 2007 the Group has arranged derivative financial instruments which ensure a maximum purchase price for a total of 166,800 tonnes of gas oil and fuel oil.

The fair value of the fuel price derivatives arranged at 31 December 2006 amounted to EUR 762 thousand (31 December 2005: EUR 218 thousand). Since the cash flow hedge achieved by these derivatives is not effective, their fair value was recognised in the income statement.

Foreign exchange hedges

The Group uses currency derivatives to hedge significant future transactions and cash flows. The Group is a party to a variety of forward foreign currency contracts and options in the management of its foreign currency risks. The instruments purchased are primarily denominated in the currencies of the principal markets in which the Group operates.

The detail of the transactions outstanding at 31 December 2006 is as follows:

Foreign Exchange Hedges	At 31.12.2006			
	Currency	Amount Contracted in Thousands of Euros	Maturity	Effect of Measurement at Market Value
Forward plus	USD	96,335	13,05,2008	(184)
Forward plus	USD	6,454	31,12,2008	16
Total at 1.1.2005		102,789		(168)

In 2006 and 2005 the Group hedged a portion of its US dollar purchases through "tunnel options". The settlements of these derivatives in 2006 resulted in a loss of EUR 1,538 thousand, which was recognised in the income statement as an increase in

the cost of procurements. The settlements of these derivatives in 2005 were favourable to the Group and the income relating to the transactions that matured in the year, EUR 1,378 thousand, was recognised as a reduction in the cost of procurements.

20. Debt instruments and other held-for-trading liabilities

This heading includes the debt instruments issued by Autovía de los Viñedos, S.A. and Sociedad Concesionaria de Autopistas Metropolitanas, S.A.:

- The bond issue at the subsidiary Autovía de los Viñedos, S.A., amounting to EUR 64,100 thousand, with respect to which the Group accounted for the 42% relating to it. This issue, which was launched on 28 October 2004, bears annual interest of 4.79% payable on 15 December each year throughout the term of the issue. Redemption of the bonds will commence on 15 December 2009 until they are fully redeemed on 15 December 2027. The

issue is secured by an XL Capital Assurance insurance policy.

- The issue at the Chilean subsidiary Sociedad Concesionaria de Autopistas Metropolitanas, S.A., amounting to 5,000,500 UF currency units, with respect to which the Group accounted for the 50% relating to it. This issue was launched on 1 November 2004 and bears annual interest of 4.5%. Accrued interest is being paid every six months from 15 June 2006 and the principal will be repaid from 15 June 2008 until the issue is fully redeemed on 15 December 2028. The issue is secured by an XL Capital Assurance insurance policy.

The changes in 2006 and 2005 in "Debt Instruments and Other Held-for-Trading Liabilities" under current and non-current liabilities in the balance sheet were as follows:

Thousands of Euros

	2006	2005
Beginning balance	104,195	26,994
Net inclusion of companies in the Group	--	--
Issues	--	77,068
Accrued interest payable	1,391	133
Redemptions	--	--
Other changes	(10,144)	--
Ending balance	95,442	104,195

21. Other current liabilities and Other non-current liabilities

The detail of these headings in the consolidated balance sheet is as follows (in thousands of euros):

Thousands of Euros

Other Liabilities	Non-Current		Current	
	2006	2005	2006	2005
Obligations under leases	98,890	149,404	49,202	41,648
CO ₂ emission allowances	546	432	--	--
Grants	101,219	38,731	--	--
Other deferred income	38,109	41,564	--	--
Remuneration payable	--	--	60,297	45,356
Other payables	218,648	183,453	385,485	270,971
Ending balance	457,412	413,584	494,984	357,975

"Obligations under Leases" relates mainly to outstanding lease payments, including the purchase option on certain vessels of

the subsidiary Compañía Trasmediterranea, S.A. The detail of this heading is as follows:

Amounts Payable under Leases	Minimum Lease Payments	
	2006	2005
Within one year	55,691	50,136
Between one and two years	83,230	56,200
Between two and five years	19,440	97,232
After five years	--	6,264
Total lease payments payable	158,361	209,832
Less: future finance charges	10,269	18,780
Present value of lease obligations	148,092	191,052
Less: amount due for settlement within 12 months (current liability)	49,202	41,648
Amount due for settlement after 12 months	98,890	149,404

The changes in "Grants" in 2006 and 2005 were as follows:

	Subvenciones
Balance at 31.12.2004	38,912
Additions	4,438
Inclusion of companies in the Group	8
Amount taken to income	(1,649)
Other	(2,978)
Balance at 31.12.2005	38,731
Additions	15,215
Inclusion of companies in the Group	35,947
Amount taken to income	(1,471)
Other	12,797
Balance at 31.12.2006	101,219

The amount taken to income is recognised under "Other Gains or Losses" in the consolidated income statement.

22. Tax matters

CONSOLIDATED TAX GROUP

Pursuant to current legislation, the Consolidated Tax Group includes the Parent together with certain companies that meet the requirements provided for in Spanish tax legislation.

The other ACCIONA Group companies file individual tax returns in accordance with the tax legislation in force in each country or, where appropriate, the applicable provincial laws.

Years open for review by the tax authorities

In 2005 tax audits were initiated in relation to income tax for 2000-2002 of the Group whose Parent is ACCIONA, S.A. and certain other taxes of the companies belonging to this Tax Group. At 2006 year-end, the inspection of certain taxes had been completed.

At 31 December 2006, the Consolidated Tax Group had the non-statute-barred years (not currently under review) open for review by the tax authorities for income tax and the other main taxes applicable to it. In general, the other Spanish consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable to them.

In view of the varying interpretations that can be made of the applicable tax legislation, the outcome of the tax audits of the open years that could be conducted by the tax authorities in the future could give rise to tax liabilities which cannot be objectively quantified at the present time. However, the possibility of material liabili-

ties arising in this connection additional to those already recognised is remote.

Taking into account the provisions recorded by the Group in this connection, the directors of ACCIONA, S.A. consider that the liabilities that might arise, if any, from the assessments issued would not have a material effect on the consolidated financial statements for 2006.

Tax receivables and payables

The detail of the tax receivables and payables at 31 December is as follows:

	2006		2005	
	Deferred	Current	Deferred	Current
TAX RECEIVABLES				
VAT	--	263,857	--	144,729
Tax refunds	--	5,660	--	2,730
Deferred tax assets	146,177	--	85,788	--
Other	--	7,458	--	33,545
TAX PAYABLES				
Income tax	--	(195,461)	--	(54,647)
Personal income tax withholdings	--	(23,211)	--	(15,250)
VAT	--	(151,668)	--	(134,582)
Deferred tax liabilities	(644,895)	--	(369,250)	--
Social security taxes	--	(20,822)	--	(20,786)
Other	--	(46,746)	--	(15,598)
Ending balance	(498,718)	(160,933)	(283,462)	(59,859)

Reconciliation of the accounting profit to the taxable profit

The reconciliation of the income tax expense for 2006 and 2005 is as follows:

	2006	2006
Consolidated profit before tax	1,756,883	492,926
Permanent differences	7,403	55,157
Temporary differences	49,819	(172,611)
Offset of tax losses	(12,255)	(7,397)
Taxable profit	1,801,850	368,075
Adjusted accounting profit	1,764,286	548,083

Thousands of Euros

Thousands of Euros

	2006	2006
Tax rate	35%	35%
Adjusted expense at the tax rate	617,500	191,829
Tax credits	(249,878)	(30,148)
Effect of different tax rates and adjustments	672	(11,591)
Tax expense per the income statement	368,294	150,090

The consolidated companies abroad calculate their income tax expense in accordance with the respective applicable legislation. The companies governed by provincial tax regulations take into account the particular features of these regulations when calculating their income tax expense.

Law 35/2006, of 28 November, on Personal Income Tax and partially amending the Spanish Corporation Tax, Non-Resident Income Tax and Wealth Tax Laws establishes, inter alia, the reduction over two years of the Spanish corporation tax rate, which until 31 December 2006 stood at 35%, to 32.5% for 2007 and to 30% for subsequent tax periods.

As a result, in 2006 the Group reestimated the amount of the deferred tax assets and liabilities and tax credits recognised in the consolidated balance sheet, taking into account the year in which the related reversal will foreseeably arise. Consequently, net income of EUR 18,539 thousand was recorded under "Income Tax" in the consolidated income statement, and this amount is included under "Effect of Different Tax Rates and Adjustments" in the table above showing the reconciliation of the accounting profit to the taxable profit.

Tax recognised in equity

In addition to the income tax recognised in the consolidated income statement, in 2006 and 2005 the Group recognised the following amounts in consolidated equity:

Thousands of Euros

	2006	2005
Translation differences	1,454	(5,047)
Fair value of financial instruments	3,944	13,121
Financial assets at fair value through equity	(136,995)	(148,537)
Other	--	--
Total	(131,597)	(140,463)

As a result of the change in the tax rate, a net charge of EUR 1,488 thousand was recognised in equity due to the impact of the modified standard tax rate on items previously charged or credited to equity.

Deferred taxes

Pursuant to the tax legislation in force in the countries in which the consolidated companies are located, in 2006 and 2005 certain temporary differences arose that must be taken into account when quantifying the related income tax expense.

The deferred taxes arose in 2006 and 2005 as a result of the following:

	<i>Thousands of Euros</i>	
Deferred tax assets	2006	2005
Tax loss carryforwards	13,687	1,677
Tax credit carryforwards	2,481	1,686
Elimination of capitalised costs	13,785	10,818
Derivative financial instruments	505	6,727
Translation differences	3,976	--
Other	111,743	64,880
Total deferred tax assets	146,177	85,788

	<i>Thousands of Euros</i>	
Deferred tax liabilities	2006	2005
Revaluation of financial assets	136,995	148,537
Reversal of merger goodwill	6,587	1,948
Translation differences	2,522	5,047
Allocation of first-time consolidation differences to assets	359,885	144,431
Other	138,906	69,287
Total deferred tax liabilities	644,895	369,250

Most of the deferred tax assets included in "Other" relate to the allocation of results of unincorporated joint ventures, eliminations of intra-Group margins and non-deductible provisions, and the deferred tax liabilities included in "Other" arose mainly due to allocations of results of unincorporated joint ventures and accelerated depreciation.

At 31 December 2006, the tax losses of the companies belonging to the Tax Group of which ACCIONA, S.A. is the Parent amounted to EUR 36 million (2005: EUR 21 million).

Current income tax legislation provides tax incentives to encourage certain investments. The companies have availed themselves of the tax benefits envisaged under this legislation.

The Group, through its Parent and certain of its subsidiaries, is required to fulfil the commitments acquired in connection with these tax incentives. Consequently, it must hold, for the stipulated period, the assets for which the investment or reinvestment tax credits were taken.

The Parent and certain of the Group companies availed themselves of the tax deferral for reinvestment of extraordinary income as provided for by the Spanish Corporation Tax Law.

Also, the Parent and certain of the Group companies, pursuant to Transitional Provision Three of Law 24/2001, of 27 December, on Tax, Administrative, Labour and Social Security Measures, increased 2001 taxable profit by EUR 90,660 thousand, since their reinvestments had been made prior to 1 January 2002 and, accordingly, availed themselves of the tax credit provided for under Article 36 ter. of Law 43/1995.

In 2003, 2004, 2005 and 2006 the Parent and certain companies in the Tax Group availed themselves of the tax

credit for reinvestment of extraordinary income provided for by Royal Decree-Law 4/2004 (Consolidated Spanish Corporation Tax Law). The income qualifying for this tax credit amounted to EUR 2,332,935 thousand, EUR 1,011 thousand, EUR 3,689 thousand and EUR 1,112,052 thousand, respectively. The income relating to 2003 was reinvested in 2002 and 2003; the income relating to 2004 was reinvested in 2003 and 2004; the income relating to 2005 was reinvested in 2004 and 2005; and the income relating to 2006 was reinvested in 2005 and 2006. The assets in which the income was reinvested are those listed in Article 42 of Royal Decree-Law 4/2004, that is, property, plant and equipment, intangible assets and securities representing holdings of 5% or more in the share capital or equity of all manner of entities. The income was reinvested by the companies belonging to Tax Group 30/96.

23. Guarantee commitments to third parties and other contingent liabilities

Guarantees

At 31 December 2006, the companies had provided guarantees of EUR 2,325,945 thousand for third parties to customers, public agencies and financial institutions (2005: EUR 2,057,155 thousand).

Most of the guarantees provided were construction project performance bonds. The companies consider that the liabilities, if any, that might arise from the guarantees provided would not be material.

Other contingent liabilities

The ACCIONA Group companies recorded provisions at 2006 and 2005 year-end to cover the possible contingencies that might arise from litigation in process, since certain claims had been filed against them in relation to the activities carried on by them. Group management considers that no additional liabilities not provided for in the financial statements at 31 December 2006 and 2005 will arise.

24. Revenue

The detail of the Group's revenue is as follows:

	<i>Thousands of Euros</i>	
	2006	2005
Infrastructure	3,556,839	2,746,952
Real Estate	426,683	406,036
Energy	851,409	530,980
Logistics and transport services	959,695	885,635
Urban and environmental services	605,519	320,231
Other businesses	120,828	89,930
Consolidation adjustments	(248,545)	(127,030)
Total revenue	6,272,428	4,852,734

The breakdown, by geographical area, of the Group companies' total production is as follows (in thousands of euros):

Thousands of Euros

	Domestic Market	European Union	OECD Countries	Other Countries	Total
2006					
Infrastructure	3,033,875	382,459	46,597	93,908	3,556,839
Real Estate	377,956	20,673	28,033	21	426,683
Energy	781,285	25,350	11,966	32,808	851,409
Logistics and Transport Services	777,157	136,368	1,366	44,804	959,695
Urban and Environmental Services	545,935	45,188	7,232	7,164	605,519
Other businesses	106,711	4,401	3,254	6,462	120,828
Intra-Group transactions	(233,572)	(14,973)	--	--	(248,545)
Total production 2006	5,389,347	599,466	98,448	185,167	6,272,428
2005					
Infrastructure	2,250,679	277,287	51,386	167,600	2,746,952
Real Estate	383,897	16,343	5,796	--	406,036
Energía	511,298	15,388	3,853	441	530,980
Logistics and Transport Services	707,702	142,958	784	34,191	885,635
Urban and Environmental Services	303,338	14,630	--	2,263	320,231
Other businesses	75,573	2,673	5,569	6,115	89,930
Intra-Group transactions	(127,030)	--	--	--	(127,030)
Total production 2005	4,105,457	469,279	67,388	210,610	4,852,734

Construction revenue

The Group obtains substantially all its construction revenue in its capacity as prime contractor.

The detail of construction revenue, by type of project, is as follows:

Thousands of Euros

	2006	2005
Civil engineering	2,253,107	1,935,420
Residential building construction	334,835	234,446
Non-residential building construction	644,971	512,449
Other activities	299,521	57,916
Total construction revenue	3,532,434	2,740,231

The detail of construction revenue, by customer type, is as follows:

	2006	2005
State	349,628	582,496
Autonomous Communities	270,286	195,656
Municipal councils	171,020	108,392
Autonomous Community agencies and State-owned companies	1,391,571	721,641
Public sector	2,182,505	1,608,185
Private sector	858,106	653,554
Total domestic customers	3,040,611	2,261,739
Total customers abroad	491,823	478,492
Total construction revenue	3,532,434	2,740,231

The breakdown, by geographical area, of the construction backlog at 2006 and 2005 year-end is as follows:

2006	Spain	Abroad
Civil engineering	3,269,547	541,519
Residential building construction	368,242	152,623
Non-residential building construction	974,395	70,618
Other activities	87,939	3,454
Total construction backlog	4,700,123	768,214

2005	Spain	Abroad
Civil engineering	2,948,968	333,994
Residential building construction	394,705	10,123
Non-residential building construction	811,873	7,691
Other activities	84,419	808
Total construction backlog	4,239,965	352,616

Gains resulting from changes in value of financial instruments at fair value

As indicated in Note 3.1 J, in 2006 the Group arranged a series of equity swaps on 9.63% of the share capital of Endesa, S.A. In accordance with IAS 39, this transaction qualifies as a financial derivative and is measured at fair value through profit and loss. The difference between the market value of the underlying asset and the contract price, plus

any associated expenses, gave rise to a gain of EUR 184,275 thousand. All the equity swaps were settled during the year.

Gains on disposal of non-current assets

This heading includes mainly the gains obtained on the sale of the 15.06% ownership interest in Fomento de Construcciones y Contratas, S.A., of the 5% interest in the capital of Vocento, S.A, and all of the shares held in Mid Atlantic.

25. Expenses

The detail of the Group's expenses is as follows:

	2006	2005
Procurements	2,073,082	1,570,670
Purchases	1,840,441	1,345,679
Changes in inventories	232,641	224,991
Staff costs	1,105,894	855,977
Wages and salaries	892,070	697,675
Social security costs	199,099	156,426
Other staff costs	14,725	1,876
Other external expenses	2,917,680	2,285,526

	2006	2005
Taxes other than income tax	87,088	80,001
Other current operating expenses	117,220	87,965
Subtotal	6,300,964	4,880,139
Change in allowances	14,816	30,554
Depreciation and amortisation charge	314,612	200,512
Total	6,630,392	5,111,205

Staff

The average number of employees in 2006 and 2005, by professional category, was as follows:

	2006	2005	Change
Executives and university graduates	3,487	2,863	624
Other further educations graduates and non-graduate line personnel	2,868	1,879	989
Clerical staff	3,299	2,466	833
Other employees	25,731	19,807	5,924
Total average number of employees	35,385	27,015	8,370

The breakdown of the Group's employees, by line of business, is as follows:

	Año 2006	Año 2005	Change
Infrastructure	14,953	13,877	1,076
Real Estate	307	221	86
Energy	1,025	659	366
Logistics and Transport Services	5,777	4,962	815
Urban and Environmental Services	12,737	6,755	5,982
Other businesses	586	541	45
Total average number of employees	35,385	27,015	8,370

The foregoing figures also include the average number of employees at foreign consortia.

In 2006, 1,696 of the total headcount were employees of the Parent (2005: 1,363) and the remainder were Group subsidiary personnel.

Operating leases

“Other External Expenses-Leases” in the accompanying consolidated income statement includes most notably the vessel charter costs incurred by the Compañía Trasmediterranea subgroup, which totalled EUR 39,307 thousand in 2006 (2005: EUR 30,199 thousand).

At 31 December 2005 and 2006, the Compañía Trasmediterranea subgroup had entered into vessel charter contracts with the following conditions:

Thousands of Euros

2005					
Vessel	Date of Execution	Expiry Date	Type	Annual Charter Payment	Future Charter Payments
Palanca	13,12,2004	05,01,2006	Time Charter	3,322	45
Carmen B	19,01,2005	19,01,2008	Time Charter	4,070	8,352
Stena Forwarder	01,11,2005	01,11,2006	Time Charter	5,876	4,894
Neptune Dynamics	24,08,2005	24,02,2006	Time Charter	4,672	307

Thousands of Euros

2006					
Vessel	Date of Execution	Expiry Date	Type	Annual Charter Payment	Future Charter Payments
Millenium III	30,11,2006	30,12,2014	Bare Boat	153	32,663
Stena Forwarder	01,11,2005	01,11,2007	Time Charter	6,122	2,447
Histeria	31,01,2006	31,01,2007	Time Charter	1,216	372
Stena Shipper	26,07,2006	26,11,2007	Time Charter	1,097	3,939
Villa de Burdeos	26,09,2006	08,01,2007	Time Charter	1,431	95
Kebbi	08,01,2006	08,01,2007	Time Charter	1,908	56

Change in allowances

The detail of the balance of this heading in the consolidated income statement is as follows (in thousands of euros):

	2006	2005
Change in allowance for uncollectible receivables	10,426	5,397
Change in inventory allowance	(81)	3,361
Other allowances	4,471	21,796
Total	14,816	30,554

26. Segment reporting

Basis of segmentation

Segment reporting is structured on a primary basis by business segment and on a secondary basis by geographical segment.

Primary segments - business segments

The business lines described below were established on the basis of the ACCIONA Group's organisational structure at 2006 year-end, taking into account the nature of the goods and services offered.

In 2006 the main business activities carried on by the ACCIONA Group were structured into the divisions described in Note 1 to the consolidated financial statements.

The reporting structure is designed as if each line of business were an autonomous business. The costs incurred by the Corporate Unit are allocated among the various lines of business using an internal cost allocation system.

Inter-segment sales are made at market prices.

Segment information about these businesses for 2006 and 2005 is presented below:

2006	Infrastructure	Real Estate	Energy	Logistics and Transport Services	Urban and Environmental Services	Other Lines of Business	Intra-Group Transactions	Total Group
ASSETS								
Property, plant and equipment, intangible assets and investment property	540,002	643,540	3,473,014	740,237	424,319	41,029	(5,897)	5,856,244
Goodwill	--	70,916	851,368	39,789	199,680	--	--	1,161,753
Non-current financial assets	22,139	2,889	32,138	177,313	3,963	7,709,424	--	7,947,866
Investments accounted for using the equity method	29,309	9,425	9,967	3,015	64,177	1,068	--	116,961
Other assets	138,177	8,476	53,173	14,696	17,580	3,088	7,130	242,320
Non-current assets	729,627	735,246	4,419,660	975,050	709,719	7,754,609	1,233	15,325,144
Inventories	96,004	1,070,896	243,877	11,828	11,283	25,941	(16,494)	1,443,335
Trade and other receivables	1,461,373	65,790	274,381	275,070	318,916	169,909	(249,733)	2,315,706
Other current financial assets	27,700	578	33,899	76,683	5,019	156,374	--	300,253
Other assets	60,749	34,328	106,987	34,186	28,771	27,425	(1,862)	290,584
Cash and cash equivalents	1,158,988	(443,743)	283,408	37,164	(295,822)	872,349	--	1,612,344
Current assets	2,804,814	727,849	942,552	434,931	68,167	1,251,998	(268,089)	5,962,222
Total assets	3,534,441	1,463,095	5,362,212	1,409,981	777,886	9,006,607	(266,856)	21,287,366
EQUITY AND LIABILITIES								
Consolidated equity	584,830	219,779	2,089,162	545,241	149,784	1,059,626	(15,261)	4,633,161
Bank borrowings and debt instruments	251,695	360,690	2,082,747	304,653	82,424	7,004,320	--	10,086,529
Other liabilities	186,830	173,271	382,795	139,767	113,230	394,291	--	1,390,184
Non-current liabilities	438,525	533,961	2,465,542	444,420	195,654	7,398,611	--	11,476,713
Bank borrowings and debt instruments	132,714	292,884	210,121	133,298	142,582	42,439	--	954,038
Trade and other payables	1,973,196	363,207	504,573	163,416	208,768	198,712	(60,104)	3,351,768
Other liabilities	405,176	53,264	92,814	123,606	81,098	307,219	(191,491)	871,686
Current liabilities	2,511,086	709,355	807,508	420,320	432,448	548,370	(251,595)	5,177,492
Total equity and liabilities	3,534,441	1,463,095	5,362,212	1,409,981	777,886	9,006,607	(266,856)	21,287,366
INCOME STATEMENT								
Total revenue	3,556,839	426,683	851,409	959,695	605,519	120,828	(248,545)	6,272,428
Revenue	3,346,613	424,841	851,409	959,695	577,449	112,421	--	6,272,428
Inter-segment revenue	210,226	1,842	--	--	28,070	8,407	(248,545)	--
Other operating income and expenses	(3,278,159)	(315,818)	(482,383)	(842,904)	(546,530)	(82,342)	235,356	(5,312,780)
Gross profit from operations	278,680	110,865	369,026	116,791	58,989	38,486	(13,189)	959,648

2006	Infrastructure	Real Estate	Energy	Logistics and Transport Services	Urban and Environmental Services	Other Lines of Business	Intra-Group Transactions	Total Group
Depreciation and amortisation charge	(84,859)	(10,610)	(147,896)	(60,884)	(21,646)	(3,533)	--	(329,428)
Profit from operations	193,821	100,255	221,130	55,907	37,343	34,953	(13,189)	630,220
Finance income	42,796	22,386	20,515	8,428	3,611	54,194	(32,296)	119,634
Finance costs	(33,417)	(43,404)	(80,858)	(20,505)	(15,934)	(95,381)	27,934	(261,565)
Impairment Losses (recognised)/reversed	258	3,132	(1,527)	103	--	184,276	--	186,242
Result of companies accounted for using the equity method	(5,186)	(1,019)	2,488	774	7,615	3,084	--	7,756
Other gains or losses	9,114	544	2,022	19,136	2,033	1,041,746	1	1,074,596
Profit before tax	207,386	81,894	163,770	63,843	34,668	1,222,872	(17,550)	1,756,883
Income tax expense	(68,227)	(11,518)	(57,088)	3,381	(9,013)	(231,263)	5,434	(368,294)
Consolidated profit for the year	139,159	70,376	106,682	67,224	25,655	991,609	(12,116)	1,388,589
Minority interests	(3,761)	(376)	(2,368)	(9,650)	(4,197)	--	1,874	(18,478)
Profit attributable to the Parent	135,398	70,000	104,314	57,574	21,458	991,609	(10,242)	1,370,111

2005	Infrastructure	Real Estate	Energy	Logistics and Transport Services	Urban and Environmental Services	Other Lines of Business	Intra-Group Transactions	Total Group
ASSETS								
Property, plant and equipment, intangible assets and investment property	563,137	633,843	1,576,985	597,808	207,291	41,308	--	3,620,372
Goodwill	--	70,922	353,314	21,005	156,805	--	--	602,046
Non-current financial assets	44,015	3,004	15,288	156,206	2,812	937,399	917	1,159,641
Investments accounted for using the equity method	36,249	8,871	5,476	6,840	63,747	29,534	--	150,717
Other assets	138,398	5,616	19,474	9,102	1,861	5,079	1,695	181,225
Non-current assets	781,799	722,256	1,970,537	790,961	432,516	1,013,320	2,612	5,714,001
Inventories	108,361	755,590	76,039	9,902	4,197	27,608	(4,841)	976,856
Trade and other receivables	1,254,398	81,831	170,574	244,862	176,079	(10,172)	(84,398)	1,833,174
Other current financial assets	29,654	8,979	3,100	50,430	5,021	1,240,260	--	1,337,444
Other assets	58,280	13,886	51,132	31,997	13,823	14,172	--	183,290
Cash and cash equivalents	912,816	(405,241)	118,632	32,660	(193,494)	401,888	(917)	866,344
Current assets	2,363,509	455,045	419,477	369,851	5,626	1,673,756	(90,156)	5,197,108
Total assets	3,145,308	1,177,301	2,390,014	1,160,812	438,142	2,687,076	(87,544)	10,911,109

2005	Infrastructure	Real Estate	Energy	Logistics and Transport Services	Urban and Environmental Services	Other Lines of Business	Intra-Group Transactions	Total Group
EQUITY AND LIABILITIES								
Consolidated equity	475,710	145,999	968,767	441,168	121,861	1,282,969	(5,561)	3,430,913
Bank borrowings and debt instruments	266,611	316,676	725,092	172,610	44,792	100,962	--	1,626,743
Other liabilities	161,059	181,492	104,321	194,908	57,993	339,010	2,414	1,041,197
Non-current liabilities	427,670	498,168	829,413	367,518	102,785	439,972	2,414	2,667,940
Bank borrowings and debt instruments	182,219	138,281	214,837	104,385	67,965	977,185	--	1,684,872
Trade and other payables	1,712,918	328,806	328,266	177,438	99,688	(7,154)	(115,494)	2,524,468
Other liabilities	346,791	66,047	48,731	70,303	45,843	(5,896)	31,097	602,916
Current liabilities	2,241,928	533,134	591,834	352,126	213,496	964,135	(84,397)	4,812,256
Total equity and liabilities	3,145,308	1,177,301	2,390,014	1,160,812	438,142	2,687,076	(87,544)	10,911,109
INCOME STATEMENT								
Total revenue	2,746,952	406,036	530,980	885,635	320,231	89,930	(127,030)	4,852,734
Revenue	2,641,607	406,036	530,980	883,162	304,191	86,758	--	4,852,734
Inter-segment revenue	105,345	--	--	2,473	16,040	3,172	(127,030)	--
Other operating income and expenses	(2,530,278)	(307,116)	(293,227)	(757,270)	(278,302)	(65,714)	122,189	(4,109,718)
Gross profit from operations	216,674	98,920	237,753	128,365	41,929	24,216	(4,841)	743,016
Depreciation and amortisation charge	(76,881)	(10,819)	(75,764)	(50,666)	(13,316)	(3,620)	--	(231,066)
Profit from operations	139,793	88,101	161,989	77,699	28,613	20,596	(4,841)	511,950
Finance income	53,524	2,033	7,249	6,409	654	75,688	(19,239)	126,318
Finance costs	(45,798)	(14,795)	(40,342)	(11,967)	(6,723)	(41,721)	19,239	(142,107)
Impairment Losses (recognised/reversed)	(6,688)	(9,524)	--	(1,164)	(14)	110	--	(17,280)
Result of companies accounted for using the equity method	(7,561)	(89)	152	1,277	7,563	5,700	--	7,042
Other gains or losses	(2,466)	2,644	9,833	(3,602)	2,664	(2,070)	--	7,003
Profit before tax	130,804	68,370	138,881	68,652	32,757	58,303	(4,841)	492,926
Income tax expense	(57,194)	(25,081)	(42,424)	3,363	(11,265)	(19,184)	1,695	(150,090)
Consolidated profit for the year	73,610	43,289	96,457	72,015	21,492	39,119	(3,146)	342,836
Minority interests	3,314	460	(1,786)	(16,090)	(4,357)	--	--	(18,459)
Profit attributable to the Parent	76,924	43,749	94,671	55,925	17,135	39,119	(3,146)	324,377

Secondary segments - geographical segments

The breakdown of certain of the Group's consolidated balances, based on the geographical location of the companies that gave rise to them, is as follows:

	Revenue		Total Assets	
	2006	2005	2006	2005
Spain	5,389,347	4,105,457	19,434,688	9,521,374
European Union	599,466	469,279	946,802	536,452
OECD countries	98,448	67,388	484,361	242,749
Other countries	185,167	210,610	421,515	610,534
Total	6,272,428	4,852,734	21,287,366	10,911,109

27. Finance income and costs and other income and expenses for the year

Income from equity investments

Income from investments in companies not included in the scope of consolidation, which is recognised under "Non-Current Financial Assets/Other Current Financial Assets - Income from Equity Investments", includes most notably the dividends from Fomento de Construcciones y Contratas, S.A. (EUR 31,743 thousand and EUR 26,748 thousand in 2006 and 2005, respectively) and the annual change in the market value of investments in collective investment undertakings (EUR 3,904 thousand and EUR 32,202 thousand in 2006 and 2005, respectively).

Other finance income and costs

The Group had capitalised finance costs amounting to EUR 32 million at 31 December 2006, and EUR 16 million at 31 December 2005, of which EUR 13 million and EUR 12 million, respectively, were capitalised to property, plant and equipment (see Note 4) and EUR 19 million and EUR 4 million, respectively, were capitalised to inventories (see Note 12).

28. Proposed distribution of profit

The distribution of ACCIONA, S.A.'s profit for 2006 and 2005, which, in the case of 2005, was approved by the shareholders at the Annual General Meeting and, in the case of 2006, will be proposed by the Board of Directors for approval by the shareholders at the Annual General Meeting, is as follows (in euros):

Distribution Basis	2006	2005
ACCIONA, S.A. profit	1,031,532,769.63	164,282,198.87
Distribution:		
To legal reserve	--	--
To bylaw reserve	103,153,276.96	16,428,219.89
To voluntary reserves	744,719,992.67	417,978.98
Dividends	183,659,500.00	147,436,000.00
Total	1,031,532,769.63	164,282,198.87

Under its bylaws, ACCIONA, S.A. must in any case allocate 10% of net profit to the legal and bylaw reserves. Once the balance of the legal reserve has reached 20% of the share capital, any remaining portion of the 10% of net profit must be transferred to the bylaw reserve. This reserve is unrestricted.

Interim dividends

Of the total figure proposed to be distributed as dividends, on 5 January 2007 the Board of Directors of ACCIONA, S.A. resolved to distribute an interim dividend of EUR 67,363 thousand payable on or after 15 January 2007.

29. Environmental matters

The Group has been carrying out various environmental management activities and projects in accordance with its environmental policy. The main environmental projects, by division, were as follows:

- a) Infrastructure.** The environmental activity expenses recognised directly in the income statement amounted to EUR 6,232 thousand in 2006 (2005: EUR 5,366 thousand). These expenses related most notably to rubble and waste management, control of discharges into waterways, gas and noise measurement and analysis, and the management of archaeological remains and environmental control.
- b) Services.** The Group continued in its endeavour to reduce the environmental impact of its operations. It lowered its atmospheric emissions by adapting the engines of its vessels and by changing over to less polluting fuels, improved its waste management and disposal procedures by incorporating compactors and waste treatment plants, and mitigated the impact on sea life through wastewater treatment equipment and bilge water separation systems in its vessels.

In 2005 and 2006, the Parent complied with the procedural formalities required to obtain ISO 14001 certification, for the environmental management systems of its vessels, maritime facilities, workshops and other facilities. Certification was obtained in 2006.

Environmental expenses, which are recognised under “Other External Expenses” in the accompanying consolidated income statement, amounted to EUR 1,643 thousand in 2006 (2005: EUR 1,616 thousand), the detail being as follows:

	<i>Thousands of Euros</i>	
	2006	2005
Waste management	1,603	1,612
Other technical work	5	4
Environmental management system implementation	35	--
Total	1,643	1,616

In 2005, an innovative type of propeller was installed in the Fortuny vessel. These propellers result in substantial savings in energy consumption and reduce atmospheric emissions. The related investment totalled EUR 420 thousand in 2005 and was 20%-subsidised by the Spanish Shipbuilding Authority.

- c) Energy.** In addition to the costs initially incurred by the Group in the installation of its wind farms and other energy production facilities, in 2006 and 2005 environmental expenses totalling EUR 328 thousand and EUR 514 thousand, respectively, were incurred mainly for studies and environmental programme surveillance and monitoring. Also, in 2006, investments amounting to EUR 478

thousand were made in environmental projects, and this amount was capitalized to non-current assets.

- d) Urban Services.** Investments of EUR 385.7 thousand were made in this area to acquire new machinery compliant with the value limit requirements established in Directive 88/77/EEC, for emissions of gases, particulate pollutants and fumes.

The environmental activity expenses recognised directly in the income statement amounted to EUR 2,066 thousand in 2006 (2005: EUR 681.7 thousand). Particularly noteworthy in this respect were the activities related to waste-to-energy separation and recycling plants.

At 31 December 2006 and 2005, the Group did not have any significant litigation in process or contingencies relating to environmental protection and improvement. The Parent's directors consider that any environmental contingencies which might arise would not be material and, accordingly, no provision or liability was recorded in this connection. In any case, they consider that all possible contingencies would be covered by the third-party liability insurance policies taken out by the Parent.

30. Earnings per share

Diluted earnings per share coincide with basic earnings per share, the detail being as follows:

	2006	2005
Net profit for the year (<i>thousands of euros</i>)	1,370,111	324,377
Weighted average number of shares outstanding	62,746,971	63,277,758
Basic earnings per share (<i>euros</i>)	21.84	5.13

31. Events after the balance sheet date

In January 2007 ACCIONA acquired 7,758,906 Endesa shares, representing 0.73% of this company's capital, for EUR 275,234 thousand.

32. Related party transactions

As indicated in these notes to the consolidated financial statements, transactions performed by the Company with its subsidiaries, (related parties) as part of its normal business activities (same terms and purpose) have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Group and its associates are disclosed below.

Transactions with associates

The detail of the balances receivable from and payable to associates at 31 December 2006 and 2005 is as follows:

	Receivable/Expenses		Payable/Income	
	2006	2005	2006	2005
Trade and other receivables	1,697	2,831	--	--
Trade and other payables	--	--	--	3,137
Income and expenses	--	18,025	--	13,268

The balances with the Group's associates relate mainly to logistics and transport services of the subsidiaries of the ACCIONA Trasmediterranea subgroup and to the services rendered by ACCIONA Infrastructures to various associates.

These transactions were performed at market prices.

Transactions with shareholders

In 2006 there were no significant transactions involving a transfer of resources or obligations between the Parent or its Group companies and the Company's main shareholders.

Transactions with directors and executives

The significant transactions involving a transfer of resources or obligations between the Parent or its Group companies and the Company's directors or executives were as follows:

Directors or Managers	Group Company	Nature of the Relationship	Amount (Thousands of Euros)
Company related to José Manuel Entrecanales Domecq	Medio Ambiente Dalmau, S.A.	Services, maintenance	160
Company related to Juan Manuel Urgoiti López-Ocaña	Bestinver Gestión S.C.I.I.C., S.A.	Marketing of Bestinver funds by Banco Gallego, S.A.	1,727
Company related to Juan Entrecanales and sons (Nexotel)	ACCIONA INFRAESTRUCTURAS, S.A.	Hotel construction work	6,822
Company related to José María Entrecanales de Azcárate	Hijos de Antonio Barceló, S.A.	Sale of goods, rendering of services	150
Persons related to Esteban Morrás Andrés	ACCIONA Solar, S.A.	Purchase of photovoltaic installations	1,034
Alberto de Miguel Ichaso	ACCIONA Solar, S.A.	Purchase of photovoltaic installations	100
Fermín Gembero Ustárroz	ACCIONA Solar, S.A.	Purchase of photovoltaic installations	315
Company related to Juan Entrecanales de Azcárate	ACCIONA Infraestructuras, S.A.	Rendering of services	91
Company related to Juan Entrecanales de Azcárate	General de Servicios Integrales, S.A.	Hotel facilities	1.178

33. Remuneration and other benefits

A. Directors

The detail of the remuneration received in 2006 by the Parent's Board members from all the Group companies of which they are directors is included in this Note (in euros).

Article 31.2 of the Company's bylaws stipulates that the annual remuneration payable to the Board of Directors will be 5% of profit, after allocation of the items referred to in Paragraphs 1, 2 and 3 of Article 47.2 of these bylaws, unless the Annual General Meeting, on approving the financial statements and at the proposal of the Board of Directors, determines a lower percentage.

The remuneration is distributed among the directors in the proportion agreed upon by the Board.

Subject to approval by the shareholders at a General Meeting with the legally required quorum, the executive directors may also be remunerated through the delivery of shares or share options, or any other remuneration system linked to the share price.

Pursuant to Article 56 of the Board Regulations, the Board of Directors determines the system for the distribution of the directors' remuneration within the framework established by the bylaws.

Its decision will take into account the report issued in this connection by the Appointments and Remuneration Committee.

The Board of Directors will endeavour to compensate the directors moderately and at levels comparable to those customary in the market at companies of a similar size and business activity, opting preferably for systems in which a significant portion of the remuneration is linked to the directors' commitment to ACCIONA.

The remuneration system will assign similar remuneration to comparable functions and levels of commitment.

The remuneration of nominee directors for discharging their duties as directors must be commensurate to that of the other directors and shall not constitute preferential treatment in the remuneration of the shareholder that designated them.

For the executive directors, the remuneration for Board membership will be compatible with any other professional or employment-related payments received by them for the executive or advisory duties they discharge at ACCIONA, S.A. or within the ACCIONA Group.

The directors' remuneration will be transparent.

The detail, by director, of the remuneration earned by the Board members in 2006 is as follows:

	For Membership of the Board of Directors	For Membership of the Executive Committee	Audit Committee	For Membership of Other Managing Bodies of Group Subsidiaries	Appointments Committee	Total Amount for Board and Committee Duties
José María Entrecanales de Azcárate	50,000	--	--	--	--	50,000
Juan Entrecanales de Azcárate	50,000	--	--	--	--	50,000
Juan Manuel Urgoiti López-Ocaña	50,000	50,000	25,000	--	25,000	150,000
Carlos Espinosa de los Monteros	50,000	50,000	--	--	25,000	125,000
Germán Gamazo Hohenlohe	50,000	--	25,000	--	--	75,000
Alejandro Echevarría Busquets	50,000	50,000	--	--	25,000	125,000
José Manuel Entrecanales Domecq	50,000	--	--	--	--	50,000
Juan Ignacio Entrecanales Franco	50,000	--	--	--	--	50,000
Tristan Garell-Jones	50,000	50,000	25,000	--	--	125,000
Valentín Montoya Moya	50,000	--	--	--	--	50,000
Esteban Morrás Andrés	50,000	--	--	--	--	50,000
Belén Villalonga Morenés	50,000	--	--	--	--	50,000
Total	600,000	200,000	75,000	--	75,000	950,000

The total remuneration paid to the members of the Board for discharging their duties as Company directors in 2006 amounted to EUR 950,000 and is broken down as follows:

- a) For each director belonging to the Board of Directors, EUR 50,000.
- b) For each director belonging to the Executive Committee, EUR 50,000.
- c) For each director belonging to the Audit Committee, EUR 25,000.

- d) For each director belonging to the Appointments and Remuneration Committee, EUR 25,000.

The three executive directors on the Executive Committee did not receive any remuneration for membership of this Committee.

As part of their variable remuneration, the four executive directors received 423 shares each, under the terms established in the regulations governing ACCIONA's share grant plan for senior management.

The total remuneration earned in the year by the directors at the Parent was as follows (in thousands of euros):

Type of Remuneration	2006	2005
Fixed remuneration	2,044	1,951
Variable remuneration	1,977	1,176
Attendance fees	--	--
Bylaw-stipulated directors' emoluments	--	--
Share options and/or other financial instruments	--	--
Other	--	--
Total	4,021	3,127

The total remuneration earned in the year by the directors of the Parent for their membership of other boards and/or for discharging senior executive functions at Group companies was as follows (in thousands of euros):

Type of Remuneration	2006	2005
Fixed remuneration	263	188
Variable remuneration	261	150
Attendance fees	9	7
Bylaw-stipulated directors' emoluments	--	--
Share options and/or other financial instruments	--	--
Other	381	--
Total	914	345

The director Esteban Morrás Andrés has entered into a participation account agreement with ACCIONA Energía, S.A. which

entitles him to a 1.3904% share of the profits or losses of this company. The amount contributed by him as the participant amounts to EUR 1,943,658.22. He has granted usufruct rights to his children in respect of a portion of this share of profits or losses. The amount received in this connection in 2006 was EUR 156,125.07 corresponding to the profit for 2004 and EUR 225,333.44 relating to that for 2005. The participation account will remain in force for as long as ACCIONA Energía, S.A. carries on its business activity or until losses reduce the balance of the account to zero. Once a period of at least ten years has elapsed from the date on which the participation account was granted (27 December 1996), the participant may request ACCIONA Energía, S.A. to terminate the agreement early, in which case ACCIONA Energía, S.A. would have to pay the participant his percentage share of the market value of the company which is linked either to average profit for the past three years' to personal income tax measurement criteria under Navarra provincial law, or to the market price of the share if ACCIONA Energía, S.A. were listed on the stock market.

Other Benefits	2006	2005
Advances	--	--
Loans granted	126	--
Pension funds and plans: contributions	--	--
Pension funds and plans: obligations assumed	--	--
Life insurance premiums	--	--
Guarantees provided by the Company for directors	--	--
Total	126	--

ACCIONA Energía, S.A. has granted a EUR 126,212.55 loan to Esteban Morrás Andrés bearing interest tied to Euribor.

The total remuneration paid by the ACCIONA Group, by type of director, was as follows (in thousands of euros):

Type of Director	2006		2005	
	Company	Group	Company	Group
Executive directors	3,271	914	2,427	345
Nonexecutive nominee directors	100	--	100	--
Nonexecutive independent directors	650	--	600	--
Other nonexecutive directors	--	--	--	--
Total	4,021	914	3,127	345

Accordingly, total directors' remuneration was EUR 4,935 thousand and EUR 3,472 thousand at 31 December 2006 and 2005, respectively, accounting for 0.36% and 1.07% of the profit attributable to the Parent in 2006 and 2005, respectively.

The Group does not have any pension or life insurance obligations to its former or current directors and, except as

indicated in this Note, it has not granted any advances, loans or guarantees to them.

B. Senior executives. The remuneration of the Company's General Managers and persons discharging similar duties - excluding those who are simultaneously members of the Board of Directors (whose remuneration is disclosed above) - in 2006 and 2005 is summarised as follows:

Typo of Remuneration	2006	2005
Number of persons	35	28
Remuneration (<i>miles de euros</i>)	15,768	7,956

In 2006 the Board of Directors of ACCIONA S.A. approved the regulations governing the Share Grant Plan for senior management, the main characteristics of which are as follows:

Duration: 6 years, with annual delivery of ordinary ACCIONA S.A. (Company) shares for the first three years (2006 to 2008).

Beneficiaries: those persons who, at the time the shares are allocated hold the position of Chief Executive Officer, General Manager or Area Manager of the ACCIONA Group.

Annual share-based bonus: the number of shares composing the share-based bonus of each beneficiary will be determined by the Company' Board of Directors at the proposal of the Appointments and Remuneration Committee in the first three months of each year. The share-based bonus of each beneficiary cannot exceed (a) EUR 100,000 or (b) 50% of the beneficiary's annual variable cash remuneration. The highest share-based bonus in a given year cannot amount to more than three times the value of the lowest bonus for that year.

Shares available for the Plan: the maximum number of shares that can be delivered under the Plan over the three-year period (2006, 2007 and 2008) is 50,000 shares.

Annual delivery date: the share-based bonus will be delivered in the first three months of the year. If the beneficiaries are Company directors or, as the case may be, General Managers or persons holding similar positions at the Company subject to Additional Provision Four of the Consolidated Spanish Companies' Law, delivery of the shares will be postponed until it is approved by the shareholders at the Company's Annual General Meeting.

Rights on shares: the shares will entitle the beneficiary to the dividend and voting rights corresponding thereto as from the date of delivery.

Restricted use of the shares: the beneficiaries cannot dispose of, encumber or grant any option on the shares prior to 31 March of the third year following the year in which the shares were delivered.

Grant of a purchase option to the Company: the beneficiary grants the Company a purchase option on the shares delivered to him, until 31 March of the third year following the year of delivery, at a price of EUR 0.01 per share. This option can only be exercised by the Company if the employment, civil or commercial relationship is interrupted or extinguished under certain conditions.

Tax regime: if a tax prepayment has to be made on the remuneration in kind accrued as a result of the delivery of the shares, the amount of this tax prepayment will not be passed on to the beneficiary.

In 2006, a total of 8,871 Company shares were delivered under this Plan to 33 employees, four of whom are executive directors who received 423 shares each.

The detail of the persons who held senior management positions in 2006 is as follows:

Name	Position
Millán Álvarez-Miranda Navarro	International General Manager
Rafael Montes Caracuel	General Manager of Human Resources and Organisation - ACCIONA
José Enrique Alonso Ferrer	General Manager of ACCIONA Infrastructure
F. Javier de Mendizábal Castellanos	General Manager of Institutional Relations and Marketing - ACCIONA
Javier Ducay Real	General Manager - Economic and Financial Area - ACCIONA Infrastructure
Juan Andrés Sáez Elegido	General Manager of ACCIONA Logistics and Transport Services
Juan Muro-Lara Girod	General Manager - Area for Corporate Development
Miguel Ángel Fernández Villamandos	General Manager - Corporate Development Area - ACCIONA
José Luis Pérez Maeso	General Manager - Corporate Development Area
Carmen Becerril Martínez	General Manager Strategic Analysis and R&D Area
Gloria Alonso Martínez	General Manager - Economic and Financial Area
Juan Gallardo Cruces	General Manager - Economic and Financial Area - ACCIONA
Vicente Santamaría de Paredes Castillo	General Manager - Legal Services Area - ACCIONA
Francisco de Álvaro Reguera	General Manager - ACCIONA Urban and Environmental Services
Javier Pérez-Villaamil Moreno	General Manager - Construction Area (Central) - ACCIONA Infrastructure
Jesús Alcázar Viela	General Manager - Construction Area (East) - ACCIONA Infrastructure
Juan Pedro Alonso Salmerón	General Manager - Construction Area (International) - ACCIONA Infrastructure
Alberto de Miguel Ichaso	General Manager - Corporate Development Area - ACCIONA Energy
Fermín Gembero Ustarroz	General Manager - ACCIONA Energy
Jaime Solé Sedo	General Manager - Electric Power Generation Area - ACCIONA Energy
Pedro Ruiz Osta	General Manager - ACCIONA Wind Power Area
José María Farto Paz	General Manager - Construction Area (Galicia) - ACCIONA Infrastructure
Carlos Navas García	General Manager - ACCIONA Airport Services Area
Joaquín Gómez Díaz	General Manager - Studies and Contracts Area - ACCIONA Infrastructure
Domingo Vegas Fernández	General Manager - Concessions Area - ACCIONA Infrastructure
Rui Marqués Da Silvas	General Manager - Trasmediterranea Area
Luis Carlos Cuevas Puerta	General Manager - ACCIONA Real Estate Area

Name	Position
Pedro Martínez Martínez	General Manager - National Infrastructure Area
Luis Castilla Cámara	General Manager - Water Area
Manuel Nuevo Galeazo	General Manager of Purchasing and General Services - ACCIONA
Jorge Vega-Penichet López	General Secretary
José Mariano Cano Capdevila	General Manager - Mexico Area
Roberto Redondo Álvarez	General Manager - Chile Area
Francisco Adalberto Claudio Vázquez	General Manager - International Construction and Concessions Area
Justo Vicente Pelegrini	General Manager - Construction Area (West) - ACCIONA Infrastructure

The detail of the persons who held senior management positions in 2005 is as follows:

Name	Position
Manuel Nuevo Galeazo	General Manager of Purchasing and Corporate Services - ACCIONA
Rafael Montes Caracuel	General Manager of Human Resources and Organisation - ACCIONA
José Enrique Alonso Ferrer	General Manager of ACCIONA Infrastructure
F. Javier de Mendizábal Castellanos	General Manager of Institutional Relations and Marketing - ACCIONA
Javier Ducay Real	General Manager - Economic and Financial Area - ACCIONA Infrastructure
Juan Andrés Saez Elegido	General Manager - ACCIONA Logistics and Airport Services
Juan Muro Lara Girod	General Manager - Chairman's Office Area - ACCIONA
Miguel Ángel Fernández Villamandos	General Manager - Corporate Development Area - ACCIONA
José Luis Pérez Maeso	General Manager - Corporate Development Area
Carmen Becerril Martínez	General Manager - Corporate Development Area
Gloria Alonso Martínez	General Manager - Finance Area - ACCIONA
Juan Gallardo Cruces	General Manager - Economic and Financial Area - ACCIONA
Vicente Santamaría de Paredes Castillo	General Manager - Legal Services Area - ACCIONA
Francisco de Álvaro Reguera	General Manager - ACCIONA Urban and Environmental Services
Javier Pérez-Villaamil Moreno	General Manager - Construction Area (Central) - ACCIONA Infrastructure

Name	Position
Jesús Alcázar Viela	General Manager - Construction Area (East) - ACCIONA Infrastructure
Juan Pedro Alonso Salmerón	General Manager - Construction Area (International) - ACCIONA Infrastructure
Alberto de Miguel	General Manager - Corporate Development Area - ACCIONA Energy
Fermín Gembero	General Manager - ACCIONA Energy
Jaime Solé Sedo	General Manager - Electric Power Generation Area - ACCIONA Energy
Pedro Ruiz Osta	General Manager - ACCIONA - Wind Power Area
José María Farto Paz	Construction Area General Manager (Galicia) - ACCIONA Infrastructure
Carlos Navas García	General Manager - ACCIONA - Airport Services Area
Joaquín Gómez Díaz	General Manager - Studies and Contracts Area - ACCIONA Infrastructure
Domingo Vegas Fernández	General Manager - Concessions Area - ACCIONA Infrastructure
Rui Marques da Silva	General Manager - Trasmediterranea Area
Luis Carlos Cuevas Puerta	General Manager - ACCIONA Real Estate
Pedro Martínez Martínez	General Manager - Construction Area (West) - ACCIONA Infrastructure

C. Fees paid to auditors. In 2006 and 2005 the fees for financial audit services provided to the ACCIONA Group companies by the main auditor and by other entities related to it totalled EUR 1,264 thousand and EUR 1,006 thousand, respectively. The fees for the same services paid to other auditors participating in the audit of various ACCIONA Group companies amounted to EUR 1,189 thousand and EUR 830 thousand in 2006 and 2005, respectively.

In 2006 and 2005 the fees for other professional services provided to the Group companies by the main auditor and by other entities related to it amounted to EUR 251 thousand and EUR 497 thousand, respectively, and the fees for the same services provided by other auditors participating in the financial audit of the Group companies amounted to EUR 406 thousand and EUR 404 thousand, respectively.

34. Other disclosures concerning the Board of Directors

Pursuant to Article 127 ter. 4 of the Spanish Companies Law, introduced by Law 26/2003, of 17 July, which amends Securities Market Law 24/1988, of 28 July, and the Consolidated Spanish Companies Law, in order to reinforce the transparency of publicly listed corporations, set forth below is information relating to the equity interests owned by the directors in companies engaging in activities that are iden-

tical, similar or complementary to the activities that constitute the company objects of the ACCIONA Group, and the functions or positions that they discharge or hold thereat.

At 31 December 2006, per the information available to ACCIONA, S.A., and except as stated below, the members of the Board of Directors:

- Did not own any holdings in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of the Group companies, and did not hold any positions or discharge any duties thereat.

- Had not carried on, and do not carry on at present, as

employees or as independent professionals, any activities that are identical, similar or complementary to the activity that constitutes the company object of the Group companies.

With respect to the aforementioned holdings, positions, duties and activities, the following information was furnished to the Company:

Holdings and positions in companies not belonging to the ACCIONA Group:

Director	Company	No shares/ % ownership interest	Position	Line of Business
Entrecanales de Azcárate, Juan	Hef Inversora, S.A.	59,71%	Chairman of the Board of Directors	Real Estate
	Nexotel Adeje, S.A.	0,001%	Chairman of the Board of Directors	Hospitality
Entrecanales Franco, Juan Ignacio	Hef Inversora, S.A.	2,21%	Director	Real Estate
Garel-Jones, Tristan	Iberia Líneas Aéreas de España, S.A.	0,000%	Director	Transport
Gamazo de Hohenlohe, Germán	Golf Park Entertainment, S.A.	21,32%	Director	Real Estate
	La Plaza del Golf, S.L.	20,15%	Director	Real Estate
	Inmobiliaria Padilla, S.A.	25,00%	Chairman of the Board of Directors	Real Estate
	Jondal Veintiuno, S.L.	33,30%	Chairman of the Board of Directors	Real Estate
	Valdecasillas, S.L.	6,78%	Chairman of the Board of Directors	Real Estate
Morrás Andrés, Esteban	Inversiones Corporativas Navarra, S.L.	100%	Sole Director	Ownership of photovoltaic plates
Morrás Andrés, Esteban	Iniciativas Corporativas Navarras Solares, S.L.	100%	Sole Director	Ownership of photovoltaic plates

Positions held by the directors and executives at Group companies:

Name or Corporate Name of Director	Group Company Name	Position
Urgoiti y López-Ocaña, Juan Manuel	ACCIONA Infraestructuras, S.A.	Director
Entrecanales Domecq, José Manuel	ACCIONA Infraestructuras, S.A.	Director
Entrecanales Franco, Juan Ignacio	ACCIONA Infraestructuras, S.A.	Chairman
Entrecanales Franco, Juan Ignacio	Altai Gestión, S.A.	Director
Montoya Moya, Valentín	Entidad Efinen, S.A.	Director
Montoya Moya, Valentín	Antigua Bodega Cosme Palacio, S.L.	Director
Montoya Moya, Valentín	Bodegas Palacio, S.A.	Director

Name or Corporate Name of Director	Group Company Name	Position
Montoya Moya, Valentín	ACCIONA Energía, S.A.	Representative of company holding the post of director
Montoya Moya, Valentín	Corporación de Explotaciones y Servicios, S.A.	Director
Montoya Moya, Valentín	Dren, S.A.	Chairman
Entrecanales Domecq, José Manuel	Sociedad Empresarial de Financiación y Comercio, S.L	Chairman
Montoya Moya, Valentín	Etime Facilities, S.A.	Director
Montoya Moya, Valentín	Finanzas Dos, S.A.	Director
Montoya Moya, Valentín	Hijos de Antonio Barceló, S.A.	Director
Montoya Moya, Valentín	Inantic, S.A.	Director
Montoya Moya, Valentín	Packivity, S.A.	Director
Montoya Moya, Valentín	Sileno, S.A.	Director
Montoya Moya, Valentín	Tictres, S.A.	Director
Montoya Moya, Valentín	Compañía Trasmediterranea, S.A.	Director
Entrecanales Franco, Juan Ignacio	Altai Hoteles, S.A.	Director
Entrecanales Franco, Juan Ignacio	Ibérica de Estudios e Ingeniería, S.A.	Chairman
Morrás Andrés, Esteban	Soluciones Mecánicas y Tecnológicas, S.L.	Representative of company holding the post of sole director
Morrás Andrés, Esteban	Iniciativas Energéticas Renovables, S.L.	Director
Morrás Andrés, Esteban	Energías Alternativas de Teruel, S.A.	Director
Morrás Andrés, Esteban	Sierra de Selva, S.L.	Representative of company holding the post of sole director
Morrás Andrés, Esteban	Eólica de Rubió, S.L.	Representative of company holding the post of sole director
Morrás Andrés, Esteban	Desarrollos Energéticos de Navarra, S.A.	Representative of company holding the post of joint director
Morrás Andrés, Esteban	ACCIONA Energía, S.A.	Managing Director
Morrás Andrés, Esteban	ACCIONA Energía Internacional, S.A. (formerly ETVE)	Representative of company holding the post of sole director
Morrás Andrés, Esteban	ACCIONA Biocombustibles, S.A.	Director
Morrás Andrés, Esteban	Biocarburants de Catalunya, S.A.	Director
Morrás Andrés, Esteban	Biodiésel Caparros, S.L.	Representative of company holding the post of sole director
Entrecanales Franco, Juan Ignacio	Altai Hoteles Condal, S.L.	Director
Morrás Andrés, Esteban	ACCIONA Windpower, S.A.	Representative of company holding the post of sole director
Morrás Andrés, Esteban	Alabe Sociedad de Cogeneración, S.A.	Chairman
Morrás Andrés, Esteban	ACCIONA Eólica de Galicia, S.A.	Chairman
Entrecanales Franco, Juan Ignacio	Mostostal Warszawa	Chairman of the Supervisory Committee
Entrecanales Franco, Juan Ignacio	Sociedad Empresarial de Financiación y Comercio, S.L	Director

APPENDIX

APPENDIX I

Group Companies

The subsidiaries of ACCIONA, S.A. deemed to be Group companies were treated as such in accordance with IFRSs. The companies fully consolidated in 2006, and the information thereon at 31 December 2006, are as follows (amounts in thousands of euros):

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
ACCIONA Administradora de C.E. Cesa, S.L.	-	Madrid	Portfolio company	100%	ACCIONA	
ACCIONA Airport Services Berlin, S.A.	(D)	Germany	Logistics services	100%	ACCIONA	--
ACCIONA Airport Services Frankfurt, Gmbh	(D)	Germany	Logistics services	100%	ACCIONA	5,637
ACCIONA Airport Services Hamburg Gmbh	(D)	Germany	Logistics services	100%	MDC Subgroup	307
ACCIONA Airport Services, S.A.	-	Madrid	Logistics services	100%	ACCIONA	3,065
ACCIONA Aparcamientos, S.L.	(A)	Madrid	Car parks	100%	ACCIONA	26,392
ACCIONA Biocombustibles, S.A.	(C)	Navarra	Energy	100%	ACCIONA Energía Subgroup	1,804
ACCIONA Concesiones Chile, S.A.	(B)	Chile	Construction	100%	ACCIONA Infraestructuras Subgroup	17,532
ACCIONA Concesiones USA, Llc	-	USA	Concessions	100%	ACCIONA	569
ACCIONA Concesiones, S.L.	-	Madrid	Concessions	100%	ACCIONA	2,422
ACCIONA Corporación, S.A.	-	Madrid	Instrumentality company	100%	Finanzas y Cartera Dos Subgroup	66
ACCIONA Desarrollo Corporativo, S.A.	-	Madrid	Instrumentality company	100%	Finanzas y Cartera Dos Subgroup	66
ACCIONA Do Brazil, Ltda.	(D)	Brazil	Construction	100%	ACCIONA	1,729
ACCIONA Energía Chile	-	Chile	Energy	100%	ACCIONA Energía Internacional Subgroup	8
ACCIONA Energía India, Co.	-	India	Energy	100%	ACCIONA Energía Internacional Subgroup	2
ACCIONA Energía Internacional, S.A.	-	Navarra	Energy	100%	ACCIONA Energía Subgroup	6,000
ACCIONA Energía México, Srl	-	México	Energy	100%	ACCIONA Energía Internacional Subgroup	350
ACCIONA Energía Solar, S.L.	-	Navarra	Energy	100%	ACCIONA Energía Subgroup	5
ACCIONA Energía UK, Ltd.	-	Wales	Energy	100%	ACCIONA Energía Internacional Subgroup	30
ACCIONA Energía, S.A.	(C)	Navarra	Energy	100%	ACCIONA	752,905
ACCIONA Eólica de Castilla-La Mancha, S.L.	(A)	Madrid	Energy	100%	Alabe Subgroup	100
ACCIONA Eólica de Galicia, S.A.	(A)	Lugo	Energy	100%	IDC Subgroup	16,300

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
ACCIONA Facility Services Portugal	(D)	Portugal	Urban services	100%	ACCIONA Facility Services Subgroup (form. Ramel)	1,048
ACCIONA Facility Services, S.A.	(A)	Barcelona	Urban services	100%	ACCIONA Servicios Urbanos Y MA Subgroup	97,318
ACCIONA Forwarding Brazil	-	Brazil	Logistics services	80%	ACCIONA Forwarding Subgroup	230
ACCIONA Forwarding Canarias, S.L.	-	Canary Islands	Logistics services	88%	ACCIONA Forwarding Subgroup	331
ACCIONA Forwarding, S.A.	(A)	Madrid	Logistics services	100%	ACCIONA Logística Subgroup	14,648
ACCIONA Forwarding Argentina, S.A.	-	Argentina	Logistics services	100%	ACCIONA Forwarding Subgroup	7
ACCIONA Green Energy Developments, S.L.	(C)	Navarra	Energy	100%	ACCIONA Energía Subgroup	1,000
ACCIONA Infraestructuras, S.A.	(B)	Madrid	Construction	100%	ACCIONA	196,149
ACCIONA Real Estate, S.L.	(A)	Madrid	Real Estate	100%	ACCIONA	123,848
ACCIONA Inversiones Corea, S.L.	-	Navarra	Energy	100%	ACCIONA Energía Subgroup	5
ACCIONA Logística, S.A.	(A)	Madrid	Portfolio company	100%	ACCIONA	51,962
ACCIONA Mantenimiento de Infraestructuras, S.A.	(B)	Madrid	Maintenance	100%	ACCIONA Infraestructuras Subgroup	278
ACCIONA Nieruchomosci	(A)	Polonia	Real Estate	100%	ACCIONA Real Estate Subgroup	7,477
ACCIONA Servicios Hospitalarios, S.L.	-	Madrid	Concessions	100%	ACCIONA Servicios Urbanos Y MA Subgroup	1,500
ACCIONA Servicios Concesionales, S.L.	-	Madrid	Concessions	100%	ACCIONA	128
ACCIONA Servicios Urbanos y MA, S.L.	(A)	Madrid	Urban services	100%	ACCIONA	--
ACCIONA Servicios Urbanos, S.L.	(A)	Madrid	Urban services	100%	ACCIONA	11,813
ACCIONA Solar Canarias, S.A.	-	Canarias	Energy	100%	ACCIONA Solar Subgroup	617
ACCIONA Solar, S.A.	(C)	Navarra	Energy	75%	ACCIONA Energía Subgroup	1,382
ACCIONA Windpower, S.A.	(C)	Navarra	Energy	100%	ACCIONA Energía Subgroup	2,000
Acvyl Aparcamientos, S.A.	-	Murcia	Car parks	66%	ACCIONA Aparcamientos Subgroup	10
Aepo, S.A.	(B)	Madrid	Engineering	100%	ACCIONA Infraestructuras Subgroup	1,180
Agencia Marítima Transhispánica, S.A.	(D)	Madrid	Logistics services	100%	Trasmediterranea Subgroup	716
Agencia Schembri, S.A.	(A)	Madrid	Logistics services	100%	Trasmediterranea Subgroup	1,628
AIE Trafalgar	-	Cádiz	Energy	89%	ACCIONA Energía Subgroup	1,522
Alabe Cuadramon, S.A.	-	Lugo	Energy	100%	Aega Subgroup	1,803
Alabe Labrada, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61
Alabe Leste, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61
Alabe Lomba, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Alabe Mareiro, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61
Alabe Mengibar, A.I.E.	(A)	Madrid	Energy	96%	IDC Subgroup	59
Alabe Montemayor Norte, S.A.	-	Lugo	Energy	100%	Aega Subgroup	60
Alabe Montemayor Sur, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61
Alabe Nordes, S.A.	-	Lugo	Energy	100%	Aega Subgroup	1,803
Alabe Refachon, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61
Alabe Salas, S.A.	-	Zaragoza	Energy	98%	IDC Subgroup	58
Alabe Soan, S.A.	-	Lugo	Energy	100%	Aega Subgroup	1,803
Alabe Sociedad de Cogeneración, S.A.	(A)	Madrid	Energy	100%	ACCIONA	2,602
Alabe Terral, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61
Alabe Ventoada, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61
Ambulancias Herranz, S.L.	-	Guadalajara	Urban services	100%	Funeraria La Fe Subgroup	3,518
Ampliación Alabe Soan, S.A.	-	Lugo	Energy	100%	Aega Subgroup	61
Antigua Bodega de Don Cosme Palacio, S.L.	(C)	Alava	Food	100%	Palacio Subgroup	30
Aparcament Vertical del Maia, S.A.	-	Andorra	Car parks	100%	ACCIONA Aparcamientos Subgroup	31
Argoras Energía, S.L.	-	Barcelona	Energy	100%	Terranova Subgroup	2
Arsogaz 2005, S.L.	-	Madrid	Real Estate	100%	ACCIONA Real Estate Subgroup	6
Asesores Turísticos del Estrecho, S.A.	-	Málaga	Logistics services	80%	Trasmediterranea Subgroup	151
Asturalter, S.L.	-	Asturias	Energy	100%	Terranova Subgroup	3
Barcelona 2 Residencial, S.A.	-	Barcelona	Real Estate	100%	ACCIONA Real Estate Subgroup	1,156
Bestinver Gestión S.C.I.I.C., S.A.	(C)	Madrid	Finance	100%	Bestinver Subgroup	331
Bestinver Pensiones G.F.P., S.A.	(C)	Madrid	Finance	100%	Bestinver Subgroup	1,203
Bestinver Sociedad de Valores, S.A.	(C)	Madrid	Finance	100%	Bestinver Subgroup	5,267
Bestinver, S.A.	(C)	Madrid	Finance	100%	ACCIONA	6,113
Biocarburants de Catalunya, S.A.	-	Barcelona	Energy	90%	ACCIONA Energía Subgroup	1,947
Biodiésel Bilbao, S.L.	-	Vizcaya	Energy	80%	Biocombustibles Subgroup	40
Biodiésel Caparroso, S.L.	(C)	Navarra	Energy	100%	ACCIONA Energía Subgroup	13,526
Biodiésel Cartagena, S.L.	-	Navarra	Energy	100%	Biocombustibles Subgroup	100
Biodiésel Castellón, S.L.	-	Navarra	Energy	100%	Biocombustibles Subgroup	5

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Biodiésel Coruña, S.L.	-	Navarra	Energy	100%	Biocombustibles Subgroup	5
Biodiésel del Esla Campos, S.A.	-	Navarra	Energy	100%	ACCIONA Energía Subgroup	15
Biodiésel Sagunt, S.L.	-	Navarra	Energy	100%	ACCIONA Energía Subgroup	5
Biogas Gestión Madrid, S.A.	-	Madrid	Energy	60%	ACCIONA Servicios Urbanos Subgroup	9
Biomasa Sangüesa, S.L.		Navarra	Energy	100%	ACCIONA Energía Subgroup	100
Bodegas Palacio, S.A.	(C)	Álava	Food	100%	Sileno Subgroup	1,526
Brandemburgo	-	Germany	Energy	100%	ACCIONA Energía Subgroup	21,111
Cabaro 21, S.L.	-	Barcelona	Energy	100%	Ceatesalas Subgroup	202
Capev Venezuela	(D)	Venezuela	Construction	100%	ACCIONA Infraestructuras Subgroup	1,978
Caserío de Dueñas, S.A.	(C)	Valladolid	Food	100%	HAB Subgroup	4,081
Ceatesalas, S.L.	(B)	Madrid	Energy	100%	ACCIONA	967,298
Cenargo España, S.L.	(A)	Madrid	Logistics services	100%	Agencia Schembri Subgroup	1,671
Ceólica Hispania, S.L.	(B)	Madrid	Energy	98%	Cesa Subgroup	1,208
Cesa Hellas, S.A.	-	Grecia	Energy	80%	Cesa Subgroup	3,036
Cirtover, S.L.	-	Madrid	Instrumentality company	100%	ACCIONA	3
Cis Hispanic, S.L.	-	Seville	Urban services	100%	Intur Servicios Funerarios Subgroup	--
Coefisa, S.A.	(D)	Switzerland	Finance	100%	ACCIONA	711
Combuslebor, S.L.	(A)	Murcia	Logistics services	100%	Transportes Olloquiegui Subgroup	401
Compañía Eólica Granadina, S.L.	-	Granada	Energy	50%	Ceólica Subgroup	2,990
Compañía de Aguas Paguera, S.L.	(A)	Mallorca	Urban services	100%	Gesba Subgroup	1,346
Compañía Energética para el Tablero, S.A.	(A)	Madrid	Energy	90%	IDC Subgroup	9,192
Compañía Internacional de Construcciones, S.A.	-	Panamá	Finance	100%	ACCIONA	1,353
Compañía Trasmediterranea, S.A.	(A)	Madrid	Logistics services	60,07%	ACCIONA Logística Subgroup	166,488
Consortio Constructor Araucaria Ltd.	(D)	Chile	Construction	60%	ACCIONA Infraestructuras Subgroup	3
Construcciones Gumi, S.L.	-	Madrid	Real Estate	100%	ACCIONA Real Estate Subgroup	6,985
Copane Valores, S.L.	-	Madrid	Portfolio company	100%	ACCIONA	55,779
Corporación de Explotaciones y Servicios, S.A.	-	Madrid	Portfolio company	100%	ACCIONA	1,712
Corporación Eólica Catalana, S.L.	-	Madrid	Energy	85%	Ceólica Subgroup	(2)
Corporación Eólica Cesa, S.L.	(B)	Madrid	Energy	93,13%	Ceatesalas Subgroup	89,415

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Corporación Eólica de Barruelo, S.L.	(B)	Madrid	Energy	100%	Ceólica Subgroup	2,198
Corporación Eólica de Manzanedo, S.L.	(B)	Madrid	Energy	100%	Ceólica Subgroup	2,087
Corporación Eólica de Valdivia, S.L.	(B)	Madrid	Energy	100%	Ceólica Subgroup	2,808
Corporación Eólica de Zamora, S.L.	(B)	Madrid	Energy	100%	Ceólica Subgroup	1,432
Corporación Eólica del Duero, S.L.	-	Madrid	Energy	100%	Sedano Subgroup	1,788
Corporación Eólica La Cañada, S.L.	-	Madrid	Energy	100%	Ceatesalas Subgroup	--
Corporación Eólica Los Alcañices, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	2
Corporación Eólica Palentina, S.L.	-	Madrid	Energy	100%	Barruelo Subgroup	1,482
Corporación Eólica Sora, S.A.	-	Zaragoza	Energy	60%	Endino Subgroup	279
Covinal, Ltda.	(D)	Colombia	Food	100%	HAB Subgroup	336
Cubiertas General de Construcción Co. Ltd.	(D)	Gibraltar	Construction	100%	ACCIONA Infraestructuras Subgroup	3,184
Deutsche Necso Entrecanales Cubiertas GmbH	(D)	Germany	Construction	100%	ACCIONA Infraestructuras Subgroup	--
Dren, S.A.	-	Madrid	Portfolio company	100%	ACCIONA	1,115
Ecoparque La Rioja, S.L.	-	La Rioja	Urban services	100%	ACCIONA	1,221
ACCIONA Energía Croacia, d.o.o.	-	Croatia	Energy	100%	ACCIONA Energía Internacional Subgroup	3
ACCIONA Energía Deutschland, GmbH	(C)	Germany	Energy	100%	ACCIONA Energía Internacional Subgroup	24
ACCIONA Energía Drehnow GmbH	(C)	Germany	Energy	100%	ACCIONA Energía Internacional Subgroup	(1)
ACCIONA Energía Italy, S.R.L.	-	Italy	Energy	100%	ACCIONA Energía Internacional Subgroup	1,006
ACCIONA Energía Poland, Sp.z.o.o.	-	Poland	Energy	100%	ACCIONA Energía Internacional Subgroup	109
ACCIONA Energía Rosenthal, GmbH	(C)	Germany	Energy	100%	ACCIONA Energía Internacional Subgroup	(1)
ACCIONA Energía Slovenia, d.o.o.	-	Slovenia	Energy	100%	ACCIONA Energía Internacional Subgroup	11
El Endino Eólica, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	303
Emp.Diseño Constr. Cons. Jardines y Zonas Verdes, S.A.	-	Málaga	Urban services	100%	ACCIONA Infraestructuras Subgroup	143
Enalia, Ltda.	(D)	Colombia	Food	100%	HAB Subgroup	1,480
Energiea Cogeneración y Térmico, S.L.	-	Barcelona	Energy	100%	Terranova Subgroup	111
Energiea Servicios y Mantenimiento. S.L.	(A)	Barcelona	Energy	100%	Terranova Subgroup	3
Energías Alternativas de Teruel, S.A.	-	Teruel	Energy	51%	ACCIONA Energía Subgroup	31
Energías del Cantábrico, S.L.	-	Madrid	Energy	100%	Sanabria Subgroup	1,867
Energías Eólicas de Catalunya, S.A.	-	Barcelona	Energy	100%	ACCIONA Energía Subgroup	1,300

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Energías Renovables de Ricobayo, S.A.	-	Madrid	Energy	50%	Ceólica Subgroup	251
Energías Renovables El Abra, S.L	(A)	Vizcaya	Energy	100%	Ceólica Subgroup	2,066
Energías Renovables Peña Nebina, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	825
Enerteam, S.A.	-	Vitoria	Energy	51%	ACCIONA Energía Subgroup	247
Ensenada de Renovables, S.L.	-	Madrid	Energy	100%	Manzanedo Subgroup	781
Entidad Efinen, S.A.	-	Madrid	Instrumentality company	100%	ACCIONA	168
Entrecanales y Tavora Gibraltar, Ltd	(C)	Gibraltar	Construction	100%	ACCIONA Infraestructuras Subgroup	8,991
Eólica de Belorado, S.L.	-	Madrid	Energy	100%	Sanabria Subgroup	2,787
Eólica de Pisuerga, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	2
Eólica de Rubio, S.A.	(C)	Barcelona	Energy	100%	ACCIONA Energía Subgroup	6,000
Eólica de Sanabria, S.L.	(B)	Madrid	Energy	100%	Ceólica Subgroup	6,534
Eólica Gallega del Atlántico, S.L.	-	A Coruña	Energy	100%	Breogan Subgroup	631
Eólica Villanueva, S.L.	(C)	Navarra	Energy	67%	ACCIONA Energía Subgroup	867
Eólicas de Montellano, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	2
Eólicas del Moncayo, S.L.	(B)	Soria	Energy	100%	Ceólica Subgroup	1,253
Eólicos Breogan, S.L.	-	Pontevedra	Energy	100%	Ceólica Subgroup	--
Eoliki Evripoy Cesa Hellas, Epe	-	Greece	Energy	90%	Cesa Hellas Subgroup	16
Eoliki Panachaikou, S.A.	(D)	Greece	Energy	90%	Cesa Hellas Subgroup	11,975
Eoliki Paralimnis Cesa Hellas, Epe	-	Greece	Energy	90%	Cesa Hellas Subgroup	16
Erre y Ce, S.A.	-	Seville	Construction	50%	ACCIONA Infraestructuras Subgroup	235
ES Legarda, S.L.	-	Navarra	Energy	100%	Biocombustibles Subgroup	100
Estudios y Construcciones de Obras, S.A. de CV	-	Mexico	Construction	50%	ACCIONA Infraestructuras Subgroup	--
Etime Facilities, S.A.	-	Madrid	Other Businesses	100%	ACCIONA	(39)
Etime Seguridad, S.A.	-	Madrid	Engineering	100%	ACCIONA	120
Eurofunerarias, S.A.	-	Madrid	Urban services	92,47%	Inversiones Funerarias Reunidas Subgroup	2,262
Europa Ferrys, S.A.	(A)	Cádiz	Logistics services	100%	Trasmediterranea Subgroup	19,900
Eurostewart Portugal Actividade, Ltda.	(A)	Portugal	Urban services	100%	Inversiones Técnicas Urbanas Subgroup	2,308
Explotaciones Eólicas Monte Endino, S.L.	-	Madrid	Energy	100%	Zamora Subgroup	1,456
Exvinter, Inc.	-	Panamá	Food	100%	HAB Subgroup	39

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Finanzas Dos, S.A.	(A)	Madrid	Instrumentality company	100%	ACCIONA	--
Finanzas Nec, S.A.	-	Madrid	Finance	100%	ACCIONA Real Estate Subgroup	61
Finanzas y Cartera Dos, S.A.	(A)	Madrid	Other Businesses	100%	ACCIONA	2
Finanzas y Cartera Uno, S.A.	(A)	Madrid	Other Businesses	100%	ACCIONA	2
Frigoriferi di Tavazzano, S.P.A.	-	Italy	Logistics services	100%	ACCIONA Logística Subgroup	3,538
Frigoríficos Caravaca, S.L.	(A)	Murcia	Logistics services	100%	Transportes Olloquiegui Subgroup	3,327
Funealcarria, S.L.	-	Guadalajara	Urban services	100%	Ambulancias Herranz Subgroup	117
Funeraria Fontal, S.L.	-	Barcelona	Urban services	100%	Inversiones Funerarias Reunidas Subgroup	772
Funeraria Gasco, S.L.	-	Teruel	Urban services	100%	Inversiones Funerarias Reunidas Subgroup	445
Funeraria La Fe Guadalajara, S.L.	-	Guadalajara	Urban services	100%	Intur Servicios Funerarios Subgroup	884
Funeraria La Piedad, S.L.	-	Zaragoza	Urban services	100%	Inversiones Funerarias Reunidas Subgroup	1,255
Funeraria Osuna, S.L.	-	Seville	Urban services	100%	Intur Servicios Funerarios Subgroup	120
Funeraria Poch, S.A.	-	Girona	Urban services	100%	Pompas Funebres Girona Subgroup	3,219
Funeraria Torre Giralto, S.L.	-	Tarragona	Urban services	100%	Inversiones Funerarias Reunidas Subgroup	63
Funerarias Del Altoaragón, S.L.	-	Huesca	Urban services	100%	Inversiones Funerarias Reunidas Subgroup	2,704
Funermadrid, S.L.	-	Madrid	Urban services	51%	Intur Servicios Funerarios Subgroup	582
Funertecnica, Lda.	-	Portugal	Urban services	100%	Servilusa Subgroup	5
Generación de Energía Renovable. S.A.	(B)	Álava	Energy	100%	Ceólica Subgroup	4,528
General de Producciones y Diseño, S.A.	(A)	Seville	Services	100%	ACCIONA Infraestructuras Subgroup	1,268
General de Servicios Integrales, S.A.	(A)	Seville	Services	100%	ACCIONA Infraestructuras Subgroup	1,351
Genérica de Construcción y Mantenimiento Industrial, S.A.	-	Zaragoza	Industrial maintenance	100%	ACCIONA	30
Gestión de Servicios Urbanos Baleares, S.A.	(A)	Mallorca	Urban services	100%	ACCIONA Servicios Urbanos Subgroup	--
Gestión de Servicios y Conservac. Infraestructuras, S.A.	-	Madrid	Industrial maintenance	100%	ACCIONA Real Estate Subgroup	3,678
Global Antares, S.L.	-	Madrid	Real Estate	100%	ACCIONA Real Estate Subgroup	3
Globaser International Services	-	Barcelona	Urban services	100%	Multiservicios ACCIONA Facility Services (form. Ramel) Subgroup	33
Globaser, S.A.	-	Switzerland	Urban services	100%	ACCIONA Facility Services Subgroup	1
Green Wind Corporation	-	USA	Energy	100%	Cesa Subgroup	--
Green Wind Of Canada Corp	-	USA	Energy	100%	Cesa Subgroup	--

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Grupo ACCIONA Energy North America	(C)	USA	Energy	100%	ACCIONA Energía Internacional Subgroup	62,835
Grupo ACCIONA Energy Canada	(C)	Canada	Energy	100%	ACCIONA Energía Internacional Subgroup	45,183
Grupo ACCIONA Energy Oceanía	(B)	Melbourne	Energy	100%	ACCIONA Energía Internacional Subgroup	26,215
Grupo Transportes Frigoríficos Murcianos, S.L.	(A)	Murcia	Logistics services	100%	Transportes Olloquiegui Subgroup	588
Hermes Logística, S.A.	(A)	Barcelona	Logistics services	99,62%	Trasmediterranea Subgroup	1,146
Hijos de Antonio Barceló, S.A.	(C)	Madrid	Food	100%	ACCIONA	31,710
Hospital de León Bajío, S.A. de C.V.	-	Mexico	Concessions	100%	ACCIONA	74
Iber Rail France, S.L.	-	France	Logistics services	100%	Trasmediterranea Subgroup	183
Ibérica de Estudios e Ingeniería, S.A.	(A)	Madrid	Engineering	100%	ACCIONA	142
Ilhas Atlantico, Lda.	-	Portugal	Urban services	90%	Servilusa Subgroup	5
Inantic, S.A.	-	Madrid	Instrumentality company	100%	ACCIONA Infraestructuras Subgroup	393
Industria Toledana de Energías Renovables, S.L.	-	Toledo	Energy	100%	ACCIONA Windpower Subgroup	250
Inetime, S.A.	-	Madrid	Engineering	100%	ACCIONA	--
Ineuropa de Cogeneracion, S.A.	(A)	Madrid	Energy	100%	ACCIONA	5,963
Infilco Española, S.A.	(A)	Madrid	Water treatment	100%	ACCIONA	101
Ingeniería de Energía Renovable. S.A.	-	Álava	Energy	100%	Ceólica Subgroup	30
Inr Eólica, S.A.	-	Seville	Energy	83%	ACCIONA Energía Subgroup	273
Interlogística del Frío, S.A.	(A)	Barcelona	Logistics services	100%	ACCIONA Logística Subgroup	16,819
Interurbano de Prensa, S.A.	(A)	Madrid	Logistics services	100%	ACCIONA Logística Subgroup	2,675
Intur Servicios Funerarios, S.L.	(A)	Madrid	Urban services	99%	Inversiones Técnicas Urbanas Subgroup	98,553
Inversiones Funerarias Reunidas, S.L.	(A)	Zaragoza	Urban services	100%	Inversiones Técnicas Urbanas Subgroup	15,992
Inversiones Técnicas Urbanas, S.L.	(A)	Madrid	Urban services	75%	ACCIONA Servicios Urbanos Subgroup	58,209
Inviarcon, S.L.	-	Madrid	Real Estate	100%	ACCIONA Real Estate Subgroup	83,535
KS, Sp. Z.O.O.	-	Poland	Real Estate	100%	Mostostal Invest Subgroup	13
Kw Tarifa, S.A.	(A)	Madrid	Energy	100%	ACCIONA	11,175
Lambarene Necso Gabon	(D)	Gabon	Construction	100%	ACCIONA Infraestructuras Subgroup	15
Logística del Transporte Slb, S.A.	(A)	Murcia	Services	100%	Transportes Olloquiegui Subgroup	832
Lusonecso	-	Portugal	Real Estate	100%	ACCIONA Real Estate Subgroup	8,894
MDC Airport Consult GmbH	(D)	Germany	Services	100%	ACCIONA	--

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Medio Ambiente Dalmau Extremadura, S.L.	(D)	Valencia	Urban services	100%	Medio Ambiente Dalmau Subgroup	3
Medio Ambiente Dalmau, S.A.	(D)	Valencia	Urban services	92,86%	ACCIONA Infraestructuras Subgroup	1,757
Metrologia y Comunicaciones, S.A.	-	Madrid	Construction	100%	ACCIONA Infraestructuras Subgroup	130
Millatres 2003, S.L.	-	Canary Islands	Logistics services	100%	Agencia Schembri Subgroup	3
Montaña Residencial, S.A.	-	Barcelona	Real Estate	100%	Barcelona 2 Residencial Subgroup	231
Mostostal Warszawa, S.A.	(A)	Poland	Construction	49,94%	ACCIONA	32,917
Multiservicios Grupo Ramel, S.A.	(A)	Barcelona	Urban services	99,98%	ACCIONA Facility Services (form. Ramel) Subgroup	1,500
Murfitrans, S.L.	(A)	Murcia	Logistics services	100%	Transportes Olloquiegui Subgroup	184
Necso Canada, Inc.	(C)	Canada	Construction	100%	ACCIONA Infraestructuras Subgroup	8
Necso Entrecanales Cubiertas México, Sa. de CV	(D)	Mexico	Construction	100%	ACCIONA Infraestructuras Subgroup	543
Necso Hong Kong, Ltd.	(C)	Hong Kong	Construction	100%	ACCIONA Infraestructuras Subgroup	1,434
Necso Triunfo Construcoes Ltda	(D)	Brazil	Construction	50%	ACCIONA Infraestructuras Subgroup	3
Necsogal, L.D.A.	-	Portugal	Real Estate	100%	ACCIONA Real Estate Subgroup	(74)
Necsohenar, S.A.	(B)	Madrid	Real Estate	100%	ACCIONA Real Estate Subgroup	23,875
Necsoren, S.A.	(A)	Seville	Real Estate	60%	ACCIONA Real Estate Subgroup	38
Notos Produçao De Energia Lda	-	Portugal	Energy	75%	Sayago Subgroup	300
Olloquiegui Benelux Bvba	-	Belgium	Logistics services	100%	Trasmediterranea Cargo Subgroup	41
Olloquiegui France, Eurl	-	France	Logistics services	100%	Transportes Olloquiegui Subgroup	8
Olloquiegui UK	-	UK	Logistics services	100%	Transportes Olloquiegui Subgroup	1
Osiedle Lesne, S.P. Z.O.O.	-	Poland	Real Estate	100%	Mostostal Invest Subgroup	13
P & S Logística Integral Perú	-	Peru	Logistics services	51%	ACCIONA Forwarding Subgroup	57
Packivity, S.A.	-	Madrid	Logistics services	100%	ACCIONA	266
Palmatrans, S.A.	(A)	Balearic Islands	Logistics services	100%	Hermes Logística Subgroup	6,972
Páramo de Los Angostillos, S.L.	-	Palencia	Energy	100%	ACCIONA Energía Subgroup	2,885
Paris Aquitaine Transports, S.A.	(D)	France	Logistics services	100%	Transportes Olloquiegui Subgroup	530
Parque Eólico Angostillos, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	3
Parque Eólico Celada III, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	3
Parque Eólico Celada V, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	3
Parque Eólico El Cuadrón, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	3

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Parque Eólico El Encinedo, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	3
Parque Eólico Fonteavia, S.L.	-	A Coruña	Energy	100%	Ceólica Subgroup	2
Parque Eólico Goa, S.L.	-	A Coruña	Energy	100%	Ceólica Subgroup	3
Parque Eólico Tortosa, S.L.	(B)	Barcelona	Energy	100%	Ceólica Subgroup	2,443
Parques Eólicos de Extremadura, S.A.	-	Badajoz	Energy	51%	ACCIONA Energía Subgroup	2,040
Parques Eólicos del Cerrato, S.L.	-	Madrid	Energy	100%	Subgrupo Ceólica	--
Pompas Fúnebres de Zaragoza, S.L.	(A)	Zaragoza	Urban services	100%	Intur Servicios Funerarios Subgroup	2,388
Pompas Fúnebres Girona, S.L.	-	Gerona	Urban services	100%	Intur Servicios Funerarios Subgroup	--
Pompas Fúnebres Mediterráneas, S.L.	-	Barcelona	Urban services	100%	Intur Servicios Funerarios Subgroup	71,067
ACCIONA Rail Services, S.A.	-	Madrid	Logistics services	100%	ACCIONA Logística Subgroup	910
Pridagua Tratamiento de Aguas y Residuos, Lda.	-	Portugal	Urban services	100%	ACCIONA Agua Subgroup	--
Pridesa America Corporation	-	EEUU	Urban services	100%	ACCIONA Agua Subgroup	--
Pridesa Proyectos y Servicios, S.A.	(B)	Vizcaya	Urban services	100%	ACCIONA Servicios Urbanos Y MA Subgroup	126,067
Ramwork, S.A.	-	Barcelona	Urban services	100%	ACCIONA Facility Services (form. Ramel) Subgroup	500
Rendos, S.A.	-	Madrid	Finance	100%	ACCIONA	8,744
Renovables de Valdeolea, S.L.	-	Madrid	Energy	100%	Ceólica Subgroup	60
Route & Press, S.L.	-	Madrid	Logistics services	100%	ACCIONA Logística Subgroup	339
San Miguel 2000, S.L.	-	A Coruña	Energy	100%	Terranova Subgroup	1,436
Sociedad Empresarial de Financiación y Comercio, S.L.	-	Madrid	Finance	100%	ACCIONA	138
Sociedad Concesionaria Hospital del Norte, S.A.	(A)	Madrid	Concessions	95%	ACCIONA	2,176
Serfunle, S.A.	(D)	León	Urban services	49%	Intur Servicios Funerarios Subgroup	7,080
Servicios Funerarios Ntra. Sra. La Antigua Guadalajara, S.A.	-	Guadalajara	Urban services	90%	Ambulancias Herranz Subgroup	496
Servei Comarcal de Pompas Fúnebres, S.A.	-	Gerona	Urban services	100%	Pompas Funebres Girona Subgroup	4,680
Servicios Funerarios Canarias, S.L.	-	Canary Islands	Urban services	100%	Intur Servicios Funerarios Subgroup	3
Servicios Funerarios de Torrero, S.L.	(A)	Zaragoza	Urban services	76%	Inversiones Funerarias Reunidas Subgroup	154
Servilusa Agencias Funerarias, Lda.	-	Portugal	Urban services	100%	Inversiones Técnicas Urbanas Subgroup	10,241
Servilusa, Sgps	(A)	Portugal	Urban services	100%	Inversiones Técnicas Urbanas Subgroup	(90)
Setesa Mantenimientos Técnicos, S.A	(A)	Madrid	Urban services	100%	ACCIONA Facility Services (form. Ramel) Subgroup	700
Sierra de Selva, S.L.	(C)	Navarra	Energy	100%	ACCIONA Energía Subgroup	17,126

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Sileno, S.A.	(C)	Álava	Food	100%	HAB Subgroup	7,615
Sistema Eléctrico de Evacuación Eólica en Subestación	-	Madrid	Energy	32%	Cesa Subgroup	10
Sistemas Energéticos Tinajas Castejón, S.A.U.	-	Toledo	Energy	100%	Ceólica Subgroup	61
Sistemas Energéticos El Granado, S.A	(B)	Sevilla	Energy	100%	Ceólica Subgroup	2,147
Sistemas Energéticos Sayago, S.L	-	Madrid	Energy	100%	Cesa Subgroup	--
Sistemas Energéticos Valle de Sedano, S.A.	(B)	Madrid	Energy	100%	Ceólica Subgroup	2,218
Sistemas Energéticos Villaba, S.A.U.	-	Toledo	Energy	100%	Ceólica Subgroup	61
Sociedad Concesionaria Puente del Ebro, S.A.	-	Aragón	Concessions	50%	ACCIONA	1,673
Sociedad Levantina de Obras y Servicios, S.A.	(B)	Valencia	Construction	100%	ACCIONA	75
Soconfil, S.A.	-	Madrid	Instrumentality company	100%	Finanzas y Cartera Dos Subgroup	66
Soluciones Mecánicas y Tecnológicas, S.L.	-	Navarra	Energy	100%	ACCIONA Energía Subgroup	100
TAJRO, Sp. Z.O.O.	(A)	Poland	Real Estate	100%	ACCIONA Real Estate Subgroup	26,589
Tanatorio de Sevilla, S.L.	(A)	Seville	Urban services	73%	Intur Servicios Funerarios Subgroup	2,301
Tanatorio y Funeraria La Tudelana, S.L.	-	La Rioja	Urban services	100%	Inversiones Funerarias Reunidas Subgroup	1,236
Tanatorio Y Funeraria Martínez, S.L.	-	La Rioja	Services	100%	Inversiones Funerarias Reunidas Subgroup	870
Tecnica Conservac. para Mejora Medio Ambiente, S.L.	-	Badajoz	Urban services	100%	Medio Ambiente Dalmau Subgroup	15
Terminal de Carga Rodada, S.A.	(D)	Madrid	Logistics services	100%	Trasmediterranea Subgroup	3,172
Terminal de Contenedores Algeciras, S.A.	(A)	Algeciras	Logistics services	100%	ACCIONA	7,241
Terminal Polivalente del Ferrol, S.L.	-	A Coruña	Logistics services	51%	ACCIONA	25
Ternua Holdings. B.V.	-	The Netherlands	Energy	100%	Terranova USA Subgroup	788
Terranova Energy Corporation	-	USA	Energy	100%	Cesa Subgroup	52,289
Terranova Energy Corporation. S.A.	(A)	Barcelona	Energy	100%	Ceólica Subgroup	16,258
Tibest Cuatro, S.A.	-	Madrid	Instrumentality company	100%	ACCIONA	13,523
Tictres, S.A.	-	Madrid	Instrumentality company	100%	ACCIONA	--
Tours And Incentives, S.A.U.	-	Madrid	Logistics services	100%	Trasmediterranea Subgroup	500
Towarowa Park Spolka Z.O.O.	(A)	Poland	Real Estate	100%	ACCIONA Real Estate Subgroup	2,862
Transcarga Magreb, S.A.	-	Madrid	Logistics services	100%	Trasmediterranea Cargo Subgroup	15
Transcarga Grupajes, S.A.	-	Madrid	Logistics services	100%	Trasmediterranea Cargo Subgroup	15
Transportes Frigoríficos Murcianos, S.L.	(A)	Murcia	Logistics services	100%	Transportes Olloquiegui Subgroup	996

Group Company	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Transportes Olloquegui, S.A.	(A)	Navarra	Logistics services	100%	ACCIONA Logística Subgroup	1,612
Transurme, S.A.	-	Barcelona	Logistics services	100%	ACCIONA Logística Subgroup	1,450
Trasmediterranea Cargo, S.A.	(A)	Madrid	Logistics services	100%	Trasmediterranea Subgroup	2,548
Trasmediterranea Shipping Maroc, S.A.R.L.	-	Tangier	Logistics services	100%	Trasmediterranea Subgroup	9
Tucana, Sp. Z.O.O.	(A)	Poland	Real Estate	100%	ACCIONA Real Estate Subgroup	10,172
Turismo y Aventuras, S.A.U	-	Madrid	Logistics services	100%	Trasmediterranea Subgroup	500
Utilities Solutions, S.L.	-	Barcelona	Services	100%	Multiservicios ACCIONA Facility Services (form. Ramel) Subgroup	3
V 30 Estaciones de Servicios, S.A.	-	Valencia	Services	100%	ACCIONA Real Estate Subgroup	191
Valgrand 6, S.A.	-	Madrid	Real Estate	100%	ACCIONA Real Estate Subgroup	366
Vector-Cesa Hellas Likosterna Epe		Greece	Energy	90%	Cesa Hellas Subgroup	16
Viajes Eurotras, S.A.	(A)	Cádiz	Logistics services	100%	Trasmediterranea Subgroup	1,000
Volkmarisdorfer	(C)	Germany	Energy	100%	ACCIONA Energía Internacional Subgroup	6,925
Windtricity	-	USA	Energy	50%	Green Wind Subgroup	--
Yagonova. S.L.	-	A Coruña	Energy	100%	Ceólica Subgroup	273
Yeong Yang Windpower	-	South Korea	Energy	100%	ACCIONA Energía Subgroup	5

(*) Companies whose financial statements are audited by: (A) Deloitte (B) PricewaterhouseCoopers (C) KPMG (D) Other

APENDIX II

Jointly controlled entities

The jointly controlled entities proportionately consolidated in 2006, in accordance with IFRSs, and the information thereon are as follows (amounts in thousands of euros):

Jointly Controlled Entities	Auditor (*)	Jointly Controlled Entities	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Altai Gestión, S.A.	(A)	Madrid	Services	50%	ACCIONA Inmobiliaria Subgroup	30
Altai Hoteles Condal, S.L.	-	Madrid	Services	50%	ACCIONA Inmobiliaria Subgroup	504
Altai Hoteles, S.A.	-	Madrid	Services	50%	ACCIONA Inmobiliaria Subgroup	987
Aparcamientos Cinelandia, S.A.	(D)	Brazil	Car parks	60%	ACCIONA Aparcamientos Subgroup	5,158
Arklow Phase II Company Ltd.	-	Republic of Ireland	Energy	50%	ACCIONA Energía Internacional Subgroup	475
Autovía de Los Viñedos, S.A.	(C)	Toledo	Concession operation	42%	ACCIONA	18,481
Becosa Eólico Alijar, S.A.	(D)	Cádiz	Energy	50%	ACCIONA Energía Subgroup	4,175
Becosa Eólico La Valdivia, S.A.	-	Seville	Energy	50%	ACCIONA Energía Subgroup	4,560
Beijing Casc Nanyuan ACCIONA Renewable Energy	-	China	Energy	45%	ACCIONA Energía Internacional Subgroup	465
Bioetanol Energético	-	Madrid	Energy	50%	Biocombustibles Subgroup	804
Bioetanol Energético La Mancha	(C)	Madrid	Energy	50%	Biocombustibles Subgroup	1,200
Constructora Necso Sacyr Chile, S.A.	(B)	Chile	Construction	50%	ACCIONA Infraestructuras Internacional Chile Subgroup	7
Constructora Sacyr Necso Chile, S.A.	(B)	Chile	Construction	50%	ACCIONA Infraestructuras Internacional Chile Subgroup	7
Corporation D'investissements Éoliennes St. Lauren	-	Canada	Energy	38%	Green Canada Subgroup	--
Depurar 8B, S.A.	-	Aragón	Water treatment	50%	ACCIONA Agua Subgroup	--
Desarrollo de Energías Renovables de Navarra, S.A.	(C)	Navarra	Energy	50%	ACCIONA Energía Subgroup	4,936
Desarrollos Comerciales y de Ocio Lorca, S.L.	-	Madrid	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	2,748
Desarrollos y Construcciones, S.A. de CV	(D)	México	Construction	50%	ACCIONA Infraestructuras Subgroup	3,017
Energías Renovables Mediterráneas, S.A.	(C)	Valencia	Energy	50%	Subgrupo ACCIONA Energía	79,500
Energy Corp Hungary Kft	(D)	Hungary	Energy	43,52%	Cesa Subgroup	67
Energy Farming-Ehn GmbH	(C)	Germany	Energy	50%	ACCIONA Energía Internacional Subgroup	13
Erg Cesa Eólica, S.P.A.	-	Italy	Energy	50%	Cesa Subgroup	3,743

Jointly Controlled Entities	Auditor (*)	Jointly Controlled Entities	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Freyssinet, S.A.	(A)	Vizcaya	Construction	50%	ACCIONA Infraestructuras Subgroup	5,261
Funerarias Gaditanas Asociadas, S.L.	-	Cádiz	Services	50%	Intur Servicios Funerarios Subgroup	30
Global de Energías Eólicas Al-Andalus, S.A.	(B)	Zamora	Energy	50%	Ceólica Subgroup	4
Grupo Lar Gran Sarria, S.L.	(A)	Madrid	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	2,445
Guadalaviar Consorcio Eólico Alabe Enerfin, S.A.	-	Madrid	Energy	50%	IDC Subgroup	15
Iniciativas Energéticas Renovables, S.L.	-	Navarra	Energy	50%	ACCIONA Energía Subgroup	15
Inmobiliaria Nueva Orleans	(A)	Madrid	Real Estate	50%	Inviarcon Subgroup	220,200
Inmobiliaria Parque Reforma, S.A. de CV	(A)	Mexico	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	224
La Compagnie Du Vent, S.A.	(D)	France	Energy	50%	ACCIONA Energía Subgroup	7,688
Nantong Casc ACCIONA Windturbine	-	China	Energy	45%	ACCIONA Energía Internacional Subgroup	4,636
Neclar Gestión, S.L.	-	Madrid	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	30
Necsan Inmuebles, S.L.	-	Madrid	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	1,095
Necsoluz, S.L.	-	Madrid	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	330
Necsortgaz, S.L.	(A)	Madrid	Construction	50%	ACCIONA Inmobiliaria Subgroup	2,706
Nova Dársena Deportiva De Bara, S.A.	-	Madrid	Real Estate	50%	ACCIONA	1,866
Nuevo Tanatorio, S.L.	-	Castellón	Services	50%	Intur Servicios Funerarios Subgroup	60
Operalia Sociedad de Operación y Logísticas de Infraestructuras, S.A.	-	Chile	Concession operation	50%	ACCIONA Infraestructuras Chile Subgroup	7
Parque Eólico A Runa, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	7,213
Parque Eólico Adrano, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	7,580
Parque Eólico Ameixenda Filgueira, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	6,784
Parque Eólico Cinseiro, S.L.	(B)	Zamora	Energy	50%	Ceólica Subgroup	515
Parque Eólico Curras, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	1,924
Parque Eólico de Abara, S.L.	(B)	A Coruña	Energy	50%	Ceólica Subgroup	1
Parque Eólico de Bobia y San Isidro, S.L.	(A)	Asturias	Energy	50%	Ceólica Subgroup	559
Parque Eólico de Deva, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	3,576
Parque Eólico de Rioboo, S.L.	-	A Coruña	Energy	50%	Ceólica Subgroup	1
Parque Eólico de Tea, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	6,523

Jointly Controlled Entities	Auditor (*)	Jointly Controlled Entities	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Parque Eólico Vicedo, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	564
Parque Eólico Virxe Do Monte, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	5,406
Parques Eólicos de Buio, S.L.	(A)	A Coruña	Energy	50%	Ceólica Subgroup	4,393
Polígono Romica, S.A.	(D)	Albacete	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	906
Retiro Inmuebles, S.L.	-	Madrid	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	356
Secomsa Gestió, S.L.	-	Tarragona	Urban services	50%	ACCIONA Servicios Urbanos Subgroup	3,033
Servicios Comunitarios de Molina de Segura, S.A.	(D)	Murcia	Urban services	48%	ACCIONA Agua Subgroup	3,805
Sistemas Electric Esplugu, S.A.	-	Barcelona	Energy	50%	ACCIONA Energía Subgroup	8
Sociedad Concesionaria Autopista Metropolitana	(B)	Chile	Concession operation	50%	ACCIONA Infraestructuras Chile Subgroup	29,494
Sociedad Concesionaria Del Canal de Navarra, S.A.	(D)	Navarra	Concession operation	35%	ACCIONA	1,138
Sociedad Concesionaria del Litoral Central	(B)	Chile	Concession operation	50%	ACCIONA Infraestructuras Chile Subgroup	10,220
Tanatorio de Linares, S.L.	-	Jaén	Services	39%	Intur Servicios Funerarios Subgroup	61
Terratest Técnicas Especiales, S.A.	(B)	Madrid	Construction	45%	ACCIONA Infraestructuras Subgroup	450
Torre Lugano, S.L.	(A)	Valencia	Real Estate	50%	ACCIONA Inmobiliaria Subgroup	4,717
Tractament I Revalorización Residus del Maresme, S.A.	(D)	Barcelona	Waste treatment	45%	Cessa Subgroup	1,623
Tranvía de Parla, S.A.	(A)	Madrid	Concession operation	43%	ACCIONA	3,976
Tripower Wind, B.V.	(A)	The Netherlands	Energy	50%	Ceólica Subgroup	11,797
Túnel d'Envalira, S.A.	(C)	Andorra	Concession operation	40%	ACCIONA	3,360
Zenith	(A)	Madrid	Services	49%	Multiservicios ACCIONA Facility Services (form. Ramel) Subgroup	1,563
Zeusford Ltd.	-	Republic of Ireland	Energy	50%	ACCIONA Energía Internacional Subgroup	2,505

(*) Companies whose financial statements are audited by: (A) Deloitte (B) PricewaterhouseCoopers (C) KPMG (D) Other

APPENDIX III

Companies accounted for using the equity method

The associates accounted for using the equity method in 2006, in accordance with IFRSs, and the information thereon are as follows (amounts in thousands of euros):

Companies Accounted for Using the Equity Method	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Camarate Golf, S.A.	(A)	Madrid	Real Estate	22%	ACCIONA Inmobiliaria Subgroup	3,934
Cisbalim	-	Toledo	Services	40%	Multiservicios ACCIONA Facility Services (form. Ramel) Subgroup	100
Concesiones de Madrid, S.A.	(A)	Madrid	Concession operation	33%	ACCIONA, ACCIONA Infraestructuras Subgroup and ACCIONA Concesiones Subgroup	17,200
Creuers Del Port de Barcelona, S.A.	(A)	Barcelona	Services	23%	Trasmediterranea Subgroup	691
Del Moral Servicios Funerarios, S.L.	-	Granada	Services	33%	Eurofunerarias Subgroup	96
Empresa Concesionaria de Rodovias Do Norte, S.A.	(A)	Brazil	Concession operation	25%	ACCIONA do Brasil Subgroup	807
Explotaciones Eólicas Sierra de Utrera, S.L.	-	Madrid	Energy	25%	Ceólica Hispania Subgroup	1,035
Ferrimaroc Agencias, S.L.	-	Almería	Services	50%	Cenargo Subgroup	15
Ferrimaroc, S.A.	-	Morocco	Services	50%	Cenargo Subgroup	22
Gestión Valencia Litoral, S.L.	-	Valencia	Real Estate	20%	ACCIONA Inmobiliaria Subgroup	256
Gestora de Cruceros, S.L.	-	Madrid	Services	50%	Trasmediterranea Subgroup	100
Ibiza Consignatarios, S.L.	-	Ibiza	Services	50%	Trasmediterranea Subgroup	2
Infraestructuras Radiales, S.A.	(C)	Madrid	Concession operation	25%	ACCIONA, ACCIONA Infraestructuras Subgroup and ACCIONA Concesiones Subgroup	22,350
Inneo 21, S.L.	-	Madrid	Energy	49%	ACCIONA Wind Power Subgroup	1,155
Locub, S.A.	-	Andorra	Construction	33%	ACCIONA Infraestructuras Subgroup	20
Montornes Tractamente Termic Eficient, S.A.	(D)	Barcelona	Services	40%	ACCIONA Agua Subgroup	290
Natural Climate Systems, S.A.	(C)	Navarra	Energy	22%	ACCIONA Energía Subgroup	440
Nexotel Adeje, S.A.	-	Canary Islands	Services	33%	ACCIONA Inmobiliaria Subgroup	4,895
Nexotel Gestión	-	Canary Islands	Services	33%	ACCIONA Inmobiliaria Subgroup	149
Portal Golf Fomento, S.A.	-	Madrid	Technology	33%	Tictres Subgroup	6,389

Companies Accounted for Using the Equity Method	Auditor (*)	Location	Main Business Line	% of Ownership (Nominal)	Shareholder	Carrying Amount
Ruta de los Pantanos, S.A.	(A)	Madrid	Concession operation	25%	ACCIONA, ACCIONA Infraestructuras Subgroup and ACCIONA Concesiones Subgroup	3,546
Serveis Funeraris de Barcelona, S.A.	(B)	Barcelona	Services	49%	Pompas Fúnebres Mediterráneas Subgroup	61,543
Solena Group	-	USA	Concession operation	25%	ACCIONA Servicios Urbanos y MA Subgroup	3,794
Transportes Ferroviarios de Madrid, S.A.	(A)	Madrid	Concession operation	12%	ACCIONA and ACCIONA Infraestructuras Subgroup	4,727
Tranvía Metropolitana del Besos, S.A.	(C)	Barcelona	Concession operation	12%	ACCIONA Concesiones Subgroup and ACCIONA Infraestructuras Subgroup	3,570
Tranvía Metropolitana, S.A.	(C)	Barcelona	Concession operation	12,40%	ACCIONA, ACCIONA Concesiones Subgroup and ACCIONA Infraestructuras Subgroup	3,427

(*) Companies whose financial statements are audited by: (A) Deloitte; (B) PricewaterhouseCoopers; (C) KPMG (D) Other

APPENDIX IV

Changes in the scope of consolidation

The changes in the scope of consolidation in 2006 were as follows:

Company	Location	Main Business Line	Change	2006 Consolidation Method
ACCIONA Administradora de C.E. Cesa, S.L.	Madrid	Other Businesses	Addition	Full consolidation
ACCIONA Concesiones USA, Llc	EEUU	Concessions	Addition	Full consolidation
ACCIONA Energía Chile, S.A.	Chile	Energy	Addition	Full consolidation
ACCIONA Inversiones Corea, S.L.	Navarra	Energy	Addition	Full consolidation
ACCIONA Energía India, Co.	India	Energy	Addition	Full consolidation
ACCIONA Energía México, SRL	México	Energy	Addition	Full consolidation
ACCIONA Energía Solar, S.L.	Navarra	Energy	Addition	Full consolidation
ACVYL Aparcamientos, S.A.	Murcia	Services	Addition	Full consolidation
Agua Salada del Sur, S.L.	Tenerife	Real Estate	Addition	Proportionate consolidation
Aparcament Vertical del Maiá, S.A.	Andorra	Services	Addition	Full consolidation
Argoras Energía, S.L.	Barcelona	Energy	Addition	Full consolidation
Asturalter, S.L.	Asturias	Energy	Addition	Full consolidation
Bana H2 Szeleromu Megujulo Energia Hasznosito, KFT	Hungary	Energy	Addition	Proportionate consolidation

Company	Location	Main Business Line	Change	2006 Consolidation Method
Becosa Eólico Valdivia, S.A.	Seville	Energy	Addition	Proportionate consolidation
Biodiésel Cartagena, S.L.	Navarra	Energy	Addition	Full consolidation
Biodiésel Castellón, S.L.	Navarra	Energy	Addition	Full consolidation
Biodiésel Coruña, S.L.	Navarra	Energy	Addition	Full consolidation
Biodiésel del Esla Campos, S.A.	Navarra	Energy	Addition	Full consolidation
Biodiésel Sagunt, S.L.	Navarra	Energy	Addition	Full consolidation
Biomasa Sangüesa, S.L.	Navarra	Energy	Addition	Full consolidation
Cabaró 21, S.L.	Barcelona	Energy	Addition	Full consolidation
Carnotavento, S.A.	A Coruña	Energy	Addition	Pta Equivalencia
CEATESALAS, S.A.	Madrid	Energy	Addition	Full consolidation
Ceólica Hispania, S.L.	Madrid	Energy	Addition	Full consolidation
Cesa Eolo Sicilia Srl	Italy	Energy	Addition	Proportionate consolidation
Cesa Hellas, S.A.	Greece	Energy	Addition	Full consolidation
Compañía Eólica de Puertollano, S.L.	Madrid	Energy	Addition	Proportionate consolidation
Compañía Eólica Granadina, S.L.	Granada	Energy	Addition	Full consolidation
Corporación Eólica Catalana, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica Cesa, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica de Barruelo, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica de Manzanedo, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica de Valdivia, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica de Zamora, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica del Duero, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica La Cañada, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica Los Alcañices, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica Palentina, S.L.	Madrid	Energy	Addition	Full consolidation
Corporación Eólica Sora, S.A.	Zaragoza	Energy	Addition	Full consolidation
Corporation D'Investissements Éoliennes St Laurent Inc.	Canada	Energy	Addition	Proportionate consolidation
Corporation D'Investissements Éoliennes St Ulric Inc.	Canada	Energy	Addition	Proportionate consolidation
Del Moral Servicios Funerarios, S.L.	Granada	Services	Addition	Equity method
Depurar 8B, S.A.	Aragón	Services	Addition	Proportionate consolidation
El Endino Eólica, S.L.	Madrid	Energy	Addition	Full consolidation
Energea Cogeneración y Térmico, S.L.	Barcelona	Energy	Addition	Full consolidation

Company	Location	Main Business Line	Change	2006 Consolidation Method
Energiea Servicios y Mantenimiento, S.L.	A Coruña	Energy	Addition	Full consolidation
Energías del Cantábrico, S.L.	Madrid	Energy	Addition	Full consolidation
Energías Renovables de Ricobayo, S.A.	Madrid	Energy	Addition	Full consolidation
Energías Renovables El Abra, S.L.	Vizcaya	Energy	Addition	Full consolidation
Energías Renovables Peña Nebina, S.L.	Madrid	Energy	Addition	Full consolidation
Energy Corp Hungary, KFT	Hungary	Energy	Addition	Proportionate consolidation
Ensenada de Renovables, S.L.	Madrid	Energy	Addition	Full consolidation
Eólica de Belorado, S.L.	Madrid	Energy	Addition	Full consolidation
Eólica de Pisuerga, S.L.	Madrid	Energy	Addition	Full consolidation
Eólica de Sanabria, S.L.	Madrid	Energy	Addition	Full consolidation
Eólica Gallega del Atlántico, S.L.	A Coruña	Energy	Addition	Full consolidation
Eólicas Cidacos, S.L.	La Rioja	Energy	Addition	Proportionate consolidation
Eólicas de Moncayo, S.L.	Soria	Energy	Addition	Full consolidation
Eólicas de Montellano, S.L.	Madrid	Energy	Addition	Full consolidation
Eólicos Breogán, S.L.	Pontevedra	Energy	Addition	Full consolidation
Eoliki Evripoy Cesa Hellas EPE	Greece	Energy	Addition	Full consolidation
Eoliki Panachaikou S.A.	Greece	Energy	Addition	Full consolidation
Eoliki Paralimnis Cesa Hellas EPE	Greece	Energy	Addition	Full consolidation
Erg Cesa Basilicata Srl	Italy	Energy	Addition	Proportionate consolidation
Erg Cesa Calabria Srl	Italy	Energy	Addition	Proportionate consolidation
Erg Cesa Eólica, S.p.a.	Italy	Energy	Addition	Proportionate consolidation
Erg Cesa Molise Srl	Italy	Energy	Addition	Proportionate consolidation
ES Legarda, S.L.	Navarra	Energy	Addition	Full consolidation
Eurofunerarias, S.A.	Madrid	Services	Addition	Full consolidation
Europa Ferrys, S.A.	Cádiz	Logistics	Addition	Full consolidation
Eurovento, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Explotaciones Eólicas Monte Endino, S.L.	Madrid	Energy	Addition	Full consolidation
Explotaciones Eólicas Sierra de Utrera, S.L.	Madrid	Energy	Addition	Pta Equivalencia
Finanzas y Cartera Dos, S.A.	Madrid	Other Businesses	Addition	Full consolidation
Finanzas y Cartera Uno, S.A.	Madrid	Other Businesses	Addition	Full consolidation

Company	Location	Main Business Line	Change	2006 Consolidation Method
Funeraria Osuna, S.L.	Seville	Services	Addition	Full consolidation
Funeraria Torre Giraltó, S.L.	Tarragona	Services	Addition	Full consolidation
Generación de Energía Renovable, S.A.	Álava	Energy	Addition	Full consolidation
Gestión Valencia Litoral, S.L.	Valencia	Real Estate	Addition	Equity method
Global de Energías Eólicas Al-Andalus, S.A.	Madrid	Energy	Addition	Proportionate consolidation
Green Vicari Srl.	Italy	Energy	Addition	Proportionate consolidation
Green Wind Corporation	USA	Energy	Addition	Full consolidation
Green Wind of Canada Corp.	USA	Energy	Addition	Full consolidation
GW Scotia Wind Ltd.	Canada	Energy	Addition	Full consolidation
Hospital de León Bajío, S.A. de C.V.	Mexico	Services	Addition	Full consolidation
Iber Rail France, S.L.	France	Logistics	Addition	Full consolidation
Ingeniería de Energía Renovable, S.A.	Álava	Energy	Addition	Full consolidation
KS, Sp Z.o.o.	Polonia	Real Estate	Addition	Full consolidation
Líneas Eléctricas Asturianas, S.L.	Asturias	Energy	Addition	Proportionate consolidation
Líneas Eléctricas Gallegas II, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Líneas Eléctricas Gallegas III, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Líneas Eléctricas Gallegas, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Montornès Tractament Termic Eficient, S.A.	Barcelona	Services	Addition	Equity method
Mov-R H1 Szeleromu Megujulo Energia Hasznosito, KFT	Hungary	Energy	Addition	Proportionate consolidation
Notos Produção de Energia, LDA	Portugal	Energy	Addition	Full consolidation
Operalia Sociedad de Operación y Logísticas de Infraestructuras, S.A.	Chile	Concessions	Addition	Proportionate consolidation
Osietle Lesne, S.P. Z.o.o.	Poland	Real Estate	Addition	Full consolidation
Páramo de los Angostillos, S.L.	Poland	Energy	Addition	Full consolidation
Parco Eolico Cocullo S.p.a.	Italy	Energy	Addition	Proportionate consolidation
Parque Eólico A Ruña, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico Adraño, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico Ameixenda Filgueira, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico Angostillos, S.L.	Madrid	Energy	Addition	Full consolidation
Parque Eólico Celada III, S.L.	Madrid	Energy	Addition	Full consolidation
Parque Eólico Celada V, S.L.	Madrid	Energy	Addition	Full consolidation

Company	Location	Main Business Line	Change	2006 Consolidation Method
Parque Eólico Cinseiro, S.L.	Zamora	Energy	Addition	Proportionate consolidation
Parque Eólico Curras, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico de Abara, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico de Barbanza, S.L.	A Coruña	Energy	Addition	Equity method
Parque Eólico de Bobia y San Isidro, S.L.	Asturias	Energy	Addition	Proportionate consolidation
Parque Eólico de Buio, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico de Deva, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico de Rioboo, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico de Tea, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico El Cuadrón, S.L.	Madrid	Energy	Addition	Full consolidation
Parque Eólico El Encinedo, S.L.	Madrid	Energy	Addition	Full consolidation
Société d' Exploitation de Vendéenne de L' Espinassiere	Francia	Energy	Addition	Full consolidation
Parque Eólico Fonteavía, S.L.	A Coruña	Energy	Addition	Full consolidation
Parque Eólico Goa, S.L.	A Coruña	Energy	Addition	Full consolidation
Parque Eólico La Esperanza, S.L.	Madrid	Energy	Addition	Proportionate consolidation
Parque Eólico Tortosa, S.L.	Barcelona	Energy	Addition	Full consolidation
Parque Eólico Vicedo, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parque Eólico Virxe do Monte, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Parques Eólicos de Ciudad Real, S.L.	Ciudad Real	Energy	Addition	Proportionate consolidation
Parques Eólicos de Extremadura, S.A.	Badajoz	Energy	Addition	Full consolidation
Parques Eólicos del Cerrato, S.L.	Madrid	Energy	Addition	Full consolidation
Pitágora SRL	Italy	Energy	Addition	Proportionate consolidation
Pridagua Tratamiento de Aguas y Servicios, Lda.	Portugal	Services	Addition	Full consolidation
Pridesa American Corporation	USA	Services	Addition	Full consolidation
Pridesa Proyectos y Servicios, S.A.	Madrid	Services	Addition	Full consolidation
Renovables de Valdeolea, S.L.	Madrid	Energy	Addition	Full consolidation
San Miguel 2000, S.L.	A Coruña	Energy	Addition	Full consolidation
Secomsa Gestió, S.L.	Tarragona	Services	Addition	Proportionate consolidation
Servicios Comunitarios de Molina de Segura, S.A.	Murcia	Services	Addition	Proportionate consolidation
SETESA Mantenimiento Técnico, S.A.	Madrid	Services	Addition	Full consolidation

Company	Location	Main Business Line	Change	2006 Consolidation Method
Sistema Eléctrico de Evacuación Eólica en Subestación Grijota, C.B.	Madrid	Energy	Addition	Full consolidation
Sistemas Eléctrics Esplugu, S.A.	Barcelona	Energy	Addition	Proportionate consolidation
Sistemas Energéticos de Roa, S.A.	Madrid	Energy	Addition	Proportionate consolidation
Sistemas Energéticos el Granado, S.A.	Seville	Energy	Addition	Full consolidation
Sistemas Energéticos Sayago, S.L.	Madrid	Energy	Addition	Full consolidation
Sistemas Energéticos Tinajas Castejón, S.A.U.	Toledo	Energy	Addition	Full consolidation
Sistemas Energéticos Valle de Sedano, S.A.	Madrid	Energy	Addition	Full consolidation
Sistemas Energéticos Villalba, S.A.U.	Toledo	Energy	Addition	Full consolidation
Sociedad Concesionaria del Canal de Navarra, S.A.	Navarra	Concessions	Addition	Proportionate consolidation
Sociedad Concesionaria Puente del Ebro, S.A.	Aragón	Concessions	Addition	Full consolidation
Solena Group Inc	EEUU	Concessions	Addition	Equity method
Tajro, Sp Z.o.o.	Poland	Real Estate	Addition	Full consolidation
Ternua Holdings, B.V.	The Netherlands	Energy	Addition	Full consolidation
Terranova Energy Corporation	USA	Energy	Addition	Full consolidation
Terranova Energy Corporation, S.A.	Barcelona	Energy	Addition	Full consolidation
Tours and Incentives, S.A.U.	Madrid	Logistics	Addition	Full consolidation
Toyonova, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Tripower Wind, B.V.	The Netherlands	Energy	Addition	Proportionate consolidation
Tucana, Sp S.o.o.	Polonia	Real Estate	Addition	Full consolidation
Turismo y Aventuras, S.A.U.	Madrid	Logistics	Addition	Full consolidation
VCC Abruzzo, SRL	Italy	Energy	Addition	Equity method
VCC Agrigento 2, SRL	Italy	Energy	Addition	Equity method
VCC Agrigento, SRL	Italy	Energy	Addition	Equity method
VCC Caltanissetta, SRL	Italy	Energy	Addition	Proportionate consolidation
VCC Cosenza, SRL	Italy	Energy	Addition	Equity method
VCC Enna, SRL	Italy	Energy	Addition	Equity method
VCC Messina, SRL	Italy	Energy	Addition	Equity method
VCC Palermo, SRL	Italy	Energy	Addition	Equity method
VCC Trapani 3, SRL	Italy	Energy	Addition	Equity method
VCC Trapani, SRL	Italy	Energy	Addition	Equity method

Company	Location	Main Business Line	Change	2006 Consolidation Method
Vector-Cesa Hellas Likosterna EPE	Greece	Energy	Addition	Full consolidation
Vento Mareiro, S.L.	A Coruña	Energy	Addition	Equity method
Ventos e Terras Galegas II, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Ventos e Terras Galegas, S.L.	A Coruña	Energy	Addition	Proportionate consolidation
Viajes Eurotras, S.A.	Cádiz	Logística	Addition	Full consolidation
Yagonova, S.L.	A Coruña	Energy	Addition	Full consolidation
Yeong Yang Windpower Corporation	South Korea	Energy	Addition	Full consolidation
Ambigal, A.I.E.	Portugal	Infrastructure	Removal	Equity method
Asfaltats de Mallorca, S.A.	Balearic Islands	Infrastructure	Removal	Full consolidation
Corporation D'Investissements Éoliennes St Ulric Inc.	Canada	Energy	Removal	Proportionate consolidation
Eis Marítimo, S.A.	Madrid	Logistics	Removal	Equity method
Grupo Vocento	Madrid	Other Businesses	Removal	Equity method
GW Scotia Wind Ltd.	Canada	Energy	Removal	Full consolidation
Infilco Necso Ingeniería Chile, Ltda.	Chile	Infrastructure	Removal	Full consolidation
Jhonson Controls GR IFM, S.L.	Madrid	Services	Removal	Equity method
La Luz Terminal de Contenedores, S.A.	Las Palmas	Services	Removal	Full consolidation
Lavado del Plaza, S.L.	Madrid	Real Estate	Removal	Proportionate consolidation
Naviera de Ceuta, S.A.	Ceuta	Logistics	Removal	Pta Equity method
Techno Constructors, S.A.	Valencia	Services	Removal	Equity method
Terminal de Contenedores Mid Atlantic, S.A.	Las Palmas	Services	Removal	Full consolidation
Terminal Polivalente del Puerto de Cádiz, S.A.	Madrid	Logistics	Removal	Pta Equivalencia
Transmitjorn, S.L.	Balearic Islands	Logistics	Removal	Pta Equivalencia
Agencia Marítima Transhispánica, S.A.	Madrid	Logistics	Method change	Full consolidation
INR Eólica, S.A.	Seville	Energy	Method change	Full consolidation
Terminal de Carga Rodada, S.A.	Madrid	Logistics	Method change	Full consolidation
Zenith Servicios Integrales, S.A.	Madrid	Services	Method change	Proportionate consolidation
Agencia Funeraria Borges, LTDA.	Portugal	Services	Merger with Eurostewat Portugal Actividade, Ltda	Full consolidation
Companhia Funeraria e Decorativa Portuense, S.A.	Portugal	Services	Merger with Servilusa Agencias Funerarias	Full consolidation
Vitor & Joao, S.L.	Portugal	Services	Fusión con Eurostewat	Full consolidation

Company	Location	Main Business Line	Change	2006 Consolidation Method
EHN Rehfeld, GMBH	Germany	Energy	Fusión con EHN Rosenthal, GMBH	Full consolidation
EHN Uebigau, GMBH	Germany	Energy	Fusión con EHN Rosenthal, GMBH	Full consolidation

The changes in the scope of consolidation in 2005 were as follows:

Company	Location	Main Business Line	Change	2005 Consolidation Method
Funerarias del Altoaragón, S.L.	Huesca	Services	Addition	Full consolidation
Press Cargo Brazil	Brazil	Logistics	Addition	Full consolidation
Altai Hoteles Condal, S.L.	Madrid	Real Estate	Addition	Proportionate consolidation
Grupo Lar Gran Sarriá, S.L.	Madrid	Real Estate	Addition	Proportionate consolidation
Desarrollos Revolt del Llobregat, S.L.	Madrid	Real Estate	Addition	Full consolidation
ACCIONA Real Estate, S.A.	Madrid	Real Estate	Addition	Full consolidation
Sociedad Concesionaria Hospital del Norte, S.A.	Madrid	Concession operation	Addition	Full consolidation
ACCIONA Servicios Concesionales, S.L.	Madrid	Concession operation	Addition	Full consolidation
ACCIONA Servicios Urbanos y Medioambientales, S.L.	Madrid	Services	Addition	Full consolidation
Tranvía de Parla	Madrid	Concession operation	Addition	Proportionate consolidation
Industria Toledana de Energías Renovables	Toledo	Energy	Addition	Full consolidation
Soluciones Mecánicas y Tecnológicas	Pamplona	Energy	Addition	Full consolidation
EHN Deutschland GMBH	Germany	Energy	Addition	Full consolidation
Grupo Ramel	Barcelona	Services	Addition	Full consolidation
Nova Dársena Deportiva de Bara, S.A.	Madrid	Concession operation	Addition	Proportionate consolidation
ACCIONA Eólica de Castilla-La Mancha	Madrid	Energy	Addition	Full consolidation
Press Cargo Tren, S.A.	Canary Islands	Logistics	Addition	Full consolidation
Beijing Casc Nanyuan ACCIONA Renewable Energy Corp Ltd	China	Energy	Addition	Proportionate consolidation
Nantong Casc Wanyuan ACCIONA Windturbine Manufacture Corp	China	Energy	Addition	Proportionate consolidation
Energías Alternativas de Teruel, S.A.	Teruel	Energy	Addition	Full consolidation
Enerteam, S.A.	Vitoria	Energía	Addition	Full consolidation
Inneo 21, S.L.	Madrid	Energy	Addition	Equity method

Company	Location	Main Business Line	Change	2005 Consolidation Method
Nexotel Gestión	Canary Islands	Real Estate	Addition	Equity method
Subgrupo Inosa	Madrid	Real Estate	Addition	Proportionate consolidation
Palmatrans, S.A.	Palma	Logistics	Addition	Full consolidation
Transmitjorn, S.L.	Palma	Logistics	Addition	Equity method
Global Antare, S.L.	Madrid	Real Estate	Addition	Full consolidation
Arsogaz, S.L.	Madrid	Real Estate	Addition	Full consolidation
Medio Ambiente Dalmau Extremadura	Valencia	Services	Addition	Full consolidation
Mostostal Invest	Poland	Real Estate	Addition	Full consolidation
Parque Reforma Santa Fe, S.A. de CV	Mexico	Construction	Addition	Full consolidation
Millatres 2003, S.L.	Tenerife	Logistics	Addition	Full consolidation
Companhia Funeraria e Decorativa Portuense	Portugal	Services	Addition	Full consolidation
Biodiésel Bilbao	Bilbao	Energy	Addition	Full consolidation
Compagnie Éolienne Terrestre	France	Energy	Addition	Proportionate consolidation
Compagnie Éolienne Méditerranée	France	Energy	Addition	Proportionate consolidation
Pyrenées Wind Energy Holdings Pty Ltd	Melbourne	Energy	Addition	Proportionate consolidation
Chin Chute JV	Canada	Energy	Addition	Proportionate consolidation
Ripley Windfarm JV	Canada	Energy	Addition	Proportionate consolidation
Canadian Renewable Energy Development Inc	Canada	Energy	Addition	Full consolidation
Holberg Wind Energy Gp Inc	Canada	Energy	Addition	Proportionate consolidation
Bison Wind Inc	Canada	Energy	Addition	Proportionate consolidation
ACCIONA Energy Development Canadá Inc	Canada	Energy	Addition	Full consolidation
White Shield Wind Project, Llc	USA	Energy	Addition	Proportionate consolidation
Velva Windfarm, Llc	USA	Energy	Addition	Full consolidation
Pacific Renewable Energy Generation, Llc	USA	Energy	Addition	Full consolidation
Table Mountain Wind, Llc	USA	Energy	Addition	Full consolidation
Aes-Ehn Ny Windpower, Llc	USA	Energy	Addition	Proportionate consolidation
Aes-Ehn St. Lawrence, Llc	USA	Energy	Addition	Proportionate consolidation
Aes-Ehn West Hill, Llc	USA	Energy	Addition	Proportionate consolidation
Marble River Landholdings, Llc	USA	Energy	Addition	Proportionate consolidation
Marble River , Llc	USA	Energy	Addition	Proportionate consolidation

Company	Location	Main Business Line	Change	2005 Consolidation Method
ACCIONA Solar Energy, LLC	USA	Energy	Addition	Full consolidation
Bio/Solar Energías, LLC	USA	Energy	Addition	Proportionate consolidation
Solargenix Energy, Inc	USA	Energy	Addition	Full consolidation
Nvs1 Investment Group, LLC	USA	Energy	Addition	Full consolidation
Nvs1 Finacial, LLC	USA	Energy	Addition	Full consolidation
Nevada Solar One, LLC (Boulder City)	USA	Energy	Addition	Full consolidation
Centro de Transportes de Valencia, S.A.	Valencia	Real Estate	Removal	Equity method
Cubiertas Gibraltar	Gibraltar	Construction	Removal	Full consolidation
Jumpers	Gibraltar	Construction	Removal	Full consolidation
ACCIONA Energía, S.A.	Navarra	Energy	Method change	Full consolidation
Kw Tarifa, S.A.	Madrid	Energy	Method change	Full consolidation
ACCIONA Solar Canarias, S.A.	Canary Islands	Energy	Method change	Proportionate consolidation
Pompas Fúnebres de Albacete, S.L.	Albacete	Services	Method change	Full consolidation

APPENDIX V

Detail of consolidated reserves and translation differences

Amounts in thousands of euros

Company	2006		2005	
	Consolidated Reserves	Translation Differences	Consolidated Reserves	Translation Differences
ACCIONA Airport Services, S.A.	(111)	--	(42)	--
ACCIONA Airport Services Berlin GmbH	(4,715)	--	(4,775)	--
ACCIONA Airport Services Frankfurt GmbH	(3,609)	--	(7,011)	--
ACCIONA Concesiones USA	--	(3)	--	--
Autopista de los Viñedos, S.A.	(1,640)	--	(3,769)	--
Grupo Vocento, S.A.	--	--	13,174	--
Cirtover, S.L.	956	--	946	--
Coefisa, S.A.	704	(1)	710	(7)
Concesiones de Madrid, S.A.	(5,190)	--	(4,804)	--
Compañía Internacional de Construcciones, S.A.	4,353	78	4,330	93
Copane Valores, S.L.	2,051	--	659	--
Dren, S.A.	972	--	1,029	--
Ecoparque de La Rioja, S.L.	(47)	--	--	--
Entidad Efinen, S.A.	(4,339)	--	(4,339)	--
Etime Facilities, S.A.	(12)	--	53	--
Etime Seguridad, S.A.	51	--	27	--
Genérica de Construcciones y Mantenimiento Industrial, S.A.	624	--	586	--
Hospital del Bajío	--	1	--	--
Ibérica de Estudios e Ingeniería, S.A.	15,873	--	14,046	--
Inetime, S.A.	(799)	--	(850)	--
KW Tarifa, S.A.	2,076	--	559	--
Packativity, S.A.	(2,408)	--	(2,412)	--
Rendós, S.A.	(9,433)	--	(9,575)	--
Ruta de los Pantanos, S.A.	(2,997)	--	(2,949)	--
Sefinco, Ltd.	32,976	--	31,282	--
Sdad. Concesionaria Hospital del Norte, S.A.	(60)	--	(41)	--
Sociedad Levantina de Obras y Servicios, S.A.	4,088	--	4,363	--

Amounts in thousands of euros

Company	2006		2005	
	Consolidated Reserves	Translation Differences	Consolidated Reserves	Translation Differences
ACCIONA do Brasil Subgroup	3,445	(314)	2,462	1,662
ACCIONA Concesiones Subgroup	(1,027)	--	157	--
ACCIONA Inmobiliaria Subgroup	20,586	518	(6,390)	(287)
ACCIONA Logística Subgroup	18,193	(18)	6,441	10
ACCIONA Servicios Concesionales Subgroup	(31)	--	--	--
ACCIONA Servicios Urbanos y M.A. Subgroup	1,654	(177)	(424)	--
Alabe Subgroup	10,865	--	6,655	--
Bestinver Subgroup	46,216	--	24,357	--
Ceatesalas Subgroup	5,137	592	--	--
Corporación de Explotaciones y Servicios Subgroup	1,427	--	1,112	--
ACCIONA Energía Subgroup	126,054	(7,142)	54,063	3,387
Finanzas y Cartera Dos Subgroup	36	--	--	--
Finanzas Dos Subgroup	265,914	--	(4,089)	--
Hijos de Antonio Barceló Subgroup	30,585	295	28,923	23
Ineuropa de Cogeneración Subgroup	49,338	--	21,069	--
Infilco Española Subgroup	9,475	--	8,437	--
Infraestructuras Radiales Subgroup	(18,980)	--	(14,980)	--
MDC Airport Consult GmbH Subgroup	(3,877)	--	(5,044)	--
Mostostal Warszawa Subgroup	(14,865)	1,549	(10,163)	1,224
ACCIONA Infraestructuras Subgroup	201,890	(1,415)	186,954	2,344
Servicios Técnicos Urbanos Subgroup	24,687	--	14,241	--
ACCIONA Aparcamientos Subgroup	12,934	1,190	10,732	925
Terminal de Contenedores Mid Atlantic Subgroup	--	--	(5,490)	--
Tictres Subgroup	(15,287)	--	(15,091)	--
Tranvía Metropolitá Subgroup	(1,088)	--	(1,158)	--
Terminal de Contenedores Algeciras, S.A.	(3,369)	--	(3,671)	--
Terminal Polivalente del Ferrol, S.L.	(21)	--	(21)	--
Tibest Cuatro, S.A.	7,528	--	7,107	--
Transportes Ferroviarios de Madrid, S.A.	(2,689)	--	(2,628)	--
Túnel d Envalira, S.A.	2,877	--	1,846	--
Consolidation adjustments	58,343	--	65,088	--
Total	865,314	(4,847)	401,692	9,374

DIRECTORS' REPORT

ACCIONA, S.A. AND SUBSIDIARIES (CONSOLIDATED GROUP)

2006 DIRECTORS' REPORT

2006 saw the consolidation of the corporate identity of ACCIONA S.A. and its subsidiaries, which made a firm commitment towards sustainable development and technological innovation.

"Pioneers in development and sustainability" is the philosophy underlying ACCIONA's business approach and its vision of current socio economic reality. It is a project that encompasses all activities conducive to economic growth, ecological harmony and social progress.

Throughout the year, the Group's strategy was geared towards the selective opening-up of new markets and, consequently, ACCIONA's international presence was multiplied in countries such as the United States, Australia, Chile, India, Canada and Mexico. These countries were targeted for the diversification of ACCIONA's infrastructure, real estate and renewable energy businesses and its logistics, airport, urban and environmental services.

Income Statement and Business Performance

ACCIONA's financial reporting is based on its corporate organisation, which is structured into five divisions: ACCIONA Infrastructures, ACCIONA Real Estate, ACCIONA Energy, ACCIONA Logistics and Transport Services, ACCIONA Urban and Environmental Services and Other Activities.

In 2006 the consolidation for the whole year of the acquisitions made in 2005 and the consolidation of those made in 2006, combined with the across-the-board improvement in existing businesses, explain the growth in the consolidated Group's main economic aggregates.

Revenue

Consolidated revenue rose by 29.3% to EUR 6,272 million due to the good performance of all the Group's divisions. Noteworthy developments were the 29.5% sales growth reported by ACCIONA Infrastructure (which accounts for a significant proportion of Group revenue;) the solid 89.1% growth achieved by ACCIONA Urban and Environmental Services, due mainly to the consolidation of ACCIONA Facility Services (formerly Ramel), and the acquisition of Pridesa; and the 60.3% increase at ACCIONA Energy, resulting from the organic growth of the division and the consolidation of the Ceatesalas Group since the beginning of the year.

EBITDA

At 31 December EBITDA stood at EUR 960 million, which represents an increase of 29.2%. The EBITDA margin (EBITDA as a percentage of revenue) was 15.3%.

EBIT

EBIT stood at EUR 630 million, up 23.1% on the figure for the year-ago period, after considering the 42.6% increase in depreciation and amortisation resulting from the higher proportion of capital-intensive divisions. The EBIT margin (EBIT as a percentage of revenue) was 10.1%.

Profit Before Tax from Continuing Operations

This aggregate increased by 256.4% to reach EUR 1,757 million. This considerable growth is due mainly to the gains on the disposal of the ownership interests in FCC and Vocento and the result of the use of derivative financial instruments on Endesa shares.

Attributable Net Profit

Attributable net profit soared by 322.4% to reach EUR 1,370 million.

Earnings by Business Lines

In 2006 ACCIONA Infrastructure reported revenue of EUR 3,557 million, a year-on-year increase of 29.5%. EBITDA rose by 28.6% to reach EUR 279 million (with a margin of 7.9%), a reflection of the Group's continuing focus on portfolio profitability. Profit before tax climbed 58.5% to EUR 207 million.

At 31 December 2006, the construction backlog amounted to EUR 5,468 million, representing a 19.1% increase with respect to 2005 and over 18 months of activity.

This division's presence in the civil engineering market led to the obtainment of significant projects in 2006, which included various sections of the A-63 freeway (Asturias), the Vigo-Das Maceiras section of the AVE "Eje Atlántico" high-speed railway line (Pontevedra), Phase 1 of the Canal de Navarra irrigation infrastructure and the Bialobrzeg-Jedlinski road (Poland). As regards non-residential building construction projects, mention should be made of the Foresta business park, Phase 1 of the new Toledo General Hospital, and the new La Romareda football stadium (Zaragoza).

In 2006 ACCIONA Real Estate increased its sales by 5.1% to EUR 427 million. EBITDA grew by 12.1% and the margin was up 162 basis points on 2005 at 26.0%, signalling three consecutive years of growth and improved margins.

Advance sales of residential units grew by 16.9% with respect to 2005 to stand at EUR 463 million. In 2006 the Group continued to invest in land and made acquisitions totalling EUR 244 million.

ACCIONA Energy reported revenue of EUR 851 million and EBITDA of EUR 369 million, up 60.3% and 55.2%, respectively. This was the result of the consolidation of the Ceatesalas Group, acquired in January 2006, and the organic growth that led to increased installed capacity (65% in attributable terms) and higher power output (20%).

In 2006 the contribution of ACCIONA Logistics and Transport Services to Group EBITDA decreased by 9%, due to the impact of rising fuel prices and the opening of new lines. Profit before tax fell by 7% with respect to 2005. ACCIONA Trasmediterranea's passenger and cargo businesses continued to perform well, achieving increases of 16.8% and 7.3%, respectively.

ACCIONA's handling activity saw a 4.7% increase in the number of flights serviced, with major growth in the business both at domestic and German airports (mainly Berlin).

ACCIONA Urban and Environmental Services reported 89.1% sales growth, due to the consolidation of ACCIONA Facility Services (formerly Ramel) for the whole of 2006, the acquisition of Pridesa in the first half of the year and the growth in the operations of the other business lines included in this division: water supply, refuse collection, water treatment and funeral services.

ACCIONA Other Activities achieved a 34.4% increase in revenue. EBITDA rose by 58.9% to EUR 39 million as a result of the positive performance of the Group's other business activities. Profit before tax reflects the corporate income for the year, which relates mainly to the dividend from the ownership interest in FCC. Bestinver reported assets under management totalling EUR 4,493 million at 31 December 2006 (an increase of 49%).

Consolidated Balance Sheet

The total assets of ACCIONA and its subsidiaries increased by EUR 10,384 million in 2006 (up 95.2% on 2005), due largely to the investment made in the acquisition of the Ceatesalas Group, Pridesa and a 20.3% stake in Endesa.

Equity stood at EUR 4,633 million in 2006, mirroring the Group's sound financial structure, which enabled it to perform the transactions conducted in the year and guarantee its future development in the coming years.

Net financial debt was EUR 9,128 million at 31 December, signifying a leverage ratio of 197%, due mainly to the acquisition of a 20.3% ownership interest in Endesa and the intense investment activity in the period aimed at financing organic growth and corporate acquisitions. The Endesa transaction was financed through a syndicated loan of EUR 8,191 million, with a bullet repayment maturing at six years. 80% of this loan is debt without recourse to ACCIONA, thus enabling the Company to maintain its investment capacity.

Investments in 2006 totalled EUR 7,942 million, most of which was accounted for by the acquisition of the 20.3%

stake in Endesa. Investments at ACCIONA Real Estate involved the acquisition of land and property, those at ACCIONA Energy related mainly to the acquisition of Ceatesalas and the ongoing start-up implementation of new wind power capacity and those at ACCIONA Urban and Environmental Services were due to the purchase of Pridesa.

Salient Events in 2006

On 25 January 2006, the Group announced that it had acquired 84.7% of the shares of Ceatesalas, S.L. and had subscribed purchase options on the remaining 15.3% of its share capital for a total disbursement of EUR 973 million. Ceatesalas, S.L. is the holding company which owns 93.13% of the share capital of Corporación Eólica Cesa, S.L.

On 28 February 2006, the Group reported its results for the second half of 2005.

On 14 March 2006, the Group announced that it had acquired shares of Pridesa Proyectos y Servicios S.A.U. representing 100% of its share capital for a total of EUR 150 million.

At its meeting held on 22 March 2006, the Board of Directors of ACCIONA, S.A. resolved, inter alia, to authorise for issue the 2005 financial statements and to call the Annual General Meeting.

On 29 March 2006, the Group issued its Annual Corporate Governance Report for 2005.

On 10 May 2006, the shareholders at the Annual General Meeting approved, inter alia, the distribution of 2005 profit,

which entailed the distribution of a final dividend of EUR 1.44 per share, which was paid on 1 June 2006.

On 11 May 2006, the Group reported its results for the first quarter of 2006.

On 26 June 2006, ACCIONA announced that it had launched a tender offer on 50.60% of the share capital of Mostostal Warszawa, S.A.

On 21 August 2006, the Group reported its results for the first half of 2006.

On 25 September 2006, the Group announced that it had acquired shares of Endesa, S.A. representing 10% of this company's share capital.

On 26 September 2006, ACCIONA issued a press release on its acquisition of a 10% ownership interest in Endesa, S.A. and disclosed additional information on the purchase.

On 27 September 2006, ACCIONA announced that it had contracted financial coverage to neutralise the risk of fluctuation in the acquisition price for a 1.318% holding in the share capital of Endesa, S.A. in the event that the share price should deviate from EUR 34.79.

On 16 October 2006, ACCIONA disclosed information on the legal proceeding brought by E.ON against ACCIONA, S.A. and Finanzas Dos, S.A. at the US District Court for the Southern District of New York.

On 20 October 2006, the Group announced that since 26 September 2006 it had contracted financial coverage to neutralise the risk of fluctuation in the acquisition price for a total of 9.63% of the share capital of Endesa, S.A. at an average price of EUR 33.3.

On 6 November 2006, the Group announced that the Board of Directors of the Spanish National Energy Commission (CNE), in the session held on 3 November 2006, had authorised Finanzas Dos, S.A., a wholly-owned investee of ACCIONA, S.A., to increase its ownership interest in the share capital of Endesa, S.A. to a percentage that would not require the preparation of a takeover bid, pursuant to prevailing legislation.

On 10 November 2006, the Company announced that, after having obtained the required administrative authorisation from the aforementioned Spanish National Energy Commission, ACCIONA, S.A. had acquired in the market 101,983,965 Endesa, S.A. shares for a total amount of EUR 3,633,097,166 (EUR 35.6242 per share). Consequently, at that date ACCIONA, S.A. held a 19.63% ownership interest in the share capital of Endesa, S.A.

On 15 November 2006, the Group reported its results for the third quarter of 2006.

On 21 November 2006, Finanzas Dos, S.A., a wholly-owned investee of ACCIONA, S.A., acquired 3,891,248 shares of Endesa, S.A., representing 0.37% of the share capital, at an average price of EUR 35.9332 per share. This brought the total ownership interest in Endesa, S.A.'s share capital to 20%.

On 4 December 2006, it was announced that ACCIONA, S.A. and Grupo Inmocaral, S.A. had entered into an agreement on 1 December 2006, whereby ACCIONA irrevocably undertook to sell and transfer to Inmocaral, which in turn irrevocably undertook to purchase and acquire, 19,671,780 shares of Fomento de Construcciones y Contratas, S.A. ("FCC"), which represent the 15.06% stake in FCC's share capital owned by ACCIONA.

On 5 December 2006, ACCIONA, S.A. and Finanzas Dos, S.A. submitted the 13D schedule filed with the Securities and Exchange Commission (SEC) in relation to their investment in Endesa.

On 22 December 2006, the Company announced that on 21 December 2006, ACCIONA, S.A. and its subsidiary Finanzas Dos, S.A. had entered into a long-term financing agreement for the acquisition of 20% of Endesa's share capital for a total of EUR 8,191 million. The institutions participating in this financing agreement, which refinances the existing bridge facilities and has a bullet repayment maturing at six years, are BSCH, IMI San Paolo and BBVA, as book runners, Natexis and Calyon as SMLAs and RBS and BNP as MLAs.

Main Risks Associated with ACCIONA Group Business Activities

Due to its multi-industry scope and its geographical diversification, the ACCIONA Group carries on its business activities in a variety of socioeconomic environments in which external factors can influence the performance of its operations and the trend of its economic results.

The ACCIONA Group's risk management is based on its overall management system and, within this, a set of specific action procedures whose objective it is firstly to identify, evaluate and mitigate the risks and secondly to provide a coverage system (through insurance) to ensure that any situations in which risk arises do not jeopardise the Group's financial solvency.

The main risks relating to ACCIONA's business activities that can affect the Group's operations, economic position and results are as follows:

Changes in the Regulatory Framework A major part of the Group's business activities are subject to a wide range of governmental regulations. Amendments to these regulations can affect the businesses themselves and ACCIONA's economic results.

The ACCIONA Energy subsidiaries, which engage in the production of electricity from renewable energy sources, are subject to numerous regulations concerning tariffs and other aspects of their business in Spain and in each of the countries in which they operate. The introduction of new laws or regulations, or the amendment of existing laws and regulations, could have an adverse effect on the business activities and the results of operations.

The current legislative framework governing the tariff review system, including the remuneration of electricity generated, constitutes the main support mechanism for the development of these renewable sources and,

therefore, any modification thereto could have an adverse effect on the business activities and the results of operations.

Changes in Environmental Regulations. Certain Group operations are subject to extensive environmental regulations, changes in which could have a negative impact on the operations themselves and on economic results.

Environmental regulations, both at national and European Union level, are placing increasing demands on businesses in terms of the environmental impact studies required for many projects, the obtainment of environmental authorisations, permits and licences, and the strict compliance with numerous requirements stipulated in these authorisations.

This broad spectrum of environmental regulations has a direct influence on certain of the Group's activities. This is particularly evident in the ACCIONA Infrastructure construction area, in which environmental impact assessments must be performed for infrastructure projects, and in the ACCIONA Energy area, which, besides conducting the required environmental impact assessments, has to fulfil, inter alia, specifically for combined heat and power facilities, the requirements imposed by the National Assignment Plan.

Exposure to interest rate and currency risk In the performance of its activities the Group is exposed to the impact of changes in interest rates and fluctuations in foreign currency exchange rates.

Interest rate risk is particularly important in relation to the financing of infrastructure projects under concession contracts and the construction of wind farms, in which project profitability depends on possible changes in interest rates, since it is directly linked to project cash flows.

Suitable management of these risks using hedges and derivatives can avoid any major impact on results. However, the totally effective elimination of exposure to changes in interest rates and exchange rates cannot be guaranteed, and these changes may adversely affect the Group's financial position and results.

Other external factors that affect the business activities. The Group's business activities occasionally require the obtainment of government authorisations, permits and licences, the signature of public and private contracts and, where appropriate, the execution of construction work, the construction of installations, and a series of actions required for the production activity.

Delays in the obtainment of government authorisation or adverse political or regulatory changes in the countries in which the Group operates can lead to delays in the commencement of operations or to deficiencies in the work performed and the services rendered. This can have a negative effect on the Group's financial position and results.

Quality, environment and RDI

a) **Quality and environment:** ACCIONA's global vision of sustainability focuses on economic growth, ecological harmony and social progress. In order to attain this, the main

aim of our management systems is to ensure efficient process management, which is an essential condition for achieving economic efficiency.

ACCIONA regards the implementation, monitoring and enhancement of the management system as a risk control tool that enables it to achieve sustainable profits, with the required quality in our products and services, which means complying with requirements, reducing costs and respecting the environment.

With this emphasis on quality and excellence, progress was made in 2006 in initiatives aimed at improving the management systems. The objective is to increase their uniformity and gear them to the business processes through adherence to the following general corporate criteria:

- Integration of economic, technical, environmental and social aspects and in general all those that contribute to sustainability.
- Consideration of the environmental matters related to our business activity, in all phases thereof, from the beginning to the end of the cycle, in order to minimize the impact that they may have on the environment and to encourage the rational use of resources at all times.
- Indicator-based monitoring and control of processes and activities to obtain quantifiable information that will help us to implement measures to improve our products, services and management processes.

- Achievement of customer satisfaction by catering for their requirements, showing our capacity to identify their needs and expectations, to convey the idea that more than suppliers we are participants in a common project, and to act professionally, ethically and transparently at all times.

In 2006 we continued to establish methods and procedures to gather significant data with which to obtain business line process indicators. The aim was to use these indicators as a reference in setting improvement targets in relation to:

- Reduction of the cost of non-quality
- Customer satisfaction
- Optimisation of deadlines
- Improvement in business processes
- Savings in natural resources and energy consumption
- Use of biodiesel

The actions projected for the immediate future aim to consolidate the integration of all aspects of management, in particular the use of indicators as tools to facilitate decision-making and the evaluation of our actions using sustainability parameters.

b) Innovation: 2006 was an especially noteworthy year as far as ACCIONA's RDI activities are concerned. In keeping with its commitment to sustainable development, the Group made research, development and innovation one of its strategic priorities. Its challenge for the future is to lead technological innovation in all the industries in which it is present.

In 2006 ACCIONA launched a new organisational structure and a specific management system that will encourage research and innovation in all business lines. Specific R&D&I units were created at ACCIONA Real Estate, ACCIONA Logistics and Transport Services and ACCIONA Urban and Environmental Services. These units commenced operations in 2006 and their first results are expected to be obtained in the coming year. In addition, the units already existing at ACCIONA Infrastructure, ACCIONA Energy and ACCIONA Water were reinforced. In 2006 the Company invested EUR 22.6 million in R&D&I, in over 40 projects forming part of the major Spanish and European research programmes:

TOTAL ACCIONA	22,6
ACCIONA INFRASTRUCTURE	8,8
Nanotechnology and new materials	1,1
New construction processes	0,6
Social environment and sustainable building	6,8
Recycling	0,2
Transport	0,1
ACCIONA ENERGY	12,3
High output wind turbines	2,5
High performance blades	3,9
Concrete towers	1,6
Renewable energy generation control centre	1,1
Biofuels	1,3
Biomass and energy crops	0,6
Hydrogen production	0,3
Other	1,0
ACCIONA WATER	1,5
Sewage treatment with membranes	0,6
Pre-treatments for desalination	0,9

Millions of euros. Figures subject to certification by certifying body authorised by the Ministry of Science and Technology.

A significant milestone for ACCIONA was its participation in two CENIT projects in the first call under the Ingenio 2010 programme launched by the Spanish government to promote business innovation:

- The PROMETEO project for the creation of new construction products capable of replacing traditional materials and lengthening useful life as a result of their high durability and recycling potential.
- The PILBE project to promote the development of biodiesel in Spain by increasing the availability of local raw materials, identifying new and better applications for the products and reducing production costs.

ACCIONA has also been involved in several European projects such as the HyWays project for the European hydrogen energy roadmap, the Bioelectricity Crops programme on the feasibility of producing electricity from energy crops, and the Meditate project, under the 6th Framework Programme, to develop technology for integrated water management in the Mediterranean region (desalination, reuse, etc.).

Outlook

Spanish GDP grew by an average of 3.8% in 2006, up 0.3% on 2005, representing the largest increase in the last six years. Thus, the corrective trend of the negative contribution of the external sector to GDP growth and the slowdown in domestic demand were temporarily interrupted. Household consumer spending and investment in new housing showed sustained growth against a backdrop in which the reduction in actual remuneration slowed, borrowing increased and savings fell.

Capital investment will continue to be the most dynamic component of GDP, backed by the positive outlook for busi-

ness activity, profits, liquidity and the low cost of borrowing. Moderate growth is expected to continue in 2007 although at a slower rate than that projected a few months ago. The sharp drop in inflation and the not-so-rapid slowdown in employment led to a higher-than-expected improvement in household purchasing power, partially offsetting the drain of less expansive borrowing conditions in a climate of relatively high indebtedness.

Despite the downturn in GDP growth in the third quarter, economic activity in the euro area continued to be dynamic. In fact, growth is expected to have exceeded 2.5% for 2006 as a whole and will foreseeably continue to rise significantly in 2007. In any case, the analysis of the evolution of the economic situation around year-end was hindered by the temporary impact of the increase in the main VAT rate in Germany at the beginning of 2007, although positive signs from the labour market, particularly employment figures, could boost private consumption further over the next few quarters. In the last few months of 2006, the behaviour of inflation was conditioned by its most volatile components, above all oil prices. However, underlying inflation remained stable at 1.6%, within a context dominated by wage restraint throughout the area. The main threat to price stability in the medium term stems precisely from a possible rupture of the current pattern of wage restraint in an environment characterised by dynamic domestic demand and the recovery of the labour market. The recent drop in the price of crude oil and the appreciation of the exchange rate in 2006 are factors which, if they were to continue, would mitigate these risks.

The pace of business activity is not expected to undergo significant changes in the first few months of 2007 and GDP will foreseeably increase within the range projected by the

Commission, i.e. between 0.4% and 0.8%. However, this scenario is subject to several uncertainties. Although the dynamic performance of employment and the downturn in oil prices may boost consumption, the extent of the impact on spending of the tax reforms that will come into force in Germany and Italy at the beginning of 2007 is unclear. In the long term, the risk of a disorderly adjustment of world-wide imbalances continues to exist.

ACCIONA faces the challenge of 2007 from its position as "Pioneers in development and sustainability". In order to maintain this position, it will grow through acquisitions in its strategic divisions. These acquisitions, which will complement the Group's existing businesses, will target selected geographical areas and priority will be given to profitability over volume.

All projects will be undertaken with a view to ensuring that ACCIONA continues to be a leading domestic and international corporation in the development, promotion and management of infrastructure, real estate, renewable energies, and logistics, airport, urban and environmental services.

The construction backlog at ACCIONA Infrastructure will continue to provide business for more than 18 months. The company is in a position to respond to the new contract requirements in terms of form and content.

In the Energy division the main objective will be to maintain or increase ACCIONA Energy's leadership as an operator in the renewable energies sector worldwide. This will be achieved through the performance of ACCIONA Energy's current projects, although potential future acquisitions are not ruled out.

In the Logistics Services area, the focus on operations on ACCIONA Trasmediterranea as the supplier of a high volume of cargo for transportation will enable ACCIONA to continue to develop new complementary businesses in 2007 to enhance the integral range of transport services offered to customers. Through its ongoing effort and the study of new routes, ACCIONA will continue to respond to passenger and freight sea transport requirements and to the priority of decongesting other means of transport.

Urban and Environmental Services will continue to make progress in the development of highly innovative and technologically advanced processes applicable to the industries in which it operates.

Treasury shares

At 31 December 2006, the Parent and its subsidiaries held 1,342,120 treasury shares, representing 2.1119 % of the share capital.

The changes in 2006 and 2005 in treasury shares were as follows:

	2006		2005	
	Number of Shares	Cost	Number of Shares	Cost
Beginning balance	346,101	19,217	266,892	11,748
Additions	1,042,890	120,291	79,209	7,469
Disposals	(46,871)	(4,840)	--	--
Ending balance	1,342,120	134,668	346,101	19,217

Events subsequent to year-end

At its meeting on 5 January 2007, the Board of Directors of ACCIONA, S.A. resolved to distribute an interim dividend of EUR 1.06 per share out of profit for 2006.

In January 2007 ACCIONA acquired 7,758,906 Endesa shares representing 0.73% of the share capital of Endesa for EUR 275,234 thousand.







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