CONSOLIDATED FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2015

acciona

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
ACCIONA, S.A.,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Acciona, S.A. (the Parent) and Subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2015, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Acciona, S.A. and Subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469. Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of Acciona, S.A. and Subsidiaries as at 31 December 2015, and their consolidated results and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2015 contains the explanations which the Parent's directors consider appropriate about the situation of Acciona, S.A. and Subsidiaries, the evolution of their 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 2015. 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

Raquel Martínez

Raquel Martínez Armendáriz

29 February 2016

View and download ACCIONA's 2015 Consolidated Financial Statements and Directors' Report by scanning the QR code.

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ACCIONA, S.A. and subsidiaries
Consolidated balance sheet for financial years 2015 and 2014
(Thousands of euros)

ASSETS	NOTE	31.12.2015	31.12.2014
Property, plant and equipment	4	7,664,187	8,012,540
Investment property	5	675,215	180,851
Goodwill	6	79,296	79,295
Other intangible assets	7	508,484	532,431
Non-current financial assets	10	160,045	155,734
Investments accounted for using the equity method	8	409,114	390,150
Biological assets	11	6,839	6,836
Deferred tax assets	22	926,764	976,874
Non-current receivables and other non-current assets	12	455,002	436,710
NON-CURRENT ASSETS		**10,884,946**	**10,771,421**
Biological assets		--	--
Inventories	13	740,102	1,042,644
Trade and other receivables	14	1,612,418	1,940,034
Other current financial assets	10	412,863	369,107
Current income tax assets		68,298	75,928
Other current assets		167,756	205,097
Cash and cash equivalents	15	1,460,173	1,326,812
Non-current assets classified as held for sale and discontinued operations	23	431,061	412,137
CURRENT ASSETS		**4,892,671**	**5,371,759**
TOTAL ASSETS		**15,777,617**	**16,143,180**

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated balance sheet for 2015..

ACCIONA, S.A. and subsidiaries
Consolidated balance sheet for financial years 2015 and 2014
(Thousands of euros)

EQUITY AND LIABILITIES	NOTA	31.12.2015	31.12.2014
Share capital		57,260	57,260
Retained earnings and issue premium		3,544,231	3,376,948
Treasury shares		(20,238)	(28,895)
Translation differences		(87,968)	(25,264)
Interim dividend		--	--
Equity attributable to equity holders of the Parent	**16**	**3,493,285**	**3,380,049**
Non-controlling interests	16	260,860	233,438
EQUITY		**3,754,145**	**3,613,487**
Debt instruments and other marketable securities	18	802,078	758,773
Bank borrowings	18	5,092,945	5,159,159
Deferred tax liabilities	22	739,686	692,794
Provisions	17	420,245	453,588
Other non-current liabilities	21	848,247	854,292
NON-CURRENT LIABILITIES		**7,903,201**	**7,918,606**
Debt instruments and other marketable securities	18	373,801	440,436
Bank borrowings	18	763,340	631,381
Trade and other payables		2,024,533	2,558,228
Provisions		157,154	177,307
Current income tax liabilities		25,784	19,190
Other current liabilities	21	355,593	463,126
Liabilities classified as held for sale and discontinued operations	23	420,066	321,419
CURRENT LIABILITIES		**4,120,271**	**4,611,087**
TOTAL EQUITY AND LIABILITIES		**15,777,617**	**16,143,180**

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated balance sheet for 2015.

ACCIONA, S.A. and subsidiaries
Consolidated income statements
for 2015 and 2014
(Thousands of euros)

	NOTE	2015	2014
Revenue	25	6,543,524	6,498,501
Other income		247,425	363,979
Changes in inventories of finished goods and work in progress		(2,775)	(7,461)
Procurements	26	(1,830,221)	(1,853,678)
Staff costs	26	(1,254,250)	(1,275,310)
Other operating expenses	26	(2,529,621)	(2,638,992)
Depreciation and amortisation charge and change in provisions	4,5,7,26	(563,118)	(547,118)
Impairment and gains or losses on disposals of non-current assets	26	(11,436)	32,369
Other gains or losses		27,391	(326)
PROFIT/(LOSS) FROM OPERATIONS		**626,919**	**571,964**
Financial income	28	34,844	50,256
Finance costs	28	(424,425)	(418,557)
Translation differences		22,771	5,226
Profit/(loss) from changes in value of financial instruments at fair value	26	(1,580)	21,960
Profit/(loss) from changes in value of non-financial assets at fair value		--	--
Profit/(loss) of companies accounted for using the equity method	8	60,054	46,248
PROFIT/(LOSS) BEFORE TAX		**318,583**	**277,097**
Income tax expense	22	(82,824)	(69,905)
YEAR'S PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**235,759**	**207,192**
Profit/(Loss) after tax from discontinued operations		--	--
YEAR'S PROFIT/(LOSS)		**235,759**	**207,192**
Non-controlling interests	16	(28,435)	(22,243)
PROFIT/(LOSS) ATTRIBUTABLE TO THE PARENT		**207,324**	**184,949**
BASIC EARNINGS per share from continuing operations (euros)	**31**	**3.65**	**3.24**
DILUTED EARNINGS per share from continuing operations (euros)	**31**	**3.63**	**3.28**
BASIC EARNINGS per share (euros)	31	3.65	3.24
DILUTED EARNINGS per share (euros)	31	3.63	3.28

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated income statement for 2015.

ACCIONA, S.A. and subsidiaries
Consolidated statement of comprehensive income for 2015 and 2014
(Thousands of euros)

	NOTE	2015	2014
A) CONSOLIDATED PROFIT FOR THE YEAR		**235,759**	**207,192**
1. Profit attributable to the Parent		207,324	184,949
2. Non-controlling interests		28,435	22,243
B) ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		**433**	**(1,193)**
1. Revaluation/(Reversal of the revaluation) of property, plant and equipment and intangible assets		--	--
2. Actuarial gains and losses and other adjustments	17	462	(1,351)
3. Tax effect		(29)	158
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		**11,689**	**(69,381)**
Income and expense recognised directly in equity		**(110,811)**	**(143,335)**
1. Revaluation of financial instruments:		(40)	5,467
a) Available-for-sale financial assets	10	(40)	5,467
b) Other income / (expenses)		--	--
2. Cash flow hedges	20	(75,193)	(243,287)
3. Translation differences		(72,515)	74,234
4. Other income and expenses recognised directly in equity		--	--
5. Tax effect		36,937	20,251
Transfers to the income statement:		**122,500**	**73,954**
1. Revaluation of financial instruments:		--	(27,275)
a) Available-for-sale financial assets		--	(27,275)
b) Other income / (expenses)		--	--
2. Cash flow hedges	20	163,333	120,949
3. Translation differences		--	11,974
4. Other income and expenses recognised directly in equity		--	--
5. Tax effect		(40,833)	(31,694)
TOTAL RECOGNISED INCOME / (EXPENSE) (A+B+C)		**247,881**	**136,618**
a) Attributable to the Parent		207,532	100,728
b) Attributable to non-controlling interests		40,349	35,890

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated statement of comprehensive income for 2015.

ACCIONA, S.A. and subsidiaries
Consolidated statement of changes in total equity at 31 December 2015
(Thousands of euros)

	Equity attributable to the Parent (thousands of euros)							
	Shareholders' equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent	Other equity instruments	Value adjustments	Non-controlling interests	Total equity
Opening balance at 01/01/15	57,260	3,620,894	(28,895)	184,949	--	(454,159)	233,438	3,613,487
Adjustments due to changes in accounting policies								--
Adjustments due to errors								--
Adjusted opening balance	57,260	3,620,894	(28,895)	184,949	--	(454,159)	233,438	3,613,487
Total recognised income/(expense)				**207,324**		**208**	**40,349**	**247,881**
Transactions with shareholders or owners		**(103,423)**	**5,800**				**(3,706)**	**(101,329)**
Capital increases/ (reductions)							3,612	3,612
Conversion of financial liabilities into equity								--
Dividends paid		(114,483)					(11,851)	(126,334)
Treasury share transactions (net)		4,715	5,800					10,515
Increases/(Decreases) due to business combinations							4,533	4,533
Other transactions with shareholders or owners		6,345						6,345
Other changes in equity		**185,419**	**2,857**	**(184,949)**			**(9,221)**	**(5,894)**
Share-based payments		909	2,857					3,766
Transfers between equity items		184,949		(184,949)				--
Other changes		(439)					(9,221)	(9,660)
Closing balance at 31/12/15	57,260	3,702,890	(20,238)	207,324	--	(453,951)	260,860	3,754,145

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated statement of changes in total equity for 2015.

ACCIONA, S.A. and subsidiaries
Consolidated statement of changes in total equity at 31 December 2014
(Thousands of euros)

	Equity attributable to the Parent (thousands of euros)							
	Shareholders' equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent	Other equity instruments	Value adjustments	Non-controlling interests	Total equity
Opening balance at 01/01/14	**57,260**	**5,521,448**	**(6,461)**	**(1,972,371)**	**--**	**(369,938)**	**166,348**	**3,396,286**
Adjustments due to changes in accounting policies								--
Adjustments due to errors								--
Adjusted opening balance	**57,260**	**5,521,448**	**(6,461)**	**(1,972,371)**	**--**	**(369,938)**	**166,348**	**3,396,286**
Total recognised income/(expense)				**184,949**		**(84,221)**	**35,890**	**136,618**
Transactions with shareholders or owners	--	**70,920**	**(25,774)**	--	**--**	--	**22,718**	**67,864**
Capital increases/ (reductions)							13,117	13,117
Conversion of financial liabilities into equity		37,405						37,405
Dividends paid							(12,275)	(12,275)
Treasury share transactions (net)			(25,774)					(25,774)
Increases/(Decreases) due to business combinations							1,086	1,086
Other transactions with shareholders or owners		33,515					20,790	54,305
Other changes in equity	--	**(1,971,474)**	**3,340**	**1,972,371**	**--**	**--**	**8,482**	**12,719**
Share-based payments		1,136	3,340					4,476
Transfers between equity items		(1,972,371)		1,972,371				--
Other changes		(239)					8,482	8,243
Closing balance at 31/12/14	**57,260**	**3,620,894**	**(28,895)**	**184,949**	**--**	**(454,159)**	**233,438**	**3,613,487**

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated statement of changes in total equity for 2014.

ACCIONA, S.A. and subsidiaries
Consolidated statement of cash flows for 2015 and 2014
(Thousands of euros)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES	682,953	809,993
Profit before tax from continuing operations	**318,583**	**277,097**
Adjustments for:	**747,372**	**700,094**
Depreciation and amortisation charge and provisions	586,920	526,907
Other adjustments to profit (net)	160,452	173,187
Changes in working capital	**(35,845)**	**217,310**
Other cash flows from operating activities:	**(347,157)**	**(384,508)**
Interest paid	(418,041)	(404,777)
Interest received	52,524	47,816
Dividend received	55,186	18,166
Income tax recovered/(paid)	(43,507)	(20,561)
Other amounts received/(paid) relating to operating activities	6,681	(25,152)
CASH FLOWS FROM INVESTING ACTIVITIES	(167,251)	(151,480)
Payments due to investment:	**(234,658)**	**(444,231)**
Group companies, associates and business units	(28,539)	(24,089)
Property, plant and equipment, intangible assets and investment property	(206,119)	(420,142)
Proceeds from disposal:	**62,475**	**333,622**
Group companies, associates and business units	3,370	217,170
Property, plant and equipment, intangible assets and investment property	59,105	116,452
Other cash flows from investing activities:	**4,932**	**(40,871)**
Other amounts received/(paid) relating to investing activities	4,932	(40,871)
CASH FLOWS FROM FINANCING ACTIVITIES	(358,424)	(507,088)
Proceeds and (payments) relating to equity instruments:	**10,516**	**(25,774)**
Purchases	(42,747)	(25,774)
Disposals	53,263	--
Proceeds and (payments) relating to financial liability instruments:	**(171,546)**	**(812,314)**
Proceeds from issues	614,305	1,446,569
Repayments and redemptions	(785,851)	(2,258,883)
Dividends and returns on other equity instruments paid	**(126,334)**	**(12,275)**
Other cash flows from financing activities	**(71,060)**	**343,275**
Provision of funds by non-controlling interests	--	397,318
Other amounts received/(paid) relating to financing activities	(71,060)	(54,043)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(23,917)	11,819
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	133,361	163,244
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,326,812	1,163,568
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,460,173	1,326,812
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	1,028,293	1,104,362
Other financial assets	431,880	222,450
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	1,460,173	1,326,812

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated statement of cash flows for 2015.

Notes to the consolidated financial statements for the year ended 31 December 2015 of ACCIONA, S.A. and subsidiaries
(Consolidated Group)

1. Group activities

ACCIONA, S.A. ("the Parent" or "the Company") and its subsidiaries make up the ACCIONA Group ("ACCIONA" or "the Group"). ACCIONA, S.A.'s registered office and headquarters are in Alcobendas (Madrid) at Avenida de Europa 18.

The ACCIONA Group companies operate in several sectors of economic activity, including most notably:

- ACCIONA Energy: including the various industrial and commercial activities of the electricity business, ranging from the construction of wind farms to the generation, distribution and retailing of various energy sources.
- ACCIONA Infrastructure Construction: including mainly construction and engineering activities and transport and hospital concessions.
- ACCIONA Water: including the activities relating to the construction of desalination plants, water treatment plants and drinking water stations as well as the management of the entire water cycle, an activity that covers from the initial harnessing of the water, its treatment, including desalination, to its cleansing and return to the environment after use. It also operates concessions for services related to the ENTIRE water cycle.
- ACCIONA Service: including the activities of facility services, airport handling services, waste collection and treatment, and logistics services, among others.
- Other Activities: businesses relating to fund management and stock market brokerage, wine production, as well as the activities of the ACCIONA Trasmediterranea subgroup, and other investments.

Note 27 to the accompanying consolidated financial statements, "Segment Reporting", includes detailed information about the assets, liabilities and transactions carried out in each of the above business divisions making up the ACCIONA Group.

2. Basis of presentation of the consolidated financial statements and consolidation principles

2.1 BASIS OF PRESENTATION AND SIGNIFICANT REGULATORY FRAMEWORKS

Basis of presentation

The consolidated financial statements for financial year 2015 of the ACCIONA Group were prepared by the Directors of ACCIONA, S.A. at the Board of Directors Meeting held on 29 February 2016, and disclose a true and fair view of the Group's consolidated equity and consolidated financial position at 31 December 2015, and the consolidated results of its operations, the changes in the consolidated statement of comprehensive income, the changes in the consolidated equity and the consolidated cash flows in the years then ended.

These financial statements were prepared in accordance with the regulatory financial reporting framework applicable to the Group and, in particular, with International Financial Reporting Standards (IFRS) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council. The main mandatory accounting principles and measurement criteria applied, the alternative treatments permitted by the relevant legislation in this respect and the standards and interpretations issued but not yet in force at the date of formal preparation of these financial statements are summarised in Note 3.

These 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 considered to be joint ventures, in which the Group companies have interests, through the proportional consolidation method, that is, through the inclusion, based on the percentage of participation, of the assets, liabilities and operations of these entities, after asset and liability balances are appropriately eliminated, as well as operations in the year.

The ACCIONA Group's consolidated financial statements for 2014 were approved by the shareholders at the Annual General Meeting on 11 June 2015. The consolidated financial statements for 2015 of the ACCIONA Group and the separate financial statements for 2015 of the companies making up the Group have not yet been approved by the shareholders at their 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 otherwise indicated, these consolidated financial statements are presented in thousands of euros, because the euro is the functional currency of the principal economic area in which the ACCIONA Group operates. Foreign operations are accounted for in accordance with the policies established in Notes 2.2.g) and 3.2.q).

Significant regulatory framework

The business of electricity production under the special regime in Spain was regulated until 2013 by Spanish Electricity Industry Act 54/1997, of 27 November, and by the subsequent implementing regulations.

In addition, most of the Group's electricity production facilities in Spain are governed, as far as the remuneration framework for the support of renewable energy sources is concerned, by the special regime provided for in Royal Decree 661/2007, of 25 May, which regulated electricity production under the special regime.

Transitional Provision One of Royal Decree 661/2007 acknowledged the right of wind generated power facilities, inter alia, with start-up certificates pre-dating 1 January 2008, to continue to receive the premiums and incentives existing under the previous regime (Royal Decree 436/2004, of 12 March) until 31 December 2012, before transitioning into the new system. The facilities owned by the Group's subsidiaries that commenced operations prior to that date availed themselves of the aforementioned Transitional Provision. For all the facilities that came into service after 1 January 2008 caps and floors were set for the aggregate price (market price plus premium) applicable to power sales in the market, or a regulated fixed tariff was established.

Royal Decree 6/2009, of 30 April, introduced the facility pre-assignment system for entitlement to the system of special regime premiums defined in the Spanish Electricity Industry Act until the targets set in the Renewable Energy Plan for 2020 had been met. The facilities that, at the date of publication of the Royal Decree-Law, met the pre-assignment conditions established therein, would be entitled to the premiums and tariffs provided for in Royal Decree 661/2007.

Royal Decree 1614/2010 was approved on 7 December 2010. The purpose of this legislation was to modify and regulate matters relating to the production of electricity using solar thermal and wind energy technologies, with the aim of containing the deficit. This Royal Decree established a limit on the equivalent hours of operation with entitlement to a premium for solar thermal and wind technologies, the obligation to sell electricity at the regulated tariff for the solar thermal sector for the twelve months following the entry into force of the Royal Decree or following the start-up of the related facility if at a later date, and a 35% reduction in the premiums for wind technology subject to Royal Decree 661/2007 and for the period from the date of approval of the Royal Decree to 31 December 2012, while maintaining the amounts relating to the cap, floor and regulated tariff unchanged.

The reduction in the premiums established by the aforesaid Royal Decree hardly affected the Group's farms, since most of them had start-up certificates pre-dating 1 January 2008 and they availed themselves of the aforementioned Transitional Provision of Royal Decree 661/2007. The remainder of the facilities sold their energy under the regulated tariff regime. Also, the limits placed on operating hours had little impact on the Group's facilities, since the number of hours established in the Royal Decree exceeded the hours that the facilities actually operated.

On 28 January 2012, Royal Decree-Law 1/2012 was published in the Spanish Central Government Gazette and it came into force on that same date, giving rise to the suspension of remuneration pre assignment procedures and the removal of economic incentives for new electricity production facilities which use combined heat and power, renewable energy sources and waste. Royal Decree-Law 1/2012 affected, inter alia, facilities under the special regime that at 28 January 2012 had not been registered in the Pre-assignment Register. Since the Group's facilities had been registered in the aforementioned Register before 28 January 2012, this Royal Decree did not have any effect on the profitability and recoverability of the carrying amounts of the Group's facilities.

In addition, 28 December 2012 saw the publication of Act 15/2012 on tax measures aimed at energy sustainability, which affected all electricity production facilities in Spain from 2013 onwards. All of ACCIONA's facilities became subject to the tax on the value of electricity output, which means 7% tax on income from electricity sales. On the other hand, the aforementioned Act also introduced a charge for the use of inland water for electricity production. This charge meant 22% tax on the economic value of electricity output, with a 90% reduction in the tax for facilities with a capacity lower than 50 MW and pumped storage power plants. Lastly, Act 15/2012 also established a dual tax on solar thermal plants: on the one hand, the Act eliminated the premium for power produced using fossil fuels and, on the other, it introduced a tax of 0.65 euros per GJ of gas consumed.

Until 31 December 2012, practically all the facilities owned by the companies in the Group operating on the Spanish market were doing so under the free market regime by selling their energy to the pool through ACCIONA Green Energy Development, S.L., one of the Group companies. As will be seen below, from financial year 2013 on, the first transitional provision of Royal Decree 661/2007 is no longer applicable due to the remuneration changes that took place in said financial year for the facilities previously covered by it.

Royal Decree Law 2/2013 of 1 February on urgent measures in the electricity sector was approved in 2013. This RDL, in force from 1 January 2013, sets the premiums for all technologies at zero value and eliminates the caps and floors for the market sale option, with the option for tariff-based sales being maintained. It also modified the annual coefficient for updating these tariffs, referencing it to core inflation instead of the Consumer Price Index (CPI).

This RDL established that the registered holders of facilities had to opt for selling the electricity under the regulated tariff option or selling it freely on the market without receiving any premium. Once an option is made, it is irrevocable.

For practical purposes, this RDL meant that the ACCIONA Group's wind farms and thermoelectric or biomass power stations had to choose the fixed tariff sale option from 2013 on. The hydroelectric power stations in the Special Regime were already selling at the tariff prior to the publication of this RDL.

In addition, on 12 July Royal Decree-Law 9/2013 was published, whereby urgent measures to guarantee the financial stability of the electricity system were adopted. This Royal Decree, which came into force on 13 July 2013, repealed, among others, Royal Decree 661/2007, of 25 May, and Royal Decree 6/2009, of 30 April, the decrees governing, as described in the paragraphs above, the remuneration framework supporting renewable energies for most of the ACCIONA Group's power generation facilities located in Spain. This RDL introduced substantial changes in the applicable legal and economic framework.

This new regulation means that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities could receive a specific remuneration comprising a term per unit of power installed, covering, where appropriate, the investment costs for a standard facility that cannot be recovered through electricity sales and an operating term that covers, where applicable, the difference between operating costs and the revenue from that standard facility's participation on the market.

To calculate this specific remuneration, the following items, for a standard facility, are considered, throughout its regulatory lifetime and with respect to activities conducted by an efficient and well-managed company:

a) The standard revenue from the sale of the energy generated valued at the market production price.

b) Standard operating costs.

c) The standard value of the initial investment.

According to the regulation, the aim of these parameters is not to exceed the minimum level necessary to cover the costs that enable the facilities to compete on a level footing with the rest of the technologies on the market and make it possible to obtain a reasonable return. With regard to this reasonable return, the Royal Decree-Law indicates that this will be similar, before tax, to the mean return from ten-year Government Bonds on the secondary market after application of the appropriate differential. The First Additional Provision of Royal Decree-Law 9/2013 sets this appropriate differential at 300 basic points for facilities under the premium-based regime, all without prejudice to a possible review every six years.

RDL 9/2013 came into force on 14 July 2013. Its regulation was still pending approval at the close of financial year 2013, with a draft Ministerial Order containing the parameters for remuneration. Pursuant to this document, at 31 December 2013 the Group estimated and re-appraised its revenue, impairment tests and other aggregate figures, posting the resulting impairments according to the new model.

Moreover, it should be noted that Act 24/2013 was enacted in December 2013 to replace Act 54/1997 on the Electricity Industry; it provides the overall legal framework for the new model, eliminating the concept of the special regime and creating that of the specific remuneration and also establishing the criterion for defining the “reasonable return” for facilities.

Royal Decree 413/2014 was enacted on 6 June 2014 and published in the Central Government Gazette on 10 June 2014, to regulate the activities of electricity generation from renewable energy sources, co-generation and waste. As a follow-up to the same, final Ministerial Order IET 1045/2014 was issued on 20 June 2014 and published in the Central Government Gazette on 29 June 2014. This Order contained the final remuneration parameters applicable to all renewable energy facilities, whether already in existence or planned for the future. The new model defines the remuneration of assets applicable from 14 July 2013 as a consequence of RDL 9/2013. Both the structure of the remuneration model and the final values were not substantially different, in the specific case of the Group's facilities, from the draft versions circulated by the CNMC [Spanish National Securities Commission] for comments during the first quarter of 2014 and used by the Group for the estimation and re-appraisal of its revenue and impairment tests. As a result, the impairments covered by provisions are considered to be sufficient.

In financial year 2015 no impairment was estimated or significant losses were revealed that were not covered by the provisions in place at 31 December 2015.

Biofuels

As regards the biodiesel business in Spain, Royal Decree 1738/10 established obligatory minimum annual targets for the sale or consumption of biofuels for transportation purposes. These targets were reviewed downwards in Royal Decree 459/2011 and Royal Decree 4/2013, the initial 7% being reduced to 4.10% in 2013 and subsequent years for the consumption of biofuels in diesel.

The situation of surplus in the capacity installed in Spain for the proposed targets, bearing in mind the Group's net volume of assets related to this activity, did not have any material impact on the Group's equity, with the impairment recognised in previous years being considered.

2.2 CONSOLIDATION PRINCIPLES

a. Consolidation methods

The companies over which, under IFRS 10, control is exercised were fully consolidated. These companies are considered subsidiaries and they are listed in Appendix I, and their consolidation method is explained in section d. of this same note.

Entities managed jointly with third parties as a joint venture are proportionately consolidated when it is concluded that the participating company has direct rights and obligations for its share percentage in the assets and liabilities under the agreement. This is explained in section e. in this note. The companies consolidated by applying the proportional method are listed in Appendix II.

Finally, the companies not included in the paragraphs above, where significant influence is held in their management, or if they are joint ventures, are associates, and they are measured by applying the equity method (see Appendix III). This consolidation method is explained in section f. in this note.

b. Eliminations on consolidation

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

The gains on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's share percentage in their capital. Exceptionally, the profit and loss on internal transactions with Group companies, jointly controlled entities or associates in connection with certain concession-related activities were not eliminated.

c. Uniformity

The Spanish resident companies included in the scope of consolidation were consolidated on the basis of their separate financial statements prepared in accordance with the Spanish General Accounting Plan and foreign companies were consolidated in accordance with their local standards. All material adjustments required to adapt these financial statements to International Financial Reporting 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 Company has the capacity to exercise effective control; control is generally seen in three elements that must be complied with: having authority over the subsidiary, exposure or the right to variable returns from its investment and the ability to use said authority to influence the amount of these returns.

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

When a subsidiary is bought, its assets, liabilities and contingent liabilities are measured at their acquisition-date fair values, as provided for in IFRS 3, Business Combinations. Any excess in the cost of acquisition over the fair values of the identifiable net assets is recognised as goodwill. If the cost of acquisition is lower than the fair value of the identifiable net assets, the difference is credited to profit or 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 non-controlling shareholders is stated at their proportion of the fair values of the assets and liabilities recognised.

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

e. Joint operations

Joint arrangements are deemed to be ventures in which the investee (jointly controlled entity) is managed by a Group company and one or more unrelated third parties, all of whom act jointly to manage the relevant activities and where strategic decisions require the unanimous consent of the parties.

Joint arrangements where the investing company is deemed to hold direct rights and obligations for its share percentage in the assets and liabilities under the arrangement are considered joint operations.

The financial statements of joint operations 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 share in the capital of these entities.

The assets and liabilities relating to operations are recognised on the consolidated balance sheet classified according to their specific nature. Similarly, the income and expenses from joint operations are disclosed in the consolidated income statement on the basis of their nature.

f. Equity method

In the consolidated financial statements, investments in associates and joint ventures (joint arrangements giving a right to the net assets of the arrangement) are measured by applying the equity method, i.e., at the Group's share in net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations.

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

When the Group's investments in associates are reduced to zero, any additional implicit obligations in the subsidiaries that are accounted for by the equity method are recognised under "Non-current provisions" on the consolidated balance sheet.

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

g. Translation differences

On consolidation, the assets and liabilities of the Group's foreign operations with a functional currency other than the euro 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 period, unless exchange rates fluctuate significantly. Capital and reserves are translated at the historical exchange rates. Any translation differences arising are classified as equity. Such translation differences are recognised as income or as expenses in the year in which the investment is made or disposed of.

h. Changes in the scope of consolidation

Appendices I, II and III to the accompanying consolidated financial statements contain relevant information about the ACCIONA Group's subsidiaries, joint operations and associates and joint ventures, and Appendix IV shows the changes in consolidation scope in the year.

In financial year 2015 no significant additions to or removals from the scope of consolidation took place.

In financial year 2014, within the energy division, the main event was the sale, in January 2014, of the shareholdings the ACCIONA Group held in the following companies based in Germany: ACCIONA Energie Windparks Deutschland GmbH, EHN Deutschland GmbH and Volkmarsdorfer. These companies owned 18 wind farms located in Lower Saxony and Brandenburg (Germany). Similarly, although it was a transfer without loss of control, in June 2014, ACCIONA Energy, S.A., ACCIONA Group subsidiary, signed an agreement with the KKR Fund for the acquisition of a one-third shareholding in the ACCIONA Group subsidiary, ACCIONA Energy Internacional, S.A. by a vehicle in its global infrastructure fund, following a corporate restructuring that grouped together in the latter company 51 renewable energy assets operating in 11 countries, the most relevant of which are: United States, Canada, Mexico, Australia, Chile, India, Italy, Portugal, Poland and South Africa.

Within the infrastructure construction division, the most noteworthy event was the sale, in June 2014, of two associates: Tranvía Metropolità, S.A. and Tranvía Metropolità del Besòs, S.A. In addition, in the month of October 2014, ACCIONA Infraestructuras, S.A. sold the 50% it held in the Freyssinet, S.A. company. And in December 2014 a share percentage held by the ACCIONA Group in three Canadian concessions was sold.

Within the other activities division, an additional 47.47% over and above the 50% already owned in the Compañía Urbanizadora Coto, S.L. subgroup was bought.

3. Principal accounting policies

3.1 ADOPTION OF NEW STANDARDS AND INTERPRETATIONS ISSUED

Standards and interpretations applicable in this financial year

In financial year 2015, new accounting standards, amendments and interpretations came into force, which, accordingly, were taken into account in the preparation of the accompanying consolidated financial statements.

Standards, amendments and interpretations:		Mandatorily applicable in annual periods beginning on or after:
Approved to be applied in the EU		
IFRIC 21 – Levies (published in May 2013)	Interpretation on when to recognise a liability for levies imposed by a government.	17 June 2014
IFRS improvements - 2011-2013 cycle (published in December 2013)	Small changes to a number of standards.	1 January 2015

For some of the ACCIONA Group divisions, application of IFRIC 21 meant a modification at the time of recognition of some levies, particularly IBI [property tax], which formerly was accrued throughout the year but now it is recognised as expense at 1 January. However, given the nature of this change in accounting, which is not really significant, there won't be an impact on the annual income statement for the year and, on the same grounds, no modification has been required retroactively.

The other standards were applied with no impact on the reported figures or on the presentation and disclosure of the information, either because they do not involve relevant changes or because they refer to economic events that do not affect the ACCIONA Group..

Standards and interpretations issued but not in force

At the date of preparation of these annual financial statements, the following were the most significant standards and interpretations published by the IASB, but they have not come into effect yet, either because their effective date is later than the date of the consolidated financial statements, or because they have not yet adopted by the European Union:

Standards, amendments and interpretations		Mandatorily applicable in annual reporting periods beginning on or after:
Approved for use in the EU		
Amendment of IAS 19 – Contributions by employees to defined benefit plans (published in November 2013)	The amendment is issued to facilitate the possibility of deducting these contributions from the cost of the service in the same period in which they are paid if certain requirements are met.	1 February 2015
Improvements in the IFRS 2010-2012 (published in December 2013).	Minor amendments to a number of standards.	1 February 2015
Amendment to IAS 16 and IAS 38 - Acceptable depreciation and amortisation methods (published in May 2014).	Clarification of the acceptable depreciation and amortisation methods for tangible and intangible fixed assets.	1 January 2016
Amendment to IFRS 11- Accounting of acquisitions of stakeholdings in joint ventures (published in May 2014).	It specifies how to recognise the acquisition of a stakeholding in a joint venture where the activity is a business.	1 January 2016
Amendment to IAS 16 and IAS 41 – Production plants (published in June 2014)	Production plants will change to be carried at cost, instead of at fair value.	1 January 2016
Improvements to the IFRS 2012-2014 cycle (published in September 2014).	Minor amendments to a number of standards.	1 January 2016
Amendment to IAS 27 – Equity method in separate financial statements (published in August 2014)	The equity method will be allowed in an investor's separate financial statements	1 January 2016
Amendments to IAS 1: disclosure initiative (December 2014).	Clarification about disclosures (materiality, aggregation, order of notes,…)	1 January 2016
Not approved for use in the EU		
IFRS 9 – Financial instruments (last phase published in July 2014)	Replacement of the requirements for classification, measurement, recognition and derecognition in accounts of financial assets and liabilities, hedge accounting and impairment under IAS 39.	1 January 2018
IFRS 15 – Revenue from contracts with clients (published in May 2014)	New standard for revenue recognition (replacing IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31).	1 January 2018
IFRS 16 – Leases (published in January 2016)	New standard on leases (it replaces IAS 17)	1 January 2019
Amendment to IFRS 10 and IAS 28 – Sales or contribution of assets between an investor and its associate/joint venture (published in September 2014).	Clarification about the gain or loss from these operations if it is about businesses or assets.	Indefinitely postponed
Amendment to IFRS 10, IFRS 12 and IAS 28 – Investment entities (December 2014).	Clarification about the consolidation exception of investment entities	----
Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses (published in January 2016)	Recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value	1 January 2017
Amendments to IAS 7: disclosure initiative (published in January 2016)	It proposes disclosing opening and end balances on the financial statements for the items whose cash flow is classified as financing activity	1 January 2017

IFRS 9 - Financial Instruments.
IFRS 9 will replace IAS 39 in future. There are very significant differences with respect to the current standard in relation to financial assets, including the approval of a new classification model based on only two categories, namely instruments measured at amortised cost and those measured at fair value, the disappearance of the current "held-to-maturity investments" and "available-for-sale financial assets" categories, a new impairment model based on expected losses instead of losses incurred and also hedge accounting that attempts to align accounting with the economic management of risk.

At present, the Group is analysing all the future impacts of adopting this standard and it is not possible to furnish any reasonable estimate of its effects until this analysis is complete.

IFRS 15 – Revenue recognition.
IFRS 15 – Revenue from contracts with clients is the new standard for recognising revenue with clients, and will replace, in financial years beginning on or after 1 January 2018, the following standards and interpretations currently in force: IAS 11 – Construction contracts, IAS 18 – Revenue, IFRIC 13 – Client loyalty programmes, IFRIC 15 – Agreements for the construction of Real Estate, IFRIC 18 – Transfers of assets from clients and SIC 31 – Revenue - Barter Transaction Involving Advertising Services.

At present, the future impacts of adopting this standard have not yet been analysed.

IFRS 16 – Leases.
IFRS 16 – Leases will replace IFRS 17 – Leases in the financial years beginning on or after 1 January 2019. This new standard provides for the lessee a single accounting model where all the leases (leases of little value and those covering a period shorter than twelve months can be excluded) will be recognised on the balance sheet in a similar manner to current finance leases (recognising finance cost for the amortised cost of the liability and depreciation for the right of use). For the lessor a dual model based on current IAS 17 is maintained and leases will be finance or operating.

At present, the future impacts of adopting this standard have not yet been analysed.

Except for the impacts of the standards indicated in the paragraphs above, the Group's Directors do not anticipate any significant changes to arise as a result of the introduction of the other standards, amendments and interpretations published but not yet in force, since they are to be applied prospectively, amendments related to presentation and disclosure issues and/or matters that are not applicable to the Group's operations.

3.2 MEASUREMENT STANDARDS

The main measurement standards applied in the preparation of the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) 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 on the consolidated 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 borrowing costs incurred during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. The investments made by the ACCIONA Group are carried out through special purpose vehicles incorporated for that sole aim. These "one-off" companies obtain specific financing generally through the concept known as "Project Finance". The finance costs relating to this funding used for the construction of these assets are entirely capitalised during their construction.

The acquisition cost of elements acquired before 31 December 2003 includes any asset revaluations permitted in the various countries to adjust the value of the property, plant and equipment due to the effect of inflation until that date.

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 non-current assets is recognised at accumulated cost (external costs plus 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 consolidated income statement for the year in which they are incurred.

Generally, depreciation is 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 Group companies depreciate their property, plant and equipment over the years of estimated useful life. The annual depreciation rates applicable in 2015 were as follows:

Annual depreciation rates	
Buildings	2 – 10%
Special facilities:	
Wind farms	4%
Hydroelectric power plants	1– 4%
Biomass plants	4%
Solar thermal plants	3.33%
Photovoltaic solar plants	4%
Vessels	5 – 6%
Remaining plant	3 – 30%
Machinery	5 – 33%
Furniture	5 – 33%
Computer hardware	13 – 33%
Transport equipment	7 – 25%
Other items of property, plant and equipment	2 – 33%

The consolidated companies recognise in the books any loss that may have occurred in the registered value of these assets due to their impairment, and the caption "result due to impairment of assets" on the consolidated income statement is used as balancing entry. The criteria to recognise the impairment losses of these assets and, if appropriate, the loss recoveries that might occur subsequently are detailed in section E) in this note.

Finance leases

Property, plant and equipment 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" on 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 on their sale.

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

Each year the Group determines the fair value of its investment property with the support of appraisals undertaken by independent experts (see Note 5).

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

	Annual depreciation rate
Buildings held for rental	2 – 5%

C) Goodwill

Goodwill arising on consolidation represents the acquisition cost excess over the Group's ownership interests in the fair value of the identifiable assets and liabilities, including contingent assets and liabilities, of a subsidiary or jointly controlled entity at the date of acquisition or at the date on which control is obtained.

The assets and liabilities acquired are measured provisionally at the date on which control is acquired, and the resulting value is reviewed in a maximum period of one year from the date of acquisition. Until the fair value of the assets and liabilities has been definitively determined, the difference between the cost of acquisition and the carrying amount of the company acquired is recognised provisionally as goodwill.

Any excess in 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, increasing the value of the assets (or reducing the value of the liabilities) whose market values are higher (lower) than the carrying amounts at which they had been recognised on their balance sheets and whose accounting treatment is similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc.
- If it is attributable to specific intangible assets, recognising it explicitly on the consolidated balance sheet provided that the fair value at the date of acquisition can be reliably measured.
- 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 a consideration and represents, therefore, a payment made by the buyer in anticipation of future economic benefits from assets of the acquired company that are not individually and separately identifiable and recognisable.

Goodwill acquired on or after 1 January 2004 is measured at acquisition cost and that acquired earlier is recognised at the net carrying amount at 31 December 2003.

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, if applicable, any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over those useful 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 rate	
Development expenditure	10 – 20%
Administrative concessions	2 – 25%
Leasehold assignment rights	10 – 20%
Computer software	7 – 33%

The consolidated companies recognise any impairment loss in the carrying amount of these assets with a charge to "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the consolidated income statement. The criteria used to recognise the impairment losses of these assets and any subsequent recovery thereof are detailed in section E in this note).

Research and development

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 reliably measured. The Group's development expenditure, basically related 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 reliably measured.

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

The "Administrative Concessions" line item includes concessions that have been acquired by the Group for a 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 Government or from a public agency. Administrative concessions are amortised on a straight-line basis over the term of the concession. Appendix IV details the duration (and, therefore, amortisation) of the main concessions.

Intangible assets in infrastructure projects

Since the adoption of IFRIC 12, the ACCIONA Group has included intangible assets associated with concessions in which the investment recovery risk is borne by the operator under "Intangible Assets in Infrastructure Projects". This type of concession-related activity is carried out through investments mainly in transport and water supply infrastructure that is operated by subsidiaries, jointly controlled entities or associates (concession operators), the main characteristics being as follows:

- The concession infrastructure is owned by the grantor in most cases.
- The concession grantor, which can be a public or private sector entity, controls or regulates the service offered by the concession operator and the conditions under which it should be provided.
- The infrastructure is operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are handed over to the concession grantor, and the concession operator has no right whatsoever over these assets.
- The concession operator receives revenue for the services provided either directly from the users or through the concession grantor.

The most significant criteria applied by the ACCIONA Group in relation to these concession arrangements are as follows:

- Capitalisation of the borrowing costs incurred during the construction period and non-capitalisation of the borrowing costs subsequent to the entry into service of the related assets.

- Amortisation of the concession infrastructure on a straight-line basis over the concession term.

- Concession operators amortise these assets so that the carrying amount of the investment made plus the costs considered necessary to return the assets in working order is zero at the end of the concession term.

- In virtually all of the concessions of the ACCIONA Group, the construction work was carried out by Group companies. In this regard, the income and expenses corresponding to infrastructure construction or upgrade services are recognised at their gross amount (recognition of the sales and the cost of sales in the consolidated financial statements of the ACCIONA Group), recognising the construction margin in the consolidated financial statements. If construction were not carried out by the Group itself, this fact would be taken into account for the purpose of recognising sales and the cost of sales in the consolidated financial statements. No adjustment was necessary in 2015 for this reason.

Computer software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recognised at acquisition cost 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 non-current assets

At the closing date of each balance sheet, the Group reviews the carrying amounts of its property, plant and equipment, investment property and intangible assets, to determine whether there is any indication that those assets might 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 smallest identifiable cash-generating unit to which the asset belongs.

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 (or 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 (or cash-generating unit) in previous 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.

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 "Impairment and Gains or Losses on Disposals of Non-Current Assets" on the consolidated income statement. An impairment loss recognised for goodwill must not be reversed in a subsequent period.

Recoverable amount is the higher of fair value less costs to sell and value in use. The methodology used to estimate value in use varies on the basis of the type of asset in question. For these purposes, the Group considers three types of assets: investment property (assets held to earn rentals), goodwill of companies and assets of a limited duration (primarily assets related to electricity production and infrastructure concessions). The way they are measured is explained below. Similarly, due to its specificity, the following paragraphs explain how the recoverable value is estimated for the vessels from the Compañía Trasmediterranea, S.A. subgroup.

Investment property (assets held to earn rentals)

The Group's investment property relates

to properties earmarked for lease. The fair value at 31 December 2015 of the Group's investment property was calculated with the support of valuations conducted at that date by "Aguirre Newman Valoraciones y Tasaciones, S.A." (Its report was issued on 04/01/2016), y CBRE Valuation Advisory, S.A. (its report was issued on last 01/02/2016).

Assets of this type are measured by updating the rents at rates that vary on the basis of the type of building earmarked for lease and of the specific characteristics of the buildings. In proportion to their carrying amounts, the assets held to earn rentals may be classified as residential for rent (57.48%), offices (13.74%), land for development (13.41%) and other property (15.37%) (housing, car parks, etc.) The update rates used for each type of property lie in the following ranges: residential property for rent (4.75-8.0%), offices (8.5-10.5%) and other property (7.5-11.0%).

The method used to calculate the market value of investment goods consists in preparing ten-year forecasts for the income and expenses of each asset that will then be updated at the date of the statement of financial position, through a market discount rate. The residual amount at the end of the tenth year is calculated by applying a yield rate ("exit yield" or cap rate") from the forecasts for net income in the eleventh year. The market values thus obtained are analysed through calculation and analysis of the capitalisation of the yield implicit in these values. The forecasts are used to reflect the best estimate of income and expenses of property assets over the future. The yield rate and the discount rate are defined according to the domestic market and the conditions of the institutional market and the reasonability of the market value thus obtained is proved in terms of initial gain.

To calculate the fair value of land, the residual method was applied. This method consists in estimating the value of the final product on the basis of the comparison or cash flow discount method, and the development costs are taken off this value. Development costs include the cost or urbanisation, construction, fees, levies and all the costs needed to carry out the projected development. Revenue and costs are distributed over time according to the development and sale periods estimated by the appraiser. The update rate used is the rate representing the annual average yield of the project, and the external financing that would be required by an average developer for a development of the characteristics of the development analysed is not taken into account. This update rate is calculated by adding the risk premium (determined through the risk assessment of the development, with the type of property asset to build, its location, liquidity, term of construction and amount of required investment being taken into account) to the free-risk rate. Where in the determination of the cash flows external financing is taken into account, the risk premium mentioned above increases depending on the percentage of said financing (leverage level) attributed to the project and on the usual interest rates on the mortgage market.

Taking the valuations made as a benchmark, the corresponding impairment losses are booked and recognised as result due to impairment of assets on the income statement (see Note 5).

Goodwill of companies

The impairment test takes into consideration the cash-generating units' overall capacity to generate future cash flows.

The Group prepares five-year forecasts of projected cash flows, including the best available estimates of the income and expenses of the cash-generating units, using industry projections, past experience and future expectations.

Also, a residual value is calculated on the basis of the normalised cash flows of the last year of the forecast, to which a perpetuity growth rate is applied which under no circumstances exceeds the growth rates of previous years. The cash flow used to calculate residual value takes into account the replacement investments required for the continuity of the business in the future at the estimated growth rate.

The weighted average cost of capital (WACC) is used to discount cash flows, which will depend on the type of business and on the market in which it is carried on. The average leverage during the projection period is taken into account in the calculation of the WACC.

Other items calculated include: i) the effective cost of borrowings, which takes into account the tax shield that they give rise to, based on the average tax rates in each country; and ii) the estimated cost of equity based on a risk-free interest rate, (generally using as a benchmark the return on a ten-year bond in each market), the beta (which factors in the leverage and the risk associated with the asset), a market premium (estimated on the basis of historical yields in the capital markets) and a country-risk premium (that reflects the risk differential between the various markets). These variables are tested using recent studies on premiums required at long term, comparable companies in the industry and rates habitually used by investment banks.

At 31 December 2015 the impairment tests implemented did not show the need to register additional impairment (see note 6.)

Non-current assets in projects
This line item includes concession assets and projects with a limited duration and characterised by having a contractual structure that enables the costs incurred in a project to be clearly determined (at both the initial investment stage and the operating stage) and the related revenue to be reasonably projected over the life of the project (basically property, plant and equipment from the energy division). They are registered in property, plant and equipment (mainly under electric power generation facilities) and in other intangible assets under intangible concessions (IFRIC 12).

To calculate the value in use of assets of this nature, the expected cash flows are projected until the end of the life of the asset. Therefore, it is assumed that there is no terminal value. This is possible because:

- These assets have a stable long-term production, thus enabling reliable long-term estimates to be made.

- There are extensive series of historical data from reliable external sources.

- In connection with the energy division, the estimates of prices used by the ACCIONA Group for revenue determination (pool price) are based on a profound understanding of the market and on the analysis of the parameters determining pool prices.

- They have known operating costs with scant variability.

- Most of them have been financed with long-term debt with known and constant terms and conditions enabling the easy projection of the necessary outflows of cash to cover debt service.

The projections include both known data (based on project contracts) and basic assumptions supported by specific studies performed by experts or by historical data (on demand, production, etc.). Also, macroeconomic data, such as inflation, interest rates, etc., are projected using data provided by independent specialist sources e.g. Bloomberg).

The discounted cash flows are those obtained by the shareholder after servicing the debt. The rates used to discount these cash flows are based on the cost of equity, and in each case include the business risk and the sovereign risk relating to the location where the operation is being performed.

At 31 December 2015, the ACCIONA Group recognised the amount of 19 million euros in "Impairment and result on disposal of assets" on the 2015 accompanying consolidated income statement, for impairment in accordance with these tests carried out for a concession asset in Brazil, as mentioned in note 7.

Property, plant and equipment – Other plant: vessels
To calculate the recoverable amount of the ships from the Compañía Transmediterranea, S.A. subgroup, the specific characteristics of the market for seagoing vessels are taken into account; it's a narrow market where the specific features of each ship is particularly important, as they are not built on a production line but tailor-made for certain types of traffic; their value depends on the year and country of construction, ramps, linear metres, height of the hold, passenger capacity, speed, etc., so the measurement of value habitually takes into account comparable market features through the international brokers the Group works with (see note 4).

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

Finance leases
When the consolidated companies act as the lessee, they disclose the cost of the leased assets on 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 leases are charged to the consolidated income statement on a straight-line basis over the term of the leases.

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 on 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 recognised in profit or loss on a straight-line basis over the term of the lease.

G) Non-current receivables and other non-current assets

"Non-Current Receivables and Other Non-Current Assets" includes the non-current trade receivables, mainly from public authorities, and withholdings from trade receivables, mainly from the Construction of Infrastructure division.

Since its adoption of IFRIC 12, the ACCIONA Group has recognised under "Other Non-Current Assets" non-current assets associated with concessions in which the grantor guarantees the recovery of the asset through the payment of a fixed or determinable amount, and in which, therefore, the operator does not bear any demand risk.

This type of concession-related activity is carried on through investments mainly in transport, water supply and hospital infrastructure that is operated by subsidiaries, jointly controlled entities or associates (concession operators), the detail being as follows:

- The concession infrastructure is owned by the grantor in most cases.
- The concession grantor, which can be a public or private sector entity, controls or regulates the service offered by the concession operator and the conditions under which it should be provided.
- The infrastructure is operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are returned to the concession grantor, and the concession operator has no right whatsoever over these assets.
- The concession operator receives revenue for the services provided either directly from the users or through the concession grantor.

The most significant accounting criteria used by the ACCIONA Group in relation to these concession arrangements are as follows:

- The account receivable is recognised for the present value of the amount receivable from the grantor.
- Borrowing costs are not capitalised, either during the construction phase or after the concession has started to operate.
- The Group recognises interest income earned on the financial asset, even during the construction phase, by applying the effective interest rate of the financial asset. This income is recognised in the net revenue.
- In virtually all of the concessions of the ACCIONA Group, the construction was carried out by Group companies. In this respect, the income and expenses corresponding to infrastructure construction or upgrade services are recognised at their gross amounts (recognition of the sales and the cost of sales in the consolidated financial statements of the ACCIONA Group), recognising the construction margin in the consolidated financial statements. If construction were not carried out by the Group itself, this fact would be taken into account for the purpose of recognising sales and the cost of sales in the consolidated financial statements.
- There is no depreciation or amortisation charge since the arrangements constitute a financial asset.
- Annual billings are divided into a financial asset component recognised on the balance sheet (and, therefore, not recognised as sales) and the component relating to services provided, which is recognised under "Revenue".

H) Financial instrument disclosures

As a result of the adoption in 2007 of IFRS 7 and of the amendments to IAS 1 and IFRS 7, the qualitative and quantitative disclosures on financial instruments and risk and capital management were extended and are detailed in the following notes:

- Financial asset and liability categories, including derivative financial instruments and accounting policies are detailed in Note 3.2 i).

- Classification of the fair value measurements of financial assets and for derivative financial instruments consistent with the fair value hierarchy established in IFRS 7, detailed in Note 3.2 i).

- Qualitative and quantitative disclosure requirements relating to capital are detailed in Note 16 g).

- Risk accounting and management policies are detailed in Note 19.

- Derivative financial instruments and hedge accounting are detailed in Note 20.

- Transfers from equity to the year's profit or loss, for settlements of hedging derivative financial instrument transactions, are detailed in Note 28.

l) Financial instruments

Non-current and current financial assets excluding hedging derivatives

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

- Loans and receivables: financial assets originated by the companies in exchange for supplying cash, goods or services directly to a debtor. These items are measured at amortised cost, which is basically the initial market value, minus principal repayments, plus the accrued interest receivable calculated using the effective interest method.

- Held-to-maturity investments: assets with fixed or determinable payments and fixed maturity. The Group has the positive intention and ability to hold them from the date of purchase to the date of maturity. This category includes mainly short-term deposits, which are measured at amortised cost, as indicated above.

- Available-for-sale financial assets: these relate to securities acquired that are not classified in the other categories, substantially all of which relate to investments in the capital of companies. They are measured:

  - In the case of stakeholdings in unlisted companies, since the fair value cannot always be reliably determined, at acquisition cost, adjusted for any impairment losses disclosed. The main criterion applied by the ACCIONA Group to determine if there is objective evidence of impairment is to have incurred significant and permanent losses in the investee.

  - At fair value when it is possible to determine it reliably, based on either the market price or, in the absence thereof, using the price established in recent transactions or the discounted present value of the future cash flows. 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 income statement for the year. If fair value is lower than acquisition cost and there is objective evidence that the asset has suffered an impairment loss that cannot be considered reversible, the difference is recognised directly in the consolidated income statement.

  - At 31 December 2015 and 2014, the available-for-sale financial assets were measured by reference to quoted (unadjusted) market prices and categorised in level one of the hierarchy established in IFRS 7.

In financial years 2015 and 2014, no financial assets were reclassified among the categories defined in the preceding paragraphs.

Purchases and sales of financial assets are recognised using the trade date method.

Transfers of financial assets

The ACCIONA Group derecognises financial assets when they expire or when the rights to the cash flows from the financial asset and substantially all the risks and rewards of ownership have also been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the company does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinate financing or award any kind of guarantee or assume any other kind of risk.

Bank borrowings other than derivatives

Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. Borrowing costs, 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. In subsequent periods, these obligations are measured at amortised cost using the effective interest method.

In specific cases where liabilities are the underlying of a fair value hedge, they are measured, exceptionally, at fair value for the portion of the hedged risk.

Derivative financial instruments and hedge accounting

Because of its activities, the group is mainly exposed to the financial risks of changes in foreign exchange rates and interest rates and in certain fuel stocks and fuel supplies. The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Electricity and fuel price and supply hedging transactions are also arranged. 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.

Accounting policies:

Derivatives are recognised at fair value (see measurement bases below) at the consolidated balance sheet date under "Other Current Financial Assets" or "Non-Current Financial Assets" if positive and under "Bank Borrowings" (both current and non-current) if negative. Changes in the fair value of derivative financial instruments are recognised in the consolidated income statement as they arise. If the derivative has been designated as a hedge which is highly effective, it is recognised as follows:

- Fair value hedges: these hedges are arranged to fully or partially reduce the risk of fluctuations in the value of assets and liabilities (underlying) recognised in the consolidated balance sheet. The portion of the underlying for which the risk is being hedged is measured at fair value, as is the related hedging instrument, and changes in the fair values of both items are recognised under the same heading in the consolidated income statement. At 31 December 2015, the Group had not arranged any fair value hedges.

- Cash flow hedges: these hedges are arranged to reduce the risk of potential changes in the cash flows associated with the interest payments on non-current floating-rate financial liabilities, exchange rates and fuel stock and fuel hedges. Changes in the fair value of derivatives are recognised, with respect to the effective portion of the hedge, under "Equity - Reserves - Value Adjustments - Hedges". The cumulative gain or loss recognised in this heading is transferred to the consolidated income statement to the extent of the impact of the underlying (resulting from the risk hedged) on the consolidated income statement; thus this effect is netted off under the same heading in the consolidated income statement. Gains or losses on the ineffective portion of the hedges are recognised directly in the consolidated income statement.

- Hedges of a net investment in a foreign operation: changes in fair value are recognised, in respect of the effective portion of these hedges, net of the related tax effect, as "Translation Differences" in equity, and are transferred to the consolidated income statement when the hedged investment is disposed of. At 31 December 2015, the Group did not have any hedges relating to net investments in a foreign operation.

Group policy on hedging:

At the inception of the transaction, the Group designates and formally documents the hedging relationship and the objective and strategy for undertaking the hedge. Hedges are only recognised when the hedging relationship is expected, prospectively, to be highly effective from inception and in subsequent years it will be effective to offset the changes in the fair value or cash flows of the hedged item during the life of the hedge and, retrospectively, that the actual effectiveness of the hedge, which can be reliably calculated, is within a range of 80 125% of the gain or loss on the hedged item.

The Group does not hedge forecast transactions, but rather only firm financing commitments. If the cash flows from forecast transactions were hedged, the Group would assess whether such transactions were highly probable and whether they were exposed to changes in cash flows that could ultimately affect the year's profit or loss.

If the cash flow hedge of a firm commitment or projected 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. For hedges that do not result in recognition of a non-financial asset or liability, amounts deferred in equity are recognised in the income statement in the same period as that in which the hedged item affects net profit or loss.

Compound financial instruments with multiple embedded derivatives

The ACCIONA Group does not have any compound financial instruments with embedded derivatives.

Measurement bases

The Group measures derivatives not traded on an organised market (OTC) by discounting the expected cash flows and using generally accepted option pricing models based on spot and futures market conditions at the closing date of every financial year. The fair value calculations for each type of financial instrument are as follows:

- Interest rate swaps are valued by discounting future settlements between fixed and floating interest rates to their present value, in line with implicit market rates, obtained from long-term interest rate swap curves. Implicit volatility is used to calculate the fair values of caps and floors using option pricing models.

- Foreign currency hedging and option contracts are valued using the spot exchange rate, the forward interest rate curves of the related currencies and, in the case of options, implicit volatility until maturity.

- Commodities contracts (for fuel) are valued in a similar way, in this case, taking into account the futures prices of the underlying and the implicit volatility of the options.

In order to determine the adjustment for credit risk in the valuation of derivatives at 31 December 2015, the technique applied was based on a calculation through simulations of the total expected exposure (incorporating both the actual and the potential exposure) adjusted in line with the probability of default over time and the severity (or potential loss) assigned to the Company and to each of the counterparties.

More specifically, the adjustment for credit risk was obtained from the following formula:

Where:

- EAD: Exposure at default at any given moment. This is calculated through the simulation of scenarios with market price curves.

- PD: Probability of default, i.e., that one or other of the counterparties may fail to fulfil its payment obligations at any given moment.

- LGD: Loss given default with a severity = 1- (recovery rate): The percentage of losses ultimately occurring when one of the counterparties has incurred default.

The total expected exposure from derivatives is obtained using observable market inputs, such as interest curves, exchange rates and volatilities depending on the market conditions on the valuation date.

The inputs applied to obtain credit risk and counterparty risk (determination of the probability of default) are mainly based on the application of credit spreads of the Company or other comparable businesses currently traded on the market (CDS curves, IRR of debt issues). In the absence of credit spreads of the Company or other comparable businesses and in order to maximise the use of relevant observable variables, the listed references taken into account are those considered most suitable in each case (listed credit spread indices). For counterparties with credit information available, the credit spreads used are obtained from the Credit Default Swaps (CDS) listed on the market.

Furthermore, for the adjustment of the fair value to the credit risk, consideration has been given to the credit enhancements in terms of collateral or guarantees when determining the severity rate to be applied to each position. Severity is considered to be unique over time. If there are no credit enhancements in terms of collateral or guarantees, the minimum recovery rate applied has been 40%. Nonetheless, this rate would range between 57% and 91% depending on the degree of progress in the project (construction or operation phase), for derivatives contracted under Project Finance structures.

The measurements at fair value made over the different derivative financial instruments including the information used for the calculation of the adjustment for credit risk of both the Company and its counterparty are classified at level 2 in the fair value hierarchy established in IFRS 7 as the inputs based on prices listed for similar instruments on active markets (not included in level 1), listed prices for identical or similar instruments on markets that are not active, and techniques based on valuation models for which all the significant inputs are observable on the market or can be corroborated by observable market data.

Although the ACCIONA Group has determined that most of the inputs used to evaluate the derivatives are at level 2 in the fair value hierarchy, the credit risk adjustments use level 3 inputs such as the credit estimations based on the credit rating or comparable companies to assess the probability of insolvency for the Company or its counterparty. The Group has assessed the relevance of the credit risk adjustments for the total valuation of the derivative financial instruments and has concluded that they are not material.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value, which does not differ substantially from their fair value.

Trade payables include unpaid balances to suppliers which are handled through confirming contracts with financial entities and, in the same way, payments related thereto are classified as transaction flows, since these transactions do not include either special guarantees given as pledge for the payments to be made or modifications that change the commercial nature of the transactions.

Current/Non-current classification

In the accompanying consolidated balance sheet, assets and liabilities maturing within no more than twelve months are classified as current items and those maturing within more than twelve months are classified as non-current items. The companies in the Real Estate division classify their liabilities based on their production cycle, which usually encompasses a longer period than the aforementioned twelve months. The current assets and liabilities allocated to this division with an estimated maturity of more than twelve months are as follows:

	Thousands of euros	
	2015	2014
Inventories	471,695	712,243
Trade receivables	--	--
Total current assets	**471,695**	**712,243**
Bank borrowings	28,352	82,552
Other current liabilities	6,869	16,752
Total current liabilities	**35,221**	**99,304**

Loans that mature in the short term but whose long-term refinancing is, at the Group's discretion, ensured through available long-term credit facilities are classified as non-current liabilities.

J) Inventories

The Group companies measure their inventories as follows:

- In the Construction business, 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.

- In the real estate business, land is measured at acquisition cost, plus urban development costs, if any, purchase transaction costs and borrowing costs incurred from the date of commencement of the development of the site for its desired use until construction begins, or at their estimated market value, whichever is the lower. If the building work is halted due to its rescheduling or other reasons, the borrowing costs cease to be capitalised.

The costs incurred in property developments or part thereof whose construction has not been completed at the closing date of the financial year are treated as inventories. These costs include land, urban development and construction costs, capitalised borrowing 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.

There were no capitalised borrowing costs in financial year 2015. In 2014 capitalised borrowing costs amounted to 0.2 million euros (see Note 28).

- Other inventories are recognised generally at the lower of weighted average cost and net realisable value. These inventories can, on a residual basis, be measured at FIFO cost.

As regards real estate inventories, the Group's Directors estimate their fair value at the end of every year on th4e basis of the valuations undertaken by independent experts "Savills Consultores Inmobiliarios, S.A.", whose report was issued on 31/12/2015, and "Instituto de Valoraciones, S.A.", whose report was issued on14/01/2016, allocating if necessary provisions for impairment when the properties are found to be overvalued.

The valuations were carried out in accordance with the Appraisal and Valuation Standards issued by the Royal Institute of Chartered Surveyors (RICS) of the United Kingdom and the International Valuation Standards (IVS) issued by the International Valuation Standards Committee (IVSC). The residual method was used to calculate the fair value, supplemented by the Comparative Method.

Whenever there is a reasonable change in the basic assumptions that affect the recoverable amount of the assets, the Group performs a sensitivity analysis to determine whether this change may reduce the realisable value to below the carrying amount, in which case, an impairment loss is recognised.

K) Treasury shares

At 31 December 2015, ACCIONA, S.A. and its subsidiary Finanzas Dos, S.A., held 320,460 treasury shares representing 0.5597% of the share capital at that date. The acquisition cost of these shares amounted to 20,238 thousand euros. The acquisition cost of the treasury shares and the gains or losses on transactions involving them were recognised directly in equity (see Note 16).

At 31 December 2014, ACCIONA, S.A. and its subsidiary Finanzas Dos, S.A. held 534,499 treasury shares representing 0.933% of the share capital at that date. The acquisition cost of these shares amounted to 28,895 thousand euros. The acquisition cost of the treasury shares and the gains or losses on transactions involving them were recognised directly in equity (see Note 16).

L) Termination benefits

Under the legislation for the time being in force, the Spanish consolidated companies and certain foreign companies are required to pay termination benefits to employees dismissed on unfair grounds. The ACCIONA Group companies currently do not have any employee termination plans that have not been appropriately provisioned in accordance with the regulations in force.

M) 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, 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 close of every accounting period, 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 close of financial years 2015 and 2014, certain litigation and claims arising from the ordinary course of operations were in process against the consolidated companies. 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 consolidated financial statements for the years in which they are settled. Accordingly, they did not deem it necessary to record an additional provision in this connection.

Operating provisions and allowances

These provisions and allowances include costs that have not yet been incurred. The provision for the cost of completion of construction projects is intended to cover the expenses arising from the date on which project units are completed to the date of delivery to the client.

Provisions for pensions and similar obligations

Except for the two groups discussed below, the ACCIONA Group companies do not have any pension plans to supplement social security pensions. The appropriate provisions are recognised for terminations of permanent site personnel.

- The collective agreements of certain companies in the Compañía Trasmediterranea subgroup establish benefits of specific amounts for employees who reach retirement age, subject to compliance with the conditions stipulated in these agreements. These collective agreements also establish a loyalty bonus based on the employee's length of service at the companies. The subgroup currently recognises these obligations at the moment of their effective payment; the cost recognised for these commitments in 2015 and 2014 were 16 thousand euros and 20 thousand euros, respectively.

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 at 31 December 2015 and 2014 relating to the amounts payable to the insurance company for the benefit obligations accrued in these two years amounted to 337 and 468 thousand euros, respectively, and this amount was recognised under "Wages and Salaries" in the accompanying consolidated income statement.

- As a result of the acquisition of assets and/or companies from the Endesa Group in 2009, certain companies in the ACCIONA Group entered into or were subrogated to collective agreements that establish benefits of specific amounts for employees included in such agreements that reach retirement age, provided that the conditions established in the agreements are met. Some of these collective agreements also establish a loyalty bonus based on the employee's length of service at the companies. The impact of these obligations is not material.

These companies also have various pension obligations to their employees, which vary depending on the company of the Endesa Group they came from. These defined benefit obligations are basically formalised in pension plans, except as regards certain benefits in kind, mainly electricity supply obligations, which, due to their nature, have not been externalised and are covered by the related in-house provisions.

For the defined benefit plans, the companies recognise the expenditure relating to these obligations on an accrual basis over the working life of the employees by performing at the consolidated balance sheet date the appropriate actuarial studies calculated using the projected unit credit method. The past service costs relating to changes in benefits are recognised immediately in the consolidated income statement as the benefits vest.

The defined benefit plan obligations represent the present value of the accrued benefits after deducting the fair value of the qualifying plan assets. The actuarial losses and gains arising in the measurement of both the plan liabilities and the plan assets are recognised directly in equity under "Reserves - Change due to Actuarial Losses and Gains on Pension Schemes".

For each of the plans, any positive difference between the actuarial liability for past services and the plan assets is recognised under "Provisions" on the consolidated balance sheet and any negative difference is recognised under "Trade and Other Receivables" on the asset side of the consolidated balance sheet, provided that such negative difference is recoverable by the Group, usually through a reduction in future contributions.

The impact of these plans on the consolidated income statement is not material (see Note 17).

The Group recognises termination benefits when there is an individual or collective agreement with the employees or a genuine expectation that such an agreement will be reached that will enable the employees, unilaterally or by mutual agreement with the company, to cease working for the Group in exchange for a termination benefit. If a mutual agreement is required, a provision is only recorded in situations in which the Group has decided to consent to the termination of the employees when this has been requested by them. In all cases in which these provisions are recognised the employees have an expectation that these early retirements will take place.

N) Grants

Government grants related to assets to cover staff re-training costs are recognised as income once all the conditions attached 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, are classified under "Other Non-Current Liabilities" and are taken to income over the expected useful lives of the assets concerned under "Other Income".

O) 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 some of the particular features of the business activities carried on by the Group:

Construction business:

The Group companies recognise construction contract revenue and expenses by reference to the stage of completion of the contract activity at the consolidated balance sheet date, determined on the basis of an examination of the work performed. Under this method, contract revenue is recognised in the consolidated 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 for which they are incurred is performed, provided that:

- Total contract revenue and the costs to complete the contract can be reliably measured; 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 reliably measured.

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

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 included in the subject-matter of the main contract entered into with the client.

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

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

If, due either to a delay in collection or to the insolvency of the client, 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 client risk estimated.

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, etc., 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 property, 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 under the various contracts for which it is used.

Machinery removal and site installation dismantling costs, upkeep costs within the warranty period and the costs, if any, arising in the period from completion of the construction work to the date of final settlement, are deferred and recognised in profit or loss 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, regardless of whether the construction units under the contract have been completed or not.

Real Estate 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, if appropriate, the provisions 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 reliably estimated and whose settlement will probably give rise to an outflow of resources for the company.

Rental revenue is recognised on an accrual basis, and incentive-related income and the initial costs of the lease agreements are recognised in profit or loss 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 said assets until such time as the assets are substantially ready for use or sale, provided that the fair value exceeds the accumulated cost of the asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisatio.

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 reliably estimated.

For every year the Group companies recognise as profit or loss on their services the difference between production (value at the selling price of the services provided during the period, as stipulated in the main contract entered into with the client or in amendments or addenda thereto as approved by the client, or of the services not yet approved but 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 changes during the period of performance, which are difficult to predict and quantify objectively.

Price revisions stipulated under the initial contract entered into with the client are recognised as revenue on an accrual, basis, regardless of whether they have been approved by the client on an annual basis.

Energy business:
One of businesses of the ACCIONA Group is the turnkey construction of wind farms and other energy production facilities. The total costs incurred in these projects are recognised as operating expenses and the related sales are recognised in accordance with the stage of completion of the project, calculated on the basis of the price and terms and conditions of the sale agreement at the cost incurred and at the estimated cost, based on the detailed budgets of each contract applied since the inception thereof. Losses on contracts are recognised in full in the year's profit or loss as soon as they become known.

P) Income tax. Deferred tax assets and liabilities

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 registered by applying the tax rates at which they are expected to be recovered or settled.

Corporate tax and changes in deferred tax assets and liabilities not arising from business combinations are recognised in the consolidated income statement or in equity accounts on the consolidated balance sheet depending on where the profits or losses giving rise to them have been recognised.

Changes arising from business combinations that are not recognised on the acquisition of the controlling interest because their recovery is not assured are recognised by reducing, where appropriate, the carrying amount of goodwill recognised when the business combination was accounted for or, if no such goodwill exists, using the aforementioned method.

Deferred tax assets relating to temporary differences, and tax loss and tax credit carryforwards are only recognised if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised.

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.

Q) Foreign currency balances and transactionsa

Transactions in currencies other than the functional currency of each company are recognised in the functional currency by applying the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the balances translated at the exchange rate prevailing at the date of the transaction and the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as finance costs or finance income in the consolidated income statement.

In addition, balances receivable or payable at 31 December each year denominated in currencies other than the functional currencies in which the financial statements of the consolidated companies are denominated are translated to euros at the year-end exchange rates. The translation differences are recognised as finance costs or finance income in the consolidated income statement.

R) Environment-related activities

In general, environment-related 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 profit or loss in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

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

S) Discontinued operations and non-current assets and liabilities classified as held for sale

The Group classifies as "Non-Current Assets Classified as Held for Sale" property, plant and equipment, intangible assets, other non-current assets or investments under "Investments Accounted for Using the Equity Method" and disposal groups (groups of assets which will be disposed of together with their directly associated liabilities) for which at the date of the consolidated balance sheet an active programme and at reasonable prices has been started so as to sell them and the sale is expected to be completed within twelve months from that date.

The Group classifies as "Discontinued Operations" the business lines that were sold or otherwise disposed of or which meet the criteria to be classified as held for sale, including, where applicable, assets which, together with the business line, form part of the same disposal plan or are classified as held for sale as a result of acquired commitments. Similarly, companies acquired exclusively with a view to resale are classified as "Discontinued Operations".

These assets or disposal groups are measured at their carrying amount or their fair value less costs to sell, whichever is the lower, and depreciation on such assets ceases from the time they are classified as "Non-Current Assets Classified as Held for Sale". However, at the date of each consolidated balance sheet the related value adjustments are made to ensure that the carrying amount is not higher than the fair value less costs to sell.

Non-current assets held for sale and the components of the disposal groups classified as held for sale are disclosed in the accompanying consolidated balance sheet as follows: the assets as a single line item called "Non-Current Assets Classified as Held for Sale and Discontinued Operations" and the liabilities also as a single line item called "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations".

Profit or loss after tax of discontinued operations is disclosed as a single line item in the consolidated income statement as "Profit/Loss after Tax from Discontinued Operations".

T) Earnings per share

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

Diluted earnings per share are calculated by dividing the period's 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 period, adjusted by the weighted average number of ordinary shares that would have been outstanding if all the potential ordinary shares have been converted into ordinary shares of the company. For these purposes, it is considered that the shares are converted at the beginning of the accounting period or at the date of issue of the potential ordinary shares, if the latter had been issued during the accounting period.

U) Consolidated cash flow statement

The following terms, with the meanings specified, are used in the consolidated statement of cash flows, which was prepared using the indirect method:

- Cash flows: inflows and outflows of cash and cash equivalents, which are taken to be changes in the value of short-term, highly liquid investments.

- Operating activities: the main revenue-producing activities of the Company and other activities that are not investing or financing activities. Beginning with the profit before tax from continuing operations, in addition to the adjustment for "Depreciation and Amortisation Charge", transfers of interest paid and received are recognised under "Other Adjustments to Profit (Net)" although on a separate basis, as well as the transfer of the gains or losses on disposal of non-current assets included under investing activities and, lastly, the adjustments to the results of companies accounted for using the equity method and, in general, any results that do not generate cash flows.

- 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 equity and of borrowings that are not operating activities.

3.3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The information contained in these financial statements is the responsibility of the Directors of the Parent Company.

In the consolidated financial statements for 2015 and 2014 estimates were made by the Group's Directors in order to measure some of the assets, liabilities, income, expenses and obligations reported therein. These estimates relate basically to the following:

- The measurement of assets and goodwill so as to determine any impairment losses thereon.
- Distribution of the cost of business combinations.
- Recognition of revenue in the construction activity.
- The assumptions used in the actuarial estimate of pension liabilities and obligations.
- The useful life of property, plant and equipment, investment property and intangible assets.
- The assumptions used to measure the fair value of financial instruments.
- The probability of occurrence and the amount of liabilities of an undetermined amount or contingent liabilities.
- Future costs for shutting down facilities and the restoration of land.
- The results for tax purposes of the various Group companies that will be reported to the tax authorities in the future, which served as the basis for recognising the various income tax-related balances in the accompanying consolidated financial statements.

These estimates were made on the basis of the best information available at 31 December 2015 and 2014 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.

3.4 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 prospectively, 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.

At 31 December 2015 there were no material changes in accounting estimates or accounting policies; nor any corrections of errors. In financial year 2014 the ACCIONA Group made a new estimate of the working lives of its wind farms, which changed from 20 to 25 years, and the impact was registered prospectively.

4. Property, plant and equipment

The changes in financial years 2015 and 2014 in cost and accumulated depreciation were as follows (in thousands of euros):

Property, plant and equipment	Land and buildings	Electricity generating facilities	Other plant and machinery	Advances and property, plant and equipment in progress	Other property, plant and equipment	Depreciation	Impairment	Total
Balance at 31/12/2013	**485,099**	**10,329,856**	**1,380,366**	**185,374**	**243,170**	**(3,913,787)**	**(878,798)**	**7,831,280**
Variations due to changes in the scope of consolidation	(17,940)	(228)	(19,853)	(791)	(13,732)	31,110	--	(21,434)
Additions/ charge for the year	5,257	5,466	50,367	307,918	13,981	(439,262)	(2,962)	(59,235)
Reductions	(2,386)	(51,563)	(87,292)	(502)	(21,234)	88,281	7,325	(67,371)
Transfers	(3,738)	388,886	119,455	(307,537)	(10,163)	(25,103)	(15,184)	146,616
Other changes	2,830	229,404	1,530	11,518	1,415	(51,888)	(12,125)	182,684
Balance at 31/12/2014	**469,122**	**10,901,821**	**1,444,573**	**195,980**	**213,437**	**(4,310,649)**	**(901,744)**	**8,012,540**
Variations due to changes in the scope of consolidation	--	(33,372)	76	--	(4)	8,186	23,000	(2,114)
Additions/ charge for the year	7,581	37,771	46,310	118,384	9,481	(447,867)	(3,219)	(231,559)
Reductions	(1,100)	(2,404)	(148,238)	(5,115)	(9,972)	102,414	20,521	(43,894)
Transfers	(75,649)	56,890	(120,359)	(159,067)	(2,631)	107,314	(51)	(193,553)
Other changes	2,509	208,557	(7,357)	(24,331)	(4,097)	(40,938)	(11,576)	122,767
Balance at 31/12/2015	**402,463**	**11,169,263**	**1,215,005**	**125,851**	**206,214**	**(4,581,540)**	**(873,069)**	**7,664,187**

Breakdown of the net balances at the end of 2015 and 2014 was as follows:

	2015				2014			
Property, plant and equipment	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Land and buildings	402,463	(145,194)	(1,809)	255,460	469,122	(162,997)	--	306,125
Electricity generating facilities	11,169,264	(3,468,830)	(785,760)	6,914,674	10,901,821	(3,063,227)	(800,157)	7,038,437
Other plant	806,536	(474,840)	(82,880)	248,816	992,626	(563,063)	(98,880)	330,683
Machinery	408,469	(334,525)	(2,484)	71,460	451,947	(361,268)	(2,484)	88,195
Advances and property, plant and equipment in progress	125,851	--	--	125,851	195,980	--	--	195,980
Other property, plant and equipment	206,214	(158,151)	(136)	47,927	213,437	(160,094)	(223)	53,120
Total	**13,118,797**	**(4,581,540)**	**(873,069)**	**7,664,188**	**13,224,933**	**(4,310,649)**	**(901,744)**	**8,012,540**

The main additions in 2015 were recorded under the heading "Advances in progress" from the energy division for the electricity generation facilities in South Africa, Poland and the United States. The wind farm located in South Africa, which began to be built in 2014, has already been transferred to the heading for electricity generation facilities, since it was already operational at 31 December 2015.

As regards removals, the main amount is found under the heading "Other plant and machinery", for the sale of a tunnel boring machine in the infrastructure division, and for the sale, by the subsidiary Compañía Trasmediterranea, S.A., of two ships: Superfast Canarias and Superfast Andalucía, for 18,500 thousand euros; the operation did not involve any losses for the group. This fact, together with the references obtained of the fair values of the ships with market transactions, and the appraisal values as explained in note 3.2.E), permitted to conclude that the impairments registered in previous years, in the amount of 81 million euros, were sufficient.

The main movement in "Transfers" was the transfer to Concessions within other intangible assets of the farm in Chiripa (Costa Rica) for 102 million euros, as it is framed within standard IFRIC 12 after the analysis of all the contracts associated with the concession, which began to operate at the end of 2014. The Group estimated that the aforesaid classification was not significant over gross and net values under "plant, property and equipment" so as to have to restate the figures for 2014 according to IAS 8.

In addition, at 31 December 2015 there was a transfer on reclassification of property, plant and equipment to the heading "held for sale" of the Windpower subgroup for 90 million euros, gross amount and accumulated depreciation for 193 and 103 million euros, respectively (see note 23).

"Other changes" in 2015 included the effect of the translation differences in the period for a positive amount of 121 million euros (negative 216 million euros in 2014), fundamentally from the wind farms located in the United States and Mexico, where the financial statements are stated in dollars, a currency that appreciated almost 10% against the euro in the course of 2015.

In financial year 2014 the most significant additions were recorded in the heading for "Advances in progress" from the energy division for the electricity generation facilities in South Africa and Chile. The wind farms located in Chile and Costa Rica, as well as the solar plant located in South Africa that started to be built in 2013, were transferred to the heading for electricity generation facilities, as they were in operation.

The main removal in 2014 from "electricity generation facilities" was the non-renewal of the operation of a hydraulic plant; from "Other plant and machinery", the sale of a ship and sundry machinery in the infrastructure construction division, which was also reflected in elements booked under the heading "Other property, plant and equipment".

Another significant amount was found in the transfers of the "Other plant and machinery" heading, due to an increase caused by the reclassification, from the heading for assets held for sale, of two vessels included in that item at the close of financial year 2013.

At 31 December 2015 the amount registered in previous years under "impairments" amounted to 873 million euros, which related to the impairment of ships from the Compañía Transmediterranea subgroup for 81 million euros as mentioned before and the remaining amount basically to impairment of assets from the energy division, both in the international area and in respect of Spanish assets. In the case of Spanish assets, due to the regulatory change that took place in 2012 and 2013 as explained in detail in note 2.1 relating to regulatory framework.

In financial year 2015 no impairment was estimated and no significant losses occurred that were not covered by the provisions in place.

In 2015, the companies capitalised finance costs amounting to 6 million euros as the higher value of property, plant and equipment and 17.1 million euros at 31 December 2014 (see Note 28).

Fully depreciated property, plant and equipment in use at 31 December 2015 and 2014 amounted to 487 and 512 million euros, respectively; most of these assets are currently in use.

At 31 December 2015, the Group companies had property, plant and equipment purchase commitments amounting to 421 million euros, mainly in the energy division, for new wind and photovoltaic projects awarded in the United States and Chile. The amount committed at 31 December 2014 came to 87 million euros.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are exposed, and the claims that might be filed against it in the development of its business activities. These policies are considered to provide adequate cover for the related risks.

The carrying amount of the Group's property, plant and equipment did not include any significant amount in 2015 or 2014 in respect of assets acquired under finance lease arrangements.

The Group has mortgaged land and buildings totalling 24 million euros (24 million euros in 2014) to secure credit facilities granted to the Group by banks. In addition, at 31 December 2015, certain vessels with a carrying amount of 105 million euros (152 million euros in 2014) 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 2015 and 2014 in the Group's investment property were as follows:

Investment property	Thousands of euros		
	Cost	Accumulated depreciation and impairment losses	Total
Balance at 31/12/13	**178,399**	**(61,150)**	**117,249**
Additions	206	(9,818)	(9,612)
Disposals	(396)	21	(375)
Transfers	90,411	(16,781)	73,630
Other changes	(7)	(34)	(41)
Balance at 31/12/14	**268,613**	**(87,762)**	**180,851**
Additions	3,230	(11,179)	(7,949)
Disposals	(198)	322	124
Transfers	748,127	(245,867)	502,260
Other changes	(340)	269	(71)
Balance at 31/12/15	**1,019,432**	**(344,217)**	**675,215**

In 2015 the main changes under this heading related to a transfer from "held for sale" from the Coto subgroup (property for rent), due to a strategic change in the real estate division, as well as to the reclassification of land and housing from Inventories to Property investments, due to the change of use of same because of the revision of the end use of residential housing based on the trend followed by the property market; all this meant revaluation of the use of certain developments now intended for rent (see note 23).

The main movement in 2014 related to the transfer, from "non-current assets held for sale", of two real properties since their selling processes were slowed down in the course of the year.

At 31 December 2015 and 2014, the fair market value of the property investments recorded under this line item on those dates and estimated on the basis of the valuations made by independent appraisers (see note 3.2. E) amounted to 705,833 million euros (201.46 million euros at 31 December 2014). The increase in value in 2015 if compared to 2014 was mainly due to the reclassifications indicated on the table above, from "held for sale" (with an appraised value of 425,160 thousand euros at 31 December 2014) and from Inventories (with an appraised value of 211, 860 thousand euros at 31 December 2014). If these two impacts are considered, the appraised value in 2014 if compared to 2015 would amount to 838,478 thousand euros.

The rental income earned by the Group from investment property listed under this heading at 31 December 2015 and 2014, all of which was leased out under operating leases, amounted to 29 million euros (19 million euros in 2014). For the interpretation of the rental income obtained it must be taken into consideration that the heading property investments includes assets that are not currently in operation since there is land in the process of development for future lease. Direct operating expenses arising from investment property in the period amounted to 10 million euros (6 million euros in 2014), recognised under "Other Operating Expenses" in the accompanying consolidated income statement.

At 31 December 2015 and 2014 and 2013, the Group had mortgaged a portion of its investment property included under this heading, for 468 and 90 million euros net, respectively, to secure bank credit facilities granted to the Group. The increase was mainly due to the reclassifications indicated on the table above from held for sale and from Inventories to this heading for 313 and 46 million euros, respectively.

The detail, by location, of the cost of the properties held to earn rentals owned by the Property Division of the ACCIONA Group at 31 December 2015 and 2014 is as follows:

	2015		2014	
Location	Cost	Depreciation and provisions	Cost	Depreciation and provisions
Madrid	598,401	(152,962)	98,493	(29,724)
The Levant Region	52,533	(23,560)	11,401	(3,687)
Andalusia	90,260	(37,410)	59,244	(24,849)
Catalonia	161,279	(66,218)	67,439	(19,785)
Other	114,783	(63,492)	29,591	(8,901)
Total	**1,017,256**	**(343,642)**	**266,168**	**(86,946)**

6. Goodwill

The movements in "Goodwill" on the accompanying consolidated balance sheet in 2014 were as follows (in thousands of euros):

	Balance at 31/12/13	Additions	Impairment	Other changes	Balance at 31/12/14
ACCIONA Facility Services subgroup	50,962				50,962
ACCIONA Water subgroup	27,976				27,976
Other	367			(10)	357
Total	**79,305**	**--**	**--**	**(10)**	**79,295**

The movements in "Goodwill" on the accompanying consolidated balance sheet in 2015 were as follows (in thousands of euros):

	Balance at 31/12/14	Additions	Impairment	Other changes	Balance at 31/12/15
ACCIONA Facility Services subgroup	50,962				50,962
ACCIONA Water subgroup	27,976				27,976
Other	357			1	358
Total	**79,295**	**--**	**--**	**1**	**79,296**

At present the main goodwill registered by the Group comes from the subgroup ACCIONA Facility Services and ACCIONA Agua (ACCIONA Water) for 51 and 28 million euros, respectively. In 2015 the update of the impairment test, according to the method described in note 3.2E) did not show the need to record additional impairment.

The growth rate employed by both subgroups to extrapolate the cash flow projections beyond the five-year period covered by the forecasts was 1.75%.

The WACC rates after tax that were applied were: 5.68% for ACCIONA Facility Services and 5.83% for the ACCIONA Water subgroup.

A sensitivity test was carried out, particularly in relation to the operating margin, the discount rate and the perpetuity growth rate, in order to ensure than possible changes in the estimation did not have an impact on the possible recovery of the goodwill registered. The outcome of these sensitivity tests indicated that, decreases of 75 basic points in the growth rate applied, increases in the discount rate of up to 40 basic points and 10% reductions in the net operating margin, these assumptions being considered jointly, do not change the outcome of the impairment test, that is, no goodwill impairment is shown.

The ACCIONA Group applies the acquisition method to account for any and all additions to the Group that involve the acquisition of a controlling interest.

There were no additions to the group in 2015; the main ones in 2014 are summarised below.

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/DNC
		2014			
Compañía Urbanizada Del Coto, S.L.	15,018	47.47%	57,659	(12,353)	

The negative consolidation difference generated in the purchase operation for 47.47% of Compañía Urbanizadora Coto, S.L. was applied against the goodwill existing in the company. The ACCIONA Group had previously been including 50% of it by applying the equity method.

7. Other intangible assets

The changes in 2015 and 2014 were as follows (in thousands of euros):

Other intangible assets	Development	Concessions	Transfer rights	Computer software	Advances	Accumulated amortisation.	Impairment losses	Total
Balance at 31/12/13	**94,122**	**801,591**	**1,063**	**62,509**	**21,958**	**(283,983)**	**(63,381)**	**633,879**
Changes due to changes in scope of consolidation	--	(258)	--	(819)	(14)	603	--	(488)
Additions / charge for the year	3,196	31,154	609	2,899	2,909	(49,415)	--	(8,648)
Removals	(143)	(26,157)	--	(1,081)	--	1,167	68	(26,146)
Transfers	325	(45,897)	--	(3,952)	(19,461)	(61)	184	(68,862)
Other changes	2	3,462	(12)	(45)	78	(743)	(46)	2,696
Balance at 31/12/14	**97,502**	**763,895**	**1,660**	**59,511**	**5,470**	**(332,432)**	**(63,175)**	**532,431**
Changes due to changes in scope of consolidation	--	1	--	(29)	--	28	--	--
Additions / charge for the year	3,610	25,645	--	3,607	2,072	(47,883)	(18,630)	(31,579)
Removals	(286)	(64,894)	--	(434)	(112)	14,398	1,080	(50,248)
Transfers	(42,765)	89,202	(292)	(4,573)	(1,957)	51,931	--	91,546
Other changes	(21)	(24,003)	(27)	(259)	(491)	5,918	(14,783)	(33,666)
Balance at 31/12/15	**58,040**	**789,846**	**1,341**	**57,823**	**4,982**	**(308,040)**	**(95,508)**	**508,484**

The net balances by headings at the close of the financial years 2015 and 2014 were as follows:

Intangible assets	2015				2014			
	Cost	Amortisation.	Impairment	Total	Cost	Amortisation.	Impairment	Total
Development	58,040	(52,129)	(1,608)	4,303	97,502	(79,772)	(1,608)	16,122
Concessions	789,846	(205,199)	(93,865)	490,782	763,895	(202,044)	(61,532)	500,319
Transfer rights	1,341	(537)	(35)	769	1,660	(404)	(35)	1,221
Computer software	57,823	(50,175)	--	7,648	59,511	(50,212)	--	9,299
Advances	4,982	--	--	4,982	5,470	--	--	5,470
Total	**912,032**	**(308,040)**	**(95,508)**	**508,484**	**928,038**	**(332,432)**	**(63,175)**	**532,431**

The “Concessions” line mainly includes those concession assets where the risk of recovering the asset is assumed by the operator.

In addition, it includes the cost of the administrative concessions, as well as the identifiable intangible values acquired in business combinations, relating to raft of expectant right and intangible assets, for the development of future wind projects acquired from third parties through the acquisition of stakeholdings in the companies holding these rights and the levies paid by ACCIONA Agua for concessions related to the integral water cycle.

Breakdown of the concessions line at 31 December 2015 and 2014 was as follows:

Concessions	2015				2014			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Administrative Concessions	331,284	(114,452)	(32,210)	184,622	375,658	(125,789)	(18,508)	231,361
Intangible Concessions (IFRIC 12)	458,562	(90,747)	(61,655)	306,160	388,237	(76,255)	(43,024)	268,958
Total	**789,846**	**(205,199)**	**(93,865)**	**490,782**	**763,895**	**(202,044)**	**(61,532)**	**500,317**

The breakdown of the main concessions is given in Appendix VI and the detail of the balance of the main concessions under the intangible model (IFRIC 12) at 31 December 2015 and 2014 is as follows:

Concessions	2015				2014			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Rodovia do Aço, S.A.	123,322	(16,622)	(58,550)	48,150	158,080	(18,718)	(39,920)	99,442
S.C. A2 Tramo 2, S.A.	148,523	(38,936)	(3,104)	106,483	148,426	(29,264)	(3,104)	116,058
Consorcio Eólico Chiripa, S.A.	114,345	(8,887)	--	105,458	--	--	--	--

At 31 December 2015 and 2014, the main additions related to the development of certain concession operations of the group in the area of road transport infrastructures.

"Removals" reflects mainly the completion of a concession contract in the Water division, which did not have an impact on equity, the assets and liabilities registered in the concession whose contract ended being considered.

"Transfers" relates mainly to classification of the wind farm in Costa Rica under this heading for 102 million euros as discussed in note 4.

"Other Changes" includes the effect of translation differences in the period in the negative amount of 34 million euros, mainly from the construction of an infrastructure in Brazil (positive amount of 3 million euros in 2014).

At 31 December 2015 the amount of 8,322 thousand euros of intangible assets from the Windpower subgroup was classified under the heading "non-current assets held for sale" (see note 23).

In 2015 the concessionaire of a Brazilian motorway, Rodovia do Aço, S.A. showed additional signs of a drop in its value, mainly due to the worsening of the country's macroeconomic conditions.

As a result, an impairment test was implemented, as indicated in note 3.2 E) on the basis of the projection of cash flows estimated after covering the debt service. The discount rate used includes the country-risk (Brazilian 10-year bond plus market premium) and the average leverage during the life of the concession, the cost of own capital standing at 13.44%. The impairment calculated amounted to 19 million euros, which was recorded under the heading "impairment of assets" on the accompanying income statement (see note 26).

As regards the other intangible assets, in 2015 no impairment was estimated and no significant losses appeared that were not covered with the provisions in place at 31 December 2015.

At 31 December 2015, Group companies had commitments to acquire intangible assets in the amount of 121 million euros for concession projects in the infrastructure construction division (motorways) and in the water division. At 31 December 2014, the amount committed came to 103 million euros.

Fully amortised intangible assets in use at 31 December 2015 and 2014 amounted to 90 and 105 million euros, respectively.

8. Investments in associates

The movement in 2014 in this heading on the accompanying consolidated balance sheet was as follows (in thousands of euros):

Direct investments of the Parent	Balance at 31/12/13	Share of profit (loss) before tax	Dividends	Tax effect and other changes.	Changes in the year	Balance at 31.12.14
Consorcio Traza, S.A.	8,302	(629)	--	(2,169)	--	5,504
Gran Hospital Can Misses, S.A.	4,872	(344)	--	(3,696)	--	832
S.C. Novo Hospital De Vigo S.A.	14,136	759	--	(3,537)	--	11,358
ACCIONA Nouvelle Autoroute 30 Inc	43,180	7,899	--	--	(51,079)	--
Total direct investments	**70,490**	**7,685**	**--**	**(9,402)**	**(51,079)**	**17,694**
Indirect investments of the Parent	**Balance at 31/12/13**	**Share of profit (loss) before tax**	**Dividends**	**Tax effect and other changes.**	**Changes in the year**	**Balance at 31.12.14**
Indirect investments of the ACCIONA Energy Subgroup	148,832	12,039	(3,999)	2,066	(36)	158,902
Indirect investments of the Ceatesalas Subgroup	83,713	1,170	(960)	357	(630)	83,650
Indirect investments of the ACCIONA Infrastructures Subgroup	31,562	5,008	--	(5,326)	(17,171)	14,073
Indirect investments of the ACCIONA Concessions Subgroup	385	2,956	(373)	(6,406)	6,947	3,509
Indirect investments of the ACCIONA Water Subgroup	104,319	20,253	(11,780)	(11,934)	2,553	103,411
Indirect investments of the ACCIONA Property Subgroup	31,977	(4,361)	--	(3,420)	(17,309)	6,887
Indirect investments of the ACCIONA Trasmediterranea Subgroup	176	191	(13)	(189)	--	165
Other indirect investments	1,713	(49)	--	192	3	1,859
Total indirect investments	**402,677**	**37,207**	**(17,125)**	**(24,660)**	**(25,643)**	**372,456**
Total	**473,167**	**44,892**	**(17,125)**	**(34,062)**	**(76,722)**	**390,150**

The movement in 2015 in this heading on the accompanying consolidated balance sheet was as follows (in thousands of euros):

Direct investments of the Parent	Balance at 31/12/13	Share of profit (loss) before tax	Dividends	Tax effect and other changes.	Changes in the year	Balance at 31.12.14
Consorcio Traza, S.A.	5,504	(516)	--	614	--	5,602
Gran Hospital Can Misses, S.A.	832	96	--	1,036	--	1,964
S.C. Novo Hospital De Vigo S.A.	11,358	68	--	549	--	11,975
Total direct investment	**17,694**	**(352)**	**--**	**2,199**	**--**	**19,541**
Direct investments of the Parent	**Balance at 31/12/13**	**Share of profit (loss) before tax**	**Dividends**	**Tax effect and other changes**	**Changes in the year**	**Balance at 31.12.14**
Indirect investments of the ACCIONA Energy Subgroup	158,902	19,189	(36,908)	(758)	2,440	142,865
Indirect investments of the Ceatesalas Subgroup	83,650	7,406	(1,984)	(994)	(3,139)	84,939
Indirect investments of the ACCIONA Infrastructures Subgroup	14,073	4,652	--	198	3,891	22,814
Indirect investments of the ACCIONA Concessions Subgroup	3,509	4,397	(577)	(2,439)	7,814	12,704
Indirect investments of the ACCIONA Water Subgroup (*)	103,411	15,679	(9,928)	(4,743)	3,128	107,547
Indirect investments of the ACCIONA Property Subgroup	6,887	8,886	(5,385)	(3,027)	10,439	17,800
Indirect investments of the ACCIONA Trasmediterranea Subgroup	165	61	(4)	(112)	--	110
Other indirect investments	1,859	136	(115)	(1,081)	(5)	794
Total indirect investments	**372,456**	**60,406**	**(54,901)**	**(12,956)**	**24,568**	**389,573**
Total	**390,150**	**60,054**	**(54,901)**	**(10,757)**	**24,568**	**409,114**

(*) Indirect Investments of the ACCIONA Water Subgroup includes the concessionaire ATLL, which contributes a value on application of the equity method of 52,123 thousand euros and whose key figures are detailed in this note.

The ACCIONA Group's interests in associates are detailed in Appendix III to these notes to the consolidated financial statements.

When the Group's investments in associates, mainly certain toll road concession operators, which are consolidated by application of the equity method, are reduced to zero, and where there could be implicit obligations exceeding the contributions made, the losses or equity decreases are recognised under "Non-Current Liabilities - Provisions" on the consolidated balance sheet (see Note 17). In these cases, the loss is recognised under "Other Gains or Losses" instead of "Profit/(Loss) of Companies Accounted for Using the Equity Method".

The heading "Tax effect and other changes" reflects, in addition to the year's tax effect, the changes due to derivatives, translation differences and the effect of transfers to non-current liabilities of values than become negative after application of the equity method.

In 2015, the main movements in "changes in the year" stemmed from the incorporation of the companies Nuevo Hospital de Toledo, S.A. and Nexus Infrastructure Holding Unit Trust (both of the ACCIONA Concessions Subgroup). In the ACCIONA Inmobiliaria Subgroup (ACCIONA Properties), the amount under the heading "changes in the year" relates to the change in the consolidation method for the companies Torre Lugano, S.A. and Parque Reforma Santa Fe, S.A. de C.V, which are now consolidated by applying global consolidation and the equity method, respectively, because of the present conditions of the shareholders' agreements, and the impact of the change to the consolidation method is not significant.

10 million from "Tax effect and other changes" relate to the change due to derivatives and -3 million to the change due to translation differences.

The table below shows, in proportion to the share percentage in the capital of each of the associates included under this heading, the assets, liabilities, revenue and profit or loss for 2015 (the figures related to associates with an equity deficit, recognised on the liability side of the consolidated balance sheet, are detailed in Note 17):

	Energy	Construction	Water	Services	Other Businesses	Total 2015
Asset						
Non-current assets	595,688	339,416	529,126	2,040	12,034	1,478,304
Current assets	75,129	92,122	135,583	5,701	29,173	337,708
Total assets	**670,817**	**431,538**	**664,709**	**7,741**	**41,207**	**1,816,012**
Liabilities						
Equity	227,806	55,581	107,549	268	17,910	409,114
Non-current liabilities	380,594	345,228	415,355	4,971	4,603	1,150,751
Current liabilities	62,417	30,729	141,805	2,502	18,694	256,147
Total liabilities and equity	**670,817**	**431,538**	**664,709**	**7,741**	**41,207**	**1,816,012**
Profit or loss						
Net revenue	123,968	64,034	144,249	5,960	29,366	367,577
Profit before tax from continuing activities	26,740	9,118	15,679	(431)	8,948	60,054
Profit before tax	26,740	9,118	15,679	(431)	8,948	60,054

None of the associates is individually significant for the entity except for ATLL Concesionaria de la Generalitat de Catalunya, S.A., for which we detail below the main key figures at 39%, the percentage held by the ACCIONA Group:

	2015	2016
Assets		
Non-current assets	388,396	393,105
Current assets	22,286	30,001
Cash and cash equivalents	36,410	23,252
Total assets	**447,092**	**446,358**
Liabilities		
Equity	52,123	56,554
Non-current financial liabilities	--	34,214
Non-current liabilities	308,944	319,576
Current financial liabilities	35,092	2,971
Current liabilities	50,933	33,043
Total equity and liabilities	**447,092**	**446,358**
Profit/(loss)		
Revenue	58,686	56,211
Profit before tax from continuing activities	3,948	3,870
Profit before tax	3,948	3,870

9. Interests in joint ventures

The ACCIONA Group's interests in joint ventures are explained in Appendix II to these Notes to the consolidated financial statements. The most significant amounts included in the consolidated financial statements, in relation to these interests, at 31 December 2015 are summarised as follows:

	Companies	JVs
Revenue	107,554	840,161
Gross profit/(loss) from operations	(6,930)	86,358
Profit/(loss) from operations	(10,365)	69,506
Non-current assets	60,836	72,694
Current assets	65,783	792,135
Non-current liabilities	4,483	85,033
Current liabilities	83,863	782,260

There are no stakeholdings in Joint Arrangements that are material for the entity.

10. Current and non-current financial assets

Detail of the balance for this chapter on the consolidated balance sheet is as follows:

	2015		2014	
	Non-current	Current	Non-current	Current
Available-for-sale financial assets	26,280	20	26,087	20
Impairment of available-for-sale financial assets	(10,192)	0	(8,137)	--
Financial derivatives at fair value (Note 20)	780	0	14	--
Held-to-maturity investments	--	376,435	--	349,636
Deposits and guarantees	13,769	14,593	10,999	8,250
Other loans	133,501	22,053	130,692	11,620
Impairment of other loans	(4,093)	(238)	(3,921)	(419)
Net Total	**160,045**	**412,863**	**155,734**	**369,107**

AVAILABLE-FOR-SALE FINANCIAL ASSETS:

The changes in "Available-for-Sale Financial Assets" in the years ended 31 December 2015 and 2014 were as follows:

	No corriente
Balance at 31/12/13	**73,366**
Additions	**170**
Sales	(53,114)
Changes in fair value	5,467
Transfers	--
Other changes	210
Changes in the scope of consolidation	(12)
Closing balance at 31/12/14	**26,087**
Additions	125
Sales	(109)
Changes in fair value	(47)
Transfers	0
Other changes	235
Changes in the scope of consolidation	(11)
Balance at 31/12/15	**26,280**
Impairment losses	
Balance at 31/12/13	**(28,361)**
Additions	(209)
Sales	20,433
Transfers	--
Other changes	--
Closing balance at 31/12/14	**(8,137)**
Additions	(2,055)
Sales	1
Transfers	
Other changes	
Changes in the scope of consolidation	
Balance at 31/12/15	**(10,192)**
Net Total	**16,088**

No significant changes took place in 2015. The only thing worth mentioning is the impairment in the amount of 2 million euros sustained by an investee of the ACCIONA Infrastructures subgroup (see note 26).

The main changes in 2014 related to the lines "Changes due to changes in fair value" and "Sales", mainly due to the revaluation of the stakeholding in Bolsas y Mercados Españoles, S.A. until July 2014, when this stakeholding was sold for a total of 28 million euros and a capital gain of 27 million euros was generated. After this sale, at 31 December 2015, the Group kept only a stakeholding under "available-for-sale financial assets" with changes in value in reserves, with a balance of 1.4 million euros at the closing date.

Furthermore, within the ACCIONA Infrastructures subgroup, practically the entire stakeholding in Gtceisu Construction, S.A. was sold in October 2014. The acquisition and impairment costs were 25 and 20 million euros, respectively, and the result of this transaction was recorded under the heading "Profit/(loss) from changes in value of financial instruments at fair value" (see Note 26).

HELD-TO-MATURITY INVESTMENTS:

This heading relates basically to the funds allocated to the debt service reserve accounts by the Energy division for the projects under way as required by Project Finance clauses in force. The main changes in financial year 2015 related to the setting-up of this reserve fund after the start-up of the last electricity generation facilities.

OTHER LOANS

This related mainly to loans granted to companies consolidated by applying the equity method.

11. Biological assets

Breakdown of current and non-current biological assets at 31 December 2015 and 2014 was as follows (in thousands of euros):

	31.12.2015	31.12.2014
Non-current	6,839	6,836
Current	--	--
Total biological assets	**6,839**	**6,836**

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

12. Non-current receivables and other non-current assets

Breakdown of "Non-Current Receivables and Other Non-Current Assets" at 31 December 2015 and 2014 was as follows:

	31.12.2015	31.12.2014
Non-current operating receivables	70,594	76,636
Non-current prepayments and accrued income	26,560	5,092
Concessions under the non-current financial asset model	357,848	354,982
Total non-current receivables and other non-current assets	**455,002**	**436,710**

"Non-Current Operating Receivables" included mainly client balances and other trade receivables generated by operating activities maturing at over one year and also the retentions that are customary in the construction business.

"Non-current prepayments and accrued income" includes the amount of 16,977 thousand euros related to the initial value of an energy contract entered into, in December 2015, by a subsidiary in the United States, to supply a specific amount of energy for a term of 13 years.

"Concessions under the Non-Current Financial Asset Model" included the balance receivable to more than one year for concessions which, in accordance with IFRIC 12, were treated as financial assets, since there was an unconditional collection right on the investment made to date. The current portion of this unconditional collection right was recognised under "Trade and Other Receivables" based on the collections expected to be made by the grantors of the concessions under the various economic and financial plans. At 31 December 2015 and 2014, the balance reclassified to short term in the "Concessions under the Current Financial Asset Model" under the heading "Trade and Other Receivables" for the amount expected to be collected by the granting entities in the next twelve months came to 16,203 and 17,175 thousand euros, respectively (see Note 14).

Breakdown, by division, of "Concessions under the Non-Current Financial Asset Model" was as follows:

	31.12.2015	31.12.2014
Construction of Infrastructure division	347,222	342,462
Water division	10,626	12,520
Total	**357,848**	**354,982**

The main concession projects included in the Infrastructure division relate to hospitals and motorways, and those in the Water division relate to the integral water cycle and are detailed in Appendix VI. Breakdown of the balance of the main concessions the financial model at 31 December 2015 and 2014 was as follows:

	31.12.2015	31.12.2014
S.C. ACCIONA Concesiones ruta 160	218,878	209,060
S.C. Hospital del Norte, S.A.	86,592	89,939

The change in financial year 2015 related, on the one hand, to the increase in investment based on the stage of completion of the concession works under construction, mainly in Chile, within the infrastructure construction division, for 5 million euros, and to recognition of income on interest for 17 million euros (see note 25), as well as to the reclassification of 16 million euros to short-term accounts as discussed above.

At 31 December 2015, the Group companies had commitments to acquire concession assets under the financial asset model in the amount of 1 million euros, most of which related to concession arrangements awarded to the infrastructure division (3 million euros at 31 December 2014).

13. Inventories

The detail of the Group's inventories at 31 December 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Raw materials, other procurements and goods held for resale	185,165	298,091
Work in progress and half-finished goods	39,702	30,178
Finished goods	2,573	2,895
Assets received in payment of loans	16,704	24,993
Land	635,255	841,518
Property developments in progress	17,421	45,887
Completed property developments	42,637	141,865
Advances paid	115,048	153,729
Impairment	(314,403)	(496,512)
Total inventories	**740,102**	**1,042,644**

The main movement in 2015 related to the reclassification of land and housing from inventories to property investments, in the gross amount of 282 million euros (133 million euros net in impairment), due to the change in use thereof because of the revision of the final use intended for residential housing according to the trend followed by the real estate market; this meant revaluation of the use of certain developments now to be used for rent (see note 5). In addition, another significant portion of the decrease in inventories was due to the reclassification to "held for sale" of the Windpower subgroup (see note 23).

The Group's Directors, on the basis of the valuations and appraisals performed by Savills Consultores Inmobiliarios, S.A. and Instituto de Valoraciones, S.A., independent property appraisers not related to the Group, estimated that the fair value of the Group's property inventories at 31 December 2015 and 2014, including inventories related to the companies consolidated using the equity method, amounted to 535,995 million euros. In this respect, the impairments endowed in the consolidation process were sufficient to absorb the current trend of the fair values of these assets, incorporating the distortions and uncertainties currently persisting in the real estate market.

At 31 December 2015 and 2014 the carrying amounts of mortgaged inventories were 30,600 and 97,520 thousand euros, respectively, and related mostly to property developments completed in 2015 and 2014. The balance at 31 December 2014 included 46 and 21 million euros related to the reclassification to property investments because of the change in use discussed above and because of the change in the consolidation method of the subsidiary Parque Reforma Sante Fe, respectively (see notes 5 and 8), which must be taken into account to explain the trend of the balance of mortgaged inventories.

At 31 December 2015 and 2014, there were no firm land purchase commitments.

Property development sales commitments to clients at 31 December 2015 and 2014 amounted to 16,502 and 87,048 thousand euros, respectively. The balance at 31 December 2014 included 76 million euros related to the aforementioned subsidiary that passed on to be consolidated under the equity method. From the balance at 31 December 2015, the amount of 13,427 thousand euros had been collected or was instrumented in notes and bills receivable, the balancing entry of which was recorded under "Current Trade and Other Payables" on the liability side of the accompanying consolidated balance sheet until the date of delivery (35,859 thousand euros at 31 December 2014).

14. Trade and other receivables

The detail of "Trade and Other Receivables" at 31 December 2015 and 2014 is as follows:

	2015	2014
Trade receivables	1,153,343	1,449,185
Doubtful trade receivables	68,451	62,546
Amounts to be billed for work performed	504,802	515,544
Total trade receivables for sales and services	**1,726,596**	**2,027,275**
Receivable from associates	67,953	81,939
Sundry accounts receivable	154,135	168,677
Current concessions under the financial asset model (Note 12)	16,203	17,175
Provisions	(352,469)	(355,032)
Total trade and other receivables	**1,612,418**	**1,940,034**
Advances from clients	(573,319)	(852,608)
Total net balance at 31 December	**1,039,099**	**1,087,426**

In 2015, the balance of "advances from clients" was considerably reduced as a result, mainly, of the reclassification to "Assets held for sale" under assets on the balance sheet of the wind turbine manufacture business in the Energy division, as indicated in note 23. In addition, the balance of receivables from clients in the Construction division dropped significantly, which is explained by the dynamics typical of its activity.

Breakdown, by business activity, of the balance of trade receivables for sales and services, net of client advances, was as follows:

	2015	2014
Energy	779,186	592,246
Construction of Infrastructure	425,319	666,917
Water	137,474	147,751
Services	177,185	186,551
Other Activities	164,212	166,120
Intra-Group transactions	(644,277)	(672,159)
Total net balance at 31 December	**1,039,099**	**1,087,426**

Breakdown relating to the construction business was as follows:

	2015	2014
Progress billings receivable	492,798	674,903
Amounts to be billed for work performed	454,040	481,978
Sundry accounts receivable	207,607	236,690
Provisions	(265,925)	(263,570)
Total construction trade receivables	**888,520**	**1,130,001**
Advances from clients	(469,151)	(458,658)
Total net balance at 31 December	**419,369**	**671,343**

Breakdown, by type of client, of the net balance of construction trade receivables was as follows:

	2015	2014
Central Government	12,148	44,109
Regional Governments	12,093	19,201
Local Governments	8,170	5,774
Other	4,749	44,278
Public-sector subtotal	37,160	113,362
Private-sector subtotal	131,086	253,764
Total Spanish clients	**168,246**	**367,126**
Total foreign clients	**251,124**	**304,217**

Breakdown, by age, of receivables from clients was as follows:

	2015	2014
Age up to 3 months by date of invoice	787,599	1,085,263
Age between 3 and 6 months by date of invoice	36,721	102,356
Age over 6 months by date of invoice	329,023	261,566
Total	**1,153,343**	**1,449,185**
Invoices past due by more than 3 months and not provisioned	156,916	172,069

The movement in provisions for losses due to impairment in the value of receivables at 31 December 2015 and 2014 was as follows:

	2015	2014
Opening balance	**(355,032)**	**(354,650)**
Increase in provision for impairment of accounts receivable	(21,879)	(40,495)
Accounts receivable de-registered as impossible to collect	5,680	14,931
Reversal of amounts not used	5,695	25,815
Transfer to Non-current assets held for sale (note 23)	11,548	--
Reclassifications and other minor adjustments	1,519	(633)
Closing balance	**(352,469)**	**(355,032)**

15. Cash and cash equivalents

Detail of "Cash and Cash Equivalents" at 31 December 2015 and 2014 was as follows:

	2015	2014
Cash	1,028,293	1,104,362
Deposits and other	431,880	222,450
Total cash and cash equivalents	**1,460,173**	**1,326,812**

"Cash and Cash Equivalents" included mainly the Group's cash, bank deposits and risk-free deposits with initial maturity of three months or less. None of the balances under this heading was unavailable.

In 2015 and 2014 the cash and cash equivalent balances earned interest at market rates.

16. Equity

A) SUBSCRIBED AND REGISTERED SHARE CAPITAL

The Parent's share capital is represented by 57,259,550 fully paid-up ordinary shares of 1 euro par value each, represented by book entries. All the Parent's shares carry the same rights, are listed and there are no restrictions as to their transferability under the Articles of Association.

The table below shows, based on the notices received by the company, the owners of significant direct and indirect equity interests at 31 December 2015 and 2014.

	31.12.2015	31.12.2014
Tussen de Grachten, B.V.	27.69%	27.17%
Wit Europesse Investering, B.V. (*)	28.04%	26.75%
Fil Limited (**)	--	1.044%
Capital Research and Management Company (**)	4.07%	--

(*) Formerly called Entreazca, BV.

(**) Indirect holder of the equity interest.

Wit Europesse Investering, B.V. and Tussen de Grachten, B.V. signed a securities loan granted to HSBC of up to 3 million shares as a whole, divided equally between them, so that securities loans can be furnished to investors within the framework of the convertible bond issue made by ACCIONA, S.A. in 2014 and reported to CNMV as a Material Event under registration number 198,666.

B) SHARE PREMIUM AND RESERVES

The balance of the "Share Premium" account, which at 31 December 2015 and 2014 amounted to 170.11 million euros, arose as a result of the capital increases with share premiums carried out on different dates. The rewritten text of the [Spanish] Capital Companies Act expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to the use of said balance.

Detail of the share premium, reserves and value adjustments as appearing on the consolidated statement of changes in equity was as follows:

	2015	2014
Issue premium	170,110	170,110
Legal reserve	11,452	11,452
Reserve for retired capital	10,454	10,453
Voluntary reserves	2,682,763	2,620,074
Consolidated reserves (Note 16.d)	462,128	379,910
Subtotal reserves	**3,166,797**	**3,021,889**
Translation differences (Note 16.d)	**(87,968)**	**(25,264)**
Total reserves	**3,248,939**	**3,166,735**

The legal reserve, to which transfers must be made until 20% of the share capital is reached, 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 does not reach 20% of share capital, it can only be used to offset losses, provided that there are no other reserves available in a sufficient amount for this purpose.

C) TREASURY SHARES

The changes in treasury shares in financial years 2015 and 2014 were as follows:

	2015		2014	
	Number of shares	Cost	Number of shares	Cost
Opening balance	**534,499**	**28,895**	**140,440**	**6,461**
Additions	3,428,656	247,091	--	--
Removals	(3,391,297)	(244,121)	--	--
Liquidity contract	**37,359**	**2,970**		
Additions	615,935	42,747	466,283	25,774
Removals	(867,333)	(54,374)	(72,224)	(3,340)
Other movements	**(251,398)**	**(11,627)**		
End balance	**320,460**	**20,238**	**534,499**	**28,895**

Last 3 July 2015 ACCIONA, S.A. reported subscription of a liquidity contract with Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. The company's stock operations carried out by Bestinver within the framework of this contract will take place on the Spanish stock exchanges and the purpose will be to promote the liquidity of transactions as well as a regular quotation.

The term of the liquidity contract will be twelve months, which can be tacitly extended for an equal period. The number of shares earmarked for the securities account associated with this contract amounts to 48,000 shares and the amount earmarked for the cash account is 3,300,000 euros. At 31 December 2015 the profit obtained was 652 thousand euros, recognised in reserves.

As regards other movements, in 2015 48,000 shares were used for the liquidity contract, as discussed in the paragraph above, and 819,333 shares were retired, with a profit of 4,972 thousand euros, recognised in reserves. Part of the retired shares related to the delivery of 51,149 shares mainly to the Group's Management, under the Share Delivery Plan and the variable remuneration Substitution Plan, with a profit of 909 thousand euros (see note 34).

In 2014 a total of 466,283 shares were acquired for 25,774 thousand euros. In addition, 72,224 shares were retired, with a 1,136 thousand euros gain, recognised in the year's reserves, due to the delivery of shares, mainly to Senior Management under the Share Delivery Plan approved by the General Meeting.

D) RESERVES OF CONSOLIDATED COMPANIES AND TRANSLATION DIFFERENCES

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 2015 and 2014 was as follows (in thousands of euros):

	2015		2014	
Line of business	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Energy	(645,335)	21,086	(836,990)	3,714
Infrastructure	202,279	(89,777)	206,788	(15,859)
Water	91,719	(4,885)	77,401	(2,857)
Services	(71,104)	(314)	(56,577)	929
Other Activities	924,626	(14,078)	1,034,992	(11,191)
Consolidation adjustments	(40,057)	--	(45,704)	--
Total	**462,128**	**(87,968)**	**379,910**	**(25,264)**

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 2015 and 2014 is provided in Appendix V.

In addition to the Parent, at 31 December 2015, the Group company Mostostal Warszawa, S.A. was a listed company. The average market price of this company in the last quarter was PLN 13.85 and the market price at year-end was PLN 13.00.

E) VALUE ADJUSTMENTS

Available-for-sale financial assets

This heading under "Retained Earnings" in the consolidated balance sheet includes the amount, net of the related tax effect, of changes in the fair value of assets classified as available for sale. These changes are recognised in the consolidated income statement when the assets that give rise to them are sold.

The changes in the balance of "Value Adjustments" in 2015 and 2014 were as follows:

	2015	2014
Balance at 1 January	179	15,432
Increases in value in the year	--	3,838
Decreases in value in the year	(30)	--
Transfer to results in the year	--	(19,091)
Changes in the scope of consolidation	--	--
Balance at 31 December	**149**	**179**

In 2014 the Group divested itself of all the securities it held in the company Bolsas y Mercados Españoles, transferring the increases in value accumulated to date to the income statement in the amount of 19 million euros, net of the tax impact.

Cash flow hedges

This heading under "Retained Earnings" in the consolidated balance sheet includes the amount net of the tax effect of changes in the fair value of financial derivatives designated as cash flow hedging instruments (see Note 20).

The changes in the balance of this item in 2015 and 2014 were as follows:

	2015	2014
Balance at 1 January	**(427,377)**	**(321,237)**
Changes in value in the year	(51,496)	(187,209)
Gross	(68,661)	(226,259)
Tax effect	17,165	39,050
Transfer to income for the year	114,005	81,069
Gross	152,006	115,813
Tax effect	(38,001)	(34,744)
Balance at 31 December	**(364,868)**	**(427,377)**

F) NON-CONTROLLING INTERESTS

The balance of "Non-Controlling Interests" on the accompanying consolidated balance sheet reflects the equity of non-controlling interests in the subsidiaries. Also, "Non-Controlling Interests" on the accompanying consolidated income statement reflects the share of non-controlling interests of the profit or loss for the year.

The movement in 2014 was as follows (in thousands of euros):

Company	Balance at 31/12/13	Changes in scope & capital contrib./ returned	Dividends	Value adjustments and other	Year's Profit/ (Loss)	Balance at 31/12/14
Hospital del Norte	717	--	--	(80)	119	756
Mostostal Warszawa subgroup	7,509	(3,069)	--	7	(302)	4,145
Parque Reforma	4,995	--	--	(19)	1,156	6,132
ACCIONA Energy subgroup (1)	(6,246)	--	(180)	(4,896)	4,672	(6,650)
ACCIONA Energy Internacional subgroup	138,487	37,132	(11,799)	27,358	12,918	204,096
Ineuropa de Cogeneración subgroup	10	--	--	(1)	(1)	8
Alabe subgroup	(65)	--	--	--	66	1
ACCIONA Infrastructures subgroup	475	(100)	--	272	3,983	4,630
ACCIONA Forwarding subgroup	272	14	--	15	85	386
Trasmediterranea subgroup	14,261	--	--	(364)	(750)	13,147
Ceatesalas subgroup	5,933	(70)	(296)	(189)	127	5,505
Inosa subgroup	--	1,086	--	26	170	1,282
Total non-controlling interests	**166,348**	**34,993**	**(12,275)**	**22,129**	**22,243**	**233,438**

(1) Excluding the ACCIONA Energy Internacional subgroup

The movement in 2015 was as follows (in thousands of euros):

Company	Balance at 31/12/14	Changes in scope & capital contrib./ returned	Dividends	Value adjustments and other	Year's Profit/ (Loss)	Balance at 31/12/15
Hospital del Norte	756	returned	--	51	118	925
Mostostal Warszawa subgroup	4,145	--	(552)	(2)	3,985	7,576
Parque Reforma	6,132	(6,132)	--	--	--	--
ACCIONA Energy subgroup (1)	(6,650)	4,533	(133)	2,812	2,884	3,446
ACCIONA Energy Internacional subgroup	204,096	4,154	(11,154)	9,603	17,792	224,491
Ineuropa de Cogeneración subgroup	8	--	--	--	--	8
Alabe subgroup	1	--	--	--	(1)	--
ACCIONA Infrastructures subgroup	4,630	--	--	(3,543)	2,647	3,734
ACCIONA Service subgroup	386	145	--	(1)	212	742
Trasmediterranea subgroup	13,147	--	--	51	1,191	14,389
Ceatesalas subgroup	5,505	(649)	(12)	131	354	5,329
Inosa subgroup	1,282	--	--	(315)	(747)	220
Total non-controlling interests	**233,438**	**2,051**	**(11,851)**	**8,787**	**28,435**	**260,860**

(1) Excluding the ACCIONA Energy Internacional subgroup.

In 2015 "Value adjustments and other" included changes in the non-controlling interest due to exchange rate fluctuations in the amount of 8 million euros, mainly as a result of the appreciation of the US dollar against the euro (22 million in 2014). Any other changes were not significant.

On 3 October 2014 the Group formalized an agreement for the transfer, without loss of control, of a one-third stakeholding in the capital of the ACCIONA Energy Internacional subgroup, included in the ACCIONA Energy subgroup, to a vehicle in the KKR global infrastructure fund. The impact on the balance item "Non-controlling interests" of the aforesaid transaction, which came to 23 million euros, is shown in the column "Changes in scope of consolidation" on the table about movements above (see Note 2.2 h).

In addition, in financial year 2014, also within the ACCIONA Energy Internacional subgroup, increases occurred in the non-controlling interest, through capital contributions of 13 million euros in two generation facilities, a wind farm and a photovoltaic plant both located in South Africa.

Summarised financial information for those subgroups or subsidiaries representing a material portion of the Group's assets, liabilities and transactions and for which no dominant stakeholdings are held is shown below.

31.12.2015	ACCIONA Energy Internacional Subgroup	ACCIONA Thermosolar Subgroup	Mostostal Warszawa, S.A.	Cía. Trasmediterranea Subgroup
% Non-controlling interests	33.33%	15.00%	49.91%	7.29%
ASSETS				
Non-current assets	3,156,997	845,815	56,909	294,093
Current assets	450,166	270,248	270,108	124,558
Total Assets	**3,607,163**	**1,116,063**	**327,017**	**418,651**
LIABILITIES				
Equity	341,475	(35,094)	3,868	197,566
Attributed Equity	143,826	(35,094)	(1,678)	197,579
Non-controlling interests	197,649	--	5,546	(13)
Non-current liabilities	3,086,841	801,908	94,274	22,983
Current liabilities	178,847	349,249	228,875	198,102
Total Liabilities	**3,607,163**	**1,116,063**	**327,017**	**418,651**
PROFIT/(LOSS)				
Revenue	444,195	118,933	304,085	424,170
Operating profit	188,892	53,651	11,726	31,158
Profit/(loss) before tax	49,213	4,062	9,652	25,317
Profit/(loss) after tax	28,478	5,424	7,647	31,364
Profit/(loss) attributed to Non-controlling interests	(15,082)	--	(157)	2
Profit/(loss) attributed to the parent	13,396	5,424	7,491	31,366

31.12.2014	ACCIONA Energy Internacional Subgroup	ACCIONA Thermosolar Subgroup	Mostostal Warszawa, S.A.	Cía. Trasmediterranea Subgroup
% Non-controlling interests	33.33%	15.00%	49.91%	7.29%
ASSETS				
Non-current assets	3,058,830	881,569	68,469	363,790
Current assets	445,900	289,065	284,337	143,530
Total Assets	**3,504,730**	**1,170,634**	**352,806**	**507,320**
LIABILITIES				
Equity	318,697	(55,779)	3,460	180,506
Attributed Equity	145,434	(55,779)	(2,390)	180,517
Non-controlling interests	173,263	--	5,850	(11)
Non-current liabilities	2,992,285	1,167,086	93,732	79,497
Current liabilities	193,748	59,327	255,614	247,317
Total Liabilities	**3,504,730**	**1,170,634**	**352,806**	**507,320**
PROFIT OR LOSS				
Revenue	512,990	112,022	355,006	417,125
Operating profit	300,809	53,529	7,091	(1,165)
Profit or (loss) before tax	60,096	736	3,196	(11,001)
Profit or (loss) after tax	46,648	27,995	(1,225)	(10,185)
Profit or (loss) attributed to Non-controlling interests	(7,960)	--	(603)	8
Profit or (loss) attributed to the parent	38,688	27,995	(1,828)	(10,177)

G) CAPITAL MANAGEMENT

The main objectives of the Group's capital management are to safeguard its capacity to continue operating as a going concern so that it can continue to provide returns to shareholders and to benefit other stakeholders, and also to maintain an optimal financial and equity structure to reduce the cost of capital. As a result of this policy, creating value for the shareholder is compatible with access to financial markets at a competitive cost in order to cover both debt refinancing and investment plan financing needs not covered by funds generated by the business.

In order to maintain and adjust the capital structure, the Group may vary the amounts of the dividends payable to the shareholders, return capital, issue shares or sell assets to reduce debt.

In line with other groups in the industries in which the ACCIONA Group operates, the capital structure is controlled on the basis of the leverage ratio. This ratio is calculated as the result of dividing net debt by equity. Net debt is calculated as the sum of current and non-current bank borrowings, excluding those relating to held-for-sale assets, less current financial assets and cash and cash equivalents.

The leverage ratio at 31 December 2015 and 2014 is shown below:

	Leverage	
	Millions of euros	
	2015	2014
Net financial debt:	**5,159**	**5,294**
Non-current bank borrowings	5,895	5,918
Current bank borrowings	1,137	1,072
Current financial assets and cash and cash equivalents	(1,873)	(1,696)
Equity:	**3,754**	**3,613**
Of the Parent	3,493	3,380
Of non-controlling interests	261	233
Leverage	**137%**	**147%**

H) RESTRICTION ON THE DISTRIBUTION OF FUNDS BY SUBSIDIARIES

Certain Group companies have clauses in their financing contracts that have to be met in order for profit to be distributed to the shareholders. Specifically, the clauses stipulate the maintenance of a senior debt coverage ratio in financing contracts.

17. Provisions and litigation

The movement in the long-term provisions on the liability side of the consolidated balance sheets at 31 December 2015 and 2014 was as follows:

	31.12.2015	31.12.2014
Opening balance	**453,588**	**533,121**
Additions and provisions	47,023	31,124
Removals	(55,453)	(18,112)
Transfers	(18,431)	(62,008)
Other changes	(6,482)	(30,537)
Closing balance	**420,245**	**453,588**

The ACCIONA Group operates in different businesses and in a great number of countries with very specific industry regulations. In the normal course of its business, the Group is exposed to litigation related to these business activities, including most notably: tax claims, claims related to defects in construction projects performed and claims related to differences regarding services rendered. Part of these risks are covered by insurance policies (third-party liability, construction defects, etc.) and for the other risks identified, the required provisions are recognised. The nature and amount of the main provisions are detailed below.

A) CONSTRUCTIVE OBLIGATIONS:

pProvisions are recognised for the constructive obligations of subsidiaries accounted for using the equity method when the Group's investments in associates have been reduced to zero. At 31 December 2015, the provision in this connection amounted to 69 million euros (76 million euros at 31 December 2014). The table below shows detail, by division and in proportion to the Group's share percentage in the capital of each, of the assets, liabilities, revenue and profit/(loss) for 2015 of the associates for which a provision was recognised:

Assets	Energy	Construction	Water	Services	Total 2015
Assets					
Non-current assets	44,670	472,486	53,639	1,506	572,301
Current assets	11,974	33,742	3,296	5,005	54,017
Total assets	**56,644**	**506,228**	**56,935**	**6,511**	**626,318**
Liabilities					
Equity	(5,535)	(59,391)	(3,669)	(610)	(69,205)
Non-current liabilities	35,347	409,166	57,080	1,136	502,729
Current liabilities	26,832	156,453	3,524	5,985	192,794
Total equity and liabilities	**56,644**	**506,228**	**56,935**	**6,511**	**626,318**
Profit/(Loss)					
Revenue	6,220	18,179	6,551	15,063	46,013
Profit before tax from continuing operations	(788)	(1,821)	952	61	(1,596)
Profit/(Loss) before tax	(788)	(1,821)	952	61	(1,596)

This section includes, in the infrastructure construction division, a provision in the amount of 29 million euros for the companies Infraestructuras y Radiales, S.A. and Henarsa, S.A., companies undergoing voluntary creditors' meeting proceedings as declared on 5 September 2013 by Business Court no. 10 in Madrid on. Similarly, there is a provision in the amount of 5 million euros for Sociedad Concesionaria Puente del Ebro, S.A., a company undergoing voluntary creditors' meeting proceedings as declared on 4 November 2014 by Business Court no. 2 in Zaragoza.

B) LEVIES, TAXES AND LOCAL CHARGES: these relate to provisions for regional, state or international levies, taxes and local charges arising from construction work and infrastructure development and taxes in general which, in view of the varying interpretations that can be made of the tax legislation, could give rise to contingent tax liabilities in the various countries in which the ACCIONA Group operates. At 31 December 2015, the provision in this connection amounted to 41 million euros (59 million euros at 31 December 2014). In the financial year payments in the amount of 18 million euros were made, mainly in connection with the inspections performed in relation to VAT and Corporate Tax as described in Note 22.

C) GUARANTEES: these relate to provisions from the Corporación ACCIONA Windpower subgroup for the amounts estimated in relation to warranty and maintenance obligations undertaken for facilities and machinery sold, mainly wind turbines. As mentioned in note 23 the assets and liabilities of this subgroup were classified under the headings "assets and liabilities held for sale", 18 million euros of the provision for guarantees being reclassified to these headings. After this reclassification, the provision in this connection at 31 December 2015 amounted to 4 million euros (22 million at 31 December 2014).

D) REPAIRS: these relate to provisions in connection to repairs agreed with the awarding entity in concessions from the infrastructure division. Each year they are systematically endowed by a charge against the operating profit/(loss). The provision in this connection, at 31 December 2015, amounted to 17 million euros (13 million euros at 31 December 2014).

E) PENSIONS AND SIMILAR: these relate to provisions for pensions and similar obligations arising mainly from the acquisition of assets from Endesa in 2009, which are detailed and quantified below. At 31 December 2014, the provision in this connection amounted to 11 million euros (12 million euros at 31 December 2014).

F) BURDENSOME CONTRACTS: these relate to contracts for works and provision of services that represent and burden and lead to losses. The Group charges a provision against the income statement for losses expected from these contracts at the moment when it determines that the contract's costs are likely to exceed the revenue therefrom. The provision in this connection at 31 December 2015 amounted to 65 million euros (68 million euros at 31 December 2014).

G) DISMANTLING: these relate mainly to provisions stemming from the electricity generation facilities recently commissioned in the Energy division international area, after the Group concluded, upon analysis of the particularities of these contracts, that there is an obligation to dismantle said facilities although this has no impact on the income statement. The provision in this connection at 31 December 2015 amounted to 33 million euros.

H) LITIGATION: these related to provisions for lawsuits under way as a number of claims have been brought against the Group for various reasons. At 31 December 2015, the Group had a provision in place in the amount of 180 million euros (203 million euros at 31 December 2014). The main lawsuits in progress are the following:

- Construction defects: these relate to provisions for construction defects and lawsuits relating to work performed and claims over differences about the provision of services, mainly in the construction and property divisions. The provision in this connection at 31 December 2015 amounted to 61 million euros.

- CNC Penalties: related to certain liabilities connected to the Logistics division, mainly arising from three penalties imposed by the Spanish National Competition Commission (CNC) in previous years and under appeal. In 2015, at the Supreme Court, two of the penalties were solved favourably for the Group, with reversion of part of the provision recognised for 30 million euros (see note 26). The provision in this connection at 31 December 2015 amounted to 16 million euros and it related to the third of the aforesaid penalties, which as yet had not been solved.

- At 31 December 2015 the Group had provisions related to certain liabilities connected mainly to the energy division in relation to lawsuits brought for payment commitments linked to future wind project developments. The provision in this connection at 31 December 2015 amounted to 24 million euros.

- In addition, there are provisions related mainly to three lawsuits under way in connection with proceedings related to disputed land linked to property development in Spain, breaches of contract in the United States and a case involving trademarks and image. The provision in this connection at 31 December 2015 amounted to 79 million euros.

As regards these cases, it is hard to predict how they will turn out, although the Group's Directors are of the opinion that there will be no short-term outflow of economic profits due to the status of these court cases at the present time.

The best estimates of the risks and uncertainty inevitably surrounding most of the events and circumstances affecting these cases have been taken into account for the recording of these provisions. In this respect, the negative downturn in recent years of the general market situation and the economic and financial conditions in many of the countries in which the Group has operations has contributed to a general situation of extreme and very widespread instability, giving rise to very significant uncertainties. This situation has not only remained constant but has in fact even increased recently, with the result that the calibration of this uncertainty has been done with prudence, understood as the inclusion of a certain degree of caution in the prosecution of the necessary court cases, but safeguarding in all cases the true and fair view of the financial statements.

As for the movements in the financial year, the line "Transfers" relates mainly to the transfer of the provisions from the Corporación ACCIONA Windpower subgroup to "liabilities held for sale". The "Removals" line reflects mainly the applications of the tax provision for payments upon tax inspection conclusions following tax audits (see Note 22), as well as the reversion of the provision for CNC penalties.

The Group's Management considers that no significant additional liabilities will occur that are not provisioned in the consolidated financial statements at 31 December 2015 and 2014.

In addition to the litigation under way indicated above, information is given below about the current status of the court proceedings related to ATLL Concesionaria de la Generalitat de Catalunya, S.A. (see Note 8).

Last 22 June 2015 the High Court of Justice of Catalonia issued judgment allowing in part the appeal for judicial review of administrative decision lodged by the concession company ATLL Concesionaria de la Generalitat de Catalunya, S.A. and ACCIONA Agua, S.A., overruling the resolution dated 2 January 2013 from the Contractual Resources Administrative Body of Catalonia in relation to exclusion of the bid made by the consortium headed by ACCIONA. The Court, however, considers that there are defects in the tender procedure that are not attributable to the bidders, which lead to render void the contracting procedure as a whole because the bidders did not have full knowledge of the exact scope of the requirements related to the works schedule.

The fact that the High Court of Justice of Catalonia says that the possible defects in the tender procedure phase are not attributable to the bidders does not have adverse effects on the compensation the concession company would be entitled to if the tender procedure became null and void under a firm judgment and, accordingly, the award and the contract subscribed, and all of it would go to a settlement process without prejudice to appropriate claim for damages.

The judgment issued is not firm and has been appeal against by the concession company and the Generalitat de Catalunya [Catalan Government] for quashing at the Supreme Court.

In the event that the Supreme Court confirms the judgment referred to above and the award is rendered definitively void, the contract will be void and will go into the settlement stage, with the effects established in the Government Procurement Act. The contract includes a contractual clause, 9.12, which refers to early termination of the concession contract. This clause establishes that if the concession contract is terminated before

50 years elapse, regardless of the grounds for termination, the Administration shall pay the concession company compensation that will cover:

(a) the unamortised portion of the total concession fee. This amortisation is calculated according to what is established in this clause 9.12 on the contract in conformity with clause 22 of the Administrative Specifications Document;

(b) the unamortised portion of the works, installations and other investments, in tangible and intangible assets, as made by the concessionaire to date; and,

(c) related additional costs.

In any event, as indicated in this contractual clause 9.12, all calculations needed to determine what is established in the paragraphs above must refer to amounts actually included in the tariffs, following the principle of recovery of all previous items through the tariffs and with the time where contract termination occurs and the months elapsed in which the concessionaire applied the annual tariff in question being taken into account, if appropriate.

The compensation referred to in clause 9.12 is applicable even if the Administration must enforce court resolutions that involve termination or cancellation of the concession contract according to reply by the Generalitat de Catalunya of 5 July 2013 to the enquiry made by the concessionaire ATLL.

In any event, the principle of ongoing service guarantees that the concessionaire will remain in the concession operation until, as the case may be, the Catalan Government or another possible awardee from another award tender procedure can formally replace the concessionaire

In short, ATLL must continue fulfilling the obligations derived from the water supply public service management contract in force according to the terms thereunder as long as there is no definitive judgment that renders the award void, and at such time, if the judgment is confirmed, the contract would be rendered void and go into the settlement stage, and the relevant compensation would have to be paid. The compensation would include, inter alia, returning the portion of the unamortised fee, without prejudice to the claim for damages as might be appropriate.

Therefore, the Directors are of the opinion that the final resolution of the proceedings described above will not involve an outflow of resources, for which reason no provision for risks and expenses in connection with this lawsuit was recorded at 31 December 2015.

Provisions for pensions and similar obligations

"Non-current provisions" on the accompanying consolidated balance sheet includes mainly provisions for pensions and similar obligations due to the acquisition of assets and/or companies from the Endesa Group in 2009.

The group of employees considered in 2015 and 2014 for measurement was 102 employees (105 at the close of 2014), 25 of whom have already taken early retirement (23 at the close of 2014). Not all of them are in the same situation and under the same commitment. The main characteristics of the plans assumed are the following:

i) Defined benefit pension plan with salary increase rate tied to the increase in the CPI. This plan is treated in exactly the same way as a defined benefit system. The assumptions used in calculating the actuarial liability in respect of the uninsured defined benefit obligations at 31 December 2015 and 2014 were as follows:

	2015	2014
Interest rate	2.72%	2.26%
Mortality tables	PERPM/ F2000	PERPM/ F2000
Expected rate of return on plan assets	2.60%	2.16%
Salary review	2.0%	2.3%

Information is provided below on the changes in the actuarial liabilities for the defined benefit obligations at 31 December 2015 and 2014:

	2015	2014
Initial actuarial liability	**3,775**	**2,800**
Cost incurred in the year	112	85
Finance costs	84	108
Benefits paid in the year	--	--
Actuarial gains and losses	24	782
Final actuarial liability	**3,995**	**3,775**

Information is provided below on the changes in the actuarial assets for the defined benefit obligations at 31 December 2015 and 2014:

	2015	2014
Initial actuarial asset	**2,484**	**2,298**
Rate of return in the year	54	86
Contributions made in the year	160	31
Actuarial gains and losses	59	69
Final actuarial asset	**2,757**	**2,484**

At 31 December 2015 and 2014, the total amount of the final actuarial assets and liabilities related in full to defined benefit obligations in Spain.

At 2015 year-end, the amount recognised in the consolidated income statement for defined benefit pension obligations amounted to 142 thousand euros (107 thousand euros in 2014) and related to the cost incurred during the year and the return and finance cost of the assets and liabilities associated with these employee welfare benefits.

ii) Obligations to provide certain employee welfare benefits during the retirement period, relating mainly to electricity supplies. These obligations were not externalised and are covered by the related in-house provisions totalling 2,778 thousand euros (3,175 thousand euros at 31 December 2014).

The actuarial changes recognised, arising in this connection, amounted to a profit of 427 thousand euros in 2015 (638 thousand euros in 2014).

iii) Commitment undertaken by the company to supplement the public social security system benefits in the event of termination of the employment relationship as a result of an agreement between the parties.

The movement in the provision for these obligations, recognised under "Provisions" on the accompanying consolidated balance sheet in 2015 and 2014, was as follows:

	Provision for other long-term employee benefit obligations
Balance at 31/12/13	**3,373**
Additions and provisions	(197)
Removals	(586)
Balance at 31/12/14	**2,590**
Additions and period provisions	(607)
Removals	(1,022)
Balance at 31/12/15	**961**

These liabilities related in full to the collective redundancy procedures of the Group companies in Spain.

The Plan affects employees with at least ten years of acknowledged service. Employees aged 50 or more at 31 December 2005 were entitled to adhere to a pre-retirement plan at the age of 60, of which they could avail themselves between the ages of 50 and 60, upon the mutual agreement between the employee and the company concerned. For the Plan to apply to employees younger than 50 at 31 December 2005, a written request from the employee and the acceptance thereof by the Group were required.

The conditions applicable to employees under 50 years of age affected by the voluntary redundancy plan consisted in a termination benefit of 45 days' salary per year of service plus an additional amount of 1 or 2 months' salary based on the employee's age at 31 December 2005.

The impact of these plans on the consolidated income statement is not material.

18. Financial debt

A) BANK BORROWINGS

At 31 December 2015 and 2014, detail of recourse and non-recourse borrowings, it being understood that non-recourse is the debt with no corporate guarantees, whose recourse is limited to the debtor's flows and assets, was as follows (in thousands of euros):

	2015		2014	
Concept	Current	Non-current	Current	Non-current
Non-recourse bank borrowing	**336,649**	**4,039,637**	**419,515**	**4,304,743**
Mortgage loans for non-current asset financing	32,635	217,871	75,929	85,990
Mortgage loans for property developments	29,196	0	88,344	--
Project finance	269,978	3,813,229	247,720	4,151,346
Obligations under finance leases	3,324	6,312	4,624	4,781
Other limited recourse debt	1,516	2,225	2,898	62,626
Recourse bank borrowing	**426,691**	**1,053,308**	**211,866**	**854,416**
Discounted notes and bills not yet due	3,163	0	5,162	--
Other bank loans and credit facilities	423,528	1,053,308	206,704	854,416
Total bank borrowings	**763,340**	**5,092,945**	**631,381**	**5,159,159**

In 2015 and 2014, the Group's loans and credit facilities mostly bore interest tied to Euribor, although a portion of the Group's borrowings were also tied to other indices such as Libor for borrowings in US dollars, the CDOR for borrowings in Canadian dollars, the TIIE for financing in Mexican pesos, the WIBOR for financing in Polish złoty and the BBSY for financing in Australian dollars; these are the main indices for the Group outside the euro zone. A significant portion of the Group's borrowings is hedged by financial derivatives which seek to reduce the volatility in the interest rates which the ACCIONA Group pays (see Note 20).

Through subsidiaries or associates, the ACCIONA Group undertakes investments mainly in transport infrastructure, energy, hospitals and the supply of drinking water, and these are then operated by subsidiaries, jointly-controlled entities and associates and funded through "Project finance".

These finance structures are applied to projects capable of providing by themselves sufficient support for the participating financial entities as to the repayment of the borrowings taken out to implement them. Thus, each one is normally executed through special purpose vehicles in which the project's assets are financed on the one hand by a contribution of funds by the project's sponsors, limited to a certain predefined amount, and, on the other hand, generally a larger sum through third-party funds in the form of long-term borrowing. The debt service on these loans or credits is fundamentally backed by the cash flows to be generated in future by the project itself, as well as by in rem guarantees over the project's assets and credit rights.

Within this heading, mention must be made of the increase of approximately 21 and 11 million euros in the international energy division due to the last drawdowns implemented, prior to their commissioning in the first half of the year, in the financing of a wind farm in Chile and a photovoltaic plant in South Africa, respectively, as well as the increase of 28 million euros for the wind farm project also in South Africa, which began to operate at the end of August. The effect of translation differences in the period was also included, which increased the debt by 45 million euros and related mainly to the net effect arising from the translation differences of projects whose currency is the US dollar (+85 million euros) and the South African rand (-30 million euros).

In addition, the two main reasons that explain the reduction in this heading must be mentioned: the scheduled amortisations according to the calendar for each project, and the reduction in debt by 89 million euros due to the effect of payment of the derivatives settlements reflected in the income statement, net of the worsening of the negative value in the period in relation to the financial derivatives engaged by the infrastructure and energy divisions mainly.

As indicated in Note 3.2 I), the adoption of IFRS 13 requires an adjustment in the measurement techniques applied by the ACCIONA Group to obtain the fair value of its derivatives in order to incorporate the bilateral credit risk adjustment to reflect both own risk and counterparty risk in the fair value of the derivatives.

At 31 December 2015, the adjustment of credit risk represented a lower valuation of liability derivatives in the amount of 16,772 thousand euros, recognised on the one hand as a smaller debt with credit entities in the amount of 12,944 thousand euros by subsidiaries and, on the other hand, as a higher value of the investment using the equity method in the amount of 3,827 thousand euros, without considering the tax effect, by the companies consolidated in accordance with this method. The external and after-tax effects that this modification had on the heading "Adjustments in equity for valuation of cash flow hedges" were positive in the amount of 12,128 thousand euros.

In 2015 there was an increase in "other loans and borrowings" due to subscription last March of a syndicated bank loan by the subsidiary ACCIONA Financiación Filiales, S.A., for 1,800 million euros, and used in part as explained below. The credit is divided into two tranches (tranche A for the maximum amount of 360 million euros and tranche B for the maximum of 1,440 million euros) with due date on 25 March 2010. The two tranches will be used to refinance part of the Group's debt and to finance general corporate and investment needs and to strengthen the group's liquidity. On 24 June 2015 tranche A was used in full. At 31 December 2015 the whole tranche B remained unused.

At 31 December 2015 the Group companies had been granted additional financing not drawn down in the amount of 1,900,665 thousand euros, of which 1,880,707 thousands related to credit lines for the financing of working capital and the remaining amount, 19,958 thousand euros, to lines to finance fees to enter infrastructure projects.

The Group's Management is of the opinion that the amount of these credit lines and the ordinary generation of cash, together with the realisation of current assets, will sufficiently cover the short-term payment obligations.

At 31 December 2015 and 2014, neither ACCIONA, S.A. nor any of its significant subsidiaries were in breach of any of their financial obligations or any other obligations in such a way as might lead to early maturity of their financial obligations. Also, no breaches are foreseen for 2016.

Furthermore, in 2015 and 2014 there were no defaults or other non-payments of principal, interest or repayments of bank borrowings.

The Real Estate division classifies its borrowings as current liabilities based on the production cycle of the assets they finance, namely inventories, even though some of these liabilities mature at more than twelve months.

Detail, by maturity, of bank borrowings for the years following the closing date of the balance sheet was as follows:

2016	763,340
2017	528,322
2018	412,227
2019	692,704
2020	721,477
2021	324,379
Subsequent years	2,413,836
Total	**5,856,285**

Obligations under finance leases

Detail of the Group's finance leases at 31 December 2015 and 2014 was as follows:

	Minimum lease payments	
Amounts to pay under finance leases	**2015**	**2014**
Within one year	4,191	4,870
Between one and two years	2,746	3,264
Between two and five years	3,713	1,677
After five years	--	338
Total lease payments payable	**10,650**	**10,149**
Less: future finance charges	1,014	744
Present value of lease obligations	**9,636**	**9,405**
Less: amount due for settlement within twelve months (current liability)	3,324	4,624
Amount due for settlement after twelve months	**6,312**	**4,781**

It is the Group's policy to lease certain of its facilities and equipment under finance leases. The average lease term is three to five years. In the year ended 31 December 2015, the average effective interest rate was the market rate. Interest rates are set at the lease contract date. All leases have fixed payments and no arrangements have been entered into for contingent rental payments.

The decrease in 2015 if compared to 2014 was due mainly to the payments made as established on the lease contracts.

B) DEBENTURES, BONDS AND NEGOTIABLE SECURITIES

Breakdown at 31 December 2015 and 2014 of debentures, recourse and non-recourse bonds and negotiable securities, it being understood that non-recourse is the debt with no corporate guarantees, whose recourse is limited to the debtor's flows and assets, was as follows (in thousands of euros):

	Thousands of euros	
	2015	2014
Debentures, bonds and negotiable securities without recourse	253,016	229,488
Debentures, bonds and negotiable securities with recourse	922,863	969,721
Total debentures, bonds and negotiable securities	**1,175,879**	**1,199,209**

The movement in these accounts on the current and non-current liabilities side of the balance sheet for financial years 2015 and 2014 was as follows:

	Thousands of euros	
	2015	2014
Opening balance	**1,199,209**	**363,349**
Net incorporation of companies into the Group	--	--
Issues	370,961	1,118,528
Interest accrued pending payment	11,292	9,336
Amortisations	(440,362)	(327,302)
Other changes	34,779	35,298
Closing balance	**1,175,879**	**1,199,209**

The main variation in this heading in 2015, on the "Issues" line, related to the issue of EMTN y ECP (promissory notes) for a total of 77 and 294 million euros, respectively, under the Euro Medium Term Note (EMTN) and Euro Commercial Paper (ECP) programmes, all described further below. As for the line "Amortisations", mention must be made of the amortisation on maturity of the previous ECP programme (promissory notes) for 437 million euros. The line "Other changes" related mainly to translation differences in the two issues of bonds in currency other than the euro.

The distribution of the maturity of these debentures for 2016 and for the next and subsequent years is as follows:

2016	373,801
2017	38,781
2018	20,531
2019	456,147
2020	11,030
2020	12,978
Subsequent years	262,611
Total	**1,175,879**

At 31 December 2015, detail of the issues making up the balance for this heading was as follows:

- Placement of a bonds issue on 10 August 2012 with a credit rating of "BBB " given by the Standard & Poors and Fitch rating agencies for the Mexican subsidiaries CE Oaxaca Dos, S. de R.L. de C.V. and CE Oaxaca Cuatro, S. de R.L. de C.V., in a total amount of 298.7 million US dollars. The purpose of this funding was the development, construction and operation of two wind power projects (102 MW each) for the final client, the Federal Electricity Commission (CFE). The issue accrues interest at 7.250% per annum, payable every six months on 30 June and 31 December each year until 31 December 2031. The redemption of the debt began on 31 December 2012 and will continue with six-monthly debt write-downs until its total repayment on 31 December 2031. At 31 December 2015, the balances recorded for this issue on the non-current and current bonds and debentures account amounted to 248 and 4.7 million euros, respectively.

- Euro Commercial Paper (ECP) Programme formalised on 17 January 2013 by ACCIONA, S.A. and renewed most recently on 27 October 2015 by the Group's subsidiary ACCIONA Financiación de Filiales, S.A., with the guarantee of ACCIONA, S.A., for another twelve months and a maximum of 500 million euros. Through this programme, which is listed on the Irish Stock Exchange, notes are issued on the euro market with maturities between 15 and 364 days. In 2015, promissory notes were issued and amortised for 294 and 437 million euros, respectively, and the outstanding balance stood at 293.7 million euros at 31 December 2015.

- Issue of bonds convertible into shares of ACCIONA, S.A. in the amount of 342 million euros that took place on 30 January 2014 and maturing on 30 January 2019. The benchmark price of the share on the issue date was 47.563 euros with a conversion premium of 32.5% on this price. The number of shares to be surrendered if all the convertible obligations were converted, bearing in mind the conversion price (63.021 euros) and the amount of the issue, would come to 5.43 million shares, representing approximately 9.48% of the share capital of ACCIONA, S.A. currently in circulation.

Following the distribution of dividends carried out by ACCIONA, S.A. effective 2 July 2015, the conversion price was adjusted, from 63.021 to 61.208 euros and the number of shares to surrender would be 5.587 million shares if all the convertible bonds were converted (approx.. 9.75% of the share capital of ACCIONA, S.A.).

The issue pays a coupon of 3% per annum every six months (6.04% of effective cost over the debt component of this instrument). At 31 December 2015, the balances recorded for the convertible bond on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the accrual of interest, amounted to 314 and 4 million euros, respectively, which related to the debt component of the issue. In addition, in 2014, the amount of 37 million euros was recognised in equity as corresponding, net of the transaction costs, to the equity component (conversion option) included in the convertible bond. To determine the value of the financial debt and equity component, the valuation model used, based on the Black-Scholes method, concluded, after considering the market values relating to volatility, the share price of ACCIONA, S.A. and the credit spread on the date of issue, what part of the convertible bond's value corresponds to the "bond floor" and what part corresponds to the bond conversion option.

- Issue by ACCIONA, S.A. in April 2014 of simple bearer debentures through a private placement, in the amount of 62.7 million euros and maturing in 2024. The face value of each debenture is 100,000 euros and they accrue interest at 5.55% per annum with an annual coupon. At 31 December 2015, the balances recorded for these simple debentures on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the interest accrued, amounted to 61.4 and 2.3 million euros, respectively.

- Last 19 June 2015 ACCIONA Financiación Filiales, S.A. renewed, with the guarantee of ACCIONA, S.A., under the same terms and conditions as the previous one issued by ACCIONA, S.A., a fixed-interest securities issue programme - Euro Medium Term Note Programme (EMNT) for a maximum amount of up to 1,000 million euros. In relation to this programme, the Group prepared a base leaflet that was approved by the Central Bank of Ireland. These issues accrue annual interest ranging from 3% to 4.625% and 3.60%, payable on an annual basis. The securities issued under this programme may: accrue fixed or variable interest, be issued in euros or in another currency and at par, below par and premium and have different maturity dates. At 31 December 2015 the balances registered against this EMNT programme in the non-current and current debentures and bonds accounts, net of transactions costs and considering interest accrued, amounted to 178.4 and 68.6 million euros, respectively.

At 31 December 2015, there were no issues convertible into shares other than the issue discussed in this note, or issues granting rights or privileges that might, in the event of a contingency, make them convertible into shares of the Parent or of any of the Group companies.

In addition, two of the companies in the ACCIONA Group consolidated using the equity method have debentures and bonds issued with the following characteristics:

- Issue by Autovía de los Viñedos, S.A. This issue took place on 28 October 2004 in the amount of 64.1 million euros and accrues interest at 4.79% per annum payable on 15 December each year throughout the life of the issue. The bonds began to be redeemed on 15 December 2009 and their total amortisation is scheduled for 15 December 2027.

- Private issue of bonds with a credit rating of "A" given by the Standard & Poors rating agency by the Canadian company Chinook Roads Partnership in the amount of 108,882 thousand euros attributed as part of the funding needed to undertake the construction, operation and maintenance project for the Southeast Stoney Trail motorway in the city of Calgary (Canada). This issue took place on 31 March 2010 and accrues interest of 7.134% per annum payable monthly on the last working day of each month during the construction phase and quarterly during the operation phase. Debt amortisation began on 31 December 2013 and will continue with quarterly cancellations until its total amortisation on 31 March 2043.

- Issue on 27 May 2015 by Sociedad Concesionaria Autovía de la Plata, S.A. in the amount of 184,500 thousand euros. The issue accrues a 3.169% annual coupon payable every six months. The bond principal must be amortised every six months and the total term is 26.6 years, with final maturity on 31 December 2041. The issue credit rating is BBB by the Standard & Poors rating agency.

C) OTHER DEBT-RELATED INFORMATION

At 31 December 2015, the average interest rate of the debt, considering bank borrowings and the debt associated with debentures and other negotiable securities, stood at 5.49%.

In financial year 2015, the debt percentage (net of cash) not subject to interest rate volatility stood at 76.21%, in line with 75.81% in 2014.

The composition of debt in currencies other than the euro at 31 December 2015, classified by the main currencies in which the ACCIONA Group operates, was the following:

Currency	Financial debt
Australian dollar	203,324
Brazilian real	57,606
Canadian dollar	38,604
Chilean peso	144,553
Mexican peso	22,207
Polish zloty	47,370
US dollar	962,911
South African rand	219,588
Other	73,675
Total	**1,769,838**

19. Risk management policy

Due to its geographical and business diversification, the ACCIONA Group is exposed to certain risks, which are managed appropriately through the application of a Risk Management System. This System is designed to identify potential events that might affect the organisation; to manage its risks through the establishment of internal treatment and control systems that ensure the probability of occurrence and impact of these events are kept within the established tolerance levels; and to provide reasonable assurance in relation to the achievement of strategic business objectives.

This policy seeks to integrate risk management into ACCIONA's strategy and to establish the framework and principles of the Risk Management System.

This policy covers all the risks associated with the activities carried on by ACCIONA's business lines throughout the geographical areas in which it carries on its activity.

INTEREST RATE RISK

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

Interest rate risk is particularly important in relation to the financing of infrastructure projects, concession arrangements, the construction of wind farms or solar facilities and other projects in which project profitability is affected by 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 level of debt hedged in each project depends on the type of project in question and the country in which the investment is made.

The benchmark interest rate for the borrowings arranged by the ACCIONA Group companies is mainly Euribor for transactions denominated in euros and Libor for transactions denominated in US dollars. The borrowings arranged for projects in Latin America are normally tied to the local indices customarily used in the local banking industry, or also to the LIBOR rate as the projects in this geographic area are frequently financed in US dollars since the cash flows generated by the asset are also in the same currency.

SENSITIVITY TEST ON DERIVATIVES AND DEBT

The financial instruments that are exposed to interest rate risk are basically borrowings arranged at floating interest rates and derivative financial instruments.

In order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's financial statements, a simulation was performed which assumed a 50-basis point increase and decrease in interest rates at 31 December 2015.

The analysis of sensitivity to upward or downward changes of 0.50% in floating Euribor interest rates gave rise to a sensitivity in the Group's consolidated income statement arising from an increase or decrease in financial results due to interest payments of 6.1 million euros at 31 December 2015.

The analysis of the sensitivity to upward or downward changes in the long-term interest rate curve in relation to the fair value of interest rate derivatives included in cash flow hedges arranged by the Group at 31 December 2015 on the basis of share percentage, meant a decrease in debt for financial derivatives vis-à-vis 0.5% increases in the interest rate curve of 92,777 thousand euros. Similarly, 0.1% decrease in the interest rate curve would lead to an increase of 19,363 thousand euros in liabilities for financial derivatives.

FOREIGN CURRENCY RISK

The Group has developed a process of growing internationalisation, which means it is exposed to foreign currency risk involving transactions in the currencies of the countries in which it invests and operates.

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

Foreign currency risk relates basically to the following transactions:

- Debt denominated in foreign currencies engaged by Group companies and associates.
- Payments to be made in international markets for procurements, mainly fuel.
- Receivables tied mainly to the performance of currencies other than the euro.
- Investments made in foreign companies.

In order to mitigate foreign currency risk, the ACCIONA Group uses currency derivatives and foreign currency hedges to cover significant future transactions and cash flows, within acceptable risk limits. At other times, 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.

The composition of current and non-current assets and liabilities and equity at 31 December 2015 is shown below in thousands of euros for the main currencies in which the ACCIONA Group operates.

Currency	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sensitivity (10%)
Australian dollar (AUD)	411,024	204,942	309,270	192,758	113,938	11,394
Brazilian real (BRL)	85,079	232,854	72,065	165,705	80,163	8,016
Canadian dollar (CAD)	125,853	94,106	49,969	42,876	127,114	12,711
Chilean Peso (CLP)	265,427	191,091	158,710	247,855	49,953	4,995
Mexican Peso (MXN)	112,189	295,368	52,677	213,724	141,156	14,116
Zloty (PLN)	242,175	307,911	228,046	321,266	774	77
US dollar (USD)	1,947,880	327,987	1,730,424	267,994	277,449	27,745
Rand (ZAR)	267,662	60,677	243,940	24,490	59,909	5,991

The last column on the table above shows estimate of the negative impact on the Group's equity of 10% revaluation in the quotation of the euro in respect of these eight main currencies in which the Group operates and holds investments. As can be seen, the Group keeps positions in different currencies, some of which (BRL, CAD, MXN, ZAR) underwent strong devaluation vis-à-vis the euro in 2015.

PROCUREMENT PRICE RISK

The ACCIONA Group is exposed to fluctuations in the price of procurements, mainly fuel for its sea transportation business when such fluctuations cannot be passed on to clients.

Most fuel purchase transactions are carried out in international markets.

Fluctuations in procurement prices are managed through short-term measures, i.e. within one year, which is considered to be the normal period for the implementation of the appropriate commercial policies. The risk is managed by arranging specific hedges, generally in the form of derivatives, to maintain the economic balance of the procurements.

In the short and middle term fluctuations in procurement prices are managed through specific hedging transactions, generally using derivatives.

The Group performed a sensitivity analysis in relation to the possible changes in fuel prices. Based on this analysis it was estimated that 5% change in prices would have an effect of approximately 1.4 million euros on the profits in 2016.

CREDIT RISK

Credit risk is the risk that the counterparty to a contract does not meet its obligations, giving rise to a financial loss for the Group. The Group has adopted a policy of only trading with solvent third parties and obtaining sufficient guarantees to mitigate the risk of financial loss in the event of non-performance. The Group only trades with entities rated at the same investment level as the Group, or higher, and obtains information on its counterparties through independent company valuation agencies, other public sources of financial information or the information it obtains from its own relations with clients.

Bills receivable and trade receivables from clients relate to a large number of clients spread over different industries and geographical areas. Credit relations with clients and their solvency are assessed on an ongoing basis and credit guarantee insurance is arranged when it is considered necessary.

As regards the default risk, basically in the infrastructure business, an assessment process is implemented before entering into contracts with public and private clients. 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 accounting criteria.

The Group does not have significant exposure to credit risk with any of its clients or groups of clients with similar characteristics. Similarly, credit risk concentration is not significant.

The credit and liquidity risk of derivative instruments with a positive fair value is limited in the ACCIONA Group, since both cash placements and the arrangement of derivatives are made with highly solvent counterparties with high credit ratings and no counterparty has significant levels of total credit risk.

On the other hand, the new definition given for the fair value of a liability in IFRS 13, based on the concept of transferring the liability in question to a market player, confirms that own credit risk must be taken into account in the fair value of liabilities. Thus, ACCIONA adds a bilateral credit risk adjustment in order to reflect both its own risk and the counterparty risk in the fair value of derivatives.

LIQUIDITY RISK

The ACCIONA Group manages liquidity risk prudently by ensuring that it has sufficient cash and negotiable securities and by arranging committed credit facilities for amounts sufficient to cater for its projected requirements. As indicated in note 18, at 31 December 2015 the Group companies had been granted additional financing not drawn down in the amount of 1,900,665 thousand euros, of which 1,880,707 thousand related to credit lines for the financing of working capital, and the remaining amount, 19,958 thousand euros, to lines to finance fees to enter infrastructure projects. The average term of these limits amounts to 3.9 years.

Ultimate responsibility for liquidity risk management lies with the Economic and Financial Department, which prepares the appropriate framework to control the Group's liquidity requirements in the short, middle and long term. The Group manages liquidity risk by holding adequate reserves, appropriate banking services, having available loans and credit facilities, monitoring projected and actual cash flows on an ongoing basis and pairing them against financial asset and liability maturity profiles.

Finally, attention should be drawn, in relation to this risk, to the fact that the ACCIONA Group has recognised, as part of its quest to diversify its funding sources, a European Commercial Paper programme for the maximum amount of 500 million euros to issue commercial paper with maturities of not more than one year, as well as bonds convertible into shares for 342 million euros, a private placement of simple bearer bonds for 62.7 million euros and a Euro Medium Term Notes programme for a maximum of 1,000 million euros (see Note 18).

ECONOMIC RISK VS. BUDGET VARIANCES

The Group has an overall system of economic and budget control for each business, adapted to each activity, which provides those responsible for each business with the necessary information and allows them to control potential risks and make the most appropriate management decisions. The economic and financial information generated within each division is periodically compared with the projected data and indicators, variances regarding business volume, profitability, cash flows and other relevant and reliable parameters are assessed and, where necessary, the appropriate corrective measures are taken.

PRICE RISK

With regards to the price risk on the Spanish electricity market, Royal Decree-Law 9/2013, whereby urgent measures were adopted to guarantee the financial stability of the electricity system, was published on 12 July 2013. This Royal Decree, which came into force on 13 July 2013, repealed, among others, Royal Decree 661/2007, of 25 May, the decree governing the remuneration framework supporting renewable energies for most of the ACCIONA Group's power generation facilities located in Spain.

Royal Decree 413/2014, whereby the activities for electricity generation from renewable energy sources, co-generation and waste were regulated, was enacted on 6 June 2014 and published in the Central Government Gazette on 10 June 2014. In the development of this decree, final Ministerial Order IET 1045/2014 was signed on 20 June 2014 and published in the Central Government Gazette on 29 June 2014. The Order sets out the final remuneration parameters applicable to all renewable facilities, whether already in existence or planned. The new model defines the remuneration for assets to be applied from 14 July 2013 onwards, as a consequence of RD L 9/2013.

This new regulation provides that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities can receive a specific remuneration comprising a term per unit of power installed, covering, where appropriate the investment costs for a standard installation that cannot be recovered through electricity sales and an operating term that covers, where applicable, the difference between operating costs and the revenue from the participation of that standard facility in the market. Furthermore, the terms for remunerating the investment and the transaction will be reviewed every 3 years, taking into consideration the revenue from energy sales at market rates by standard facilities, so that any upward or downward variations outside the range of the bands established in said Ministerial Order will be incorporated into the calculation of the specific remuneration.

According to the regulation, these remuneration terms are not intended to exceed the minimum level necessary to cover the costs enabling the facilities to compete on an equal footing with the rest of the technologies on the market and making it possible for them to achieve reasonable profitability. With regards to what constitutes reasonable profitability, the Royal Decree-Law indicates this will revolve around the mean pre-tax yield on the secondary market of ten-year Government Bonds by applying the appropriate differential. The first additional provision of Royal Decree-Law 9/2013 sets this appropriate differential at 300 basic points for facilities participating in the economic regime with a premium, all without prejudice to a possible review every six years.

The new regulatory framework shows that a large part of the Group's renewable assets, especially wind power technology commissioned prior to 2004, as well as many of its mini-hydroelectric power stations, will cease to receive any additional remuneration other than the market price and will thus be fully exposed to price variations on the electricity market. On the domestic electricity market, approximately 53% of the Group's total production is subject to regulated remuneration while the other 47% is remunerated solely at market prices.

Finally, as regards the price risk on the international power markets where ACCIONA operates, it should be noted that approximately 68% of production is governed by a long-term price contract (PPA) established with a third party, 13% under a regulatory feed-in tariff and the remainder through unrestricted sale on the market.

20. Derivative financial instruments

INTEREST RATE HEDGES

The ACCIONA Group regularly arranges interest rate derivatives, which are designated as hedges. These instruments are used to hedge possible changes in cash flows due to interest payments on long-term floating rate financial liabilities.

Detail of the derivative financial instruments arranged and outstanding at 31 December 2015 and 2014, which are recognised at market value on the accompanying consolidated balance sheet, in assets or liabilities, depending on the market value of the derivative and the method of inclusion in the ACCIONA Group, was as follows:

	2015					2014				
(thousands of euros)	Notional amount arrange	Financial liabilities	Held-for-sale liabilities	Financial assets (note 10)	Investment in associates (*)	Notional amount arranged	Financial liabilities	Held-for-sale liabilities	Financial assets (note 10)	Investment in associates (*)
Cash flow hedges:										
Interest rate swaps	2,889,516	370,090	--	780	(82,679)	3,046,355	446,635	17,711	14	(93,399)
Total	**2,889,516**	**370,090**	**--**	**780**	**(82,679)**	**3,046,355**	**446,635**	**17,711**	**14**	**(93,399)**

(*) The amount of the investment in associates indicated is net of tax.

The most commonly used interest rate derivatives are interest rate swaps, the purpose of which is to fix or limit fluctuations in the floating interest rates of hedged borrowings. The Group arranges these financial derivatives mainly to hedge the cash flows on the debt arranged to finance wind farms or solar facilities, in the case of the Energy division, and to finance the infrastructure concessions operated mainly through jointly controlled entities and associates.

At 31 December 2015 and 2014, the fixed interest rates on the Euribor benchmarked financial derivative instruments ranged from 5.085% to 1.51%.

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 and recognised in equity.

The terms in which these cash flow hedges are expected to impact the income statement, in proportion to the share percentage, are shown below.

	Future settlements				
	< 1 month	1 - 3 months	3 months - 1 year	1 year - 5 years	+ 5 years
Group companies or jointly controlled companies	13	1,758	89,123	220,278	58,138
Associates (*)	565	1,568	15,285	48,823	49,732

(*) The amount of the investment in associates indicated is net of tax.

Changes in the fair value of these instruments are recognised directly in equity (see Note 16 e). The net deferred tax asset arising on recognition of these instruments amounted to negative 93,063 thousand euros at 31 December 2015 and negative 112,816 thousand euros at 31 December 2014; these were recognised in equity (see Note 22).

The methods and criteria applied by the Group to measure the fair value of these financial instruments are described in Note 3.2.I.

The notional amounts of the liabilities hedged by interest rate hedges were as follows:

	2015	2014
Group companies or jointly controlled entities	2,302,841	2,402,181
Associates	586,675	514,712
Companies classified as held for sale	--	129,462
Total notional amount arranged	**2,889,516**	**3,046,355**

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. The changes in the notional amounts of the financial instruments arranged for the coming years, in proportion to the share percentage, are as follows:

Change in notional amounts	2016	2017	2018	2019	2020	2021
Group companies or jointly controlled companies	2,497,076	2,315,651	2,032,965	1,703,723	1,426,388	1,019,637
Associates	430,696	383,804	367,554	350,391	333,735	307,357

FUEL HEDGES

The Group uses financial derivatives to manage the risk of fuel purchase price fluctuations on international markets. The Group manages this risk by arranging financial instruments to mitigate fuel price fluctuations.

In 2015, through its subsidiary Compañía Trasmediterranea, S.A., the Group hedged fuel oil and diesel price fluctuations by arranging several derivatives which ensure a fixed purchase price for the tonne of these fuels for a total of 208,451 tonnes. The settlements of these derivatives in 2015 were unfavourable to the Group and a cost of 11,454 thousand euros relating to the contracts that matured during the year was recognised in the consolidated income statement as an addition to the cost of procurements.

In addition, the company has hedged the risk of fluctuations in the prices of fuel oil and gas oil for financial year 2016 by engaging two derivatives that ensure a fixed purchase price per tonne of fuel oil and gas oil for a total of 363,847 tonnes (approximately 50% of the expected consumption in 2016).

The amount directly recognised at 31 December 2015 in equity as the effective part of the cash-flow hedging relations amounted to a loss of 3,881 thousand euros net of external and deferred tax. The company had designated the appropriate hedging relations at 31 December 2015 and they are fully effective. In these hedging relations, the risk covered is the fluctuation in the prices of fuel oil and gas oil.

FOREIGN CURRENCY HEDGES

The Group uses currency derivatives to hedge significant future transactions and cash flows. In 2015 and 2014 the Group hedged a portion of purchases and payments to suppliers in US dollars through exchange rate insurance.

Detail of the transactions outstanding at 31 December 2015 and 2014 was as follows (in thousands of euros):

			2015		2014	
	Currency	Expiry date	Amount arranged	Effect of measurement at market value	Amount arranged	Effect of measurement at market value
				--		--
Foreign currency purchase	USD	30.04.2016	5,872	1,538	135,592	17,442
Foreign currency purchase	AUD	03.04.2017	4,046	126	--	--
Foreign currency purchase	NOK	05.12.2016	46,800	1,719	--	--
Foreign currency purchase	USD	31.12.2016	10,528	226	--	--
Total			**67,246**	**3,609**	**135,592**	**17,442**

At 31 December 2015, the market values of foreign currency hedges were recognised under “Bank borrowings” in the amount of 3,609 thousand euros, which related mainly to the last instalments of the exchange rate insurance engaged for the construction of a wind farm in Mexico as well as to exchange rate insurance engaged in 2015 for the construction in 2016 of a tunnel in Norway and for the payment in US dollars of the fuel insured by the subsidiary Compañía Transmediterranea.

The amounts recognised by the Group were based on the market values of equivalent instruments at the reporting date. Substantially all the currency purchase transactions are designated and effective as cash flow hedges and the fair value thereof is deferred and recognised in equity.

The settlement of the hedges meant recognition of a higher expense in “Procurements” for 30,773 thousand euros in financial year 2015.

OTHER DERIVATIVE FINANCIAL INSTRUMENTS

In 2009, the ACCIONA Group prospectively discontinued the accounting of an interest rate derivative from a subsidiary consolidated by the equity method as, following the novation of the underlying loan, it no longer qualified for hedge accounting. The portion of the fair value that had been recognised as value adjustments in equity until the time hedge accounting was discontinued, and which amounted to 12.114 thousand euros net of the tax effect, is being transferred to profit or loss over the period to maturity of the transaction, based on the foreseeable reduction of the notional amount. At 31 December 2015, the balance yet to be transferred to profit or loss amounted to 1,785 thousand euros.

Lastly, it should be mentioned that the three Australian energy subsidiaries have contracts in place which enable them to set the future electricity sale price for a specific volume of MW. These contracts are measured at market value and the changes in value are recognised in equity as value adjustments. At 31 December 2015, there was a balance payable in “Reserves” and in “Non-controlling interests”, net of the tax effect, amounting to 5,060 and 2,530 thousand euros, with balancing entries in accounts receivable and payable in the amount of 1,919 and 12,764 thousand euros, respectively.

The impacts on equity of the measurement of derivative financial instruments at 31 December 2015 can be summarised as follows:

(Thousands of euros)	31.12.2015
Financial liability due to interest rate hedge	370,090
Held-for-sale liability due to interest rate hedge	--
Financial asset due to interest rate hedge	(780)
Negative impact on equity due to interest rate hedge by associates, net of tax	82,679
Net deferred tax payable due to interest rate hedge	(93,063)
Net deferred tax payable due to interest rate hedge from held-for sale liabilities	0
Ineffectiveness of hedging derivatives	0
Other, mainly due to non-controlling interests in interest rate hedging transactions	(7,411)
Balance adjusted due to changes in value of interest rate hedging transactions	**351,515**
Balance adjusted due to changes in value of fuel hedging transactions (net of non-controlling interests and tax)	3,881
Balance adjusted due to changes in value of foreign currency hedging transactions (net of non-controlling interests and tax)	2,618
Balance adjusted due to changes in value of energy contract (net of non-controlling interests and tax)	5,060
Balance adjusted due to changes in value of transactions with discontinued hedging (net of tax)	1,785
Other, mainly due to translation differences on derivatives	9
Total asset balance receivable for value adjustments at 31 December (Note 16)	**364,868**

21. Other non-current and current liabilities

Detail of "Other Non-Current Liabilities" and "Other Current Liabilities" on the consolidated balance sheet was as follows (in thousands of euros):

Other liabilities	No corrientes		Corrientes	
	2015	2014	2015	2014
Obligations under finance leases	17,457	17,658	527	520
Grants	148,174	152,733	--	--
Other deferred income	70,388	77,311	--	--
Remuneration payable	--	--	96,453	92,478
Debt with non-controlling interests	410,451	410,930	4,481	4,531
Other payables	201,777	195,660	254,131	365,597
Closing balance	**848,247**	**854,292**	**355,593**	**463,126**

"Other Deferred Income" related mainly to certain incentives established to promote the development of renewable energies in the US, which are similar in nature to grants for accounting purposes and which apply to two wind farms developed by the Energy division in the US.

"Debt with non-controlling interests" included mainly the assumption by the infrastructure fund KKR, which, as described in note 2.2 h) became shareholder in the ACCIONA Group's subsidiary ACCIONA Energy Internacional, S.A. in June 2014, of one third of the subordinated debt of ACCIONA Energy Internacional, S.A. dated 25 February 2012 and with a balance of 369 million euros at 31 December 2015 (375 million euros in 2014). This debt matures in 2017 and accrues 12-month Euribor interest rate +3.7%. As for the rest, mention must be made of the debt with members in the wind farm and photovoltaic plant in South Africa, which amounted to 22 million euros (25 million euros in 2014).

Liabilities were recorded under "Other Non-Current Payables", for long-term business transactions relating to the construction business for 58 million euros as well as a loan from the Administration for 61 million euros as part of the finance for Sociedad Concesionaria A 2 Tramo 2, S.A.U. 7%. [sic]

"Obligations under Finance Leases", which relates mainly to outstanding lease payments, includes the purchase option on certain facilities of the Energy division in Australia. Detail is as follows:

	Minimum lease payments	
Amounts payable under leases	**2015**	**2014**
Within one year	2,394	2,125
Between one and two years	2,576	2,086
Between two and five years	5,682	6,229
After five years	27,948	29,997
Total lease payments payable	**38,600**	**40,437**
Less: future finance charges	20,616	22,259
Present value of lease obligations	17,984	18,178
Less: amount due for settlement within twelve months (current liability)	527	520
Amount due for settlement after twelve months	**17,457**	**17,658**

The main change in the financial year related to the payments made and to the appreciation of the Australian dollar against the euro during the period.

"Grants" related mostly to amounts awarded for the construction of wind farms in United States. The changes in "Grants" in 2015 and 2014 were as follows:

	Grants
Balance at 31/12/2013	**151,012**
Additions	4,380
Taken to profit/(loss) "Other Income"	(15,081)
Other	12,422
Balance at 31/12/2014	**152,733**
Additions	1,941
Taken to profit/(loss) "Other Income"	(13,319)
Others	6,819
Balance at 31/12/2015	**148,174**

In 2015 there were no significant additions. The line "Other" reflects mainly a positive variation due to the exchange rate, as a result of the appreciation of the US dollar against the euro, and a negative variation due to transfer to "held for sale" of companies from the Windpower group.

In 2014 the main additions related to grants from the Government of Navarre to ACCIONA Blades, S.A., a subsidiary of the ACCIONA Wind Power subgroup, as part of a scheme of aid to industrial investment for 2.8 million euros. The line "Other" reflects mainly the variation due to the exchange rate, as a result of the appreciation of the US dollar against the euro.

22. Tax matters

TAX CONSOLIDATION SYSTEM

Pursuant to current legislation, consolidated tax groups include the parent together with certain subsidiaries that meet the requirements provided for in Spanish tax legislation. Since 2009 there has been a single tax group in Spain that avails itself of this special taxation system, the parent of which is ACCIONA, S.A. In addition to the Spanish tax group, the Group pays tax under the tax consolidation system in Australia (including all the Group's divisions operating in said country) and for the companies comprising the energy division in the US, Portugal and Italy.

The other ACCIONA Group companies file separate tax returns in accordance with the tax legislation applicable in the Basque Country, Navarre, the rest of Spain or that in force in each country.

Effective from 1 January 2008, several Group companies availed themselves of the special system for Company Groups for VAT purposes, envisaged in Chapter IX of Title IX of Value Added Tax Act 37/1992, of 28 December. The parent of the VAT Group is ACCIONA, S.A.

YEARS OPEN FOR REVIEW BY THE TAX AUTHORITIES:

On 19 June 2009, the tax audits in relation to the Tax Group's Corporate Tax for 2003 to 2005 were completed, when the tax assessments issued for 2003 and 2004 were signed on an uncontested basis. As for 2005, the tax assessment was signed on a partially contested basis, for the amount of 5,737 thousand euros (tax due, interest payable and fine). The Company filed an economic-administrative appeal with the Central Economic and Administrative Court on 20 August 2009. On 19 May 2011, this Court notified the Group of its decision, dismissing the claims filed, upholding the tax assessment and the fine that appealed against. On 15 July 2011, the Company filed an appeal for judicial review at the National Appellate Court against the decision handed down by the Central Economic and Administrative Court. On 11 July 2012, the Company filed a formal statement of claim and the related pleadings at the National Appellate Court.

On 20 November 2014, the National Appellate Court issued a judgment partly in favour of the appeal filed and cancelling the fine imposed, albeit dismissing all the other claims.

On 1 September 2015 the Supreme Court notified ruling of 11 June 2015 dismissing the appeal for review filed on 11 December 2014, confirming the settlement by the National Appellate Court, with the debt and delay interest accrued on suspension being settled.

As regards the fine (1,475 thousand euros), the Supreme Court accepted the appeal for review filed by the Counsel for the State against the favourable ruling from the National Appellate Court that proceeded to cancel it, so this fine proceedings are still pending a decision.

The tax audits also included the review of other taxes of the companies belonging to the Tax Group, which concluded with the relevant tax assessments being signed on an uncontested basis.

On 10 March 2012, tax audits were initiated in relation to Corporate Tax for 2007-2009 by the inspection services from the Central Office for High-Income Taxpayers, against both the parent, ACCIONA, S.A., and other subsidiaries. In addition to the review of the Tax Group's corporate tax for those years, the Company Group for VAT was under review for 2008 and 2009 and for other taxes for 2008 and 2009 of the Group companies subject to the tax review.

During these actions and on the occasion of the review of the withholdings effected on payment of dividends, this partial review was extended to financial years 2010, 2011 and 2012 and also included the reverse merger operation involving Grupo Entrecanales, S.A. and its subsidiaries taken over by ACCIONA, S.A. on 11 July 2011. The tax inspectors accepted the existence of valid economic grounds for the merger operation and its inclusion within the special tax system for mergers, spin-offs, contributions of assets and securities swaps.

The inspectors, for their part, queried the fulfilment of the requirements for application of the exemption in the payment of dividends for one of the non-resident shareholders, in particular, the requirements of holding the status of effective beneficiary, and this led to the signing of the contested tax assessments. On 3 and 17 July 2014, the Company lodged economic and administrative appeals at the Central Economic Administrative Court. On 29 May 2015 the Company reached an agreement with the shareholder that received the dividends so as to proceed to pay said amount, with settlement of the tax debt upon the shareholder's payment.

The other inspection actions concluded on 12 June 2014 with the signing of uncontested assessments for Corporate Tax for 2007-2009 and without any tax due, uncontested conclusions for VAT with the regularization of ACCIONA's differentiated activity sectors as a "mixed holding" (without fine), with application of part of the provisions allocated in ACCIONA, S.A., as well as contested assessments for Personal Income Tax withholdings relating to compensation for dismissal. The Group companies lodged economic and administrative appeals at the Central Economic Administrative Court. On 19 October 2015 this Court notified dismissal of the claims filed by ACCIONA Infraestructuras, confirming settlement of the assessments for withholdings for the 2008 to 2011 periods, as well as the relevant fine proceedings. On 3 September 2015 the company filed appeal for judicial review at the National Appellate Court. The economic and administrative claims filed by the other companies about this matter are still pending a decision by the Central Economic Administrative Court. It is estimated that the risk that the proposed fines will be approved is remote.

With regards to Value Added Tax, the company heading the VAT company group (ACCIONA, S.A.) agreed to and signed the tax assessment dated 29 April 2014 for financial years-periods 2008 to January 2010, regularizing the input VAT deductible due to the "mixed holding" condition of the company.

On 21 May 2015 the Central Office of High-Income Taxpayers notified the start of inspection actions in relation to Corporate Tax for financial years 2010-2012, targeting ACCIONA, S.A., as the parent of the Group, and several subsidiaries. In addition to review of Corporate Tax of the Tax Group for said years, the VAT Company Group was included, years 2011, 2012 and 2013, and any other taxes for the years/periods from 04/2011 to 12/2012 of the Group companies under tax review.

The actions related to the VAT Group for financial year 2013 are partial and limited only to review of the deductible input VAT so as to regularise this VAT on the same terms as those agreed in previous tax audits that ended with assessments signed in agreement and with no fines. On 29 September 2015 the tax assessments were signed in agreement to regularise all the outstanding years (periods 01/2010 to 12/2013)

Following the development of all these inspection actions the Group applied in 2015 the provisions allocated in previous years for this purpose (see note 17).

On 10 January 2013, the company Guadalaviar Consorcio Eólico, S.A. was notified of the inception of tax inspection actions relating to Corporate Tax and Value Added Tax for financial years 2008 and 2009, in which the value of the wind-power rights transferred in 2009 was reviewed. These actions concluded with the signing of a contested assessment for the measurement made by the tax auditors of the said wind-power rights, which increased the value declared by the parties. The company received the proposed settlement from the technical services from the Central Office for High-Income Taxpayers on 23 December 2013 and an economic-administrative appeal was filed at the Central Economic and Administrative Court on 13 January 2014. The amount of the adjustment, including late-payment interest, for which the company would be liable, would come to 9,159 thousand euros and it is estimated that the possibility of these liabilities materialising is remote.

In the month of December 2014, the Mexican project companies Eurus SAPI de CV, CE Oaxaca III and CE Oaxaca IV received notice of tax settlements from Juchitán Town Council for municipal levies related to the 2011 to 2014 financial years. These companies lodged complaints or appeals (petitions for legal protection) before the District Court of Oaxaca and obtained the suspension of enforcement of the settlements. The external advisors engaged to carry out the process concluded that the likelihood that the appeals lodged would be upheld is high (75%), since there are solid arguments for the defence, constitutional principles had been breached and the issues in question are administrative acts contrary to law. All this is supported by the fact that a Mexican court, at the first instance, allowed cancellation of the municipal regulations on these contributions for 2015. In addition, on 28 January 2016 the Seventh District Court of Oaxaca issued ruling favourable to the company Oaxaca

IV, allowing the appeal filed against the settlement of municipal contributions of the Juchitán Town Council, although this ruling is not final and can be appealed against by the Town Council through appeal for review. Therefore, the risk that material liabilities will materialise from this process is remote.

The directors of ACCIONA, S.A. consider that the liabilities that might arise from the open tax audits would not have a material effect on the equity of the ACCIONA Group.

At 31 December 2015, the years that have not lapsed and that have not been reviewed were subject to review by the tax authorities, for Corporate Tax and for the other main taxes applicable to the companies in the consolidated tax group. In general, the other Spanish consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable thereto. In view of the varying interpretations that can be made of the applicable tax legislation, the outcome of the tax audits that could be conducted by the tax authorities in the future for the years subject to verification might give rise to tax liabilities which cannot be objectively quantified at the present time. However, the probability of material liabilities arising in this connection additional to those already recognised is remote.

RECEIVABLES AND PAYABLES WITH PUBLIC ADMINISTRATIONS

Breakdown of receivables and payables with Public Administrations at 31 December 2015 and 2014 was as follows:

	2015		2014	
	Non-current	Current	Non-current	Current
Tax receivables				
VAT and other indirect taxation	--	143,822	--	163,468
Corporate Tax	--	68,298	--	75,928
Deferred tax	926,764	--	976,874	--
Other	--	17,401	--	35,107
Total	**926,764**	**229,521**	**976,874**	**274,503**
Tax payables				
Income tax	--	25,784	--	19,190
Personal income tax withholdings	--	16,346	--	17,990
VAT and other indirect taxation	--	85,488	--	84,208
Deferred tax	739,686	--	692,794	--
Accrued social security charges	--	19,743	--	25,643
Other local taxes	--	37,246	--	52,640
Other	--	16,760	--	15,517
Total	**739,686**	**201,367**	**692,794**	**215,188**

In financial year 2015, the main variation in the outstanding balance for VAT and other indirect taxes came from the net decrease in indirect taxation to be recouped for the performance of international projects (mainly in Mexico, Costa Rica and Poland), and these sums will be recovered for the most part on the completion of the projects or through compensation with the tax accrued at the start of the activity, as well as on reclassification of the Windpower subgroup to "held for sale" (see note 23).

As for balances payable, it should be noted that, since financial year 2013, the line "Other local taxes" included the Tax on the Value of Electricity Generation and the fee for the use of continental waters for generating electricity. These charges were introduced by Act 15/2012 of 27 December and came into effect on 1 January 2013. In 2015 the main change related to settlement of the hydraulic fee for the 2013-2014 years.

The VAT refundable and VAT payable balances include the balances relating to the special VAT Company Groups system.

RECONCILIATION OF ACCOUNTING PROFIT/(LOSS) AND THE TAX RESULT

Reconciliation between the accounting result and the income tax expense, at 31 December 2015 and 2014, was as follows:

	2015	2014
Consolidated profit/(loss) before tax	318,583	277,097
Profit/(loss) before tax from discontinued operations	--	--
Permanent differences	(148,100)	(88,843)
Adjusted accounting profit/(loss)	170,483	188,254
Tax expense adjusted by tax rate	58,872	54,403
Tax credits	(11,436)	(18,261)
Offset of taxable amounts not posted to the accounts	(14,668)	(8,692)
Unrecognised tax credits	31,986	32,233
Year's tax expense	64,754	59,683
Tax rate change	805	(22,522)
Effect of tax adjustments from previous years	17,265	32,744
Tax expense per the income statement	**82,824**	**69,905**
Tax expense from discontinued operations	**--**	**--**

The "Permanent differences" are made up of income and expenditure that are not eligible for inclusion in accordance with the applicable tax legislation. In addition, the heading also includes those results that are eliminated in the consolidation process but, nonetheless, are fully effective within the scope of the international tax returns of each entity in the Group, especially those that are not included in the Tax Group. The most significant concept included in 2015 related to the differences arising in connection with certain companies whose financial statements are subsumed within the group in view of the functional currency used in their transactions, although their tax returns on earnings corresponding to their applicable legislations are disclosed on the basis of financial statements translated into the local currency. The remainder refers mainly to the cancellation of the sanctioning proceedings of Compañía Transmediterranea, S.A. (see note 17), the expense of which was adjusted at source as non-deductible.

The "Tax expense adjusted by tax rate" is the result of applying the different tax rates applicable to the adjusted accounting result for each of the different jurisdictions where the Group operates.

The line "Unrecognised tax credits" includes the tax effect derived from not recording the negative results generated by some subsidiaries outside the tax group.

As a result of the reduction in the tax rate to 28% and to the final rate to 25% applied in Spain for tax periods starting in or after 2015 and 2016, respectively, as approved by the new Corporate Tax Act, Act 27/2014, of 27 November, the Group updated the deferred tax assets and liabilities generated in connection with transactions and operations performed in the domestic arena, where the rate changed from 30% to 28% or 25%, depending on the estimated calendar for application/reversal. The impact of this update in 2015 was not significant, but in 2014 it meant income for 21 million euros, which was reflected in the line "Tax rate change" on the reconciliation table shown above.

The reconciliation of the pre-tax accounting profit/(loss) and the tax result is shown below:

	2015	2014
Consolidated profit/(loss) before tax	318,583	277,097
Permanent differences	(148,100)	(88,843)
Temporary differences	(138,039)	(270,615)
Offsetting of tax loss carryforwards	(140,126)	(76,344)
Taxable amount	**(107,682)**	**(158,705)**

The Group's taxable amount for financial year 2015 included as temporary differences the movement in provision and non-deductible impairment and related reversions on application thereof, together with the adjustments for the freedom of amortisation and the accelerated tax amortisation; they are detailed further below in the section about deferred taxes. In addition, this same caption also included as decrease in the taxable amount the reversion, as from 2015, of the limitation to deductibility of the amortisation endowment adjusted in 2013 and 2014.

As for 2014, the Group's taxable amount included a large part of the impairments for domestic assets in the energy division recorded in 2013 on the basis of the approval of the new regulatory framework that introduced a new remuneration regime applicable to the generation of electricity from renewable sources. These impairments were disclosed as a negative adjustment in an amount close to 300 million euros in "Temporary differences".

TAX RECOGNISED IN EQUITY

Independently from the tax on profit recognised in the consolidated income statement, in 2015 and 2014 the Group recognised the following amounts in consolidated equity:

	2015	2014
Translation differences	18,129	(22,270)
Fair value of financial instruments	(22,035)	44,150
Financial assets with changes in equity	10	(1,629)
Actuarial losses and gains on pension plans	(29)	158
Total	**(3,925)**	**20,409**

DEFERRED TAX

In accordance with the tax legislation in force in the countries in which the consolidated companies are located, in 2015 and 2014 certain temporary differences arose that must be taken into account when quantifying the related income tax expense.

The deferred taxes arose in 2015 and 2014 as a result of the following:

Deferred tax receivable with origin in:	2015	2014
Deferred tax assets originating in:	195,111	214,568
Tax loss carryforwards	194,268	204,387
Tax credit carryforwards	99,355	119,216
Derivative financial instruments	68,783	33,226
Translation differences	12,909	15,994
Prov. over assets	30,757	32,223
Relating to taxation under the pass-through regime (UTEs)	325,581	357,260
Other	**926,764**	**976,874**
Total deferred tax assets		

Deferred tax liabilities originating in:	2015	2014
Remeasurement of financial assets	58	77
Reversal of merger goodwill	184	184
Translation differences	40,011	23,398
Allocation of first-time consolidation differences to assets	138,408	145,693
Remeasurement of property, plant and equipment and investment property	43,880	588
Derivative financial instruments	218	5,471
Relating to taxation under the pass-through regime (UTEs)	10,524	19,042
Other	506,403	498,341
Total deferred tax liabilities	**739,686**	**692,794**

At 31 December 2015, the tax loss carryforwards, whether recognised or not, generated by the subsidiaries before their inclusion in the Tax Group of which ACCIONA, S.A. is the parent amounted to 152 million euros. Of this amount, a total of 48.6 million euros related to tax loss carryforwards not capitalised on the consolidated balance sheet, corresponding to the Tax Group of which ACCIONA, S.A. is the parent, as there was no assurance of the achievement of sufficient future profits or because the tax regulations establish limits and requirements for them to be offset.

The subsidiaries of the Compañía Trasmediterranea Subgroup, included in the Tax Group in 2010, contributed most of this balance. In 2015 Compañía Trasmediterranea offset 28.7 million euros and the company Compañía Urbanizadora el Coto, included in the tax group in this financial year, contributed 28 million euros as previous tax loss carryforwards.

For its part, as regards the interim settlement of Corporate Tax of the Tax Group for 2015, the Tax Group has a negative taxable base pending application and generated in 2014 for 149 million euros.

In addition, some Energy division subsidiaries in the US, Australia and Mexico, as well as Mostostal Warszawa and the concessions subsidiary in Chile also recognised tax credits for negative taxable bases pending offsetting.

At 2015 year-end, the deadlines for the tax credits recognised for negative taxable bases pending application were (in thousands of euros):

	Amount	Lapse period
ACCIONA, S.A. tax group	37,253	No lapsing date
ACCIONA, S.A. tax group – previous capitalised	866	No lapsing date
Spanish companies outside the Tax Group	1,900	No lapsing date
International - limited	3,064	2017
International - limited	4,394	2018
International - limited	1,853	2020
International - limited	24,997	2023
International - limited	33,479	2024
International - limited	44,080	2025
International - limited	822	2026
International - limited	392	2027
International - limited	1,905	2028
International - limited	1,626	2029
International - limited	2,623	2030
International - limited	1,572	2031
International -unlimited	34,285	No lapsing date
Total	**195,111**	

The Corporate Tax Act (Act 27/2014, of 27 November) eliminated the deadline for offsetting negative taxable bases, which was set at 18 years, so this is now unlimited.

The unused tax credits, totalling 196.268 thousand euros, relate mainly to those earned by the tax Group of which ACCIONA, S.A. is the parent. At 31 December 2015, the most significant unused tax credits were: R&D+I tax credits amounting to 106,322 thousand euros; tax credits for the reinvestment of extraordinary income amounting to 55,817 thousand euros; and environmental tax credits amounting to 14.356 thousand euros

At 2015 year-end, the deadlines for deduction of the unused tax credits recognised on the consolidated balance sheet of the ACCIONA Group were as follows (in thousands of euros):

	Amount	Lapse period
Spanish companies outside tax group	52	2025
Grupo Fiscal ACCIONA, S.A.	10,268	2023
Grupo Fiscal ACCIONA, S.A.	20,805	2024
Grupo Fiscal ACCIONA, S.A.	21,396	2025
Grupo Fiscal ACCIONA, S.A.	32,850	2026
ACCIONA, S.A. tax group	15,530	2027
ACCIONA, S.A. tax group	13,539	2028
ACCIONA, S.A. tax group	23,058	2029
ACCIONA, S.A. tax group	18,180	2030
ACCIONA, S.A. tax group	14,699	2031
ACCIONA, S.A. tax group	10,837	2032
ACCIONA, S.A. tax group	8,085	2033
Non-resident companies	4,969	No lapsing date
Total	**194,268**	

Act 27/2014, of 27 November, on Corporate Tax, eliminated, effective 1 January 2015, the deadline for offsetting double-taxation deductions pending application from previous financial years, so the period is unlimited, as provided for in section 39 of Act 27/2014, and extended from 15 to 18 years the period to offset other deductions.

At year-end there were no material unused tax credits that had not been recognised.

The ACCIONA Group expects to recover the tax loss and tax credit carryforwards recognised in the books, through the companies' ordinary activities and without any equity risk of losses.

Most of the deferred tax assets included in the line "Other" related to non-deductible provisions for liabilities and portfolio mainly in connection to ACCIONA, S.A., in the amount of 29,807 thousand euros in tax, impairment recognised mostly in FY 2013 for both resident companies and foreign subsidiaries, mainly in the United States, and part of which was not deductible. In addition, the "Other" balance reflects the adjustment for the 30% cap on non-deductible accounting depreciation for Spanish companies, introduced temporarily for financial years 2013 and 2014, for taxable amounts of 105,723 and 80,296 thousand euros, respectively, and which began to reverse in FY 2015, and the unification adjustments made as part of the consolidation process, such as eliminations of internal margins (in the amount of 74,116 thousand euros at 31 December 2015), which will gradually be reversed with the asset amortisation process. Finally, this line included adjustments to the taxable amounts through the application of other countries' specific regulations whereby certain expenses are not deductible until they are paid or the criterion of accounting accrual is not applied for deductibility, as is the case in Mexico, Australia and the United States, or because a billing-based criterion is applied instead of accounting accrual by stage of progress, as happens in Chile.

The line "Other" under the deferred tax liability heading includes the tax adjustments under the freedom to amortise established in the Eleventh Additional Provision included in RDL 4/2004 (rewritten text of the Corporate Tax Act) by Act 4/2008, whose application is currently limited depending on the taxable base. In financial year 2014, no adjustment was applied because there was a tax loss carryforward and in 2015 the taxable base was adjusted in 107,340 thousand euros in this respect. Said account reflects the reversion of the adjustment from previous years in the amount of the accounting amortisation recognised. The accumulated amount of this adjustment at 31 December 2015 for the companies from the Spanish tax group amounted to 183 million euros for tax liability. It also included the amortisation effect for tax purposes of Mexico, the US and Australia, for approximately 127, 63 and 11 million euros for tax liability, respectively, as well as adjustments for application of the specific regulations of countries where accounting income is not recognised for tax purposes until the bill is issued or collected, instead of the principle of accounting accrual or stage of progress, mainly in Chile and Mexico.

"Revaluation of property, plant and equipment and real property" reflects the difference between the carrying amount and the tax amount for the assets of the company Compañía Urbanizadora el Coto, which were in "held for sale" accounts in the previous financial year.

REPORTING OBLIGATIONS

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

The Tax Group, through its Parent and certain of its subsidiaries, is required to fulfil the obligations assumed in connection with the tax incentives applied and, in particular, it must hold, for the stipulated period, the assets for which the investment or reinvestment tax credits were taken.

In financial years 2010, 2011, 2012, 2013 and 2014, the Parent and certain companies in the Tax Group availed themselves of the tax credit for reinvestment of extraordinary income provided for by Article 42 of Royal Decree-Law 4/2004 (rewritten text of the Corporate Tax Act)[1]. The income qualifying for this tax credit in these years amounted to 86,550, 160,251, 8,640, 9,598 and 34,516 thousand euros, respectively. The income relating to 2009 and 2010 was reinvested in 2010, the income relating to 2011 was reinvested in 2011, the income relating to 2012 and 2013 was reinvested in 2013, and the income relating to 2014 in 2014. The assets in which the income was reinvested were as listed in Article 42 of Royal Decree-Law 4/2004, i.e. property, plant and equipment, intangible assets, investment property and securities representing stakeholdings of no less than 5% in the share capital or equity of all manner of companies. The income was reinvested by the companies belonging to Tax Group 30/96.

Pursuant to Article 42.10 of the rewritten text of the Corporate Tax Act, this information must be disclosed in the notes to the consolidated financial statements as long as the period for which the assets must be held, as stipulated in Article 42.8 of the Regulation, is not complied with.

In accordance with the provisions contained in section 86 of Act 27/2014 on Corporate Tax, certain Group companies engaged in 2015 in the transactions listed below, to which the Special System for mergers, spin-offs, contribution of assets and securities swaps was applied.

- Split-off of the Company ACCIONA Inmobiliaria, S.L. by segregating the part of its corporate equity that represents a branch of activity, under the terms set in section 71 of Act 3/2009, of 3 April, on Structural Changes to Mercantile Companies, with the economic unit being transferred to the beneficiary, the company ACCIONA Real Estate, S.A.U., documented under deed dated 30 September 2015.

- Merger of the company Global de Energías Eólicas Al Andalus, S.A. (merged Company) and Ceólica Hispania, S.L. (merging Company), documented under deed dated 11 September 2015 and backdated to 1 January 2015.

In accordance with the provisions contained in section 86.3 of Act 27/2014 of the rewritten text of the Corporate Tax Act, the information required for transactions carried out in previous financial years is detailed in the relevant separate annual reports approved after completion of the operations.

In 2008, 2009, 2010, 2011 and 2012, several companies in the tax group deducted the tax credit for impairment losses on ownership interests in Group companies, jointly controlled entities and associates, as provided for in Article 12.3 of Royal Decree-Law 4/2004 (rewritten text of the Corporate Tax Act), regulated in Temporary Provision Sixteen of Act 27/2014

Act 16/2013, of 29 October, repealed, with effect from 1 January 2013, section 12.3 of the rewritten text of the Corporate Tax Act in relation to deduction of impairment losses on such equity interests and established a transitional system for the inclusion of losses pending incorporation at 31 December 2012 in the taxable base.

The notes to the separate financial statements of these companies include the disclosures required by tax legislation concerning the change in the year in the investees' equity, the amounts included in the taxable base and the amounts yet to be included.

1 Regulated in the Twenty-Fourth Temporary Provision of Act 27/2014.

23. Non-current assets and liabilities classified as held for sale

Detail of "Non-Current Assets Classified as Held for Sale" on the accompanying consolidated balance sheet at 31 December 2015 and 2014 was as follows:

	Balance at 31/12/2015	Balance at 31/12/2014
Energy division assets (wind farms)	429,425	--
Assets form the other activities division (property assets)	1,636	412,137
Total non-current assets classified as held for sale	**431,061**	**412,137**

At 31 December 2015, detail, by division, of the main asset headings prior to their classification as "Assets Held for Sale" was as follows:

	Energy division	Other Activities division
Property, plant and equipment	90,019	
Investment property		1,636
Other intangible assets	8,322	
Deferred tax assets	41,336	
Other non-current assets	497	
Inventories	172,291	
Trade and other accounts receivable	62,345	
Cash and cash equivalents	9,616	
Other assets	44,999	
Assets classified as held for sale	**429,425**	**1,636**

Also, detail at 31 December 2015 and 2014 of "Non-current liabilities Classified as Held for Sale" on the accompanying consolidated balance sheet was as follows:

	Balance at 31/12/15	Balance at 31/12/14
Energy division liabilities (manufacture of wind turbines)	418,406	--
Other Activities division liabilities (investment property)	1,660	321,419
Total non-current liabilities classified as held for sale	**420,066**	**321,419**

At 31 December 2015, detail of the main liability items prior to their classification as held for sale was as follows:

	Energy division	Other activities division
Non-current liabilities	68,117	
Trade and other accounts payable	302,933	
Other current liabilities	47,356	1,660
Liabilities held for sale	**418,406**	**1,660**

Accumulated income and expenses recognised directly in equity at 31 December 2015 in relation to assets classified as held for sale were as follows:

	Translation differences
Energy division (manufacture of wind turbines)	6,804
Total recognised income/(expense)	**6,804**

In 2015 the main changes in "Non-current assets and liabilities held for sale" related to the classification in the year under this caption of the Corporación ACCIONA Windpower subgroup after signature of agreement with Nordex, S.E., which is detailed below; and to the transfer of the Compañía Urbanizadora Coto, S.L. subgroup to the related captions for assets and liabilities, because of what is explained at the end of this note.

As regards the Corporación ACCIONA Windpower subgroup, last 4 October 2015 ACCIONA, S.A. signed an agreement with the German company Nordex S.E., whereby Nordex S.E. would buy the whole share capital of Corporación ACCIONA Windpower, S.L. As consideration, ACCIONA, S.A. would receive 16,100,000 newly issued shares representing 16.6% of the share capital of Nordex, measured at 26 euros per share, which would account for a total of 418.6 million euros and a cash payment of 366.4 million euros, resulting in a total value of 785 million euros, which would be adjusted on the basis of the existing debt at 31 December 2015.

The first estimated future gains amounted to approximately 675 million euros, to be adjusted on the basis of the consolidated financial statements at 31 December 2015 of the Corporación ACCIONA Windpower subgroup.

At 31 December 2015 the operation was subject to fulfilment of certain conditions precedent, in particular the lack of opposition of the competent Competition authorities. It is estimated that the operation could be concluded in the first quarter of 2016.

In addition, ACCIONA, S.A. subscribed an agreement with Momentum-Capital Vermögensverwaltungsgesellschaft GmbH and Ventus Venture Fund Gmbh & Co. Beteiligungs KG (current shareholders of Nordex S.E.), for acquisition of 12,897,752 Nordex, S.E. shares currently in circulation and representing 13.3% in the share capital in the amount of 335.34 million euros equivalent to 26 euros per share. The acquisition is subject to the condition precedent that the acquisition of AWP as described in the paragraphs above is formalised and executed in full by Nordex.

For accounting purposes, the signature of the agreement meant that since 30 September 2015 the ACCIONA Group has classified all the assets and liabilities contributed by the ACCIONA Windpower subgroup to the captions "assets and liabilities held for sale".

It must be noted too that at 31 December 2015 the caption "Assets and liabilities held for sale" related mainly to the Compañía Urbanizadora El Coto subgroup, which in 2015 were reclassified by their nature (basically to Property Investments-Property for Rentals and to Financial Debt) as a result of the redesign of the strategy to follow with the Coto subgroup and with part of the real estate division where revaluations of use of certain inventories were considered (see notes 5 and 13) according to the trend of the property market, through the creation of a new company, ACCIONA Real Estate, S.A., to which the assets and companies (including Coto) that, following the new Group's strategy, would create value through operation via leasing, were contributed. In this new context, Coto must be considered, within the ACCIONA Group's strategy, jointly with the other Property for Rentals assets that make up the ACCIONA Real Estate activity

24. Guarantee commitments to third parties

The companies had provided third-party bonds before clients, public agencies and financial institutions, for 2,868,774 thousand euros and 2,516,731 thousand euros at 31 December 2015 and 2014, respectively.

The purpose of most of the bonds provided was to guarantee good performance in the development of the works engaged by the infrastructure division.

Also, provided collateral was included to cover future capital and reserves contributions. Within the infrastructure division, those given to the subsidiaries S.C. Novo Hospital de Vigo S.A., Altrac Light Rail Holdings 1 Pty Limited, S.C. and Autovía Gerediaga Elorrio S.A. must be noted, in the amounts of 1.5, 14 and 3 million euros, respectively. The Water division granted a bank bond to cover future capital and reserves contributions, for 4 million euros.

The companies estimate that any liabilities as could arise from the guarantees provided would not be significant.

25. Income

Breakdown of the Group's revenue is as follows:

	2015	2014
Energy	2,718,721	2,199,800
Construction	2,169,666	2,625,940
Water	450,534	409,412
Services	715,845	691,346
Other Activities	613,458	692,451
Consolidation adjustments	(124,700)	(120,448)
Total revenue	**6,543,524**	**6,498,501**

Breakdown, by geographical area, of the Group companies' total production was as follows (in thousands of euros):

	Spain	European Union	OECD countries	Other countries	Total
2015					
Energy	1,172,974	101,491	1,141,685	302,571	2,718,721
Construction	843,087	315,041	665,086	346,452	2,169,666
Water	178,012	45,059	16,309	211,154	450,534
Services	509,939	113,495	55,340	37,071	715,845
Other Activities	595,643	4,213	6,565	7,037	613,458
Intra-Group transactions	(86,616)	(4)	(37,774)	(306)	(124,700)
Total 2015 production	**3,213,039**	**579,295**	**1,847,211**	**903,979**	**6,543,524**
2014					
Energy	1,185,543	147,560	646,171	220,526	2,199,800
Construction	1,074,154	371,633	589,063	591,090	2,625,940
Water	176,630	36,493	40,071	156,218	409,412
Services	550,432	105,607	21,683	13,624	691,346
Other Activities	628,783	10,741	45,685	7,242	692,451
Intra-Group transactions	(91,592)	(4)	(28,637)	(215)	(120,448)
Total 2014 production	**3,523,950**	**672,030**	**1,314,036**	**988,485**	**6,498,501**

REVENUE FROM THE CONCESSION ACTIVITY

At 31 December 2015, the ACCIONA Group maintained its most significant service concession contracts in force at the infrastructure and water divisions. The net amount of revenue at the close of the financial year for each category of concession agreement, including those within the scope of IFRIC 12, came to 106 and 21 million euros, respectively. Appendix VI details the main concessions.

As indicated in Note 3.2 g), following the adoption of IFRIC 12, the ACCIONA Group recognises under "Non-Current Receivables and Other Non-Current Assets" concession business assets whose recovery is guaranteed in the concession contract by the grantor through the payment of a fixed or determinable amount and, accordingly, no demand risk is borne by the operator.

In relation to these concession assets, even during the construction phase the Group recognises income earned on interest, based on the effective interest rate of the financial asset. This interest income is recognised under "Revenue", which at 31 December 2015 and 2014 amounted to 16,756 and 17,938 thousand euros, respectively.

CONSTRUCTION REVENUE

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

Detail of infrastructure construction revenue by type of project was as follows:

	2015	2014
Civil engineering	1,458,144	1,771,209
Residential building construction	45,546	54,713
Non-residential building construction	379,247	489,732
Other business activities	181,779	205,507
Total construction revenue	**2,064,716**	**2,521,161**

Detail of infrastructure construction revenue by type of client was as follows:

	2015	2014
Central Government	189,218	203,506
Regional Governments	88,598	83,831
Local councils	24,956	25,509
Regional Agencies and Government-owned corporations	190,259	309,499
Public sector	493,031	622,345
Private sector	302,227	406,965
Total Spanish clients	795,258	1,029,310
Total clients abroad	1,269,458	1,491,851
Total construction revenue	**2,064,716**	**2,521,161**

The accumulated data on the contracts in progress in the construction activity at the close of financial years 2015 and 2014 were as follows:

	2015	2014
Accumulated revenue from contracts in progress	7,942,406	6,896,231
Accumulated amount of costs incurred	7,537,611	6,602,682
Total accumulated earnings	404,794	293,549
Advances from clients (Note 14)	469,151	458,658
Withholdings	43,915	48,321

The geographical distribution of the infrastructure construction backlog at the close of 2015 and 2014 was as follows:

2015	España	Extranjero
Civil engineering	1,326,540	4,244,678
Residential building construction	12,581	54,823
Non-residential building construction	240,365	174,423
Other business activities	203,528	465,137
Total construction backlog	**1,783,014**	**4,939,061**

2014	España	Extranjero
Civil engineering	1,521,235	3,152,472
Residential building construction	26,670	53,003
Non-residential building construction	311,661	264,911
Other business activities	202,750	160,348
Total construction backlog	**2,062,316**	**3,630,734**

26. Expenses

Breakdown of the Group's expenses was as follows:

	2015	2014
Procurements	1,830,221	1,853,678
Staff costs	1,254,250	1,275,310
Wages, salaries and similar	1,006,614	1,027,419
Social security costs	222,863	228,643
Other staff costs	24,773	19,248
Other external expenses	2,321,467	2,401,541
Taxes other than income tax	190,307	197,764
Other current operating expenses	17,847	39,687
Subtotal	**5,614,092**	**5,767,980**
Change in provisions and allowances	53,156	53,102
Depreciation and amortisation charge	509,962	494,016
Total	**6,177,210**	**6,315,098**

EMPLOYEES:

The average number of employees in 2015 and 2014, by professional category, was as follows:

	2015	2014	Change
Management and supervisors	1,835	2,521	(686)
Qualified line personnel	5,483	5,040	443
Clerical and support staff	2,492	2,423	69
Other employees	22,337	23,575	(1,238)
Total average number of employees	**32,147**	**33,559**	**(1,412)**

The classification above broken down by gender in 2015 and 2014 was as follows:

	2015			2014		
	Men	Women	Total	Men	Women	Total
Management and supervisors	1,505	330	1,835	2,098	423	2,521
Qualified line personnel	3,745	1,738	5,483	3,350	1,690	5,040
Clerical and support staff	720	1,772	2,492	884	1,539	2,423
Other employees	16,815	5,522	22,337	18,281	5,294	23,575
Total average number of employees	**22,786**	**9,361**	**32,147**	**24,613**	**8,946**	**33,559**

Breakdown of the Group's employees by line of business was as follows:

	2015	2014	Change
Energy	2,694	2,375	319
Construction of Infrastructure	9,412	12,268	(2,856)
Water	2,333	2,410	(77)
Services	15,660	14,321	1,339
Other Activities	2,048	2,185	(137)
Total average number of employees	**32,147**	**33,559**	**(1,412)**

The classification above broken down by gender in 2015 and 2014 was as follows:

	2015			2014		
	Men	Women	Total	Men	Women	Total
Energy	2,057	637	2,694	1,796	579	2,375
Construction of Infrastructure	7,667	1,745	9,412	10,355	1,913	12,268
Water	1,946	387	2,333	2,024	386	2,410
Services	9,754	5,906	15,660	8,935	5,386	14,321
Other Activities	1,362	686	2,048	1,503	682	2,185
Total average number of employees	**22,786**	**9,361**	**32,147**	**24,613**	**8,946**	**33,559**

In 2015 and 2014, respectively, 271 and 247 employees of the total headcount were employees of the Parent and the remainder were employed by the Group subsidiaries.

At 31 December 2015, the average number of employees with a disability level of 33% or over employed by the consolidated companies amounted to 676 (direct and indirect employment). The percentage of compliance with Act 13/1982, of 7 April, on Social Integration of Persons with Disabilities, which establishes a minimum quota of 2% for the recruitment of disabled persons in companies with more than 50 employees, was 3.55%.

OPERATING LEASES

"Other External Expenses - Leases" in the accompanying consolidated income statement includes notably the costs incurred by the Compañía Trasmediterranea Subgroup for the charter of other shipping companies' vessels and cargo decks totalling 41 million euros in 2015 and 2014.

At 31 December 2015 and 2014, the lease terms and conditions and minimum payments (without taking into account inflation or possible updates) under the main vessel charter contracts entered into by the Compañía Trasmediterranea Subgroup were as follows:

	2015 (thousands of euros)				
Vessel	Arrangement date	Expiry date	Type	2016	2017-2018
Wisteria/Vronskiy	29/02/2012	15/11/2016	Time Charter	4,602	-
Tenacia	07/12/2011	30/01/2017	Time Charter	6,548	540
Scandolla	21/02/2013	29/02/2016	Time Charter	25	-
Volcán de Teneguía	04/02/2013	30/06/2016	Time Charter	1,656	-
Snav Adriático	07/05/2015	07/05/2016	Time Charter	2,713	-

	2014 (thousands of euros)				
Vessel	Arrangement date	Expiry date	Type	2015	2016-2017
Wisteria/Vronskiy	29/02/2012	30/11/2015	Time Charter	4,608	-
Albayzin	22/02/2010	31/03/2015	Time Charter	1,503	-
Tenacia	07/12/2011	07/12/2015	Time Charter	5,544	-
Oleander/Sherbatskiy	01/10/2014	01/10/2015	Time Charter	4,482	-
Miranda	06/01/2013	01/03/2015	Time Charter	246	-
Scandolla	21/02/2013	03/03/2015	Time Charter	375	-
Volcán de Teneguía	04/02/2013	04/02/2015	Time Charter	282	-

CHANGE IN PROVISIONS AND ALLOWANCES:

Breakdown of the balance of "Change in Provisions and Allowances" in the consolidated income statement was as follows (in thousands of euros):

	2015	2014
Change in allowance for uncollectible receivables	33,860	35,190
Change in inventory write-downs	3,646	5,000
Other provisions	15,650	12,912
Total	**53,156**	**53,102**

At 31 December 2015 there were no changes in provisions for inventories in any significant amount.

"Other provisions" related mainly to additions made for burdensome contracts and provision for litigation and provision for future replacement or large repairs in concessions recognised under the intangible model.

IMPAIRMENT AND RESULTS FROM THE DISPOSAL OF PLANT, PROPERTY AND EQUIPMENT

Breakdown for this heading on the income statement for financial years 2015 and 2014 was as follows:

Impairment and profit/(loss) from the disposal of plant, property and equipment	2015	2014
Profit/(loss) from plant, property and equipment	8,756	50,349
Impairment of companies held by the equity method	--	(12,078)
Impairment of other assets (Notes 4 and 7)	(22,049)	(3,846)
Other	1,857	(2,056)
Total	**(11,436)**	**32,369**

At 31 December 2015 the line "Profit/(loss) from property, plant and equipment" reflected mainly the sale of the company Biodiesel Bilbao, with capital gains of 4 million euros. In addition, the company ACCIONA Solar Power sold rights over land that the company held for construction of a wind farm, and it obtained capital gains of 3.3 million euros.

The line "Impairment of other assets" reflects mainly the impairment recognised in 2015, for 19 million euros, in the company holding a motorway concession in Brazil, Rodovía do Aço, S.A.

At 31 December 2014, the line "Profit/(loss) from plant, property and equipment" mainly reflected the divestment of a percentage of the stakeholding held by the ACCIONA Group in three concessions in Canada with a capital loss of 14 million euros; the sale of two concessions in Spain (Tramvia Metropolità, S.A. and Tramvia Metropolità del Besòs, S.A.) with a capital gain of 8 million euros; the sale of Freyssinet, S.A., with a capital gain of 15 million euros; and the sale of German companies that held wind power assets in that country, with a capital gain of 28 million euros (see Note 2.2 h).

OTHER GAINS OR LOSSES

At 31 December 2015, two fines imposed on Compañía Trasmediterranea, S.A. in 2010 by the Spanish National Competition Commission were settled favourable for the Group, with the ensuing reversion of the provision recognised for 30 million euros (see note 17).

PROFIT/(LOSS) FROM CHANGES IN THE VALUE OF FINANCIAL INSTRUMENTS AT FAIR VALUE

In 2015 impairment was applied to the stakeholding in the company "Agrupación Logística de Palencia, S.L.", classified as financial asset available for sale; this had an impact of 2,000 thousand euros on the consolidated income statement (see note 10).

At 31 December 2014, this heading included mainly the profit/(loss) from the sale of the stakeholding that the ACCIONA Group held in the company Bolsas y Mercados Españoles, S.A., with a capital gain of 27 million euros, and from the sale practically all its stakeholding in Gtceisu Construction, S.A., with a capital loss of 5 million euros (see Note 10).

27. Segment reporting

BASIS OF SEGMENTATION:
Segment reporting is structured on a primary basis by business segment and on a secondary basis by geographical segment. This structure is in line with the information internally used by ACCIONA Group Management to assess the performance of the segments and to allocate resources among them.

The business lines described below are established by the Board of Directors on the basis of the ACCIONA Group's organisational structure, taking into account the nature of the goods and services offered.

The structure of the information disclosed in this Note has been designed as if each line of business were a separate business. Costs incurred by the Corporate Unit are distributed pro rata, using an internal cost distribution system, among the different lines of business.

Inter-segment sales are made at market prices.

In order to help understand the results and in line with how the ACCIONA Group Directors manage this information, certain exceptional amounts that facilitate a better understanding of the ordinary course of business are presented as an additional segment. Nonetheless, where these effects are material in respect of the Group's results, details are given as to how they affect each segment.

Segment information about these activities for 2015 and 2014 is shown below:

Balances at 31/12/15	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Total Group
ASSETS								
Property, plant and equipment, intangible assets and investment property	7,357,808	315,371	161,842	45,527	1,002,140	(34,802)	--	8,847,886
Goodwill	--	358	27,976	50,962	--	--	--	79,296
Non-current financial assets	37,858	16,901	11,498	11,955	73,382	8,451	--	160,045
Investments accounted for using the equity method	227,806	55,581	107,549	268	18,845	(935)	--	409,114
Other assets	461,749	579,076	39,798	2,603	304,152	1,227	--	1,388,605
Non-current assets	**8,085,221**	**967,287**	**348,663**	**111,315**	**1,398,519**	**(26,059)**	**--**	**10,884,946**
Inventories	102,383	180,221	14,546	1,064	457,905	(16,017)	--	740,102
Trade and other receivables	780,549	894,468	220,044	179,198	182,436	(644,277)	--	1,612,418
Other current financial assets	364,508	32,885	6,052	1,890	5,028	2,500	--	412,863
Other assets	64,672	145,714	12,937	20,868	3,991	(2,625)	(9,503)	236,054
Cash and cash equivalents	(1,018,266)	926,527	97,858	(31,419)	1,496,424	(10,951)	--	1,460,173
Non-current assets classified as held for sale	429,425	--	--	--	1,636	--	--	431,061
Current assets	**723,271**	**2,179,815**	**351,437**	**171,601**	**2,147,420**	**(671,370)**	**(9,503)**	**4,892,671**
Total assets	**8,808,492**	**3,147,102**	**700,100**	**282,916**	**3,545,939**	**(697,429)**	**(9,503)**	**15,777,616**

Balances at 31.12.15	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Total Group
EQUITY AND LIABILITIES								
Consolidated equity	**1,599,396**	**477,214**	**240,483**	**127,018**	**1,360,977**	**(41,440)**	**(9,503)**	**3,754,145**
Bank borrowings and other financial liabilities	3,718,160	345,201	118,171	5,701	1,707,790	--	--	5,895,023
Other liabilities	1,347,202	347,867	38,786	5,191	280,844	(11,712)	--	2,008,178
Non-current liabilities	**5,065,362**	**693,068**	**156,957**	**10,892**	**1,988,634**	**(11,712)**	**--**	**7,903,201**
Bank borrowings and other financial liabilities	1,327,416	382,650	2,765	25,541	(601,231)	--	--	1,137,141
Trade and other payables	285,093	1,335,159	245,529	99,700	214,508	(155,456)	--	2,024,533
Other liabilities	112,819	259,011	54,366	19,765	581,391	(488,821)	--	538,531
Liabilities directly associated with non-current assets classified as held for sale	418,406	--	--	--	1,660	--	--	420,066
Current liabilities	**2,143,734**	**1,976,820**	**302,660**	**145,006**	**196,328**	**(644,277)**	**--**	**4,120,270**
Total equity and liabilities	**8,808,492**	**3,147,102**	**700,100**	**282,916**	**3,545,939**	**(697,429)**	**(9,503)**	**15,777,616**

Balances at 31.12.15	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Total Group
Total revenue	2,718,721	2,169,666	450,534	715,845	613,457	(124,699)	--	6,543,524
Revenue	2,695,316	2,165,703	448,827	624,545	609,133	--	--	6,543,524
Revenue to other segments	23,405	3,963	1,707	91,300	4,324	(124,699)	--	--
Other revenue and operating expenses	(1,821,729)	(2,067,853)	(415,906)	(685,105)	(500,733)	121,884	--	(5,369,442)
Gross operating result	**896,992**	**101,813**	**34,628**	**30,740**	**112,724**	**(2,815)**	**--**	**1,174,082**
Endowments	(418,145)	(59,739)	(6,296)	(13,189)	(44,905)	1,656	(22,500)	(563,118)
Impairment and profit/(loss) from disposal of plant, property and equipment	6,727	345	--	190	(68)	--	(18,630)	(11,436)
Other gains and losses	(1,688)	(1,808)	959	(439)	240	--	30,127	27,391
Profit/((loss) from operations	**483,886**	**40,611**	**29,291**	**17,302**	**67,991**	**(1,159)**	**(11,003)**	**626,919**
Financial profit/(loss)	(312,594)	(14,572)	(3,930)	(1,291)	(34,423)	--	--	(366,810)
Profit/(loss) due to changes in value	176	(2,000)	--	--	244	--	--	(1,580)
Profit/(loss) from entities accounted for by the equity method	26,595	9,119	15,679	(431)	9,092	--	--	60,054
Profit /(loss) before tax	**198,063**	**33,158**	**41,040**	**15,580**	**42,904**	**(1,159)**	**(11,003)**	**318,583**
Expense for Corporate Tax	(58,187)	(22,567)	(11,556)	(5,196)	12,894	288	1,500	(82,824)
Consolidated profit/(loss) in the year	**139,876**	**10,591**	**29,484**	**10,384**	**55,798**	**(871)**	**(9,503)**	**235,759**
Profit/(loss) after tax from discontinued activities	--	--	--	--	--	--	--	--
Profit /(loss) in the year	**139,876**	**10,591**	**29,484**	**10,384**	**55,798**	**(871)**	**(9,503)**	**235,759**
Non-controlling interests	(21,030)	(6,727)	--	(212)	(444)	(22)	--	(28,435)
Profit /(loss) attributable to the Parent	**118,846**	**3,864**	**29,484**	**10,172**	**55,354**	**(893)**	**(9,503)**	**207,324**

Balances at 31.12.14	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Total Group
ASSETS								
Property, plant and equipment, intangible assets and investment property	7,580,403	372,147	215,647	44,658	549,608	(36,641)	--	8,725,822
Goodwill	--	357	27,976	50,962	--	--	--	79,295
Non-current financial assets	41,556	18,077	9,095	9,191	69,364	8,451	--	155,734
Investments accounted for using the equity method	242,554	36,517	103,412	616	7,162	(111)	--	390,150
Other assets	464,517	556,058	41,918	1,594	354,873	1,460	--	1,420,420
Non-current assets	**8,329,030**	**983,156**	**398,048**	**107,021**	**981,007**	**(26,841)**	**--**	**10,771,421**
Inventories	221,936	192,649	17,722	917	627,381	(17,961)	--	1,042,644
Trade and other receivables	876,972	1,125,575	213,287	189,020	207,340	(672,160)	--	1,940,034
Other current financial assets	334,459	26,216	4,339	1,613	1,255	1,225	--	369,107
Other assets	86,458	127,074	14,655	16,869	8,550	(6,398)	33,817	281,025
Cash and cash equivalents	(1,063,922)	919,692	99,854	(37,383)	1,418,247	(9,676)	--	1,326,812
Non-current assets classified as held for sale	--	--	--	--	412,137	--	--	412,137
Current assets	**455,903**	**2,391,206**	**349,857**	**171,036**	**2,674,910**	**(704,970)**	**33,817**	**5,371,759**
Total assets	**8,784,933**	**3,374,362**	**747,905**	**278,057**	**3,655,917**	**(731,811)**	**33,817**	**16,143,180**
EQUITY AND LIABILITIES								
Consolidated equity	**1,272,692**	**574,005**	**214,008**	**120,361**	**1,446,065**	**(47,461)**	**33,817**	**3,613,487**
Bank borrowings and other financial liabilities	4,309,131	428,359	157,248	4,979	1,018,215	--	--	5,917,932
Other liabilities	1,280,696	356,259	64,353	4,833	306,723	(12,190)	--	2,000,674
Non-current liabilities	**5,589,827**	**784,618**	**221,601**	**9,812**	**1,324,938**	**(12,190)**	**--**	**7,918,606**
Bank borrowings and other financial liabilities	1,080,740	243,419	57,907	34,225	(344,474)	--	--	1,071,817
Trade and other payables	690,739	1,510,241	197,232	90,562	244,915	(175,461)	--	2,558,228
Other liabilities	150,935	262,079	57,157	23,097	663,054	(496,699)	--	659,623
Liabilities directly associated with non-current assets classified as held for sale	--	--	--	--	321,419	--	--	321,419
Current liabilities	**1,922,414**	**2,015,739**	**312,296**	**147,884**	**884,914**	**(672,160)**	**--**	**4,611,087**
Total equity and liabilities	**8,784,933**	**3,374,362**	**747,905**	**278,057**	**3,655,917**	**(731,811)**	**33,817**	**16,143,180**

Balances at 31.12.14	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Group Total
Total revenue	2,199,800	2,625,940	409,412	691,346	692,451	(120,448)	--	6,498,501
Revenue	2,187,445	2,591,144	408,262	628,009	683,641	--	--	6,498,501
Revenue to other segments	12,355	34,796	1,150	63,337	8,810	(120,448)	--	--
Other revenue and operating expenses	(1,411,453)	(2,507,793)	(374,850)	(670,833)	(566,903)	120,370	--	(5,411,462)
Gross operating profit/(loss)	**788,347**	**118,147**	**34,562**	**20,513**	**125,548**	**(78)**	**--**	**1,087,039**
Endowments	(395,192)	(80,880)	(18,088)	(10,902)	(44,111)	2,055	--	(547,118)
Impairment and profit/(loss) from disposal of plant, property and equipment	6,766	416	(75)	(89)	2,429	--	22,922	32,369
Other profit/(loss)	(1,692)	(1,838)	52	(191)	3,343	--	--	(326)
Profit/(loss) from operations	**398,229**	**35,845**	**16,451**	**9,331**	**87,209**	**1,977**	**22,922**	**571,964**
Financial profit/(loss)	(324,889)	1,825	(8,851)	(1,951)	(28,365)	153	(997)	(363,075)
Profit/(loss) due to changes in value	(231)	--	--	--	6	--	22,185	21,960
Profit/(loss) from entities accounted for by the equity method	13,209	17,158	20,253	(201)	(4,174)	3	--	46,248
Profit/(loss) before tax	**86,318**	**54,828**	**27,853**	**7,179**	**54,676**	**2,133**	**44,110**	**277,097**
Expense for Income Tax	58,573	(25,482)	(12,656)	(2,929)	(73,749)	(3,370)	(10,292)	(69,905)
Consolidated profit/(loss) in the year	**144,891**	**29,346**	**15,197**	**4,250**	**(19,073)**	**(1,237)**	**33,818**	**207,192**
Profit/(loss) after tax from discontinued activities	--	--	--	--	--	--	--	--
Profit/(loss) in the year	**144,891**	**29,346**	**15,197**	**4,250**	**(19,073)**	**(1,237)**	**33,818**	**207,192**
Non-controlling interests	(17,783)	(3,792)	--	(85)	(576)	(7)	--	(22,243)
Profit/(loss) attributable to the Parent	**127,108**	**25,554**	**15,197**	**4,165**	**(19,649)**	**(1,244)**	**33,818**	**184,949**

In financial year 2015, the "Extraordinary items" segment reflected the economic effects of the following unusual events:

- Reversion of provision for liability, for 30 million euros, in relation to two proceedings involving Compañía Transmediterranea and instituted by the Spanish National Competition Commission; the proceedings were cancelled when ruling was issued allowing the appeals that the company had filed before the Supreme Court (see note 17).

- Allocation for impairment in the value of an infrastructure concession located in Brazil and recognised in intangible asset on the balance sheet, in the amount of 19 million euros (see note 7).

- Finally, losses were recognised for 22 million euros, on anticipated losses from certain contracts, as well as some receivables in respect of which the process for collection in the year led to doubts about their recoverability.

In financial year 2014, the "Extraordinary items" segment showed a pre-tax profit of 44 million euros, mainly the result of the following transactions:

- Sales of the renewable energy activities in Germany with a capital gain of 28 million euros.

- Sale of the stakeholdings in 5 concessions (2 Spanish and 3 Canadian), as well as the sale of the stakeholding in a construction subsidiary, with losses of 1 million euros.

- Sale of the shares the Group owned in Bolsas y Mercados Españoles (BME), with a capital gain of 27 million euros.

The table below shows disclosure of certain of the Group's consolidated balances based on the geographical location of the companies that gave rise to them.

	Income		Total assets		Non-current assets		Current assets	
	2015	2014	2015	2014	2015	2014	2015	2014
Spain	3,213,039	3,523,950	10,141,662	10,498,043	6,844,830	6,821,367	3,296,832	3,676,676
European Union	579,295	613,898	1,194,614	1,181,441	751,826	749,748	442,788	431,693
OECD countries	1,847,211	1,314,036	3,597,214	3,446,245	2,718,400	2,534,830	878,814	911,415
Other countries	903,979	1,046,617	844,127	1,017,451	569,890	665,476	274,237	351,975
Total	**6,543,524**	**6,498,501**	**15,777,617**	**16,143,180**	**10,884,946**	**10,771,421**	**4,892,671**	**5,371,759**

28. Finance income and costs and other profit/(loss) for the year

Detail of the Group's finance income and costs was as follows:

	2015	2014
Finance income	**34,844**	**50,256**
From equity investments	285	805
From other financial instruments in Associates	3,528	4,714
Other finance income	31,032	44,737
Finance costs	**(424,425)**	**(418,557)**
On payables to third parties	(428,223)	(434,502)
On ineffectiveness of derivatives (see Note 20)	--	
Capitalisation of borrowing costs	6,025	17,346
Change in financial provisions	(2,227)	(1,401)

OTHER FINANCE INCOME AND COSTS

The Group had capitalised borrowing costs amounting to 6 million euros at 31 December 2015 and 17.3 million euros at 31 December 2014, of which 6 and 17.1 million euros, respectively, were capitalised to property, plant and equipment (see note 4) and 0.2 million euros in 2014 were capitalised to inventories (see Note 3.2 j).

FINANCE COSTS:

In 2015 payables to third parties subtracted from equity and included in "Finance Costs" relating to the periodic settlements of hedging derivatives and corresponding to fully consolidated Group companies amounted to 97,759 thousand euros (96,306 thousand euros in 2014). In addition, 23,347 thousand euros (22,806 thousand euros in 2014) relating to these periodic settlements were recognised as a decrease in the results of companies accounted for using the equity method, since it related to associates.

29. Proposed application of profit/(loss)

Proposed application of the profit in financial years 2015 and 2014 of ACCIONA, S.A., as approved by the Annual General Shareholders' Meeting, in the case of 2014, and that the Board of Directors will submit to approval by the Annual General Shareholders' Meeting, in the case of 2015, is as follows (in euros).

	2015	2014
Distribution basis:		
ACCIONA, S.A. profit or loss	180,549,874.53	137,464,549.02
Distribution:		
To legal reserve	--	--
To statutory reserve	18,054,987.45	13,746,454.90
To voluntary reserves	19,346,012.08	9,198,994.12
To losses from previous years		
Dividends	143,148,875.00	114,519,100.00
Total	**180,549,874.53**	**137,464,549.02**

Under its Articles of Association, ACCIONA, S.A. must in any event allocate 10% of net profit to legal and statutory reserves in such a manner that, when the former is covered (20% of the share capital), any remaining portion of the 10% of net profit must be transferred to the statutory reserve. This reserve is unrestricted.

30. Environmental matters

ACCIONA backs the development of environmentally sustainable businesses: it generates electricity from renewable sources; it desalinates water and makes it drinkable and also cleans it; and it builds infrastructures and services where the environment variable is relevant in the taking of decisions.

In 2015, 49% of the Group's global sales and 79% of the EBITDA were based on businesses included in what the United Nations Environment Programme (UNEP) defines as the Green Economy (http://www.pnuma.org/ eficienciarecursos/ economia.php).

In 2015 environmental expenses represented 266 million euros and environmental investments 116 million euros, which placed the company's global environmental activity at 382 million euros.

This economic figure for environment-related activities can be broken down as follows:

Category	Amount (Million €)	
Measures to minimise environmental impact	53.6	
Environmental research, development & innovation	29.4	
Environmental prevention	105.4	This includes investments in new renewable energy facilities because of the savings in primary energy implied by generation with these technologies and consequently lower emissions.
Personnel involved in the environmental activity	9.1	
Investments in plant, property and equipment to prevent environmental impacts and protect the environment	5.2	
Environmental consultancy and advisory services	0.8	
Waste water treatment and drinking water treatment	176.4	
Other	2.3	This category includes other environmental expenses, of which the most significant are insurance and charges, training, environmental management system and environmental awareness and communication
TOTAL	**382.2**	

Finally, in 2015 ACCIONA obtained bonuses for port rates and for energy production from Compañía Trasmediterranea, S.A. and the ACCIONA Agua, S.A. subgroup, for carrying out actions encouraging respect for the environment and its protection. These bonuses totalled 840,000 euros.

31. Earnings per share

BASIC

Basic earnings per share are calculated by dividing the profit distributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the financial year.

The amounts for the periods closed at 31 December 2015 and 2014 are given below:

	2015	2014
Net profit for the year (thousands of euros)	207,324	184,949
Weighted average number of shares outstanding	56,794,911	57,051,313
Basic earnings per share (euros)	3.65	3.24

DILUTED

To calculate the diluted earnings per share, the entity will adjust the result of the financial year attributable to the holders of ordinary equity instruments and the mean weighted average of the number of outstanding shares for all diluting effects attached to the potential ordinary shares.

In January 2014, ACCIONA S.A. issued convertible bonds (see Note 18). The effect of this issue on the income statement for 2015 was 18,326 thousand euros (16.402 thousand euros in 2014).

The amount for the period closed on 31 December 2015 is given below:

	2015	2014
Net profit for the year (thousands of euros)	225,650	201,351
Diluted weighted average number of shares outstanding	62,221,760	61,422,516
Diluted earnings per share (euros)	3.63	3.28

32. Events after the reporting period

Last 21 January 2016, upon fulfilment of the conditions precedent, shares representing an additional 37.05% of ATLL Concessionaria de la Generalitat de Catalunya, S.A., owned by the shareholder Aigües de Catalunya, S.A., were sold to the shareholder Gestio Catalana D´Aigues, S.A., a subsidiary of the ACCIONA Group. According to the provisions of the sale operation described above, both parties agreed to assign to Gestio Catalana D´Aigues, S.A. 95% of the rights and obligations included in the loan that the selling shareholder, namely, Aigües de Catalunya, S.A, as lender, held vis-à-vis ATLL Concessionaria de la Generalitat de Catalunya, S.A., as loanee, and that had been subscribed on 21 December 2012. The price to buy the shares amounted to 19 million euros and the amount of the loan assigned to Gestio Catalana D´Aigues, S.A. amounts to 55 million euros.

At 31 December 2015, the stakeholding of the ACCIONA Group in ATLL Concessionaria de la Generalitat de Catalunya, S.A. amounted to 39%, with the stakeholding being consolidated under the equity method. Note 8 details the key figures of the balance sheet of this company. The stakeholding of the ACCIONA Group after the purchase and sale operation referred to in the paragraph above stands at 76.05% of the share capital.

When these annual accounts were prepared, given that the purchase and sale operation is very recent, the fair values of the Company at the time of acquisition had not been analysed. This analysis will take place in the next few months as per IFRS 3.

33. 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, as regards their purpose and terms and conditions, 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

At 31 December 2015 and 2014, detail of the balances receivable from and payable to associates was as follows (in thousands of euros):

	Receivables / Expenses		Payables / Income	
	2015	2014	2015	2014
Trade and other receivables	67.953	89.739	--	--
Trade and other payables	--	--	30.899	51.057
Loans to associates	120.376	119.356	--	--
Income and expenses	4.616	6.662	235.977	287.804

The Income column basically reflects billings by ACCIONA Infrastructure to various concession holders for the construction of their assets.

The balances payable related to the line "Loans to associates" are mainly made up of loans made by ACCIONA, S.A. and ACCIONA Energy, S.A. to associates.

These transactions were performed on an arm's length basis.

TRANSACTIONS WITH OTHER RELATED PARTIES

At 31 December 2014, following the arrival of the KKR Fund in the shareholding structure of the ACCIONA Group subsidiary, ACCIONA Energy Internacional, S.A., this fund became a "related party" for the Group as the term is defined in IAS 24. The only transaction of note with the KKR Fund in financial year 2015 was the subordinated debt described in Note 21.

In addition, the contract signed between ACCIONA Energy, S.A. and said fund incorporates long-term collaboration agreements between the ACCIONA Group and KKR in certain affected countries, through certain rights of refusal that in no case represent a firm commitment.

TRANSACTIONS WITH SHAREHOLDERS

In 2015 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 Group's "related parties" are deemed to be, in addition to the subsidiaries, associates and jointly-controlled entities, the Company Management's "key personnel" (its directors and senior executives, and their close relatives) and the entities over which key management personnel may exercise control or significant influence. The transactions performed by the Group in 2015 and 2014 with its related parties are listed below, differentiating between the Company's significant shareholders, Directors and managers, and other related parties. Related party transactions are made on terms equivalent to those in arm's length transactions that usually take place in a normal business relationship with ACCIONA, S.A. or the Group companies within the scope of the ordinary course of trade of these entities. These transactions consisted basically of:

	31.12.2015				
Expenses and income	**Significant shareholders**	**Directors and executives**	**Group employees, companies or entities**	**Other related parties**	**Total**
Expenses:					
Finance costs	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	255	**255**
Purchase of goods (finished goods and work in progress)	--	--	--	580	**580**
Value adjustments due to uncollectible or doubtful debts	--	--	--	--	--
Losses on disposal of assets	--	--	--	--	--
Other expenses	--	--	--	--	--
Income:	**--**	**--**	**--**	**--**	--
Finance income	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Dividends received	--	--	--	--	--
Leases	--	--	--	--	--
Rendering of services	--	--	--	22,906	**22,906**
Sale of goods (finished goods or work in progress)	--	--	--	--	--
Gains on disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

Other transactions	31.12.2015 Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
Purchases of property, plant and equipment, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Finance leases (lessor)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessor)	--	--	--	--	--
Sales of property, plant and equipment, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Finance leases (lessee)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessee)	--	--	--	--	--
Guarantees provided	--	--	--	--	--
Guarantees received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Obligations/guarantees discharged	--	--	--	--	--
Dividends and other profits distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

Expenses and income	31.12.2014 Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
Expenses:					
Finance costs	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	6,157	**6,157**
Purchase of goods (finished goods and work in progress)	--	--	--	--	--
Value adjustments due to uncollectible or doubtful debts	--	--	--	--	--
Losses on disposal of assets	--	--	--	--	--
Other expenses	--	--	--	--	--
Income:	**--**	**--**	**--**	**--**	**--**
Finance income	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Dividends received	--	--	--	--	--
Leases	--	--	--	--	--
Rendering of services	--	--	--	21,662	**21,662**
Sale of goods (finished goods or work in progress)	--	--	--	--	--
Gains on disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

Other transactions	31.12.2014				
	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
Purchases of property, plant and equipment, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Finance leases (lessor)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessor)	--	--	--	--	--
Sales of property, plant and equipment, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Finance leases (lessee)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessee)	--	--	--	--	--
Guarantees provided	--	--	--	--	--
Guarantees received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Obligations/guarantees discharged	--	--	--	--	--
Dividends and other profits distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

34. Remuneration and other benefits

A. BOARD OF DIRECTORS

In 2015 the remuneration accrued by the members of the Company's Board of Directors, and taking into account that this remuneration is taken from the perspective of the Parent and its subsidiaries, totalled, in euros, the sum indicated in this Note.

According to article 31 of Articles of Association, the remuneration for Directors will consist in a fixed annual allocation determined for their membership of the Board of Directors and any Committees on which each Director may sit. The amount of the remuneration to be paid by the Company to the Directors as a whole for belonging to the Board of Directors and its Committees will be that determined for this purpose by the General Meeting of Shareholders. Once established, this amount shall remain in force until such time as it may be amended, and the Board of Directors may reduce the amount in the financial years where this is considered appropriate.

The Board of Directors determines the exact amount to be paid within that limit and its distribution among the different Directors, with consideration being given to the functions and responsibilities of each member, sitting on the Board's committees and any other unbiased circumstances considered relevant by the Board.

Regardless of the provisions contained in section above, the remuneration deriving from membership of the Board of Directors shall be compatible with any other remuneration (fixed salary; variable bonuses depending on the attainment of business, corporate and/or performance goals; compensation for removal of the Director for reasons other than the failure to perform his or her duties; welfare systems; deferred remuneration items) that, following a proposal by the Appointments and Remuneration Committee and by resolution passed by the Board of Directors, could correspond to the Director for the performance of other functions in the Company, be they senior management executive functions or otherwise, apart from those of joint supervision and decision-taking carried out as mere members of the Board.

Following a resolution adopted by the General Shareholders' Meeting with the legally required scope, Executive Directors may also be remunerated through the delivery of shares or share option rights, or by means of any other remuneration referenced to the value of the shares.

Furthermore, art. 55 of the Regulations for the Board of Directors establishes that the Board determines the system for distributing the remuneration for Directors within the framework established in the Articles of Association.

The decision must take into account the report drafted for the purpose by the Appointments and Remuneration Committee.

The Board of Directors shall strive to ensure that the Directors' remuneration is moderate and in line with that paid on the market in companies of a similar size and business activity, with preference for those formats relating a significant portion of the remuneration to their dedication to ACCIONA.

The system for remuneration of independent directors will strive to serve as a sufficient incentive for their dedication without compromising their independence.

The remuneration of external directors representing substantial shareholders for their performance as Directors must be proportional to that of other Directors and shall not represent any favoured treatment in the form of remuneration of the shareholder(s) designating them.

As regards remuneration of executive directors, article 55 A of the Regulations establishes that the Board of Directors must try and ensure that the remuneration policies in force at each time include for variable remuneration necessary technical safeguards to make sure that such remuneration is in line with the professional performance of its beneficiaries and does not arise simply from the general trend of markets or of the company's business sector or from other similar circumstances. The remuneration system must establish similar remuneration for comparable functions and dedication.

For Executive Directors, the remuneration deriving from their membership of the Board of Directors shall be compatible with any other professional or employment-related earnings received for their executive or consultative functions rendered to ACCIONA, S.A. or to its Group.

Remuneration for directors shall be transparent.

At its meeting on 28 February 2013, the Board of Directors resolved, at the proposal of the Appointments and Remuneration Committee, to reduce the amounts for membership of the Board of Directors and its Committees by 10%, and these were therefore set as follows:

a) For each director belonging to the Board of Directors 67,500 euros.

b) For each director belonging to the Executive Committee 45,000 euros.

c) For each director belonging to the Audit Committee 45,000 euros.

d) For each director belonging to the Appointments Committee 36,000 euros.

e) For each director belonging to the Sustainability Committee 36,000 euros.

At the meeting held by the Board of Directors on 11 June 2015 additional remuneration was established: 10,000 euros for the directors holding the chair on the Committees, except in the case of the executive committee.

Executive directors who are members of the Executive Committee do not receive any remuneration specifically for belonging to that committee.

After a detailed analysis of the remuneration received at international companies and those included on the IBEX 35 index, the Appointments and Remuneration Committee considered the remuneration to be in line with what was paid on the market in companies of a similar size in the same business area, that analogous remuneration was paid for comparable functions and dedication and, without compromising independence, remuneration is an adequate incentive to achieve, if possible, a greater engagement by directors in the different committees.

Furthermore, the General Shareholders' Meeting held on 6 June 2013 resolved to set, for the purposes established in new section 2 of article 31 of the Articles of Association, the amount of remuneration that may be paid by the Company to its Directors as a whole, for their membership of the Board of Directors and its Committees, at 1,503,000 euros. This amount shall remain in force until such time as the General Shareholders's Meeting decides to change it, but it may be reduced by the Board of Directors on the terms contained in the aforesaid section.

The total remuneration paid to the members of the Board for discharging their duties as Company directors in 2015 amounted to 1,365 thousand euros. This amount is broken down, by director, in the following way:

	Fixed remuneration	Remuneration for membership of Board Committees	Total 2015	Total 2014
Mr. Daniel Entrecanales Domecq	67.5	59	126.5	104
(*) Ms. Sol Daurella Comadrán	33.75	22.5	56.2	113
Mr. Jerónimo Marcos Gerard Rivero	67.5		67.5	34
(*) Mr. Carlos Espinosa de los Monteros	33.75	22.5	56.2	113
Mr. Jaime Castellanos Borrego	67.5	131	198.5	194
Mr. Fernando Rodés Vila	67.5	72	139.5	140
Mr. José Manuel Entrecanales Domecq	67.5		67.5	68
Mr. Juan Ignacio Entrecanales Franco	67.5		67.5	68
(***) Ms. Miriam Gonzalez Durántez			0	57
Mr. Juan Carlos Garay Ibargaray	67.5	86	153.5	104
(*) Mr. Valentín Montoya Moya	33.75	63	96.8	194
Ms. Belén Villalonga Morenés	67.5		67.5	68
(***) Ms. Consuelo Crespo Bofill			0	52
Mr. Javier Entrecanales Franco	67.5	58.5	126	104
Ms. Maria del Carmen Becerril Martinez	67.5	18	85.5	34
(**) Ms. Ana Sainz de Vicuña Bemberg	33.75	22.5	56.3	
TOTAL	**810**	**555**	**1,365**	**1,447**

(*) Directors leaving the Board in 2015
(**) Directors joining the Board in 2015
(***) Directors leaving the Board in 2014

The remuneration paid to Directors for the performance of senior management executive functions and for their membership of the Board was 5,101 and 4,816 thousand euros in 2015 and 2014, respectively.

In addition, a non-executive director has a professional services contract signed with the ACCIONA Group for which she received 150 thousand euros in 2015.

In 2014, the Company implemented a savings plan related to a term life assurance, permanent disability in the degrees of total, absolute and grand invalidity, and death ("Savings Plan") aimed solely and exclusively at the Company's Executive Directors. The basic characteristics of the plan are as follows:

a) It is a social welfare system based on a defined contribution.

b) It is a system endowed externally through the payment by the Company of annual premiums to an insurance company in favour of the Participant for the coverage of survival and the risk contingencies, i.e., (i) death and (ii) permanent disability in the degrees established in the Regulations.

c) Should the Participants cease to occupy positions as Executive Directors of ACCIONA for any reason, the Company shall cease to pay the premiums to the Savings Plan on the date on which they indisputably cease to hold their position, without prejudice to any economic rights recognised to Participants.

d) The payment of the Benefit arising out of the Savings Plan will be made directly by the insurance entity to the Participants, net of any corresponding withholdings or payments on account of personal Income Tax that may be applicable in each case and payable by the beneficiary of the Benefit. For the rest of the contingencies, the payment of the Benefit will also be made directly by the insurance entity to any entitled parties.

e) The status of Participant in the Savings Plan will be lost should any of the following circumstances arise: i) occurrence of any of the risk contingencies covered and collection of the Benefit; ii) attainment of the age of 65 years; iii) removal from the position of Executive Director of ACCIONA for any reason other than those indicated above.

The contributions to the Savings Plan in 2015 in favour of the Executive Directors came to 1,125 thousand euros. The global remuneration related to rights accumulated by the Directors in this respect amounts to 2,311 thousand euros.

No obligations have been entered into in connection with pensions with respect to former and current members of the Board of Directors. Nor have any advances, credits or guarantees been given in favour of the members of the Board of Directors, except as indicated in this note.

The remuneration of the board of directors of ACCIONA, S.A. in the year was, in thousands of euros, 6,481 and 6,199 in financial years 2015 and 2014, respectively.

The Board of Directors of ACCIONA, S.A. approved on 26 February 2015, upon proposal by the Appointments and Remuneration Committee, amendment to the "Plan for Delivery of Shares and options to Senior Management of ACCIONA and its group" Regulations, preparing new regulations that affect the executive directors and the Group's executives. The main characteristics are described below.

B. SENIOR EXECUTIVES

Senior Executives include those persons forming the top two levels of the ACCIONA group's management and the Corporate Internal Audit Director. This classification is for information purposes only and without prejudice to their specific employment relationship.

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), and bearing in mind that this remuneration is taken from the perspective of Parent and subsidiaries, in 2015 and 2014 and 2013 is summarised as follows:

Type of remuneration	2015	2014
Number of persons	36	37
Remuneration (thousands of euros)	21,120	17,159

The remuneration figures shown above (thousand euros) include the amounts, corresponding to the compensation, paid to managers for the extinction of their labor relations occurred each year.

Plan for delivery of shares and performance shares

The General Shareholders' Meeting held on 24 June 2014 approved the following agreement:

A) To extend the term of validity of the Shares and Options Delivery Plan to ACCIONA group's management, including Executive Directors, as was approved by the General Shareholders' Meeting of ACCIONA, S.A. on 4 June 2009, for application in financial years 2014 to 2020, and to increase the maximum number of shares available by 200,000 shares.

B) To authorise the Board of Directors of the Company so that it may, to all the extend required by law and upon proposal by the Appointments and Remuneration Committee, amend the Plan Regulations under the terms and conditions that the Board considers convenient, establishing delivery conditions and times, accrual periods, allocation criteria and limits and any other aspect that the Board considers relevant, in order to align further the long-term interests of the Company's Executive Directors and other executives of the ACCIONA Group with those of the shareholders of ACCIONA, S.A., and thus boost their motivation in the attainment of higher value and long-term stability for the group, and consolidate their loyalty and permanence in the Group.

Pursuant to that authority, on 26 February 2015 the Board of Directors approved, upon proposal by the Appointments and Remuneration Committee, to amend the Plan Regulations, drawing up a new one whose term of validity covers the six-year period from 2014 to 2019, both inclusive; its main characteristics are the following:

A) Purpose of the Plan:

The purpose of the 2014 Plan for Delivery of Shares and "Performance Shares" to ACCIONA and its group's management (the Plan for Delivery of Shares/Performance Shares) is to remunerate management, including the Executive Directors of ACCIONA, S.A. ("ACCIONA") and of the business and company group whose parent is ACCIONA, S.A. or where ACCIONA, S.A. holds a significant interest in management ("ACCIONA Group" or "ACCIONA and its group") in such a manner as to boost the attainment of strategic business objectives of ACCIONA and its group to the benefit of

ACCIONA's shareholders, and the loyalty and permanence of executives.

B) Strategic indicators and objectives to achieve

Achievement of objectives will be based on business strategic indicators, which have been defined by the Board of Directors for financial years ranging from 2014 to 2019.

C) Plan beneficiaries

C.1. Executive Directors

For Executive Directors, it is contemplated for the first time that they may have "performance shares" annually allocated by the Board of Directors. This does not give them the right to acquire the related shares (except where so provided by the Regulations) but it is an indication by the Board of Directors of the number of shares that the Board forecasts that can be allocated to these Executive Directors at a later date if two conditions are fulfilled: their permanence and the attainment of ACCIONA Group's long-term strategic goals as established by the Board as a requisite for the Executive Directors to receive shares.

Reference period: The reference period of the business strategic indicators will be the 2014-2019 six-year period, although, for allocation of "performance shares", the whole period from the start of the 2014 Plan application period to the end of the previous financial year will be considered.

"Performance shares" allocation: Upon completion of each financial year, the Board of Directors may assess the extent to which the long-term strategic objectives have been achieved up to that point.

The final allocation of treasury shares to Executive Directors will take place (a) at the end of the whole 2014 Plan period (in 2020) upon consideration of the assessment made for the whole 2014-2019 period and (b) at a midpoint milestone, in 2017, upon completion of the first three 2014-2016 financial years, upon consideration of the assessment made on the first 2014-2016 three-year period.

Based on the interest of the company and if circumstances so advise for ACCIONA and its group in the opinion of the Board of Directors, upon consideration of the recommendation from the Appointments and Remuneration Committee, the Board of Directors may put off to 2020 the delivery to the Executive Directors of the final shares allocated in 2017 (in relation to financial years 2014, 2015 and 2016), making the delivery of these shares coincide with the delivery of the shares that, if appropriate, should be delivered to the executive Directors at the end of the whole 2014 Plan period (in 2020).

Permanence condition: Delivery of the shares finally allocated to Executive Directors is dependent on the fact that, up to 31 March of the year when the shares are to be delivered, the Executive Director has not ceased to perform his/her senior management duties in ACCIONA or its Group for reasons attributable to the Director in question.

In no event may the number of allocated shares thus quantified exceed, together with those allocated under the 2014 Plan, the maximum number available approved by the GM.

Shares delivered in 2017 are subject to an option for ACCIONA to buy them back: Treasury shares transferred to Executive Directors in 2017 (in relation to financial years 2014, 2015 and 2016) will be subject to ACCIONA's right to buy them back, a right that can be exercised if the Executive Director acquiring the shares ceases to perform his/her senior management duties in ACCIONA or its group before 31 March 2020 for breach of his/her contractual obligations or resignation of his/her own free will.

C.2. Group's Executives

For the other beneficiaries that are not executive directors, the Board of Directors will approve, upon considering proposal by the Appointments and Remuneration Committee, the amount for separate variable remuneration to be paid through delivery of the ACCIONA's treasury shares allocated for each financial year to each executive that benefits from the 2014 Plan other than Executive Directors.

The allocation may be implemented through a number of treasury shares or in a cash amount. In the latter case, the equivalent number of shares will be based on the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation. In no event will the number of allocated shares thus quantified exceed, together with the other shares allocated under the 2014 Plan, the maximum number approved by the GM.

Treasury shares transferred to these Beneficiaries are subject to ACCIONA's right to buy them back, a right that can be exercised if the beneficiary acquiring the shares ceases his/her professional engagement with ACCIONA or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary. The Board of Directors may extend to a reduced group of executives the "performance share" and/or shares allocation system established for executive directors, with the changes as can be proposed by the Appointments and Remuneration Committee regarding interim allocation, tax system, objectives, midpoint milestones and delivery times, with the purpose of increasing their motivation in the attainment of higher value and long-term stability for the group, as well as consolidating their loyalty and permanence in the Group.

D) Number of shares available for the Plan

Initially, the maximum number of shares that can be allocated to the Beneficiaries in application of the 2014 Plan will equal 258,035.

The maximum number of shares that can be allocated by the Board of Directors to the Beneficiaries in application of the 2014 Plan can be increased by agreement of the General Shareholders' Meeting. In this respect, the General Shareholders' Meeting held on 11 June 2015 agreed to increase the maximum number of shares available for the "2014-2019 Plan for Delivery of Shares and Performance Shares" by 100,000, without affecting later increases if so proposed by the Board of Directors and approved by the General Shareholders' Meeting.

The General Shareholders' Meeting held on 11 June 2015 increased the number of shares available to 100,000 so that at the close of 2015 the maximum number of shares that can be allocated to implement the Plan, after 29,651 have been used for delivery to executives included in the Plan other than executive Directors, was 328,824 for the whole period.

E) Recipients

The annual number of Recipients shall not exceed 100.

Plan to replace variable remuneration for shares.

Upon proposal by the Appointments and Remuneration Committee, given the limited number of Beneficiaries of the former Plan, with the purpose of furthering and extending the objectives for building loyalty and retaining executives to the Group's executives, on 26 March 2015 the Board of Directors approved the "Plan to Replace Variable Remuneration for ACCIONA shares, aimed to ACCIONA and its group's management" (the Replacement Plan), excluding executive directors; the main characteristics of the plan are the following:

Aim: To retain and motivate the management team effectively and achieve higher alignment of their interests with those of the Company and its Group.

Initial duration: Six years (2014 to 2019).

Purpose: To offer discretionally the option of replacing or swapping, in whole or in part, variable remuneration in cash for Company shares to certain ACCIONA and its group's executives, according to a swap equation to be determined each year. In 2015, the swap equation approved carries an incentive of 25% over the variable remuneration replaced.

Beneficiaries: The executives that the Board of Directors determines of its own free will. Executive Directors are excluded from this Plan.

Restrictions on the shares delivered: In general terms, the shares delivered cannot be (a) disposed of, encumbered or used under any title (except for mortis causa), and (b) no option right can be set up over them, or any other right limiting ownership or as security, until after 31 March of the third year following the year in which the shares in question were delivered to the Beneficiary.

Treasury shares transferred to these Beneficiaries are subject to ACCIONA's right to buy them back, a right that can be exercised if the Beneficiary acquiring the shares ceases his/her professional engagement with ACCIONA or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary.

The ACCIONA share price to be taken as benchmark to determine the swap equation will be the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation of the replacement option.

Finally, the number of shares delivered to Beneficiaries other than executive directors (46 Beneficiaries), under the **Plan for Delivery of Shares / Performance Shares**, in consideration of their dedication and performance in financial year 2015, was 29,651 shares at the fair value of 2,186 thousand euros.

Given that this plan accrues on a three-year basis, one third of the fair values mentioned above is reflected in "Staff costs" on the accompanying income statement at 31 December. The other two thirds will be recognised on the income statements for financial years 2016 and 2017.

2015	Nº of options	Strike Price - Weighted Average (in euros)
Existing at the start of the financial year	**134,573**	**70.03**
Awarded during the period	--	--
Cancelled during the period	--	--
Exercised during the period	(4,874)	53.00
Lapsed during the period	(10,986)	89.00
Existing at the end of the period	**118,713**	**68.97**
Susceptible of being exercised at the end of the period	93,128	71.85

As regards executive Directors, no firm allocation of performance shares or shares took place in 2015.

The Company determined the fair value of the goods and services received by reference to the fair value of the equity instruments assigned.

The "Plan for delivery to Senior management" replaced by the plan described in the paragraphs above established the replacement of shares with stock option rights (for ACCIONA, S.A. ordinary shares). The options granted one year as part of the Plan could be exercised, in whole or in part, in one go or more, within the three-year period from (a) 31 March of the third calendar year following the year when they were allocated and (b) 31 March of the third year following the start of the period (the "exercising period"). The movement in 2015 in the number of options and weighted average of the prices to exercise the stock options are the following:

As regards the options existing at the end of the financial year, it should be indicated that the strike price ranged between 53 and 91.1 euros and that the weighted average of the remaining life of the contract was 1.7 years.

The valuation methodology applied is based on the Enhanced FASB 123 method (Accounting for Stock Based Compensation), which is in turn based on standard "fair value" methods of the CRR binomial type with certain modifications. The model consists in estimating the value of the option by trinomial tree methods and then adjusting this value by considering that the executing in question may leave the company during the maturity period, or may exercise the option when the share reaches a multiple of the strike value. The market inputs applied for valuation purposes are the closing price of the reference share on the date of issue of the plan and the strike price established for the exercise of the option, the track record of the reference share in terms of volatility calculated as the standard deviation from the quotation yields for a period equal to the duration of the plan and the risk-free interest rate.

Detail of the individuals who held senior management positions (taking the Parent and subsidiaries into account as Senior Management) in 2015 was as follows:

Name or registered name	Position(s) held
Alcázar Viela, Jesús	General Manager – ACCIONA Infrastructure - Latin America
Ancín Viguiristi, Joaquín	General Manager – ACCIONA Energy - Engineering, Construction and Innovation
Antúnez Cid, Isabel	General Manager – ACCIONA Property
Arilla de Juana, Carlos	General Manager - Economic and Financial Area
Beltrán Núñez, Raúl	Director of Internal Audit
Blanco Diéguez, José Luis	General Manager - ACCIONA Windpower
Cabanillas Alonso, Pío	General Manager - Corporate Image and Global Marketing
Callejo Martínez , Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	General Manager - Office of the Chairman
Castilla Cámara, Luis	CEO - ACCIONA Infrastructure
Claudio Vázquez, Adalberto	General Manager Civil Works - ACCIONA Infrastructure
Corella Hurtado, Olga	General Manager - ACCIONA Infrastructure - Economic Control Area
Cruz Palacios, Juan Manuel	General Manager - ACCIONA Infrastructure - Labour Relations, Environment Quality Plan and Sustainability
Diaz-Caneja Rodriguez, José Luis	Area General Manager - ACCIONA Water
Ezpeleta Puras, Arantza	General Manager - International Area - Office of the Chairman
Fajardo Gerez, Fernando	Area General Manager - ACCIONA Infrastructure – Australia and the South-East Asia
Farto Paz, José María	Area General Manager - ACCIONA Infrastructure - Galicia
Fernández López, Roberto	Area General Manager - ACCIONA Infrastructure - Corporate Resources
Figueroa Gómez de Salazar, José Julio	Area General Manager – Legal Services
Jiménez Serrano, Ramón	Area General Manager – ACCIONA Industrial, ACCIONA Engineering and ACCIONA service
López Fernández, Carlos	Area General Manager – ACCIONA Industrial Engineering
Luna Butz, Walter	CEO - ACCIONA Property
Mateo Alcalá, Rafael	CEO - ACCIONA Energy
Medina Sánchez, Eduardo	Area General Manager - ACCIONA Energy - Business Development
Molina Oltra, Ricardo Luis	Area General Manager - ACCIONA Service
Mollinedo Chocano, Joaquín	General Manager - Institutional Relations
Muro-Lara Girod, Juan Antonio	General Manager - Corporate Development and Relations with Investors
Navas García, Carlos	Area General Manager - ACCIONA Airport Services
Rivas Anoro, Félix	Area General Manager - Procurement, Innovation, Quality and the Environment
Santamaría-Paredes Castillo, Vicente	Area General Manager - Compliance
Silva Ferrada, Juan Ramón	Area General Manager - Sustainability
Soto Conde, Antonio	Area General Manager – Hijos de Antonio Barceló
Tejero Santos, José Ángel	Area General Manager - Economic Oversight and Finance
Terceiro Mateos, José Manuel	Area General Manager - ACCIONA Infrastructure - Economics and Finance
Vega-Penichet Lopez, Jorge	General Secretary
Vicente Pelegrini, Justo	Area General Manager - ACCIONA Infrastructure Spain and Construction Africa, Sweden and Emirates

Detail of the individuals who held senior management positions (taking the Parent and subsidiaries into account as Senior Management) in 2014 was as follows:

Name or registered name	Position(s) held
Aguilera Carmona, Ignacio	General Manager - ACCIONA Trasmediterranea
Alcázar Viela, Jesús	General Manager – ACCIONA Infrastructure - Latin America
Ancín Viguiristi, Joaquín	General Manager – ACCIONA Energy - Engineering, Construction and Innovation
Antúnez Cid, Isabel	General Manager – ACCIONA Property
Arilla de Juana, Carlos	General Manager - Economic and Financial Area
Becerril Martínez, Carmen	General Manager - International
Beltrán Núñez, Raúl	Director of Internal Audit
Blanco Diéguez, José Luis	General Manager - ACCIONA Windpower
Cabanillas Alonso, Pío	General Manager - Corporate Image and Global Marketing
Callejo Martínez, Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	General Manager - Office of the President
Castilla Cámara, Luis	President - ACCIONA Water
Claudio Vázquez, Adalberto	General Manager - ACCIONA Infrastructure - International and Concessions
Corella Hurtado, Olga	General Manager - ACCIONA Infrastructure - Economic Oversight Area
Cruz Palacios, Juan Manuel	General Manager - ACCIONA Infrastructure - Labour Relations, Environment Quality Plan and Sustainability
Díaz-Caneja Rodríguez, José Luis	Area General Manager - ACCIONA Infrastructure
Ezpeleta Puras, Arantza	General Manager - International Area - Office of the President
Farto Paz, José María	Area General Manager - ACCIONA Infrastructure - Galicia
Fajardo Gerez, Fernando	Area General Manager - ACCIONA Infrastructure - Australia and South-East Asia
Fernández López, Roberto	Area General Manager - ACCIONA Infrastructure - Corporate Resources
López Fernández, Carlos	Area General Manager - ACCIONA Engineering and Facilities
Luna Butz, Walter	CEO - ACCIONA Property
Jiménez Serrano, Ramón	Area General Manager - ACCIONA Engineering and Facilities
Mateo Alcalá, Rafael	CEO - ACCIONA Energy
Medina Sánchez, Eduardo	Area General Manager - ACCIONA Energy - Business Development
Molina Oltra, Ricardo Luis	Area General Manager - ACCIONA Service
Mollinedo Chocano, Joaquín	General Manager - Institutional Relations
Muro-Lara Girod, Juan Antonio	General Manager - Corporate Development and Relations with Investors
Navas García, Carlos	Area General Manager - ACCIONA Airport Services
Rivas Anoro, Félix	Area General Manager - Procurement, Innovation, Quality and the Environment
Santamaría-Paredes Castillo, Vicente	General Manager - Legal Services
Sarrión Martínez, Dolores	Assistant Area General Manager - Corporate Resources
Silva Ferrada, Juan Ramón	Area General Manager - Sustainability
Tejero Santos, José Ángel	Area General Manager - Economic Oversight and Finance
Terceiro Mateos, José Manuel	Area General Manager - ACCIONA Infrastructure - Economics and Finance
Vega-Penichet López, Jorge	Secretary General
Vicente Pelegrini, Justo	Area General Manager - ACCIONA Infrastructure Spain and Construction Africa, Sweden and Emirates

C. AUDITOR

In 2015, the fees for financial audit and other services provided by the auditor of the Group's consolidated financial statements, Deloitte, S.L., or by firms in the Deloitte organisation, and the fees billed by the auditors of the financial statements of the consolidated companies, and by companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

	Services provided by the main auditor		Services provided by other audit firms	
	2015	2014	2015	2014
Audit services	3,485	2,933	1,806	1,688
Other assurance services	451	674	379	273
Total audit and related services	**3,936**	**3,607**	**2,185**	**1,961**
Tax advisory services	608	713	914	828
Other services	1,659	2,539	4,541	3,641
Total professional services	**2,267**	**3,252**	**5,455**	**4,469**

35. Other disclosures concerning the Board of Directors

Pursuant to Article 229 of Royal Legislative Decree 1/2010, of 2 July, whereby the rewritten text of the Capital Companies Act is approved, at 31 December 2015, according to the information available to the Company and notified by Directors and their related parties, they were not affected by any situations of conflict, whether direct or indirect, with the Company's interests.

36. Average period for payment to suppliers

The table below details the information required by Final Provision Two of Act 31/2014, of 3 December, as prepared following application of Resolution dated 29 January 2016 by the Spanish Accounting and Audit Institute. This information refers only to Spain, where this regulation is applicable.

Average payment period and payments made and payments outstanding at the balance sheet date in Spain	2015
	Days
Average period for payment to suppliers	41
Paid operations ratio	38
Operations outstanding ratio	54
	Amount (thousands of euros)
Total payments made	2,182,726
Total payments outstanding	**502,125**

As permitted by the Single Additional Provision of the aforesaid Resolution by the Spanish Accounting and Audit Institute, for this first year of application of the Resolution, no comparative information is disclosed, with these annual accounts being rated as opening accounts in relation to the uniformity principle and comparability requirement.

"Average period for payment to suppliers" refers to the time that elapses from delivery of goods or provision of services by a supplier to payment of the operation.

The "average period for payment to suppliers" is calculated as the quotient whose numerator is the result of adding the paid operations ratio by the total amount of payments made to suppliers plus the operations outstanding ratio by the total amount of payments outstanding and whose denominator is the total amount of payments made and payments outstanding.

The paid operations ratio is calculated as the quotient whose numerator is the sum of the products related to the amounts paid, by the number of payment days (calendar days elapsed as from the time when the period begins to run up to actual payment of the operation) and whose denominator is the total amount of payments made.

And the operations outstanding ratio refers to the quotient whose numerator is the sum of the products related to the amounts outstanding, by the number of payment outstanding days (calendar days elapsed as from the time when the period begins to run up to the closing of annual accounts) and whose denominator is the total amount of payments outstanding.

Appendices

APPENDIX I GROUP COMPANIES

The subsidiaries of ACCIONA, S.A. considered to be Group companies were treated as such in accordance with IFRS. The companies fully consolidated in 2015, and the information thereon at 31 December 2015, are the following (amounts in thousands of euros):

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
3240934 Nova Scotia Company	--	Canada	Energy	100.00%	Subgroup ACCIONA Renewable Canada	4,382
ACCIONA - Vjetroelektrane D.O.O.	--	Croatia	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	3
ACCIONA Wind Energy Canadá Inc.	--	Canada	Energy	66.67%	Subgroup ACCIONA Energy Internacional	41,005
ACCIONA & Sogex Facility Services LLC	--	Omán	Urban Services	70.00%	Subgroup ACCIONA Facility Services	248
ACCIONA Agua Adelaide Pty Ltd	A	Australia	Water Treatment	100.00%	Subgroup ACCIONA Agua Australia	7
ACCIONA Agua Australia Proprietary, Ltd	A	Australia	Water Treatment	100.00%	Subgroup ACCIONA Agua	5
ACCIONA Agua Brasil - Tratamento De Agua Ltd	--	Brazil	Water Treatment	100.00%	Subgroup ACCIONA Agua	1,799
ACCIONA Agua India Private Limited	A	India	Water Treatment	100.00%	Subgroup ACCIONA Agua	1,010
ACCIONA Agua Internacional Australia Pty, Ltd	A	Australia	Water Treatment	100.00%	Subgroup ACCIONA Agua Internacional	--
ACCIONA Agua Internacional, S.L.	--	Madrid	Water Treatment	100.00%	Subgroup ACCIONA Agua	4
ACCIONA Agua México, S.R.L. De C.V.	B	Mexico	Water Treatment	100.00%	Subgroup ACCIONA Agua	3,929
ACCIONA Agua Servicios S.L.	A	Madrid	Water Treatment	100.00%	Subgroup ACCIONA Agua	51,130
ACCIONA Agua, S.A.	A	Madrid	Water Treatment	100.00%	ACCIONA	124,267
ACCIONA Airport Services Barcelona, S.L	--	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Airport Services	3
ACCIONA Airport Services Berlin, S.A.	E	Germany	Logistics Services	100.00%	ACCIONA	14,970
ACCIONA Airport Services Canarias, S.L	--	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Airport Services	3
ACCIONA Airport Services Este, S.L	--	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Airport Services	3

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
ACCIONA Airport Services Frankfurt, Gmbh	A	Germany	Logistics Services	100.00%	ACCIONA	5,637
ACCIONA Airport Services Madrid, S.L	--	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Airport Services	3
ACCIONA Airport Services Norte, S.L	--	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Urban Services y Medio Ambiente	2
ACCIONA Airport Services Sur, S.L	--	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Airport Services	3
ACCIONA Airport Services, S.A.	A	Madrid	Logistics Services	100.00%	ACCIONA	3,065
ACCIONA Biocombustibles, S.A.	--	Navarra	Energy	100.00%	Subgroup ACCIONA Energy	12,871
ACCIONA Biomasa	--	Navarra	Energy	100.00%	Subgroup ACCIONA Energy	3
ACCIONA Blades, S.A.	C	Navarra	Energy	100.00%	Subgroup ACCIONA Windpower	26,374
ACCIONA Cerro Negro, S.A.	--	Chile	Water Treat./ Construction	100.00%	Subgroup ACCIONA Infraestructuras	4
ACCIONA Concesiones Chile, S.A.	B	Chile	Holding Company	100.00%	Subgroup ACCIONA Infraestructuras	57,731
ACCIONA Concesiones, S.L.	A	Madrid	Holding Company	100.00%	ACCIONA	4,988
ACCIONA Concessions Management Inc.	A	Canada	Holding Company	100.00%	Subgroup ACCIONA Concesiones	4,142
ACCIONA Copiapó, S.A.	--	Chile	Water Treat./ Construction	100.00%	Subgroup ACCIONA Infraestructuras	4
ACCIONA Corporación, S.A.	--	Madrid	Instrumental	100.00%	Subgroup Finanzas y Cartera 2	60
ACCIONA Desarrollo Corporativo, S.A.	--	Madrid	Instrumental	100.00%	Subgroup Finanzas y Cartera 2	60
ACCIONA Do Brasil, Ltda.	E	Brazil	Holding Company	100.00%	Subgroup ACCIONA Infraestructuras	13,740
ACCIONA Energía Atlanta I, S.L.	--	Madrid	Energy	66.67%	Subgroup ACCIONA Energy Internacional	2
ACCIONA Energía Atlanta II, S.L.	--	Madrid	Energy	66.67%	Subgroup ACCIONA Energy Internacional	2
ACCIONA Energía Atlanta III, S.L.	--	Madrid	Energy	66.67%	Subgroup ACCIONA Energy Internacional	2
ACCIONA Energía Chile	B	Chile	Energy	100.00%	Subgroup ACCIONA Energy Global	37
ACCIONA Energía Chile Holdings, S.A.	--	Chile	Energy	100.00%	Subgroup ACCIONA Energy Global	130
ACCIONA Energía Costa Rica, S.A.	--	Costa Rica	Energy	100.00%	Subgroup ACCIONA Energy Global	479
ACCIONA Energía Global Italia, S.R.L.	A	Italy	Energy	100.00%	Subgroup ACCIONA Energy Global	3,347
ACCIONA Energía Global, S.L.	--	Navarra	Energy	100.00%	Subgroup ACCIONA Energy	12,307
ACCIONA Energía Internacional, S.A.	A	Navarra	Energy	66.67%	Subgroup ACCIONA Energy	324,000
ACCIONA Energía México Global LLC	A	Mexico	Energy	100.00%	Subgroup ACCIONA Energy Global	10,680

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
ACCIONA Energía México, Srl	A	Mexico	Energy	66.67%	Subgroup ACCIONA Energy Internacional	3,300
ACCIONA Energía Servicios México S de Rl de C.V.	A	Mexico	Energy	100.00%	Subgroup ACCIONA Energia Mexico Global	4,898
ACCIONA Energía Solar, S.L.	--	Navarra	Energy	100.00%	Subgroup ACCIONA Energy	1,797
ACCIONA Energía Solare Italia, S.R.L	--	Italy	Energy	100.00%	Subgroup ACCIONA Energy Global Italy	--
ACCIONA Energía, S.A.	C	Navarra	Energy	100.00%	Subgroup Corp. ACCIONA Energys Renovables	1,146,380
ACCIONA Energiaki, S.A.	A	Greece	Energy	80.00%	Subgroup ACCIONA Eólica Cesa	15,342
ACCIONA Energija D.O.O.	--	Croatia	Energy	100.00%	Subgroup ACCIONA Energy Global	--
ACCIONA Energy North America Corp.	A	US	Energy	66.67%	Subgroup ACCIONA Energy Internacional	153,924
ACCIONA Energy Australia Global, Pty. Ltd	C	Australia	Energy	100.00%	Subgroup ACCIONA Energy Global	--
ACCIONA Energy Canada Global Corp	--	Canada	Energy	100.00%	Subgroup ACCIONA Energy Global	2,267
ACCIONA Energy Development Canada Inc	--	Canada	Energy	100.00%	Subgroup ACCIONA Energy Global Canada	1,137
ACCIONA Energy Global Poland Sp. Z.O.O.	C	Poland	Energy	100.00%	Subgroup ACCIONA Energy Global	716
ACCIONA Energy India Private Limited	C	India	Energy	100.00%	Subgroup ACCIONA Energy Global	6,032
ACCIONA Energy Korea, Inc	C	South Corea	Energy	100.00%	Subgroup ACCIONA Energy Global	2,661
ACCIONA Energy Oceania Construction Pty Ltd	--	Australia	Energy	100.00%	Subgroup ACCIONA Energy Global Australia	1,120
ACCIONA Energy Oceania Financial Services Ply, Ltd	C	Australia	Energy	100.00%	Subgroup ACCIONA Energy Global Australia	35
ACCIONA Energy Oceania Ply. Ltd	C	Australia	Energy	66.67%	Subgroup ACCIONA Energy Internacional	102,736
ACCIONA Energy Poland Maintenance Services Sp. Z O.O	C	Poland	Energy	100.00%	Subgroup ACCIONA Energy Global Poland	24
ACCIONA Energy Poland Sp. Z.O.O	C	Poland	Energy	66.67%	Subgroup ACCIONA Energy Internacional	46,968
ACCIONA Energy South Africa (Proprietary) Limited	A	South Africa	Energy	66.67%	Subgroup ACCIONA Energy Internacional	34,852
ACCIONA Energy South Africa Global (Pty) Ltd	A	South Africa	Energy	100.00%	Subgroup ACCIONA Energy Global	10,823
ACCIONA Energy USA Global LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global	33,862
ACCIONA Engineering Canada Inc	--	Canada	Engineering	100.00%	Subgroup ACCIONA Engineering	554
ACCIONA Engineering Qatar	--	Qatar	Engineering	100.00%	Subgroup ACCIONA Engineering	47
ACCIONA Eólica Basilicata, Srl	--	Italy	Energy	100.00%	Subgroup ACCIONA Energía Global Italia	9

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
ACCIONA Eólica Calabria, Srl	--	Italy	Energy	100.00%	Subgroup ACCIONA Energy Global Italy	1,052
ACCIONA Eólica Cesa Italia, S.R.L.	A	Italy	Energy	66.67%	Subgroup ACCIONA Energy Internacional	5,571
ACCIONA Eólica Cesa, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceatesalas	93,938
ACCIONA Eólica De Castilla La Mancha, S.L.	A	Madrid	Energy	100.00%	Subgroup Alabe	100
ACCIONA Eólica De Galicia, S.A.	A	Lugo	Energy	100.00%	Subgroup Corp. ACCIONA Energys Renovables	40,716
ACCIONA Eólica Levante, S.L.	A	Valencia	Energy	100.00%	Subgroup Alabe	19,314
ACCIONA Eólica Molise, Srl	--	Italy	Energy	100.00%	Subgroup ACCIONA Energy Global Italy	33
ACCIONA Eólica Portugal Unipersonal, Lda.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Energy Internacional	24,457
ACCIONA EPC North America LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	9
ACCIONA Facility Services Automoción Aragón, S.L.	--	Madrid	Urban Services	100.00%	Subgroup ACCIONA Facility Services	3
ACCIONA Facility Services Automoción Catalunya, S.L.	--	Madrid	Urban Services	100.00%	Subgroup ACCIONA Facility Services	3
ACCIONA Facility Services Automoción Centro, S.L.	--	Madrid	Urban Services	100.00%	Subgroup ACCIONA Facility Services	3
ACCIONA Facility Services Automoción Levante, S.L.	--	Madrid	Urban Services	100.00%	Subgroup ACCIONA Facility Services	3
ACCIONA Facility Services Belgique Sprl	--	Belgium	Urban Services	100.00%	Subgroup ACCIONA Facility Services	6
ACCIONA Facility Services Canada Ltd	--	Canada	Urban Services	100.00%	Subgroup ACCIONA Facility Services	--
ACCIONA Facility Services Este, S.L.	--	Madrid	Urban Services	100.00%	Subgroup ACCIONA Facility Services	3
ACCIONA Facility Services Germany Gmbh	--	Germany	Logistics Services	100.00%	Subgroup MDC	5,044
ACCIONA Facility Services Holland B.V.	--	Holland	Urban Services	100.00%	Subgroup ACCIONA Facility Services	18
ACCIONA Facility Services Italia, Srl	--	Italy	Urban Services	100.00%	Subgroup ACCIONA Facility Services	12
ACCIONA Facility Services Portugal	E	Portugal	Urban Services	100.00%	Subgroup ACCIONA Facility Services	1,048
ACCIONA Facility Services Sur, S.A.	--	Toledo	Urban Services	100.00%	Subgroup Multiservicios ACCIONA Facility Services	262
ACCIONA Facility Services, S.A.	A	Barcelona	Urban Services	100.00%	Subgroup ACCIONA Urban Services y Medio Ambiente	101,518
ACCIONA Financiación Filiales	A	Madrid	Other Businesses	100.00%	ACCIONA	60
ACCIONA Forwarding Argentina, S.A.	--	Argentina	Logistics Services	100.00%	Subgroup ACCIONA Forwarding	673
ACCIONA Forwarding Brasil	E	Brazil	Logistics Services	98.71%	Subgroup ACCIONA Forwarding	3,305
ACCIONA Forwarding Canarias, S.L.	E	The Canaries	Logistics Services	100.00%	Subgroup ACCIONA Forwarding	392

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
ACCIONA Forwarding, S.A.	A	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Logística	14,649
ACCIONA Global Renewables, S.A.	--	Madrid	Energy	66.67%	Subgroup ACCIONA Energy	40
ACCIONA Green Energy Developments, S.L.	C	Navarra	Energy	100.00%	Subgroup ACCIONA Energy	1,000
ACCIONA Ground Services, S.L	--	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Urban Services y Medio Ambiente	2
ACCIONA Handling Services, S.L.	--	Valencia	Logistics Services	100.00%	Subgroup ACCIONA Urban Services y Medio Ambiente	--
ACCIONA Industrial, S.A.	B	Seville	Construction	100.00%	Subgroup ACCIONA Infraestructuras	30,560
ACCIONA Infraestructuras Colombia SAS	--	Colombia	Construction	100.00%	Subgroup ACCIONA Infraestructuras	6
ACCIONA Infraestructuras Residenciales México S.A.	B	Mexico	Construction	100.00%	Subgroup ACCIONA Infraestructuras	3
ACCIONA Infraestructuras, S.A.	B	Madrid	Construction	100.00%	ACCIONA	196,149
ACCIONA Infraestructuras-Elecnor, Hospital David	E	Panama	Construction	75.00%	Subgroup ACCIONA Infraestructuras	6
ACCIONA Infraestructure Asia Pacific Pty Limited	--	Australia	Construction	100.00%	Subgroup ACCIONA Infraestructuras	--
ACCIONA Infrastructures Australia Pty. Ltd	B	Australia	Construction	100.00%	Subgroup ACCIONA Infraestructuras	16,531
ACCIONA Ingeniería Industrial S.A. De C.V.	B	Mexico	Engineering	100.00%	Subgroup ACCIONA Engineering	3
ACCIONA Ingeniería, S.A.	B	Madrid	Engineering	100.00%	Subgroup ACCIONA Infraestructuras	6,909
ACCIONA Inmobiliaria, S.L.	A	Madrid	Real Estate	100.00%	ACCIONA	123,848
ACCIONA Instalaciones México, S.A De C.V.	B	Mexico	Construction	100.00%	Subgroup ACCIONA Industrial	3
ACCIONA Inversiones Corea, S.L.	--	Navarra	Energy	100.00%	Subgroup ACCIONA Energía Global	--
ACCIONA Las Tablas, S.L.	--	Madrid	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	10,000
ACCIONA Logística, S.A.	--	Madrid	Holding Company	100.00%	ACCIONA	51,963
ACCIONA Mantenimiento De Infraestructuras, S.A.	B	Madrid	Construction	100.00%	Subgroup ACCIONA Infraestructuras	278
ACCIONA Medioambiente, S.A.	A	Valencia	Urban Services	100.00%	Subgroup ACCIONA Facility Services	3,053
ACCIONA Multiservicios, S.A.	A	Madrid	Urban Services	100.00%	Subgroup ACCIONA Facility Services	700
ACCIONA Nieruchomosci, Sp. Z.O.O	A	Poland	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	7,705
ACCIONA Operación y Mantenimiento, S.R.L De C.V.	A	Mexico	Urban Services	100.00%	Subgroup ACCIONA Facility Services	783
ACCIONA Portugal II - Energía Global, Lda.	--	Portugal	Energy	100.00%	Subgroup ACCIONA Energy Globall	1
ACCIONA Producciones y Diseño, S.A.	B	Seville	Other Businesses	100.00%	Subgroup ACCIONA Infraestructuras	1,268

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
ACCIONA Rail Services, S.A.	--	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Urban Services y Medio Ambiente	256
ACCIONA Real Estate, S.A.U.	A	Madrid	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	415,362
ACCIONA Renewable Energy Canada Gp Holdings Inc	--	Canada	Energy	100.00%	Subgroup Nova Scotia	13,820
ACCIONA Renewable Energy Canada Holdings LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	4,497
ACCIONA Rinnovabili Calabria, Srl	--	Italy	Energy	100.00%	Subgroup ACCIONA Energy Global Italy	43
ACCIONA Rinnovabili Italia, Srl	--	Italy	Energy	100.00%	Subgroup ACCIONA Energy Global Italy	1,586
ACCIONA Saltos De Agua, S.L.U.	A	Madrid	Energy	100.00%	Subgroup Corp. ACCIONA Energys Renovables	10,603
ACCIONA Serv. Hospitalarios, S.L.	--	Madrid	Holding Company	100.00%	Subgroup ACCIONA Urban Services y Medio Ambiente	1,500
ACCIONA Service, S.L.	--	Madrid	Urban Services	100.00%	ACCIONA	136,306
ACCIONA Servicios Concesionales, S.L.	A	Madrid	Concession Operation	100.00%	ACCIONA	160
ACCIONA Servicios Ferroviarios, S.L.	A	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Facility Services	21
ACCIONA Servicios Urbanos Medio Ambiente México, S.A. De C.V.	B	Mexico	Urban Services	100.00%	Subgroup ACCIONA Facility Services	1,538
ACCIONA Servicios Urbanos, S.L.	A	Madrid	Urban Services	100.00%	Subgroup ACCIONA Urban Services y Medio Ambiente	30,809
ACCIONA Sistemas De Seguridad, S.A.	--	Madrid	Construction	100.00%	Subgroup ACCIONA Facility Services	411
ACCIONA Solar Canarias, S.A.	--	The Canaries	Energy	75.00%	Subgroup ACCIONA Solar	463
ACCIONA Solar Energy LLC	--	US	Energy	66.67%	Subgroup ACCIONA Energy North America	30,535
ACCIONA Solar Power Inc.	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	7,819
ACCIONA Solar, S.A.	C	Navarra	Energy	75.00%	Subgroup ACCIONA Energy	1,382
ACCIONA Termosolar	C	Navarra	Energy	85.00%	Subgroup ACCIONA Energy	8,505
ACCIONA Towers, S.L.	--	Madrid	Energy	100.00%	Subgroup ACCIONA Windpower	16,155
ACCIONA Water Supplies Technology Beijing Co. Ltd	--	China	Water Treatment	100.00%	Subgroup ACCIONA Agua	136
ACCIONA Wind Energy Pvt Ltd	C	India	Energy	66.67%	Subgroup ACCIONA Energy Internacional	8,090
ACCIONA Wind Energy USA, LLC	A	US	Energy	66.67%	Subgroup ACCIONA Energy North America	281,841
ACCIONA Windpower Brasil Ltda.	E	Brazil	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	51,570

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
ACCIONA Windpower Chile, S.A.	B	Chile	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	6
ACCIONA Windpower Deutschland Gmbh	--	Germany	Energy	100.00%	Subgroup ACCIONA Wind Power Internacional	25
ACCIONA Windpower India Private Limited	--	India	Energy	100.00%	Subgroup ACCIONA Wind Power Internacional	1,902
ACCIONA Windpower Internacional, S.L.	--	Navarra	Energy	100.00%	Subgroup ACCIONA Windpower	56,553
ACCIONA Windpower Korea, Inc	--	South Corea	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	250
ACCIONA Windpower México, Srl De C.V.	A	Mexico	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	--
ACCIONA Windpower North America L.L.C.	--	US	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	2,477
ACCIONA Windpower Oceania, Pty, Ltd	C	Australia	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	--
ACCIONA Windpower Rüzgar Enerjisi Sistemleri	E	Turkey	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	4
ACCIONA Windpower South Africa (Pty) Ltd.	A	South Africa	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	--
ACCIONA Windpower, S.A.	C	Navarra	Energy	100.00%	Subgroup Corporación ACCIONA Windpower	97,069
Aepo Gabón, S.A.	--	Gabon	Engineering	100.00%	Subgroup ACCIONA Engineering	4
Aepo Polska S.P. Z O.O	--	Poland	Engineering	100.00%	Subgroup ACCIONA Engineering	18
Aerosite Energy Private Limited	--	India	Energy	100.00%	Subgroup ACCIONA Energy Global	1,701
AFS Efficient Energy Uk Limited	--	United Kingdom	Urban Services	100.00%	Subgroup ACCIONA Facility Services	--
AFS Empleo Social Barcelona, S.L.	--	Barcelona	Urban Services	100.00%	Subgroup ACCIONA Facility Services	3
AFS Empleo Social, S.L.	--	Barcelona	Urban Services	100.00%	Subgroup ACCIONA Facility Services	153
Agencia Marítima Transhispánica, S.A.	--	Madrid	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	664
Agencia Schembri, S.A.	A	Madrid	Logistics Services	92.71%	Subgroup Agencia Schembri	14,808
Aguas Pilar De La Horadada S.L.	--	Madrid	Water Treatment	100.00%	Subgroup ACCIONA Agua Servicios	3
AIE Trafalgar	--	Cádiz	Energy	86.20%	Subgroup ACCIONA Energy	1,693
Alabe Mengibar, A.I.E.	--	Madrid	Energy	96.25%	Subgroup Ineuropa de cogeneración	59
Alabe Sociedad De Cogeneración, S.A.	A	Madrid	Energy	100.00%	Subgroup Corp. ACCIONA Energias Renovables	9,448
Amherst Wind Construction Gp Inc	--	Canada	Energy	100.00%	Subgroup ACCIONA Energy Global Canada	1,031

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Anchor Wind, LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	3,818
Andratx Obres I Sanetjament, S.L.	--	Mallorca	Water Treatment	100.00%	Subgroup ACCIONA Agua	4
Antigua Bodega De Don Cosme Palacio, S.L.	--	Álava	Wineries	100.00%	Subgroup Palacio	744
Apoderada Corporativa General, S.A.	--	Madrid	Other Businesses	100.00%	ACCIONA	60
Arsogaz 2005, S.L.	--	Madrid	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	5
Asesores Turísticos Del Estrecho, S.A.	--	Málaga	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	186
Asimetra, S.A. C.V.	E	Mexico	Urban Services	100.00%	Subgroup ACCIONA Facility Services	1,347
Aulac Wind Power Lp	--	Canada	Energy	100.00%	Subgroup ACCIONA Energy Global Canada	--
Avenir El Romero Spa	--	Chile	Energy	100.00%	Subgroup ACCIONA Energy Global	8,151
Bear Creek	--	US	Energy	100.00%	Subgroup GWH ACCIONA Energy	1,538
Bestinver Gestión S.C.I.I.C., S.A.	C	Madrid	Finance	100.00%	Subgroup Bestinver	331
Bestinver Pensiones G.F.P., S.A.	C	Madrid	Finance	100.00%	Subgroup Bestinver	1,203
Bestinver Sociedad De Valores, S.A.	C	Madrid	Finance	100.00%	Subgroup Bestinver	5,267
Bestinver, S.A.	C	Madrid	Finance	100.00%	ACCIONA	6,113
Biocarburants De Catalunya, S.A.	--	Barcelona	Energy	90.00%	Subgroup ACCIONA Energy	1,947
Biodiesel Caparroso, S.L.	--	Navarra	Energy	100.00%	Subgroup ACCIONA Energy	54,707
Biodiesel Del Esla Campos	--	Navarra	Energy	100.00%	Subgroup Biocombustibles	60
Biodiesel Sagunt, S.L.	--	Navarra	Energy	100.00%	Subgroup Biocombustibles	2,186
Biomasa Alcazar, S.L.	--	Madrid	Energy	100.00%	Subgroup Biomasa Nacional	303
Biomasa Briviesca, S.L.	C	Burgos	Energy	85.00%	Subgroup Biomasa Nacional	4,191
Biomasa Miajadas, S.L.	C	Madrid	Energy	100.00%	Subgroup Biomasa Nacional	3
Biomasa Sangüesa, S.L.	C	Navarra	Energy	100.00%	Subgroup ACCIONA Energy	100
Bodegas Palacio, S.A.	A	Álava	Wineries	100.00%	Subgroup Sileno	1,526
Capev Venezuela	E	Venezuela	Construction	100.00%	Subgroup ACCIONA Infraestructuras	3,883

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Ce Oaxaca Cuatro, S. De R.L. De C.V.	A	Mexico	Energy	66.67%	Subgroup ACCIONA Energy Mexico	307
Ce Oaxaca Dos, S. De R.L. De C.V.	A	Mexico	Energy	66.67%	Subgroup ACCIONA Energy Mexico	369
Ce Oaxaca Tres, S. De R.L. De C.V.	A	Mexico	Energy	66.67%	Subgroup ACCIONA Energy Mexico	--
Ceatesalas. S.L.	A	Madrid	Energy	100.00%	Subgroup Corp. ACCIONA Energys Renovables	983,583
Cenargo España, S.L.	A	Madrid	Logistics Services	92.71%	Subgroup Agencia Schembri	7,080
Centro De Servicios Compartidos De ACCIONA S.L.	--	Madrid	Instrumental	100.00%	ACCIONA	3
Ceólica Hispania. S.L.	A	Madrid	Energy	100.00%	Subgroup ACCIONA Eólica Cesa	49,404
Cesa Eolo Sicilia Srl.	A	Italy	Energy	66.67%	Subgroup Cesa Italy	10,581
Cirtover, S.L.	--	Madrid	Instrumental	100.00%	ACCIONA	3
Coefisa, S.A.	--	Switzerland	Finance	100.00%	ACCIONA	711
Combuslebor, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquiegui	506
Compañía De Aguas Paguera, S.L.	--	Mallorca	Water Treatment	100.00%	Subgroup Gesba	1,803
Compañía Eólica Granadina. S.L.	A	Granada	Energy	50.00%	Subgroup Ceólica	2,930
Compañía Internacional De Construcciones	--	Panama	Finance	100.00%	ACCIONA	1,353
Compañía Trasmediterranea, S.A.	A	Madrid	Logistics Services	92.71%	Subgroup ACCIONA Logística	260,540
Compañía Urbanizada Del Coto, S.L.	A	Madrid	Real Estate	97.47%	Subgroup ACCIONA Real Estate	21,399
Consorcio ACCIONA Ossa, S.A	--	Chile	Construction	65.00%	Subgroup ACCIONA Infraestructuras	5
Consorcio ACCIONA_ Ossa Andina S.A.	--	Chile	Construction	65.00%	Subgroup ACCIONA Infraestructuras	4
Consorcio Constructor Araucaria Ltd.	--	Chile	Construction	60.00%	Subgroup ACCIONA Infraestructuras	3
Consorcio Eólico Chiripa, S.A.	A	Costa Rica	Energy	65.00%	Subgroup ACCIONA Energy	--
Construcciones Residenciales Mexico, C.B.	B	Mexico	Construction	100.00%	Subgroup ACCIONA Infraestructuras	3,220
Constructora El Paso S.P.A.	--	Chile	Construction	100.00%	Subgroup ACCIONA Infraestructuras	8
Constructora La Farfana, Spa	--	Chile	Construction	100.00%	Subgroup ACCIONA Infraestructuras	8

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Constructora Ruta 160, S.A.	B	Chile	Construction	100.00%	Subgroup ACCIONA Concesiones Chile	83,251
Copane Valores, S.L.	--	Madrid	Instrumental	100.00%	ACCIONA	55,779
Corporación ACCIONA Energías Renovables, S.L.	A	Madrid	Energy	100.00%	ACCIONA	1,773,906
Corporación ACCIONA Eólica, S.A.	A	Madrid	Energy	100.00%	Subgroup Corp. ACCIONA Energys Renovables	98,503
Corporación ACCIONA Hidráulica, S.A.	A	Madrid	Energy	100.00%	Subgroup Corp. ACCIONA Energys Renovables	65,003
Corporación ACCIONA Infraestructuras S.L.	--	Madrid	Instrumental	100.00%	ACCIONA	3
Corporación ACCIONA Windpower, S.L.	--	Madrid	Energy	100.00%	ACCIONA	97,620
Corporación De Explotaciones y Servicios, S.A	--	Madrid	Holding Company	100.00%	Subgroup ACCIONA Servicios Urbanos y Medio Ambiente	3,829
Corporación Eólica Catalana. S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica	12
Corporación Eólica De Valdivia. S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica	12,405
Corporación Eólica De Zamora. S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica	2,717
Corporación Eólica La Cañada. S.L.	--	Madrid	Energy	100.00%	Subgroup Ceatesalas	1,368
Corporación Eólica Sora. S.A.	--	Zaragoza	Energy	60.00%	Subgroup Ceólica	835
Demsey Ridge Wind Farm, LLC	A	US	Energy	66.67%	Subgroup ACCIONA Wind Energy USA	54,965
Depurar 7B, S.A.	E	Aragón	Water Treatment	100.00%	Subgroup ACCIONA Agua	4,892
Depurar 8B, S.A.	E	Aragón	Water Treatment	100.00%	Subgroup ACCIONA Agua	5,939
Desarrolladora De Infraestructura Hispano-Peninsular, S.A. De C.V.	B	Mexico	Construction	60.00%	Subgroup ACCIONA Infraestructuras	2
Desarrolladora De Infraestructuras Hispano-Mexicanas, S.A. De C.V.	B	Mexico	Construction	100.00%	Subgroup ACCIONA Infraestructuras	5
Desarrollos Revolt Del Llobregat, S.L.	--	Madrid	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	32,461
Desarrollos y Construcciones, S.A. De C.V.	B	Mexico	Construction	100.00%	Subgroup ACCIONA Infraestructuras	7,828
Dren, S.A.	--	Madrid	Holding Company	100.00%	ACCIONA	1,115
Ecogrove	A	US	Energy	66.67%	Subgroup ACCIONA Wind Energy USA	106,334
Ecovista Wind, LLC	--	US	Energy	100.00%	Subgroup Ecoenergy	--
EHN Slovenia	--	Slovenia	Energy	100.00%	Subgroup ACCIONA Energy Global	--
Emp.Diseño Constr.Cons. Jardines y Zonas Verdes, S.A.	--	Málaga	Construction	100.00%	Subgroup ACCIONA Infraestructuras	546

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Empordavent S.L.U.	C	Barcelona	Energy	100.00%	Subgroup ACCIONA Energy	14,206
Empreendimientos Eólicos Do Verde Horizonte, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	5,248
Empreendimientos Eólicos Ribadelide, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	3,662
Empresa Operadora ATLL, S.A.	A	Barcelona	Water Treatment	100.00%	Subgroup ACCIONA Agua	60
Enalia, Ltda.	E	Colombia	Wineries	100.00%	Subgroup Hijos de Antonio Barceló	2,136
Energea Servicios y Mantenimiento. S.L.	A	Barcelona	Energy	100.00%	Subgroup Terranova Energy Corporation	3
Energy Renovable De Teruel ,S.L.	--	Teruel	Energy	51.00%	Subgroup Energys Alternativas de Teruel	33
Energy Renovables De Barazar, S.L.	--	Madrid	Energy	100.00%	Subgroup Ceatesalas	47,836
Energys Alternativas De Teruel, S.A.	--	Teruel	Energy	51.00%	Subgroup ACCIONA Energy	82
Energys Eólicas De Catalunya, S.A.	C	Barcelona	Energy	100.00%	Subgroup ACCIONA Energy	6,000
Energys Renovables De Ricobayo. S.A.	--	Madrid	Energy	50.00%	Subgroup Ceólica	294
Energys Renovables El Abra. S.L	--	Vizcaya	Energy	100.00%	Subgroup Ceólica	5,798
Energys Renovables Operación y Mantenimiento, S.L	A	Barcelona	Urban Services	100.00%	Subgroup Multiservicios ACCIONA Facility Services	3
Energys Renovables Peña Nebina. S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	2,625
Entidad Efinen, S.A.	--	Madrid	Instrumental	100.00%	ACCIONA	4,508
Entorno Urbano y Medio Ambiente, S.L.	--	Murcia	Urban Services	50.00%	Subgroup ACCIONA Servicios Urbanos	2
Entrecanales y Tavora Gibraltar, Ltd	--	Gibraltar	Construction	100.00%	Subgroup ACCIONA Infraestructuras	37,645
Eólica De Rubió, S.A.	C	Barcelona	Energy	100.00%	Subgroup ACCIONA Energy	6,000
Eólica De Sanabria. S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	6,403
Eólica De Zorraquín, S.L.	C	Madrid	Energy	66.00%	Subgroup ACCIONA Energy	603
Eólica Villanueva, S.L.	C	Navarra	Energy	66.66%	Subgroup ACCIONA Energy	867
Eólicas Del Moncayo. S.L.	--	Soria	Energy	100.00%	Subgroup Ceólica	846
Eólicos Breogan. S.L.	--	Pontevedra	Energy	100.00%	Subgroup Ceólica	5,028
Eoliki Evripoy Cesa Hellas Epe	--	Greece	Energy	72.00%	Subgroup Cesa Hellas	13
Eoliki Panachaikou Sa	A	Greece	Energy	72.00%	Subgroup Cesa Hellas	6,556

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Eoliki Paralimnis Cesa Hellas Epe	--	Greece	Energy	72.00%	Subgroup Cesa Hellas	13
ES Legarda, S.L.	--	Navarra	Energy	100.00%	Subgroup Biocombustibles	8,424
Estibadora Puerto Bahía, S.A.	--	Cádiz	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	--
Estudios y Construcciones De Obras, S.A. De C.V.	--	Mexico	Construction	50.00%	Subgroup ACCIONA Infraestructuras	--
Europa Ferrys, S.A.	A	Cádiz	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	18,644
Eurus S,A,P.I De C.V.	A	Mexico	Energy	62.67%	Subgroup ACCIONA Energy Mexico	2
Finanzas Dos, S.A.	--	Madrid	Instrumental	100.00%	ACCIONA	3,471
Finanzas Nec, S.A.	--	Madrid	Finance	100.00%	Subgroup ACCIONA Inmobiliaria	61
Finanzas y Cartera Dos, S.A.	--	Madrid	Holding Company	100.00%	ACCIONA	3
Finanzas y Cartera Uno, S.A.	--	Madrid	Other Businesses	100.00%	ACCIONA	3
Flughafendienst Av Gmbh	--	Germany	Logistics Services	100.00%	Subgroup ACCIONA Airport Services	28
Frigoriferi Di Tavazzano, S.P.A.	--	Italy	Logistics Services	100.00%	Subgroup ACCIONA Logística	2,558
Frigoríficos Caravaca, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquiegui	3,893
Fujin Power Private Limited	--	India	Energy	100.00%	Subgroup ACCIONA Energy Global	1,701
Generación De Energia Renovable. S.A.	--	Álava	Energy	100.00%	Subgroup Ceólica	4,438
Generica De Construcc.Y Mto. Industrial, S.A.	--	Zaragoza	Construction	100.00%	ACCIONA	30
Gestio Catalana D'Aigües, S.A.	--	Barcelona	Water Treatment	100.00%	Subgroup ACCIONA Agua	60
Gestion De Recursos Corporativos, S.L.	--	Navarra	Energy	100.00%	ACCIONA	3
Gestion De Servicios Urbanos Baleares, S.A.	--	Mallorca	Water Treatment	100.00%	Subgroup ACCIONA Agua Servicios	7,234
Gouda Wind Facility (Proprietary) Limited	A	South Africa	Energy	34.00%	Subgroup ACCIONA Energy Sudáfrica	4,912
Grupo Transportes Frigoríficos Murcianos, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquiegui	934
Gsd Flughafen Gmbh	--	Germany	Logistics Services	100.00%	Subgroup ACCIONA Airport Services	25
Guadalaviar Consorcio Eólico Alabe Enerfin, S.A.	--	Madrid	Energy	100.00%	Subgroup Guadalaviar	250
Gunning Wind Energy Developments Pty Ltd	C	Australia	Energy	66.67%	Subgroup Gunning Wind Energy	1,790

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Gunning Wind Energy Holdings Pty Ltd	C	Australia	Energy	66.67%	Subgroup ACCIONA Energy Oceanía	1,790
Gwh-ACCIONA Energy LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	--
Heartland Windpower, LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	--
Hermes Logística, S.A.	A	Barcelona	Logistics Services	92.36%	Subgroup ACCIONA Trasmediterranea	3,855
Hidroeléctrica Del Serradó, S.L.	A	Barcelona	Energy	100.00%	Subgroup ACCIONA Saltos de Agua	2,134
Hijos De Antonio Barceló, S.A.	A	Madrid	Wineries	100.00%	ACCIONA	31,710
Hospital De Leon Bajio, S.A. De C.V.	E	Mexico	Concession	100.00%	ACCIONA	2,960
Hsd Flughafen Gmbh	--	Germany	Logistics Services	100.00%	Subgroup ACCIONA Airport Services	152
Iber Rail France, S.L.	--	France	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	170
Iberica Arabian Co Ltd	--	Saudi Arabia	Engineering	100.00%	Subgroup ACCIONA Engineering	120
Iberinsa Do Brasil Engenharia Ltda.	--	Brazil	Engineering	100.00%	Subgroup ACCIONA Engineering	528
Inantic, S.A.	--	Madrid	Instrumental	100.00%	Subgroup ACCIONA Infraestructuras	560
Industria Toledana De Energys Renovables, S.L.	--	Toledo	Energy	100.00%	Subgroup ACCIONA Windpower	5,650
Inetime, S.A.	--	Madrid	Urban Services	100.00%	ACCIONA	19
Ineuropa De Cogeneración, S.A.	--	Madrid	Energy	100.00%	Subgroup Corp. ACCIONA Energys Renovables	18,462
Infraestructuras Ayora, S.L.	--	Madrid	Energy	84.72%	Subgroup Alabe	3
Inmobiliaria Parque Reforma, S.A. De CV	A	Mexico	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	34,357
INR Eólica, S.A.	--	Sevilla	Energy	100.00%	Subgroup ACCIONA Energy	613
Interlogística Del Frío, S.A.	A	Barcelona	Logistics Services	100.00%	Subgroup ACCIONA Logística	16,819
Interurbano De Prensa, S.A.	A	Madrid	Logistics Services	100.00%	Subgroup ACCIONA Logística	2,676
Kw Tarifa, S.A.	--	Madrid	Energy	100.00%	Subgroup Corp. ACCIONA Energys Renovables	8,134
Lambarene Necso Gabon	D	Gabon	Construction	100.00%	Subgroup ACCIONA Infraestructuras	152
Lameque Wind Power Lp	A	Canada	Energy	66.67%	Subgroup ACCIONA Wind Energy Canada	14,649
Logística Del Transporte Slb, S.A.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquiegui	1,050
Lusonecso	--	Portugal	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	6,573

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Maritime Global Operator, Ltd	--	Malta	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	99,858
MDC Airport Consult Gmbh	--	Germany	Logistics Services	100.00%	ACCIONA	5,976
Meltemi South Sp. Z.O.O.	--	Poland	Energy	66.67%	Subgroup ACCIONA Energy Poland	5,366
Meltemi Sp. Z.O.O.	C	Poland	Energy	66.67%	Subgroup ACCIONA Energy Poland	37,510
Metrologia y Comunicaciones, S.A.	--	Madrid	Construction	100.00%	Subgroup ACCIONA Infraestructuras	150
Millatres 2003, S.L.	--	Tenerife	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	3
Mostostal Warszawa, S.A.	B	Poland	Construction	50.09%	ACCIONA	40,671
Moura Fabrica Solar, Lda.	B	Portugal	Energy	100.00%	Subgroup ACCIONA Energy Global	13,571
Mt Gellibrand Wind Farm Pty, Ltd.	--	Australia	Energy	100.00%	Subgroup ACCIONA Energy Global Australia	389
Multiservicios Grupo Ramel, S.A.	--	Barcelona	Urban Services	100.00%	Subgroup ACCIONA Facility Services	1,500
Murfitrans, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquiegui	233
Necso Canada, Inc.	B	Canada	Construction	100.00%	Subgroup ACCIONA Infraestructuras	143,071
Necso Entrecanales Cubiertas Mexico, S.A. De CV	B	Mexico	Construction	100.00%	Subgroup ACCIONA Infraestructuras	553
Necso Hong Kong, Ltd.	--	Hong Kong	Construction	100.00%	Subgroup ACCIONA Infraestructuras	1,936
Necso Triunfo Construcoes Ltda	--	Brazil	Construction	50.00%	Subgroup ACCIONA Infraestructuras	155
Nevada Solar One, LLC	A	US	Energy	66.67%	Subgroup NVS1 Investment Group	12,733
Notos Produçao De Energía Lda.	B	Portugal	Energy	46.67%	Subgroup Sayago	200
Nvs1 Investment Group LLC	--	US	Energy	66.67%	Subgroup ACCIONA Solar Energy	12,733
Operadora De Servicios Hospitalarios, S.A. De C.V.	B	Mexico	Concession Operation	100.00%	Subgroup ACCIONA Servicios Hospitalarios	3
P & S Logística Integral Peru	E	Peru	Logistics Services	89.54%	Subgroup ACCIONA Forwarding	694
Pacific Renewable Energy Generation LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	--
Packtivity, S.A.	--	Madrid	Logistics Services	100.00%	ACCIONA	2,474
Parco Eólico Cocullo S.P.A.	A	Italy	Energy	66.67%	Subgroup Cesa Italy	9,064
Paris Aquitaine Transports, S.A.	--	France	Logistics Services	100.00%	Subgroup Olloquiegui	1,236
Parque Eólico Da Costa Vicentina, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	5,403

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Parque Eólico Da Raia, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	1,843
Parque Eólico De Manrique, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	1,314
Parque Eólico De Pracana, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	1,139
Parque Eólico Do Marao, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	2,551
Parque Eólico Do Outeiro, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	14,483
Parque Eólico Dos Fiéis, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	882
Parque Eólico El Chaparro	--	Navarra	Energy	100.00%	Subgroup Alabe	5
Parque Eólico Escepar, S.A.	A	Toledo	Energy	100.00%	Subgroup Ceólica	1,539
Parque Eólico La Esperanza. S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	2,644
Parque Eólico Peralejo, S.A.	A	Toledo	Energy	100.00%	Subgroup Ceólica	1,020
Parque Eólico Tortosa. S.L.	A	Barcelona	Energy	100.00%	Subgroup Ceólica	2,394
Parque Eólico Villamayor, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	6,127
Parques Eólicos Celadas, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	4,599
Parques Eólicos De Ciudad Real. S.L.	A	Ciudad Real	Energy	100.00%	Subgroup Ceólica	7,844
Parques Eólicos Del Cerrato. S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	1,375
PAT Cargo, S.A.	E	Chile	Logistics Services	57.50%	Subgroup ACCIONA Forwarding	687
Pia.Cos S.R.L.	--	Italy	Water Treatment	100.00%	Subgroup ACCIONA Agua	10
Pitagora Srl.	A	Italy	Energy	66.67%	Subgroup Cesa Italy	5,854
Press Cargo Colombia, S.A.	E	Colombia	Logistics Services	99.34%	Subgroup ACCIONA Forwarding Perú	354
Pridagua Tratamiento De Aguas y Residuos, Lda.	--	Portugal	Water Treatment	100.00%	Subgroup ACCIONA Agua	--
Pridesa America Corporation	--	US	Water Treatment	100.00%	Subgroup ACCIONA Agua	--
Punta Palmeras, S.A.	B	Chile	Energy	66.67%	Subgroup ACCIONA Energy Internacional	2,568
Pyrenees Wind Energy Developments Pty. Ltd	C	Australia	Energy	66.67%	Subgroup ACCIONA Energy Oceanía	8,320
Pyrenees Wind Energy Holdings Pty. Ltd	C	Australia	Energy	66.67%	Subgroup Pyrenees Wind Energy	5,561
Ramwork, S.A.	--	Barcelona	Urban Services	99.98%	Subgroup ACCIONA Facility Services	500
Ravi Urja Energy India Pvt Ltd	C	India	Energy	100.00%	Subgroup ACCIONA Energy Global	3,115

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Red Hills Finance, LLC	A	US	Energy	66.67%	Subgroup ACCIONA Wind Energy USA	8,581
Red Hills Holding, LLC	--	US	Energy	66.67%	Subgroup Red Hills Finance	15,777
Rendos, S.A.	--	Madrid	Finance	100.00%	ACCIONA	17,990
Renovables Del Penedés, S.A.U.	--	Badajoz	Energy	100.00%	Subgroup ACCIONA Energy	3,590
Riacho Novo Empreendimentos Inmobiliarios, Ltda	--	Brazil	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	3,900
Rio Paraiba Do Sul Serviços Ltda	--	Brazil	Concession Operation	100.00%	Subgroup ACCIONA do Brazil	439
Rodovia Do Aço, S.A.	E	Brazil	Concession	100.00%	Subgroup ACCIONA Infraestructuras	63,467
Rústicas Vegas Altas, S.L.	C	Badajoz	Energy	100.00%	Subgroup ACCIONA Energy	7,000
S.C. A2 Tramo 2, S.A.	A	Guadalajara	Concession	100.00%	ACCIONA	14,876
S.C. ACCIONA Concesiones Ruta 160	B	Chile	Concession	100.00%	Subgroup ACCIONA Concesiones Chile	30,821
S.C. DLP, S.A.	--	Madrid	Construction	60.00%	Subgroup ACCIONA Infraestructuras	571
S.C. Hospital Del Norte, S.A.	A	Madrid	Concession	95.00%	ACCIONA	9,103
Saltos Del Nansa, S.A.U.	A	Santander	Energy	100.00%	Subgroup ACCIONA Saltos de Agua	83,038
Saltos y Centrales De Catalunya, S.A.	A	Barcelona	Energy	100.00%	Subgroup ACCIONA Saltos de Agua	42,016
San Roman Wind I, LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	12,334
San Solar Energy Facility (Propietary) Limited	A	South Africa	Energy	100.00%	Subgroup ACCIONA Energy Global Sudáfrica	356
Sc ACCIONA Facility Services Automotive Srl	--	Romania	Urban Services	100.00%	Subgroup ACCIONA Facility Services	--
Scdad .Empresarial De Financiacion y Comercio, S.L	--	Madrid	Finance	100.00%	ACCIONA	138
Servicios Corporativos Iberoamerica, S.A. De C.V	--	Mexico	Real Estate	100.00%	Subgroup ACCIONA Facility Services	733
Shanghai ACCIONA Windpower Technical Service Co.,Ltd	E	China	Energy	100.00%	Subgroup ACCIONA Windpower Internacional	178
Sierra De Selva, S.L.	C	Navarra	Energy	100.00%	Subgroup ACCIONA Energy	17,126
Sileno, S.A.	--	Álava	Bodegas	100.00%	Subgroup Hijos de Antonio Barceló	7,615
Sishen Solar Facility (Proprietary) Limited	A	South Africa	Energy	34.00%	Subgroup ACCIONA Energy Sudáfrica	301
Sistemas Energéticos El Granado. S.A	--	Seville	Energy	100.00%	Subgroup Ceólica	2,104
Sistemas Energéticos Sayago. S.L	--	Madrid	Energy	66.67%	Subgroup ACCIONA Energy Internacional	213
Sistemas Energéticos Valle De Sedano. S.A.	--	Madrid	Energy	100.00%	Subgroup Ceólica	6,373
Sociedad Explotadora De Recursos Eólicos, S.A.	A	Portugal	Energy	66.67%	Subgroup ACCIONA Eólica Portugal	4,818
Sociedad Istmeña Desarrollo Eólico, SRL De C.V.	--	Mexico	Energy	100.00%	Subgroup ACCIONA Energia Mexico Global	64

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Sociedad Levantina De Obras y Servicios, S.A.	--	Valencia	Construction	100.00%	ACCIONA	75
Sociedad San Rafael Hidráulica S.A. De C.V.	B	Mexico	Engineering	100.00%	Subgroup ACCIONA Engineering	3
Soconfil, S.A.	--	Madrid	Instrumental	100.00%	Subgroup Finanzas y Cartera 2	60
Solar Fields Energy Photo Voltaic India Pvt Ltd	C	India	Energy	100.00%	Subgroup ACCIONA Energy Global	13
Solomon Forks Wind Farm, LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	59
Starke Wind Golice Sp. Z.O.O.	C	Poland	Energy	66.67%	Subgroup ACCIONA Energy Poland	6,241
Sun Photo Voltaic Energy India Pvt Ltd	C	India	Energy	100.00%	Subgroup ACCIONA Energy Global	8,386
Surya Energy Photo Voltaic India Pvt Ltd	C	India	Energy	100.00%	Subgroup ACCIONA Energy Global	12
Table Mountain Wind LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	6
Tajro, Sp. Z.O.O.	A	Poland	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	33,458
Tatanka Finance LLC	--	US	Energy	66.67%	Subgroup ACCIONA Wind Energy USA	751
Tatanka Holding, LLC	--	US	Energy	26.00% (100% acciones clase B)	Subgroup Tatanka	2,555
Tecniomnia Española, S.L.	--	Barcelona	Urban Services	100.00%	Subgroup ACCIONA Facility Services	30
Terminal De Carga Rodada, S.A.	A	Madrid	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	2,941
Terminal Ferry Barcelona, S.R.L.	A	Barcelona	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	16,244
Termosolar Alvarado Dos, S.L.	--	Badajoz	Energy	100.00%	Subgroup ACCIONA Energy	193
Termosolar Alvarado, S.L.	C	Badajoz	Energy	85.00%	Subgroup Termosolar Nacional	9,775
Termosolar Majadas, S.L.	C	Madrid	Energy	85.00%	Subgroup Termosolar Nacional	20,450
Termosolar Palma Saetilla, S.L.	C	Madrid	Energy	85.00%	Subgroup Termosolar Nacional	41,790
Ternua Holdings. B.V.	--	Holland	Energy	100.00%	Subgroup Tecusa	953
Terranova Energy Corporation	--	US	Energy	100.00%	Subgroup ACCIONA Eólica Cesa	52,289
Terranova Energy Corporation. S.A.	--	Barcelona	Energy	100.00%	Subgroup Ceólica	15,933
Tibest Cuatro, S.A.	--	Madrid	Instrumental	100.00%	ACCIONA	13,523
Tictres, S.A.	--	Madrid	Instrumental	100.00%	ACCIONA	5,042
Torre Lugano S.L.	--	Valencia	Real Estate	100.00%	Subgroup ACCIONA Real Estate	6,097
Tours And Incentives, S.A.U.	--	Madrid	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	464
Towarowa Park Spolka Z.O.O.	A	Poland	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	15,338
Transportes Frigoríficos Murcianos, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquiegui	1,257
Transportes Olloquiegui, S.A.	--	Navarra	Logistics Services	100.00%	Subgroup ACCIONA Logística	44,063
Transurme, S.A.	--	Barcelona	Logistics Services	100.00%	Subgroup ACCIONA Logística	1,451

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Trasmediterranea Cargo, S.A.	A	Madrid	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	18,187
Trasmediterranea Shipping Maroc, S.A.R.L.	--	Tangiers	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	9
Tratamiento De Residuos De La Rad, S.L.	--	La Rioja	Servicios Urbanos	100.00%	ACCIONA	3,003
Ttanka Wind Power LLC	A	US	Energy	26.00% (100% acciones clase B)	Subgroup Tatanka	149,674
Tucana, Sp. Z.O.O.	A	Poland	Real Estate	100.00%	Subgroup ACCIONA Inmobiliaria	23,300
Tuppadahalli Energy India Private Limited	C	India	Energy	66.67%	Subgroup ACCIONA Energy Internacional	10,891
Turismo y Aventuras, S.A.U	--	Madrid	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	464
Valgrand 6, S.A.	--	Madrid	Real Estate	100.00%	Subgroup ACCIONA Real Estate	8,832
Vector-Cesa Hellas Likosterna Epe	--	Greece	Energy	72.00%	Subgroup Cesa Hellas	283
Velva Windfarm, LLC	--	US	Energy	66.67%	Subgroup ACCIONA Wind Energy USA	7,860
Viajes Eurotras, S.A.	--	Cádiz	Logistics Services	92.71%	Subgroup ACCIONA Trasmediterranea	927
Viñedos Viña Mayor, S.L.	--	Madrid	Wineries	100.00%	Subgroup Hijos de Antonio Barceló	4
Vjetroelektrana Čemernica D.O.O.	--	Croatia	Energy	100.00%	Subgroup ACCIONA Energy Global	--
Vjetroelektrana Jelinak Doo	C	Croatia	Energy	66.67%	Subgroup ACCIONA Energy Internacional	8,002
Vjetroelektrana Opor D.O.O.	--	Croatia	Energy	100.00%	Subgroup ACCIONA Energy Global	--
Voltser Serviços De Operaçao E Manutençao De Centr	--	Portugal	Energy	100.00%	Subgroup ACCIONA Energy Global Portugal II	79
White Shield Wind Proyect LLC	A	US	Energy	66.67%	Subgroup ACCIONA Wind Energy USA	74,761
Wind Farm 66, LLC	--	US	Energy	100.00%	Subgroup ACCIONA Energy Global USA	891
Yeong Yang Windpower Corporation II	C	South Corea	Energy	100.00%	Subgroup ACCIONA Energy Global	179
Zurich Wind Power Lp Inc	--	Canada	Energy	100.00%	Subgroup ACCIONA Renewable Canada	851

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

APPENDIX II
JOINTLY CONTROLLED ENTITIES

The jointly controlled entities proportionately consolidated in the year ended 31 December 2015, in accordance with IFRS, and the information related thereto are as follows (amounts in thousands of euros):

Sociedades del Grupo	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Bokpoort EPC Consortium (Pty) Ltd	--	South Africa	Engineering	30.00%	Subgroup: ACCIONA Engineering	--
Chin Chute Windfarm JV	B	Canada	Energy	22.22%	Subgroup: ACCIONA Wind Energy Canada	3,810
Consorcio ACCIONA Brotec Icafal S.A.	--	Chile	Construction	60.00%	Subgroup: ACCIONA Infrastructures	4
Consorcio Hospital Egc, S.A.	A	Chile	Construction	80.00%	Subgroup: ACCIONA Infrastructures	5
Iniciativas Energéticas Renovables, S.L.	--	Pamplona	Energy	50.00%	Subgroup: ACCIONA Energy	15
Magrath Windfarm Jv	B	Canada	Energy	22.22%	Subgroup: ACCIONA Wind Energy Canada	968
Ouarzazate Solar 1, Sarl	--	Morocco	Engineering	37.50%	Subgroup: ACCIONA Engineering	--
Ripley Windfarm JV	B	Canada	Energy	33.34%	Subgroup: ACCIONA Wind Energy Canada	8,154
Sistema Eléctrico De Evacuacion Eólica En Subestac	--	Madrid	Energy	31.90%	Subgroup: ACCIONA Windpower Cesa	10

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

APPENDIX III
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The associates accounted for using the equity method in the year ended 31 December 2015, in accordance with IFRS, and the information related thereto are as follows (amounts in thousands of euros):

Group companies	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
ACCI Holdco	--	Canada	Holding Company	10.00%	Subgroup ACCIONA Concesiones	2,451
ACCIONA & Ghanim Bin Saad Alsaad And Sons Group Ho	--	Qatar	Urban Services	49.00%	Subgroup ACCIONA Facility Services	21
ACCIONA Waste Water Treatment Plant Limited	--	Trinidad & Tobago	Water Treatment	70.00%	Subgroup ACCIONA Agua	--
ACCIONA Wep Holdings Inc.	A	Canada	Concession	33.33%	Subgroup ACCIONA Concesiones	7,611
Acciones Urbanas, Servicios y Medio Ambiente, S.L.	--	Murcia	Urban Services	50.00%	Subgroup ACCIONA Servicios Urbanos	2
Adelaideaqua Pty Ltd.	A	Australia	Water Treatment	50.00%	Subgroup ACCIONA Agua Adelaide	--
Aguas Tratadas Del Valle De Mexico S.A. De C.V.	A	Mexico	Water Treatment	24.26%	Subgroup ACCIONA Agua	15,927
Aleph Solar I SA PI De CV	--	Mexico	Energy	33.32%	Subgroup ACCIONA Energia Mexico Global	659
Aleph Solarfield I SA PI De CV	--	Mexico	Energy	33.31%	Subgroup ACCIONA Energia Mexico Global	395
Aleph Solarfield II SA PI De CV	--	Mexico	Energy	33.31%	Subgroup ACCIONA Energia Mexico Global	395
Aleph Solarfield SA PI De CV	--	Mexico	Energy	33.31%	Subgroup ACCIONA Energia Mexico Global	395
Aleph Solarfields México SA PI De CV	--	Mexico	Energy	33.31%	Subgroup ACCIONA Energia Mexico Global	527
Algerian Water Investment, S.L.	--	Madrid	Water Treatment	50.00%	Subgroup ACCIONA Agua	6,825
Altrac Light Rail Holdings 1 Pty Limited	C	Australia	Concession	5.00%	Subgroup ACCIONA Concesiones	--
Amper Central Solar Moura	B	Portugal	Energy	43.74%	Subgroup ACCIONA Energía Internacional	12,740
Ampliación Facultad Dret, S.A.	B	Barcelona	Construction	50.00%	Subgroup ACCIONA Infraestructuras	259
Aprofitament D'Energies Renovables De L´Ebre S.L.	--	Barcelona	Energy	9.76%	Subgroup ACCIONA Energía	378
Arturo Soria Plaza, A.I.E.	A	Madrid	Real Estate	48.74%	Subgroup INOSA	12
ATLL Concesionaria De La Generalitat De Catalunya, S.A.	A	Barcelona	Water Treatment	39.00%	Subgroup ACCIONA Agua	58,500

Group companies	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Autovia De Los Viñedos	A	Toledo	Concession	50.00%	ACCIONA	24,846
Autovia Del Almanzora S.A.	D	Seville	Concession	23.75%	Subgroup ACCIONA Infraestructuras	1,635
Baja California Power, S.A. De C.V.	B	Mexico	Engineering	65.00%	Subgroup ACCIONA Ingeniería	2
Bana H2 Szeleromu Megujulo Energia Hasznosito Kft	E	Hungary	Energy	49.25%	Subgroup Energy Corp Hungary	5
Bioetanol Energético	--	Madrid	Energy	50.00%	Subgroup Biocombustibles	804
Bioetanol Energético La Mancha	--	Madrid	Energy	50.00%	Subgroup Biocombustibles	931
Camarate Golf, S.A.	A	Madrid	Real Estate	22.00%	Subgroup ACCIONA Inmobiliaria	2,455
Carnotavento. S.A.	--	Corunna	Energy	24.50%	Subgroup Eurovento	1
Cathedral Rocks Construcc. And Management, Pty Ltd	--	Australia	Energy	50.00%	Subgroup ACCIONA Energía Global Australia	--
Cathedral Rocks Holdings 2, Pty. Ltd	--	Australia	Energy	33.34%	Subgroup Cathedral Rocks Holdings	8,505
Cathedral Rocks Holdings, Pty. Ltd	--	Australia	Energy	33.34%	Subgroup ACCIONA Energía Oceanía	9,398
Cathedral Rocks Wind Farm, Pty. Ltd	B	Australia	Energy	33.34%	Subgroup Cathedral Rocks Holdings 2	8,505
Chinook Highway Operations Inc.	A	Canada	Concession Operation	50.00%	Subgroup ACCIONA Concesiones	1,057
Cogeneración Arrudas Ltda	--	Brazil	Water Treatment	50.00%	Subgroup ACCIONA Agua	55
Concesionaria De Desalacion De Ibiza, S.A.	E	Ibiza	Water Treatment	50.00%	Subgroup ACCIONA Agua	1,082
Concesionaria La Chira, S.A.	B	Peru	Water Treatment	50.00%	Subgroup ACCIONA Agua	6,364
Consorcio Traza, S.A.	A	Zaragoza	Concession	16.60%	ACCIONA	12,074
Constructora De Obras Civiles y Electromecanicas	--	Mexico	Water Treatment	24.50%	Subgroup Aguas Hispano Mexicana	1
Constructora Necso Sacyr Chile	--	Chile	Construction	50.00%	Subgroup ACCIONA Concesiones Chile	6
Constructora Sacyr Necso Chile, S.A.	--	Chile	Construction	50.00%	Subgroup ACCIONA Concesiones Chile	6
Depurar P1, S.A.	--	Zaragoza	Water Treatment	50.00%	Subgroup ACCIONA Agua	1,035
Desarrollo De Energías Renovables De Navarra, S.A.	B	Pamplona	Energy	50.00%	Subgroup ACCIONA Energía	4,936
East West Connect Holding 3 Pty Limited	--	Australia	Concession	5.00%	Subgroup ACCIONA Concesiones	--
EMSERVA, S.A.	A	Málaga	Water Treatment	49.00%	Subgroup ACCIONA Agua Servicios	50
Energías Renovables Mediterraneas, S.A.	A	Valencia	Energy	50.00%	Subgroup ACCIONA Energía	79,500
Energy Corp Hungary Kft	E	Hungary	Energy	50.00%	Subgroup ACCIONA Eólica Cesa	2,588
Eólicas Mare Nostrum S.L.	--	Valencia	Energy	50.00%	Subgroup ACCIONA Energía	2,452
Eólico Alijar, S.A.	A	Cádiz	Energy	50.00%	Subgroup ACCIONA Energía	2,791

Group companies	Auditoría	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Eurovento. S.L.	--	Corunna	Energy	50.00%	Subgroup Tripower	31
Evacuacion Villanueva Del Rey, S.L.	--	Seville	Energy	38.04%	Subgroup Termosolar Palma Saetilla	1
Explotaciones Eólicas Sierra De Utrera. S.L.	B	Madrid	Energy	25.00%	Subgroup Ceólica	817
Ferrimaroc Agencias, S.L.	--	Almería	Logistics Services	46.36%	Subgroup Cenargo España	14
Ferrimaroc, S.A.	--	Morocco	Logistics Services	46.36%	Subgroup Cenargo España	20
Firefly Investments 238 (Proprietary) Limited	A	South Africa	Energy	45.00%	Subgroup ACCIONA Energía Global Sudáfrica	--
Gestion De Edificios Comerciales, S.A.	--	Madrid	Real Estate	48.74%	Subgroup INOSA	117
Gran Hospital Can Misses, S.A.	A	Ibiza	Concession	40.00%	ACCIONA	9,641
Helena Water Finance Pty Ltd	A	Australia	Water Treatment	25.05%	Subgroup ACCIONA Agua Internacional Australia	8,236
Infraestructuras Radiales, S.A.	A	Madrid	Concession	25.00%	ACCIONA	28,773
Infraestructuras Villanueva, S.L.	--	Madrid	Energy	40.53%	Subgroup Guadalaviar	1
Interboya Press, S.A.	E	Madrid	Logistics Services	50.00%	Subgroup ACCIONA Logística	30
Líneas Eléctricas Asturianas. S.L.	--	Asturias	Energy	50.00%	Subgroup Eurovento	2
Líneas Eléctricas Gallegas II. S.L.	--	Galicia	Energy	50.00%	Subgroup Eurovento	2
Líneas Eléctricas Gallegas III. S.L.	--	Galicia	Energy	50.00%	Subgroup Eurovento	2
Líneas Eléctricas Gallegas. S.L.	--	Galicia	Energy	35.00%	Subgroup Eurovento	1
Locubsa	E	Andorra	Construction	48.89%	Subgroup ACCIONA Infraestructuras	26
Mov-R H1 Szeleromu Megujulo Energia Hasznosito Kft	E	Hungary	Energy	49.25%	Subgroup Energy Corp Hungary	1,762
Myah Typaza, Spa	E	Algeria	Water Treatment	25.50%	Subgroup Algerian Water Investment	6,858
Necsorgaz, S.L.	--	Madrid	Real Estate	50.00%	Subgroup ACCIONA Inmobiliaria	14
Nexus Infrastructure Holdings Unit Trust	A	Australia	Concession	20.00%	Subgroup ACCIONA Concesiones	5,830
Nova Darsena Deportiva De Bara, S.A.	E	Madrid	Concession	50.00%	ACCIONA	1,866
Nuevo Hospital De Toledo, S.A.	D	Toledo	Concession	33.33%	Subgroup ACCIONA Concesiones	1,984
Oakleaf Investment Holdings 86 (Proprietary) Limit	A	South Africa	Energy	50.00%	Subgroup ACCIONA Energía Global Sudáfrica	--
Operador Del Mercado Ibérico - Polo Español, S.A.	--	Madrid	Energy	5.00%	Subgroup ACCIONA Energía	1,583
Operadora Can Misses S.L.	--	Ibiza	Concession Operation	40.00%	Subgroup ACCIONA Servicios Hospitalarios	1
Páramo De Los Angostillos, S.L.	C	Palencia	Energy	50.00%	Subgroup ACCIONA Energía	1,920
Parque Eólico A Runa. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	7,068
Parque Eólico Adrano. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	7,429
Parque Eólico Ameixenda Filgueira. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	6,648
Parque Eólico Cinseiro. S.L.	A	Zamora	Energy	50.00%	Subgroup Ceólica	505

Group companies	Auditoría	Location	Main activity	Effect. Share %a	Holder of interest	Carrying amount
Parque Eólico Curras. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	1,885
Parque Eólico De Abara. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	1,663
Parque Eólico De Barbanza. S.L.	D	Corunna	Energy	12.50%	Subgroup Eurovento	450
Parque Eólico De Bobia y San Isidro. S.L.	A	Asturias	Energy	50.00%	Subgroup Ceólica	548
Parque Eólico De Deva. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	3,505
Parque Eólico De Tea. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	6,393
Parque Eólico Vicedo. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	553
Parque Eólico Virxe Do Monte. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	5,147
Parque Reforma Santa Fe, S.A. De C.V.	A	Mexico	Real Estate	70.00%	Subgroup Parque Reforma	10,006
Parques Eólicos De Buio. S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	4,305
Polígono Romica, S.A.	--	Albacete	Real Estate	50.00%	Subgroup ACCIONA Inmobiliaria	937
S.C. Autovía De La Plata S.A.	A	Madrid	Concession	25.00%	Subgroup ACCIONA Infraestructuras	11,531
S.C. Autovia Gerediaga Elorrio S.A.	B	Bilbao	Concession	22.80%	Subgroup ACCIONA Infraestructuras	4,979
S.C. Del Canal De Navarra, S.A.	D	Pamplona	Concession	40.00%	ACCIONA	5,400
S.C. Novo Hospital De Vigo S.A.	D	Pontevedra	Concession	43.33%	ACCIONA	13,075
S.C. Puente Del Ebro, S.A.	A	Aragón	Concession	50.00%	ACCIONA	6,693
Secomsa Gestió, S.L	--	Tarragona	Urban Services	50.00%	Subgroup CESSA	3,033
Servicio De Tratamiento De Aguas Ptar Caracol, S,A	D	Mexico	Water Treatment	48.98%	Subgroup ACCIONA Agua	328
Servicios Comunitarios De Molina De Segura, S.A.	E	Murcia	Water Treatment	48.27%	Subgroup ACCIONA Agua Servicios	10,267
Sistemes Electrics Espluga, S.A.	--	Barcelona	Energy	50.00%	Subgroup ACCIONA Energía	31
Sociedad De Aguas Hispano Mexicana S.A De C.V.	A	Mexico	Water Treatment	50.00%	Subgroup ACCIONA Agua	1
Sociedad Mixta Del Agua- Jaen, S.A.	A	Jaén	Water Treatment	60.00%	Subgroup ACCIONA Agua Servicios	1,368
Sociedad Operadora Novo Hospital De Vigo S.A.	D	Pontevedra	Concession Operation	43.33%	Subgroup ACCIONA Servicios Hospitalarios	26
Solena Group	--	US	Urban Services	25.00%	Subgroup ACCIONA Servicios Urbanos y Medio Ambiente	3,995
Tranvias Urbanos De Zaragoza S.L.	A	Zaragoza	Concession Operation	15.00%	Subgroup ACCIONA Concesiones	9
Tripower Wind. B.V.	--	Holland	Energy	50.00%	Subgroup Ceólica	11,561
Valdivia Energía Eólica, S.A.	A	Seville	Energy	50.00%	Subgroup ACCIONA Energía	3,145
Vento Mareiro. S.L.	--	Corunna	Energy	24.50%	Subgroup Eurovento	1
Ventos e Terras Galegas II. S.L.	--	Galicia	Energy	50.00%	Subgroup Tripower	2
Ventos e Terras Galegas. S.L.	--	Galicia	Energy	50.00%	Subgroup Tripower	90
Vertex Residencial Cuajimalpa, S.A. De C.V.	A	Mexico	Real Estate	10.00%	Subgroup Parque Reforma	1,166

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

APPENDIX IV
CHANGES IN THE SCOPE OF CONSOLIDATION

Changes in the consolidation scope in 2015 were as follows:

Company	Location	Main line of business	Change	2015 consolidation method
ACCIONA & Sogex Facility Services LLC	Oman	Urban Services	Addition	Group
ACCIONA Energia Chile Holdings, Sa	Chile	Energy	Addition	Group
ACCIONA Global Renewables, S.A.	Madrid	Energy	Addition	Group
ACCIONA Infraestructuras Colombia SAS	Colombia	Construction	Addition	Group
ACCIONA Infraestructure Asia Pacific Pty Limited	Australia	Construction	Addition	Group
ACCIONA Real Estate, S.A.U.	Madrid	Real Estate	Addition	Group
ACCIONA Waste Water Treatment Plant Limited	Trinidad & Tobago	Water Treatment	Addition	Associates
ACCIONA Water Supplies Technology Beijing Co. Ltd	China	Water Treatment	Addition	Group
ACCIONA Windpower Deutschland Gmbh	Germany	Energy	Addition	Group
ACCIONA Windpower India Private Limited	India	Energy	Addition	Group
Aerosite Energy Private Limited	India	Energy	Addition	Group
Aleph Solar I SA PI De CV	Mexico	Energy	Addition	Associates
Aleph Solarfield I SA PI De CV	Mexico	Energy	Addition	Associates
Aleph Solarfield II SA PI De CV	Mexico	Energy	Addition	Associates
Aleph Solarfield SA PI De CV	Mexico	Energy	Addition	Associates
Aleph Solarfields México SA PI De CV	Mexico	Energy	Addition	Associates
Altrac Light Rail Holdings 1 Pty Limited	Australia	Concession	Addition	Associates
Ampliación Facultad Dret, S.A.	Barcelona	Construction	Addition	Associates
Avenir El Romero Spa	Chile	Energy	Addition	Group
Corporación ACCIONA Infraestructuras S.L.	Madrid	Instrumental	Addition	Group

Company	Location	Main line of business	Change	2015 consolidation method
Fujin Power Private Limited	India	Energy	Addition	Group
Gsd Flughafen Gmbh	Germany	Logistics Services	Addition	Group
Nexus Infrastructure Holdings Unit Trust	Australia	Concession	Addition	Associates
Nuevo Hospital De Toledo, S.A.	Toledo	Concession	Addition	Associates
San Roman Wind I, LLC	US	Energy	Addition	Group
Sociedad Operadora Novo Hospital De Vigo S.A.	Pontevedra	Concession Operation	Addition	Associates
Autopista Del Mar Atlántica, S.L.	Madrid	Logistics Services	Removal	Group
Biodiesel Bilbao	Vizcaya	Energy	Removal	Group
Deep River Wind Facility (Propietary) Limited	South Africa	Energy	Removal	Group
Eurovento Renovables, S.L.	Corunna	Energy	Removal	Associates
Kimberly Solar Facility (Propietary) Limited	South Africa	Energy	Removal	Group
Natural Climate Systems, S.A.	Pamplona	Energy	Removal	Associates
Terminal De Contenedores Algeciras, S.A.	Algeciras	Logistics Services	Removal	Group
Transcargo Grupajes, S.A.	Madrid	Logistics Services	Removal	Group
Transcargo Magreb, S.A.	Madrid	Logistics Services	Removal	Group
Global De Energías Eólicas Al-Andalus. S.A.	Zamora	Energy	Removal on merger	Group
Toyonova. S.L.	Corunna	Energy	Removal on merger	Associates
Entorno Urbano y Medio Ambiente, S.L.	Murcia	Urban Services	Change in method	Group
Parque Reforma Santa Fe, S.A. De C.V.	Mexico	Real Estate	Change in method	Associates
Torre Lugano S.L.	Valencia	Real Estate	Change in method	Group

The changes in the scope of consolidation in 2014 were as follows:

Company	Location	Main line of business	Change	2014 consolidation method
Acciona Ground Services, S.L	Madrid	Urban Services	Addition	Global
Acciona Airport Services Barcelona, S.L	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Canarias, S.L	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Este, S.L	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Madrid, S.L	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Norte, S.L	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Sur, S.L	Madrid	Logistics Services	Addition	Global
Acciona Concessions Management Inc.	Canada	Concession Operation	Addition	Global
ACCI Holdco	Canada	Concession Operation	Addition	Equity method
Acciona Energy Australia Global, Pty. Ltd	Australia	Energy	Addition	Global
Acciona Energy Canada Global Corp	Canada	Energy	Addition	Global
Acciona Energia Global Italia, S.R.L.	Italy	Energy	Addition	Global
Acciona Energia Mexico Global Llc	Mexico	Energy	Addition	Global
Acciona Energy Global Poland Sp. Z.O.O.	Poland	Energy	Addition	Global
Acciona Portugal Ii – Energía Global, Lda.	Portugal	Energy	Addition	Global
Acciona Energy South Africa Global (Pty) Ltd	South Africa	Energy	Addition	Global
Acciona Energy Usa Global Llc	USA	Energy	Addition	Global
Acciona Financiación Filiales	Madrid	Other Businesses	Addition	Global
Afs Efficient Energy Uk Limited	United Kingdom	Energy	Addition	Global
Consorcio Acciona_Ossa Andina S.A.	Chile	Construction	Addition	Global
Acciona Energia Atlanta I, S.L.	Madrid	Energy	Addition	Global
Acciona Energia Atlanta Ii, S.L.	Madrid	Energy	Addition	Global
Acciona Energia Atlanta Iii, S.L.	Madrid	Energy	Addition	Global
Acciones Urbanas, Servicios Y Medio Ambiente, S.L.	Madrid	Services	Addition	Equity method
Acciona Windpower Rüzgar Enerjisi Sistemleri Anoni	Canada	Energy	Addition	Global
Consorcio Acciona Brotec Icafal S.A.	Chile	Construction	Addition	Proportional method

Company	Location	Main line of business	Change	2014 consolidation method
Centro De Servicios Compartidos De Acciona Sl	Madrid	Logistics Services	Addition	Global
Entorno Urbano Y Medio Ambiente, S.L.	Madrid	Urban Services	Addition	Equity method
East West Connect Holding 3 Pty Limited	Australia	Concession Operation	Addition	Equity method
Desarrolladora De Infraestructura Hispano-Peninsul	Mexico	Construction	Addition	Global
Hsd Flughafen Gmbh	Germany	Logistics Services	Addition	Global
Meltemi South Sp. Z.O.O.	South Africa	Energy	Addition	Global
Tecniomnia Española, S.L.	Madrid	Services	Addition	Global
Vertex Residencial Cuajimalpa, Sa De Cv	Mexico	Property	Addition	Equity method
Acciona Concesiones Canadá 2008 Inc.	Canada	Concession Operation	Removal	Global
Acciona Energie Windparks Deutschland Gmbh	Germany	Energy	Removal	Global
Compania Eolica Puertollano. S.L.	Puertollano	Energy	Removal	Global
Corporacion Eolica De Barruelo. S.L	Madrid	Energy	Removal	Global
Corporacion Eolica De Manzanedo. S.L.	Madrid	Energy	Removal	Global
Deutsche Necso Entrecanales Cubiertas Gmbh	Germany	Construction	Removal	Global
Ehn Deutschland, Gmbh	Germany	Energy	Removal	Global
Eolica Gallega Del Atlantico. S.L.	Corunna	Energy	Removal	Global
Freyssinet, S.A.	Bilbao	Construction	Removal	Equity method
Makrynoros Societe Anonyme Of Production And Tradi	Greece	Energy	Removal	Equity method
Parque Eolico Topacios, S.A.	Madrid	Energy	Removal	Global
Pe Ingenio, S. De R.L. De C.V.	Mexico	Energy	Removal	Global
Soluciones Mecanicas Y Tecnologicas, S.L.	Navarra	Energy	Removal	Global
Tranvia Metropolita Del Besos, S.A.	Barcelona	Concession Operation	Removal	Equity method
Tranvia Metropolita, S.A.	Barcelona	Concession Operation	Removal	Equity method
Trikorfa	Greece	Energy	Removal	Equity method
Volkmarsdorfer	Germany	Energy	Removal	Global
Compañía Urbanizada Del Coto, S.L.	Madrid	Property	Change in method	Global

APPENDIX V
DETAIL OF CONSOLIDATED RESERVES AND TRANSLATION DIFFERENCES
(Amounts in thousands of euros)

	2015		2014	
Company	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Acciona Airport Services Berlin GMBH	(11,622)	--	(11,003)	--
Acciona Airport Services Frankfurt GMBH	507	--	4,173	--
Acciona Financiación Filiales	42	--	--	--
Acciona Servicios Concesionales, S.L.	32	--	(791)	--
Apoderada Corporativa General, S.A.	(420)	--	(404)	--
Autovía de los Viñedos, S.A.	(30,612)	--	(29,113)	--
Cirtover, S.L.	92	--	93	--
Coefisa, S.A.	645	40	681	30
Compañía Internacional de Construcciones, S.A.	4,970	618	4,940	437
Consorcio Traza, S.A.	(6,052)	--	(5,840)	--
Copane Valores, S.L.	477	--	12,608	--
Dren, S.A.	(633)	--	(633)	--
Entidad Efinen, S.A.	(4,347)	--	(4,347)	--
Finanzas Dos, S.A.	(5,797)	--	(1,979)	--
Finanzas y Cartera Uno	(11)	--	(10)	--
Genérica de Construcciones y Mantenimiento Industrial, S.A.	77	--	77	--
Gestion de Recursos Corporativos, S.L.	(6)	--	(5)	--
Gran Hospital Can Misses, S.A.	(7,778)	--	(8,502)	--
Hospital De Leon Bajio, S.A. De C.V.	18,063	(1,823)	14,160	(825)
Inetime, S.A.	(1,067)	--	(988)	--
Infraestructuras Radiales, S.A.	(58,223)	--	(58,186)	--
Nova Dársena Deportiva de Bara, S.A.	(7,588)	--	(7,094)	--
Packtivity, S.A.	(2,408)	--	(2,407)	--
Rendós, S.A.	(18,492)	--	(18,312)	--
Sdad. Concesionaria Hospital del Norte, S.A.	6,227	--	2,998	--
Sefinco, S.L.	90	--	152	--
Sociedad Concesionaria A2 Tramo 2, S.A.	(25,722)	--	(26,086)	--

	2015		2014	
Company	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Sociedad Concesionaria del Canal de Navarra, S.A.	(12,526)	--	(12,642)	--
Sociedad Concesionaria Novo Hospital de Vigo	(1,149)	--	(2,248)	--
Sociedad Concesionaria Puente del Ebro, S.A.	(12,140)	--	(14,138)	--
Sociedad Levantina de Obras y Servicios, S.A.	1,644	--	1,657	--
Terminal de Contenedores Algeciras, S.A.	(100)	--	(9,823)	--
Tibest Cuatro, S.A.	1,435	--	1,289	--
Tranvia Metropolita, S.A.	--	--	1,964	--
Tratamiento de Residuos de la Rad, S.L.	(31,089)	--	(30,968)	--
Subgroup Acciona Agua	91,719	(4,885)	77,401	(2,857)
Subgroup Acciona Airport Services	18,150	--	21,193	--
Subgroup Acciona Concesiones	(19,241)	(887)	(18,341)	253
Subgroup Acciona Infraestructuras	414,394	(83,466)	412,491	(11,817)
Subgroup Acciona Inmobiliaria	(376,606)	(12,871)	(292,542)	(10,961)
Subgroup Acciona Logística	(237,850)	213	(211,620)	635
Subgroup Acciona Servicios Urbanos y M.A.	(36,550)	(956)	(28,335)	(94)
Subgrupo Bestinver	39,451	--	71,527	--
Subgroup Corporación Acciona Energías Renovables	(502,109)	14,282	(699,806)	2,071
Subgroup Corporación Acciona Windpower	(100,278)	6,804	(99,262)	1,642
Subgroup Finanzas y Cartera Dos	(25)	--	(20)	--
Subgroup Hijos de Antonio Barceló	42,213	(1,314)	40,926	(347)
Subgroup MDC Airport Consult GMBH	(5,420)	--	(5,309)	--
Subgroup Mostostal Warszawa	(50,677)	(3,239)	(36,689)	(3,164)
Subgroup Tictres	(17,113)	--	(16,740)	--
Reserves for consolidation adjustments in the Parent	1,488,557	(484)	1,428,279	(267)
Consolidation adjustments	(83,006)	--	(83,628)	--
Total	**462,128**	**(87,968)**	**358,798**	**(25,264)**

APPENDIX VI
DISCLOSURE OF THE MAIN CONCESSIONS

Water Division:

Name	Description	Period	Country	ACCIONA	Status	Consolidation method	Type of asset
EDAR 8B	Construction, operation and maintenance of waste water treatment facilities in "Area 08B" of the Aragonese Sewage Plan	2008 - 2031	Spain	100.0%	Operational	Global consolidation	Intangible asset
EDAR 7B	Construction, operation and maintenance of waste water treatment facilities in "Area 07B" of the Aragonese Sewage Plan	2011 - 2031	Spain	100.0%	Operational	Global consolidation	Intangible asset
IDAM Alicante	Construction, operation and maintenance of seawater desalinization facilities in Alicante	2000 - 2018	Spain	50.0%	Operational	Global consolidation	Financial asset
IDAM Javea	Construction, operation and maintenance of seawater desalinization facilities in Javea	2001 - 2023	Spain	100.0%	Operational	Proportional method	Financial asset
IDAM Cartagena	Construction, operation and maintenance of seawater desalinization facilities in Cartagena	2001 - 2020	Spain	62.5%	Operational	Proportional method	Financial asset
IDAM Ciutadella	Construction, operation and maintenance of seawater desalinization facilities in Ciutadella	2007 - 2026	Spain	100.0%	Operational	Global consolidation	Financial asset
IDAM Fouka	Construction, operation and maintenance of seawater desalinization facilities in Tipaza	2008 - 2036	Algeria	25.5%	Operational	Equity method	Financial asset
IDAM Ibiza –Portmany	Refurbishment, operation and maintenance of seawater desalinization facilities in San Antonio, Portmany and Ibiza	2010 - 2024	Spain	50.0%	Operational	Equity method	Financial asset
PTAR Atotonilco	Construction, operation and maintenance of waste water treatment facilities in Atotonilco	2010 - 2035	Mexico	24.3%	Construction	Equity method	Financial asset
WWTP Mundaring	Construction, operation and maintenance of waste water treatment facilities in Mundaring	2011 - 2048	Australia	25.1%	Operational	Equity method	Financial asset
PTAR La Chira	Construction, operation and maintenance of waste water treatment facilities in La Chira	2011 - 2037	Peru	50.0%	Construction	Equity method	Financial asset
IDAM Arucas Moya	Enlargement, operation and maintenance of seawater desalinization facilities Arucas	2008- 2024	Spain	100.0%	Operational	Global consolidation	Intangible asset
Sanitation network in Andratx	Construction, operation and maintenance of sanitation network in Andrtx	2009 - 2044	Spain	100.0%	Operational	Global consolidation	Intangible asset
PPP Divinopolis	Construction, operation and maintenance of sanitation network in Divinopolis	2015 - 2041	Brazil	15%	Constrcution	Equity method	Tangible/ intangible asset

Infrastructure Division:

	Name	Description	Period	Country	ACCIONA	Status	Consolidation method	Type of asset
Roads	Chinook roads (SEST)	Toll highway included in the Calgary ring road (25 km)	2010 - 2043	Canada	5%	Operational	Equity method	Financial asset
	Autovía de los Viñedos	Construction, operation and maintenance of the CM 42 dual carriageway between Consuegra and Tomelloso (74.5 km). Shadow toll	2003 - 2033	Spain	50%	Operational	Equity method	Intangible asset
	Ruta 160	Refurbishment, conservation and operation of Route 160, connecting Tres Pinos and the Northern access road to Coronel (91 km). Explicit toll	2008 - 2048	Chile	100%	Construction and Operational	Global consolidation	Financial asset
	Infraestructuras y radiales (R-2)	Construction and operation of the R 2 toll motorway between Madrid and Guadalajara (includes conservation of the stretch of the M 50 between the A1 and the A2 motorways). Explicit toll	2001 - 2039	Spain	25%	Operational	Equity method	Intangible asset
	Rodovia do Apo	Recovery, operation and maintenance of the BR 393 trunk road (200.4 km) in the state of Rio de Janeiro (between Volta Redonda and Além). Explicit toll	2008 - 2033	Brazil	100%	Construction and Operational	Global consolidation	Intangible asset
	A2 - Tramo 2	Remodelling, restoration, operation and maintenance of 76.5 km of the R2 road between km 62 and km 139 (province of Soria to Guadalajara). Shadow toll	2007 - 2026	Spain	100%	Operational	Global consolidation	Intangible asset
	Puente del Ebro	Toll motorway between the N II and N 232 roads (5.4 km; 400 m over the Ebro river). Shadow toll	2006 - 2036	Spain	50%	Operational	Equity method	Intangible asset
	Windsor Essex Parkway	Design, construction and operation of an 11 km toll road connecting Windsor (Ontario - Canada) and the US border (Detroit - Michigan)	2010 - 2044	Canada	33%	Construction	Equity method	Financial asset
	Nouvelle Autoroute A-30	Construction and operation of Montreal's Motorway 30 between Châteauguay and Vaudreuil-Dorion (74 km). Explicit toll	2008 - 2043	Canada	5%	Operational	Equity method	Financial asset
	Autovia Gerediaga - Elorrio	Construction, conservation and operation of the N 636 road in the stretch from Gerediaga to Elorrio and the conservation and operation of the stretch already built of the Elorrio Bypass. Availability payment	2012 - 2042	Spain	23%	Construction	Equity method	Financial asset
	Autvía del Almanzora	Construction and operation of a 40.76 km stretch of dual carriageway in the province of Almería between Purchena and the Autovía del Mediterráneo (A-7) dual carriageway. Availability payment	2012 - 2044	Spain	24%	Construction	Equity method	Financial asset
	Autovía de la Plata	Execution, conservation and operation of the Autovía de la Plata (A-66) dual carriageway between Benavente and Zamora. Stretches: A6 (Castrogonzalo) to Santovenia del Esla, Santovenia del Esla to Fontanillas de Castro, Fontanillas de Castro to Zamora. Availability payment	2012 - 2042	Spain	25%	Construction	Equity method	Financial asset

Infrastructure Division:

	Name	Description	Period	Country	ACCIONA	Status	Consolidation method	Type of asset
Roads	Toowoomba Second Range Crossing (Nexus)	Design, construction and operation of 41 km motorway for north bypass of Toowoomba (Queensland), from Helidon Spa to Athol via Charlton. Availability payment. (25 years operation since end of construction)	2015 - 2043	Australia	20%	Construction	Equity method	Financial asset
Railway	Consorcio Traza (Tranvía Zaragoza)	Construction and operation of the tramway crossing the city of Zaragoza from north to south (12.80 km)	2009 - 2044	Spain	17%	Operational	Equity method	Branched
	Sydney Light Rail	Design, construction, operation and maintenance of a 12 km tramline, from Circular Quay via George Street to Central Station and crossing Surry Hills to Moore Park, Kensington, Kingsford and Randwick. It includes operation of the existing line Inner West.	2014 - 2034	Australia	5%	Construcción	Equity method	Financial asset
Canal	Canal de Navarra	Construction and operation of the first phase of the area under irrigation from the Canal de Navarra	2006 - 2036	Spain	35%	Operational	Equity method	Branched
Harbour	Nova Darsena Esportiva de Bara	Construction and operation of the sports marina at Roda de Bara. Revenue from assignment and rental of moorings, storage and commercial areas (191,771 m^2)	2005 - 2035	Spain	50%	Operational	Equity method	N/A

Infrastructure Division:

	Name	Description	Period	Country	ACCIONA	Status	Consolidation method	Type of asset
Hospital	Fort St John	Design, construction, fitting-out and O&M of a new hospital with 55 beds, including an ICU and centre for the elderly (123 beds)	2009 - 2042	Canada	5%	Operational	Equity method	Financial asset
Hospital	Hospital de Leon Bajio	Design, construction, fitting-out and O&M of the hospital (184 beds)	2005 - 2030	Mexico	100%	Operational	Equity method	Financial asset
Hospital	Hospital del Norte (Madrid)	Design, construction, fitting-out and O&M of the hospital. Surface area of 90,000 m^2 divided into 4 blocks (283 beds)	2005 - 2035	Spain	95%	Operational	Global consolidation	Financial asset
Hospital	Gran Hotel Can Misses (Ibiza)	Design, construction, fitting-out and O&M of the hospital. Surface area of 72,000 m^2 and a health centre (241 beds)	2010 - 2045	Spain	40%	Construction and Operational	Equity method	Financial asset
Hospital	Novo Hospital de Vigo	Design, construction, fitting-out and O&M of 3 hospitals. Surface area of 300,000 m2 (175,000 m^2 for the hospital and 125,000 m^2 for parking areas). (2007 beds)	2011 - 2035	Spain	43%	Construction	Equity method	Financial asset
Hospital	Centro Hospitalario Universitario de Toledo	Construction, maintenance and operation of the University Hospital in Toledo, with 760 beds.	2015 - 2045	Spain	33%	Construction	Equity method	Financial asset

ACCIONA, S.A.
and subsidiaries
(consolidated group)
Directors' Report
for financial
year 2015

Executive Summary

Income Statement Data

(Million euro)	Jan-Dec 14	Jan-Dec 15	Chg.(%)
Revenues	6,499	6,544	0.7%
EBITDA	1,087	1,174	8.0%
EBIT	572	627	9.5%
Ordinary EBIT	233	330	41.5%
EBT	277	319	15.0%
Net attributable profit	185	207	12.1%

Balance Sheet Data and Capital Expenditure

(Million euro)	31-Dec-14	31-Dec-15	Chg.(%)
Equity	3,613	3,754	3.9%
Net debt	5,294	5,159	(2.5%)
Ordinary capital expenditure	340	223	(34.5%)

Operating Data

(Million euro)	31-Dec-14	31-Dec-15	Chg.(%)
Construction backlog (Million euro)	5,693	6,722	18.1%
Water backlog (Million euro)	9,358	9,630	2.9%
Total wind installed capacity (MW)	7,087	7,212	1.8%
Total installed capacity (MW)	8,502	8,619	1.4%
Total production (GWh) (Jan-Dec)	21,450	20,875	(2.7%)
Average workforce	33,559	32,147	(4.2%)

CONSOLIDATED INCOME STATEMENT

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Revenues	**6,499**	**6,544**	**45**	**0.7%**
Other revenues	363	247	-117	(32.0%)
Changes in inventories of finished goods and work in progress	-7	-3	5	(62.8%)
Total Production Value	**6,855**	**6,788**	**-67**	**(1.0%)**
Procurement	-1,854	-1,830	23	(1.3%)
Personnel expenses	-1,275	-1,254	21	(1.7%)
Other expenses	-2,639	-2,530	109	(4.1%)
EBITDA	**1,087**	**1,174**	**86**	**8.0%**
Depreciation and amortization	-494	-510	-16	3.2%
Provisions	-53	-53	0	0.1%
Impairment of assets value	-18	-20	-3	16.7%
Results on non-current assets	50	9	-42	(82.6%)
Other gains or losses	0	27	28	n/a
EBIT	**572**	**627**	**54**	**9.5%**
Net financial result	-367	-389	-23	6.1%
Exchange differences (net)	5	23	18	335.7%
Var. provisions financial investments	-1	-2	0	n/a
Share in results of associates accounted for by the equity method	46	60	14	29.9%
Variation in fair value of financial instruments	22	0	-21	(97.8%)
EBT	**277**	**319**	**41**	**15.0%**
Tax on profit	-70	-83	-13	18.5%
Profit/(loss) from Continuing Activities	**207**	**236**	**28**	**13.8%**
Non-controlling interests	-22	-28	-6	27.8%
Attributable Net Profit	**185**	**207**	**22**	**12.1%**

REVENUES

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Energy	2,200	2,719	519	23.6%
Infrastructure	3,727	3,337	(391)	(10.5%)
Construction	2,627	2,170	(456)	(17.4%)
Water	409	451	41	10.0%
Services	691	716	24	3.5%
Other activities	692	613	(79)	(11.4%)
Consolidation Adjustment	(120)	(125)	(4)	3.5%
TOTAL Revenues	**6,499**	**6,543**	**45**	**0.7%**

Consolidated revenues increased by 0.7% to €6,544 million, mainly due to the combined effect of the following factors:

- Growth in the Energy revenues (+23.6%) mainly as a result of:
  - The strong contribution from AWP which increased its business turnover by 34.7% with reference to FY 2014.
  - The good performance of the generation activity mainly due to new capacity additions in international markets carried out during the last twelve months.
- Decrease in the Construction revenues (-17.4%) due to less domestic and international activity.
- Increase in the Water (+10.0%) and Services (+3.5%) revenues.
- Decrease in the Other Activities revenues (-11.4%) due to the revenue decline of Bestinver and Real Estate.

EBITDA

(Millions of euros)	Jan-Dec 14	% EBITDA	Jan-Dec 15	% EBITDA	Chg. (€m)	Chg. (%)
Energy	788	72.5%	897	76.2%	109	13.8%
Infrastructure	174	15.9%	168	14.2%	(6)	(3.5%)
Construction	118	10.9%	102	8.7%	(16)	(13.8%)
Water	35	3.2%	35	2.9%	0	0.2%
Services	21	1.9%	31	2.6%	10	49.9%
Other activities	126	11.5%	113	9.6%	(13)	(10.2%)
Consolidation adjustments	(0)	n/a	(3)	n/a	(3)	n/a
TOTAL EBITDA	**1,087**	**100.0%**	**1,174**	**100.0%**	**87**	**8.0%**
Margin (%)	**16.7%**		**17.9%**			**+1.2pp**

Note: EBITDA contributions calculated before consolidation adjustments.

EBITDA increased by 8.0% to €1,174 million mainly due to the strong growth of the Energy business (+13.8%) driven by both the strong contribution from AWP and the growth registered by the generation business in international markets.

EBITDA margin stood at 17.9%, 1.2 percentage points higher than in FY 2014.

With respect to the relative EBITDA contribution of the divisions: Energy contributed the most (76%), followed by Construction (14%). The rest of the businesses contributed 10% of EBITDA.

EBIT

EBIT reached €627 million, a 9.6% higher than in FY 2014.

EBIT

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Energy	86	198	112	129.5%
Infrastructure	90	90	1	(0.1%)
Construction	55	33	(22)	(39.5%)
Water	28	41	13	47.3%
Services	7	16	8	117.0%
Other activities	55	43	(12)	(21.5%)
Consolidation adjustments	2	(1)	(3)	(134.6%)
Ordinary EBT	**233**	**330**	**97**	**41.6%**
Extraordinaries	44	(11)	(55)	n/a
TOTAL EBT	**277**	**319**	**42**	**15.1%**
Margin (%)	**4.3%**	**4.9%**		**+0.6pp**

Ordinary EBT increased by 41.5% to €330 million vs. €233 million in FY 2014 mainly due to the EBT increase of Energy business which improved by €112 million.

Total EBT grew by 15.0%. This lower growth rate was due to the fact that extraordinary results registered in 2015 were €55 million lower than those of 2014..

ATTRIBUTABLE NET PROFIT

Attributable net profit amounted to €207 million, a 12.1% higher than FY 2014.

Consolidated Balance Sheet

(Millions of euros)	31-Dec-14	31-Dec-15	Chg. (€m)	Chg. (%)
Property, Plant & Equipment and Intangible assets	8,733	8,855	122	1.4%
Financial assets	546	569	23	4.3%
Goodwill	79	79	0	0.0%
Other non-current assets	1,413	1,382	-32	(2.3%)
NON-CURRENT ASSETS	**10,771**	**10,885**	**113**	**1.1%**
Inventories	1,043	740	-303	(29.0%)
Accounts receivable	1,940	1,612	-328	(16.9%)
Other current assets	281	236	-45	(16.0%)
Current financial assets	369	413	43	11.8%
Cash and Cash equivalents	1,327	1,460	133	10.1%
Assets held for sale	412	431	19	4.6%
CURRENT ASSETS	**5,372**	**4,892**	**-481**	**(8.9%)**
TOTAL ASSETS	**16,143**	**15,777**	**-365**	**(2.3%)**
Capital	57	57	0	0.0%
Reserves	3,167	3,249	82	2.6%
Profit attributable to equity holders of the parent	185	207	22	12.1%
Own Securities	-29	-20	9	(30.0%)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	3,380	3,493	113	3.4%
MINORITY INTERESTS	233	261	27	11.7%
EQUITY	**3,613**	**3,754**	**141**	**3.9%**
Interest-bearing borrowings	5,918	5,895	-23	(0.4%)
Other non-current liabilities	2,001	2,008	8	0.4%
NON-CURRENT LIABILITIES	**7,919**	**7,903**	**-15**	**(0.2%)**
Interest-bearing borrowings	1,072	1,137	65	6.1%
Trade payables	2,558	2,025	-534	(20.9%)
Other current liabilities	660	538	-122	(18.4%)
Liabilities associated to assets held for sale	321	420	99	30.7%
CURRENT LIABILITIES	**4,611**	**4,120**	**-492**	**(10.7%)**
TOTAL LIABILITIES AND EQUITY	**16,143**	**15,777**	**-365**	**(2.3%)**

Attributable Equity

ACCIONA's attributable equity at 31 December 2015 amounted to €3,493 million, a 3.4% higher than in December 2014.

Net Financial Debt

	31-Dec-14		31-Dec-15			
(Millions of euros)	(€m)	% Total	(€m)	% Total	Chg. (€m)	Chg. (%)
Interest-bearing borrowings without recourse	4,954	70.9%	4,629	66%	(324)	(6.5%)
Interest-bearing borrowings with recourse	2,036	29.1%	2,403	34%	367	18.0%
Total interest-bearing debt	**6,990**	**100.0%**	**7,032**	**100%**	**42**	**0.6%**
Cash + Cash equivalents	**(1,696)**		**(1,873)**		**(177)**	**10.4%**
Net financial debt	**5,294**		**5,159**		**(134)**	**(2.5%)**

** Including debentures, bonds and negotiable securities.*

Net financial debt amounted to €5,159 million 2.5% lower than at 31 December 2014 and the debt ratio DFN/EBITDA fell from 4.87x as of December 2014 to 4.39x in December 2015. Such decrease was mainly due to the cash generation during the year.

Additionally, it is worth highlighting the good performance of working capital (-€36 million) during the year, despite the -€109 million one-off adjustment derived from RD-L9/2013 (in force since 14 July 2013) which implies the reimbursement of premiums received during the period prior to the publication of the final remuneration parameters applicable to renewable installations (published on 10 June 2014).

Excluding this effect, financial debt would have decreased by €254 million vs. December 2014:

Financial gearing has evolved as follows:

(Millions of euros)	31-Dec-14	31-Dec-15
Net debt	5,294	5,159
Gearing (Net Debt/ Equity) (%)	147%	137%

Capital Expenditure

(Millions of euros)	Jan-Dec 14	Jan-Dec 15
Energy	282	130
Infrastructure	70	80
Construction	39	49
Water	9	19
Services	22	12
Other activities	(12)	13
Ordinary Net Investments	**340**	**223**
Extraordinary divestment	(629)	(51)
Total Net Investments	**(289)**	**172**

Net ordinary capital expenditure across ACCIONA's divisions amounted to €233 million, 34.5% less than in FY 2014. Energy represents the biggest share of the investment effort with €130 million.

ASSETS AND LIABILITIES ASSOCIATED TO ASSETS HELD FOR SALE

At 31 December 2015 the only assets and liabilities held for sale correspond to ACCIONA Windpower which, as stated in Relevant Information filed on 4 October, will be transferred to Nordex once conditions precedent are met.

Results by Division

ENERGY

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Generation	1,240	1,329	89	7.2%
Industrial, development and other	960	1,390	430	44.8%
Revenues	**2,200**	**2,719**	**519**	**23.6%**
Generation	824	848	25	2.8%
Industrial, development and other	(36)	49	85	n/a
EBITDA	**788**	**897**	**109**	**13.8%**
Margin (%)	35.8%	33%		
BAI	**86**	**198**	**112**	**129.5%**
Margin (%)	3.9%	7.3%		

ACCIONA Energy revenues increased by 23.6% to €2,719 million. EBITDA increased by 13.8% to €897 million. EBT amounted to €198 million vs. €86 million last year.

The results are mainly driven by the following factors:

- The increase shown in AWP that reached €84 million EBITDA vs. €39 million in FY 2014.

- Good performance of the generation EBITDA, which grew by 2.8% to €848 million, mainly boosted by a higher international generation EBITDA, which offset the decrease in the domestic generation EBITDA. The increase in international generation EBITDA was due to:

  - A production increase based on the new capacity added in the last twelve months.

  - The positive effect derived from the foreign exchange rates variations mainly related to the appreciation of the USD.

- The net increase of the consolidated installed capacity by 119MW in the last twelve months due to the combined effect of:

  - The installation of 128MW of new wind capacity (30MW in Poland and 93MW in South Africa and 5MW in Spain).

  - The reduction of 9MW cogeneration in Q1 2015.

At an operational level, consolidated production amounted to 17,202GWh, 2.1% lower than in FY 2014. This decrease was due to the fact that contribution at new international capacity installed in 2015 was not able to fully compensate the lower hydro factor and, to a lesser extent, the low wind resource in Spain during the months of November and December.

It is worth highlighting the significant improvement of the AWP and others EBITDA (+€85 million relative to the same period last year), boosted by the good performance of the turbine business which installed 931MW vs. 762MW in FY 2014.

EBITDA FROM INDUSTRIAL ACTIVITY AND DEVELOPMENT

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Var. (€m)
Windpower	39	84	46
Development and construction	(28)	9	36
Total EBITDA Industrial & development	9	93	84

BREAKDOWN OF INSTALLED CAPACITY AND PRODUCTION BY TECHNOLOGY

31-Dec-15	Total		Consolidated		Net	
	Installed MW	Produced GWh	Installed MW	Produced GWh	Installed MW	Produced GWh
Wind Spain	4,747	10,153	3,470	7,219	4,079	8,614
Wind International	2,465	7,268	2,225	6,622	1,462	4,418
USA	628	1,923	553	1,686	374	1,138
Mexico	557	2,255	557	2,255	361	1,465
Australia	303	959	239	792	180	584
Canada	181	477	103	283	69	189
Italy	156	218	156	218	104	146
Portugal	138	116	138	116	47	39
India	120	286	120	286	75	176
Poland	101	185	101	185	67	123
Costa Rica	86	209	86	209	57	139
Greece	50	303	50	303	32	197
Chile	48	104	48	104	35	75
South Africa	45	111	45	111	30	74
Croatia	30	74	30	74	20	49
Hungary	24	48	0	0	12	24
Total Wind	**7,212**	**17,421**	**5,695**	**13,841**	**5,541**	**13,032**
Hydro special regime	888	2,197	888	2,197	888	2,197
Biomass	61	408	61	408	59	391
Solar PV	143	307	97	214	55	116
Solar Thermoelectric	314	542	314	542	262	455
Total other technologies	**1,407**	**3,454**	**1,361**	**3,361**	**1,265**	**3,160**
Total Energy	**8,619**	**20,875**	**7,055**	**17,202**	**6,806**	**16,192**
Total Spain	**5,950**	**13,195**	**4,673**	**10,262**	**5,248**	**11,589**
Total International	**2,669**	**7,680**	**2,383**	**6,941**	**1,557**	**4,603**

Annex 2 shows greater detail on MWs and productions.

INFRASTRUCTURE

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Construction	2,627	2,170	(456)	(17.4%)
Water	409	451	41	10.0%
Services	691	716	24	3.5%
Revenues	**3,727**	**3,337**	**(391)**	**(10.5%)**
Construction	117	102	(16)	(13.8%)
Water	35	35	0	0.2%
Services	21	31	10	49.9%
EBITDA	**173**	**168**	**(6)**	**(3.5%)**
Margin (%)	4.6%	5.0%		
EBT	**90**	**90**	**0**	**(0.1%)**
Margin (%)	2.4%	2.7%		

ACCIONA Infrastructure division includes the operations of Construction, Water and Services under a single division. This structure brings the following benefits:

- Common and integrated international structure to support Construction, Water and Service business development.
- A single and more comprehensive global offer to clients.
- Additional business opportunities from synergies among business units.
- More efficient international organizational structure to support the business.
- Focus on accountability and risk control through specialization, technical excellence and consistent execution.

A. CONSTRUCTION

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Construction & Engineering	2,517	2,064	(452)	(18.0%)
Concessions	110	106	(4)	(3.5%)
Revenues	**2,627**	**2,170**	**(456)**	**(17.4%)**
Construction & Engineering	77	52	(25)	(32.7%)
Concessions	40	49	9	22.3%
EBITDA	**117**	**101**	**-16**	**(13.8%)**
Margin (%)	4.5%	4.7%		
EBT	**55**	**33**	**(22)**	**(39.5%)**
Margin (%)	2.1%	1.5%		

Revenues amounted to €2,170 million, 17.4% lower than in FY 2014 mainly due to a drop in the levels of the construction and engineering activities in Spain and in the international markets.

EBITDA decreased by 13.8% to €102 million with a margin of 4.7% (vs. 4.5% in FY 2014).

The concession business EBITDA grew by 22.3%.

Construction Backlog
At 31 December 2015 the construction backlog amounted to €6,722 million, an 18.1% higher than in December 2014. The international backlog reached an overall weight of 73% out of the total backlog vs. 64% a year ago.

Aggregated new works awarded during 2015 amounted to €3.565 million, which in net terms at 31 December amounted to €3,094 million (83% international). It is worth mentioning the awards of:

- Construction of one of the biggest dams in Canada located in British Columbia.
- The design and construction of a 117Km electricity transmission network in Mexico.
- The second phase of Line 1 of the Quito Metro. The contract includes the construction of a 22Km long tunnel and thirteen new stations.
- The design, construction and operation of the 41Km ring motorway in the city of Toowoomba, (Australia).
- A twin railway tunnel in Norway which will join the cities of Oslo and Ski.
- The construction of the Kathu Solar complex (100MW of Solar Thermoelectric) in South Africa.

(Millions of euros)	31-Dec-14	31-Dec-15	Chg. (%)	Weight (%)
Civil Works Spain	1.521	1.327	(13%)	20%
Civil Works International	3.153	4.245	35%	63%
Total Civil Works	**4.674**	**5.571**	**19%**	**83%**
Non Residential Spain	312	240	(23%)	4%
Non Residential International	265	174	(34%)	3%
Total Non-Residential	**577**	**415**	**(28%)**	**6%**
Residential Spain	26	12	(54%)	0%
Residential International	34	49	46%	1%
Total Residential	**60**	**62**	**2%**	**1%**
ANA Development Spain	0	0	0%	0%
ANA Development International	19	5	(72%)	0%
Total ANA Development	**19**	**6**	**(70%)**	**0%**
Other*	**363**	**669**	**84%**	**10%**
TOTAL	**5.693**	**6.722**	**18%**	**100%**
Total Spain	**2.062**	**1.783**	**(14%)**	**27%**
Total International	**3.631**	**4.939**	**36%**	**73%**

** "Other" includes: Auxiliary construction, Engineering and Other.*

Concessions
At 31 December ACCIONA held a portfolio of 23 concessions with a book value of €1,332 million (€444 million "equity" and €888[2] million net debt).

Annex 3 contains the details on the concessions portfolio at 31December 2015.

2. It includes the share percentage of debt of concessions accounted for using the equity method (€570 million)

B. WATER

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Revenues	**409**	**451**	**41**	**10.0%**
EBITDA	**35**	**35**	**0**	**0.2%**
Margin (%)	8.40%	7.7%		
EBT	**28**	**41**	**13**	**47.3%**
Margin (%)	6.8%	9.1%		

The Water division increased its turnover by 10.0% mainly due to the improvement of the design and construction activities and the operation and maintenance at an international level.

The Water division registered EBITDA of €35 million in line with FY2014 results and EBT increased by 47.3% reaching €41 million.

Water Backlog
Aggregated new works awarded during 2015 amounted to €814 million, which in net terms at 31 December amounted to €723 million[1] (94% international). It is worth mentioning the awards of:

- The design, construction and later operation and maintenance of a purification plant in Bucaramanga (Colombia).
- The design, construction and later operation and maintenance of two desalination plants in Qatar.

Annex 4 shows detail of water concessions under the SIC 29 at 31 December 2015.

(Millions of euros)	31-Dec-14	31-Dec-15	Chg. (%)
D&C	336	573	71%
O&M	9,022	9,057	0%
TOTAL	**9,358**	**9,630**	**3%**
(Millions of euros)	**31-dic-14**	**31-dic-15**	**Peso(%)**
Spain	8,377	8,241	86%
International	981	1,389	14%
TOTAL	**9,358**	**9,630**	**100%**

Annex 4 details the water concessions portfolio subject to IFRIC 12 at 31 December 2015.

C. SERVICES

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Revenues	**691**	**716**	**24**	**3.5%**
EBITDA	**21**	**31**	**10**	**49.9%**
Margin (%)	3.0%	4.3%		
EBT	**7**	**16**	**8**	**117.0%**
Margin (%)	1.0%	2.2%		

ACCIONA Service encompasses a series of services: airport handling services, facility services, logistic services, waste management and others.

The division reported an increase in revenues of 3.5% reaching €716 million. EBITDA amounted to €31 million, 49.9% higher than in FY 2014 as a result of a considerable improvement in in the facility services activity margin.

It is to be stressed that subsequent to year-end, ACCIONA Airport Services was granted a 7 year handling licence at Düsseldorf Airport as from 1April 2016.

OTHER ACTIVITIES

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Trasmediterranea	417	424	7	1.7%
Real estate	94	51	(42)	(45.2%)
Bestinver	135	91	(45)	(33.0%)
Winery	40	40	0	1.2%
Corp. & other	6	7	0	6.4%
Revenues	**692**	**613**	**(79)**	**(11.4%)**
Trasmediterranea	30	41	11	37.6%
Real estate	3	6	4	144.9%
Bestinver	96	67	(29)	(30.2%)
Winery	5	5	0	4.2%
Corp. & other	(8)	-6	1	(13.0%)
EBITDA	**126**	**113**	**(13)**	**(10.2%)**
Margin (%)	18.1%	18.4%		
EBT	**55**	**43**	**(12)**	**(21.5%)**
Margin (%)	7.9%	7.0%		

In FY 2015 this division - which includes Trasmediterranea, Real Estate, Bestinver, Wineries and others - reported revenues of €613 million, 11.4% lower than in FY 2014.

The EBITDA decreased to €113 million, 10.2% less than in FY 2014 levels due to the decrease in Bestinver.

Trasmediterranea:
Trasmediterranea improved its EBITDA in €11 million due to higher revenues, the improvement of its operations' efficiency and lower costs for fuel and staff

During this period, the number of passengers, vehicles and lane metres increased by 3.7%, 0.4% and 3.4% respectively

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (%)
Passengers served	2,363,924	2,451,323	3.7%
Cargo handled (lane metres)	5,466,305	5,651,087	3.4%
Vehicles	542,597	544,999	0.4%

Real Estate:
The decrease in revenues is mainly due to the change of the consolidation method of a subsidiary which is now accounted using the equity method.

EBITDA increased by €4 million to €6 million. Such improvement derives from the change of strategy towards rental activity which generates lesser revenues with a higher margin than the development of homes for sale.

	31-Dec-14	31-Dec-15	Chg. (%)
Housing stock	535	316	(53.9%)

Out of the 316 units, 104 are international units.

Bestinver:
Bestinver's assets under management stood at €5,106 million at 31 December 2015. It reported an EBITDA of €67 million.

MATERIAL INFORMATION, DIVIDEND AND SHARE DATA

SIGNIFICANT COMMUNICATIONS TO THE STOCK MARKET

26 February 2015: Annual Report on Directors' Remuneration for the Year 2014

- On 26 February 2015 the company notified the Spanish National Securities Commission of (CNMV) the annual report on directors' remuneration for the year 2014 containing the Shares Delivery Plan and Performance Shares.

25 March 2015: ACCIONA signs a syndicated loan with banks worth €1,800 million

- ACCIONA Financiación Filiales, S.A., signed with a syndicate of banks, integrated by 19 financial institutions (10 Spanish 9 Foreign), a financing agreement totaling €1,800 million.

- The financing was divided in two tranches (Tranche A for a maximum of €360 million and Tranche B for a maximum of €1,440 million) maturing 25 March 2020. The two tranches will be used to refinance part of the group's debt, general corporate and investment expenses as well as the group's liquidity needs.

- The finance contract signed was guaranteed by ACCIONA S.A.

20 April 2015: Substitution plan of variable remuneration for ACCIONA shares

- ACCIONA informs on the approval of a substitution plan to replace variable remuneration for ACCIONA shares, aimed to ACCIONA's management and its group.

7 May 2015: Official announcement and submission of proposal of the Annual General Meeting

- On 7 May 2015, the company informed to the CNMV, of the Annual General Meeting announcement for 10 June 2015 for its first call, or 11 June 2015 for its second one and submitted the proposal of agreements.

11 June 2015: Annual General Meeting – Approval of Agreements

On 11 June 2015, the Annual General Meeting approved, among others, the following agreements:

- To approve a €2 dividend per share (or greater amount fixed by the board and its members with delegated powers in case of treasury shares existence) to be paid as per 2 July 2015.

- To appoint Ms. Ana Sainz de Vicuña Bemberg as independent non-executive Director.

- To consider assessed and reported the Shares Delivery Plan and Performance Shares 2014-2019 and substitution plan according to the report of the Board of Directors, as well as increase the maximum number of available shares for the Shares Delivery Plan and Performance Shares 2014-2019 in 100,000 shares, without prejudice to subsequent increases, if proposed by the Board and approved by the General Meeting.

- To amend the articles of association and regulations of the General Shareholders Meeting and the Board to adapt them to the amendments of the Corporate Enterprises Act relating to corporate governance.

- To approve, for information purposes, the Directors Remuneration Report for the year 2014.

- To approve the 2014 Sustainability Report.

23 June 2015: ACCIONA informs on the Resolution of Catalonia Superior Court of Justice (TSJC) relative to the ATLL Contract

- The TSJC has partially ratified the administrative appeal proceedings filed by the concessionaire ATLL concessionaire of the Generalitat de Catalunya and ACCIONA Agua, annulling the ruling of the Catalan Contractual Administrative

Agency on 2 January, 2013 regarding the exclusion of the bid made by the consortium led by ACCIONA.

- In addition, the Court considers the existence of flaws in the tender procedure not attributable to tenderers, which will lead to its nullity.
- The resolution can be appealed before the Supreme Court.

- **24 June 2015: ACCIONA informs on the sale of 1.34% of ACCIONA S.A.**
  - On behalf of ACCIONA, S.A., Fidentiis conducted a placement, between national and international qualified investors of a package of 768,184 treasury shares, representing 1.34% of its capital at a price of €69.19 per share.
- **3 July 2015: The Company announces the signing of a liquidity contract**
  - ACCIONA signed on 2 July 2015 a liquidity agreement with Bestinver Sociedad de Valores, S.A., to manage its treasury shares. The stock trades performed by Bestinver on ACCIONA's shares under this contract will be in the Spanish stock exchange and the intended purpose will be:

    i. Increase the liquidity of transactions.

    ii. The regularity in the stock market price.
  - The liquidity contract will have duration of twelve months, extendable tacitly for an equal period. The number of shares intended for the account associated to the contract is 48,000 and the amount allocated to the cash account is €3,300,000.
- **28 July 2015: ACCIONA informs that it has commissioned Morgan Stanley the analysis of strategic alternatives of the real estate business**
  - ACCIONA commissioned Morgan Stanley the analysis of strategic alternatives for part of the real estate business. Currently the company is still considering alternatives which could conclude on the possible IPO or private placement of a minority stake.
- **4 October 2015: ACCIONA informs about the agreement reached for the transfer of ACCIONA Windpower to Nordex and for ACCIONA´s acquisition of 29.9% of Nordex's shares**
  - ACCIONA entered into an agreement with Nordex by virtue of which Nordex shall acquire the totality of the corporate capital of ACCIONA Windpower. ACCIONA shall in turn receive as compensation:

    (i) 16,100,000 new issued shares of Nordex representing 16.6% of its corporate capital for a per share value of €26 totalling €418.6 million

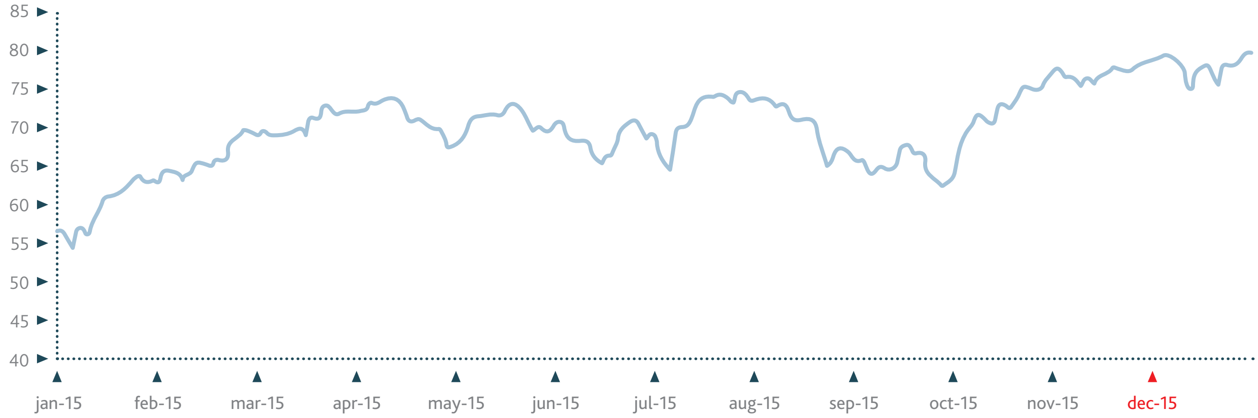
    (ii) a cash payment of €366.4 million, resulting in an Enterprise Value of €785 million.
  - Additionally, ACCIONA S.A. has entered into an agreement with Momentum-Capital Vermögensverwaltungsgesellschaft mbH and Ventus Venture Fund Gmbh & Co. Beteiligungs KG for the acquisition of 12,897,752 existing Nordex´s shares representing 13.3% of its corporate capital for a total price of €335.34 million which represent €26 per share. Once both transactions have been completed ACCIONA shall hold a 29.9% shareholding in Nordex´s corporate capital and become the strategic anchor shareholder of the new company.
  - The transaction is subject to certain conditions precedent. The first estimation of the future capital gains would amount to €675m. It is expected that the transaction will be closed in the first four months of 2016.

DIVIDEND

On 11 June 2015 ACCIONA's AGM approved the payment of a dividend of €2 per share against 2014 results.

SHARE DATA AND SHARE PRICE PERFORMANCE

→ ACCIONA Share Price Evolution
(€/share)



KEY SHARE DATA

	31-Dec-15
Price at 31 December 2015 (€/share)	63.30
Price at 1 January 2015 (€/share)	56.20
Low in FY 2015 (02/01/2015)	54.24
High in FY 2015 (03/07/2015)	80.19
Average daily trading (shares)	246,695
Average daily trading (€)	17,294,957
Number of shares	57,259,550
Market capitalisation at 31 December 2015 (€ millions)	4,528

SHARE CAPITAL INFORMATION

At 31 December 2015 the share capital of ACCIONA amounted to €57,259,550 divided into 57,259,550 shares of €1 of nominal value each.

At 31 December 2015, ACCIONA, S.A. and its subsidiary Finanzas Dos, S.A. held 320,460 treasury shares, equivalent to 0.5595% of the share capital at that date. The acquisition cost of said shares came to 20,238 thousand euros.

Movement in treasury shares in FY 2015 was as follows:

	2015	
	Number of shares	Cost
Opening balance	**534,499**	**28,895**
Additions	3,428,656	247,091
Retired	(3,391,297)	(244,121)
Liquidity contract	**37,359**	**2,970**
Additions	615,935	42,747
Retired	(867,333)	(54,374)
Other movements	**(251,398)**	**(11,627)**
End balance	**320,460**	**20,238**

SUBSEQUENT EVENTS

A Last 21 January 2016, upon fulfilment of the conditions precedent, shares representing an additional 37.05% of ATLL Concessionaria de la Generalitat de Catalunya, S.A., owned by the shareholder Aigües de Catalunya, S.A., were sold to the shareholder Gestio Catalana D´Aigues, S.A., a subsidiary of the ACCIONA Group. According to the provisions of the sale operation described above, both parties agreed to assign to Gestio Catalana D´Aigues, S.A. 95% of the rights and obligations included in the loan that the selling shareholder, namely, Aigües de Catalunya, S.A, as lender, held vis-à-vis ATLL Concessionaria de la Generalitat de Catalunya, S.A., as loanee, and that had been subscribed on 21 December 2012. The price to buy the shares amounted to 19 million euros and the amount of the loan assigned to Gestio Catalana D´Aigues, S.A. amounts to 55 million euros.

At 31 December 2015, the stakeholding of the ACCIONA Group in ATLL Concessionaria de la Generalitat de Catalunya, S.A. amounted to 39%, with the stakeholding being consolidated under the equity method. The stakeholding of the ACCIONA Group after the purchase and sale operation referred to in the paragraph above stands at 76.05% of the share capital.

Main Risks associated with the ACCIONA Group's business activities

The risk scenarios considered in the ACCIONA Risk Management System have been classified into four groups: financial, strategic, operational and unforeseeable, with the first two groups identified by the Group's executives as those presenting a higher risk profile.

1. ECONOMIC AND FINANCIAL RISKS:

These risks are mainly fluctuations in exchange rates, interest rates and financial markets, changes in the prices of raw materials, liquidity, cash flow, late payment or loss of clients.

In order to mitigate the exchange rate risk, ACCIONA engages currency derivatives and exchange-rate hedging instruments to cover significant future transactions and cash flows in line with the tolerated risk thresholds.

Interest rate risk is particularly material with regard to the funding of infrastructure projects, in concession contracts, in the construction of wind farms or solar plants and other projects maturing in the longer term where the variation in interest rates has a strong impact on their profitability. It is mitigated by hedging transactions involving the contracting of derivatives.

The risk of fluctuations in prices of raw materials, when stockpiling for construction work and particularly fuel for transportation, is fundamentally mitigated in the short term by specific hedging transactions generally involving the contracting of derivatives.

As regards credit and liquidity risks, the Group negotiates operations solely and exclusively with solvent third parties and requires sufficient assurances to mitigate the risk of financial losses in the event of any non-compliance. It also constantly monitors the forecasts and the current levels of cash flows to match these against the maturity profiles for financial assets and liabilities.

2. STRATEGIC RISKS:

ACCIONA minimises these risks through its own strategy and business model by applying adequate sectoral and geographic diversification of its businesses; the performance of exhaustive market research, surveys of competitors and the countries in which its activities are carried out; as well as through the encouragement of Research and Development

3. OPERATIONAL RISKS:

In each business area, specific systems are established to cover all the business requirements, to systematise and document processes, and to manage quality, operations, planning and financial control.

In order to mitigate the risks in the procurement process, controls have been established to favour free competition and transparency in the processes and to avoid violating ACCIONA's commitment to ethical behaviour in these processes.

Each year, ACCIONA draws up a map of the risks with its critical suppliers, analysing the main risks in its supply chain from the perspectives of economics, the environment, the prevention of occupational hazards, the activity and the country of origin.

Risks derived from irregular behaviour. ACCIONA has put in place a Code of Conduct establishing the basic principles and commitments that must be respected and complied with by executives and employees of the divisions as well as by suppliers and third parties working with the Company in the exercise of their activities. A whistleblowing channel has been communicated at all levels of the Organization, and enables the reporting, in total confidence, of any irregular conduct related to accounting, control or auditing issues as well as any violation or breach of the ethical behaviour outlined in the Code.

In September 2011, the Board of Directors resolved to subscribe ACCIONA, S.A. to the Code of Good Tax Practices in order to combine and complement the control, prevention and regulatory compliance systems already in place to reduce the material tax risks and to prevent behaviour capable of generating these issues.

4. UNFORESEEABLE RISKS:

Environmental risks. – ACCIONA has its own Corporate System in place for the Management of Environmental Crises. This system includes the measures to be followed and the responsibilities and resources necessary for the proper handling of a crisis situation due to any incident arising at the facilities owned or operated by the Company and entailing an impact on the environment.

ACCIONA consolidated its initiatives regarding environment risk management, focusing its efforts on identifying and implementing measures to mitigate the most relevant risks. In 2015 ACCIONA prepared a document to deal specifically with those risks for all the group divisions.

Occupational hazards. – The management of Employee Health and Risk Prevention is one of the priorities of all the Divisions and lines of business: a large part of our activities are included among those considered by legislation to be high risk (especially the Infrastructure and Energy divisions). Prevention activities are carried out through Management Systems under international premises certified under OHSAS 18001 standard.

Sustainability

ACCIONA deploys its sustainability strategy through the 2015 Sustainability Master Plan (PDS). PDS 2010-2015 encompasses initiatives and goals in the areas of Innovation, Context, Society, People, Value Circle and Good Governance, as well as commitments about Stakeholders, Dissemination and Leadership, and Accountability.

Some of the challenges set by ACCIONA for 2015 were, among others:

- To achieve a total of 500 million euros in R&D+I for the 2010-2015 period.
- To improve the ratio of CO_2 emissions avoided by 15% in respect of the CO_2 emissions generated (base 2009).
- To reduce the work-accident frequency rate by 20% in respect of 2011.
- To implement the social impact management method for all the classified projects in the strategic divisions.
- To improve the sustainability performance of the supply chain and to encourage and promote responsible procurement through bidding processes that incorporate sustainability criteria.
- To implement gradually good governance enhancement measures.
- To consolidate ACCIONA's position as a benchmark in sustainability.
- To consider the expectations of the Company's main stakeholders in the management of its sustainability practices.
- To report transparently and rigorously to its main stakeholders, in accordance with the highest international standards, on the Company's performance in terms of its sustainability practices.

Since 2009, sustainability-related actions and undertakings are promoted by the Board of Directors' Sustainability Committee, the organ in charge of supervising and approving the goals of the Sustainability Master Plan. The various sustainability committees created in the main divisions are, in turn, the route for bringing sustainability closer to business areas. Their function is to drive and monitor specific initiatives in these divisions within the PDS framework. Another route to drive the implementation of the Company's sustainability strategy and the achievement of its targets was, once again, to link part of the executives' and managers' bonuses to the achievement of sustainability targets.

In the course of 2015 ACCIONA gradually defined a new sustainability strategy to cover the period up to 2020. For this, the Company assessed the achievements and challenges experienced in the five years of implementation of the previous PDS; it implemented thorough benchmarking on the most advanced practices affecting the areas thereof; and consulted with a number of external experts in sustainability, energy, infrastructures and water. As a result, the new Plan up to 2020 is structured around strategic and operational targets, applicable to the entire organization, with specifications for the various lines of business.

In the financial year ACCIONA had an active presence in different initiatives and international organizations, mainly working for the launch of the 2030 Agenda, with the definition of Sustainable Development Objectives by the United Nations, and the Climate Change Summit held in Paris (COP21). The Company is part, inter alia, of initiatives and organisations such as The Prince of Wales's Corporate Leaders Group, the UN Global Compact LEAD, the World Business Council for Sustainable Development, Sustainable Energy for All (SE4ALL), the World Economic Forum and CEO Climate Leadership Group.

Furthermore, the Company consolidated the implementation of its social impact management methodology in 2015 by increasing the risk study phases and the social impact surveys throughout the course of its projects, as well as the scope in relation to the number of projects subject to this management model. In this way, over 45 projects in different countries (Australia, Brazil, Cape Verde, Chile, Colombia, Ecuador, Egypt, Spain, Gabon, Italy, Mexico, Norway, Peru, Poland, Qatar, South Africa and Trinidad & Tobago) are now at different stages in the implementation of this methodology. These projects are very diverse, such as, for example, the construction of roads, bridges, dams, water treatment stations, sewers and wind farms, operation of desalination facilities, and construction and maintenance of hospitals.

It must be noted too that in 2015 ACCIONA completed a diagnostic process regarding human rights, following the UN Guiding Principles on Business and Human Rights, with the purpose of learning about the main risks in this matters by business and country. In addition, corporate regulations and procedures were analysed, with different international standards being taken for reference, to assess the controls in place in the organisation in this respect.

The advances seen in the fulfilment of these sustainability targets and actions carried out during 2015, together with the challenges faced by the Company, are described in detail in the Sustainability Annual Report and on the corporate website (http://www.ACCIONA.es/sostenibilidad).

ANALYSIS OF MATERIALITY IN SUSTAINABILITY MATTERS

In order to maintain an attitude of continuous monitoring of new trends and challenges in sustainability matters, and to delve deeper into the social, environmental and governance aspects of relevance for the business, ACCIONA has drawn up a materiality survey.

In 2014, the analysis of materiality identified and prioritised relevant matters for each of ACCIONA's main lines of business (Energy, Construction, Water, Services and Industry) and their impact throughout the value chain. In addition, a geographical criterion was applied by evaluating the risk involved in each matter identified in the countries where ACCIONA operates.

In 2015 the analysis of materiality was updated on the basis of the study from the previous financial year, and the issues identified as relevant were studied in depth and expanded with current topics according to various sources: international institutions, entities from different sectors and press news. In addition, as a novelty, in 2015 the relevant issues were identified, updated and prioritised on the basis of the macro-trends analysed in the course of the design of the new Master Plan for Sustainability for each of ACCIONA's line of business. To design this Plan, expert advice was sought and significant documents at global and sector levels were analysed, for each line of business.

The analysis process made it possible to create a matrix with the material issues by business on the basis of the relevance of each issue for the Company and its stakeholders.

As regards the key issues identified by ACCIONA's lines of business, the most relevant issue for Energy, Water, Construction and Industry was "Social impact and dialogue with the local communities". "Mitigation and adaptation to climate change" appears as highly relevant for Energy and Services. As for the "Ethics and compliance" issue, it is highly relevant in the Construction, Industrial, water and Services businesses.

Quality, Environment

For ACCIONA, the fight against Climate Change, the sustainable use of Natural Resources and the protection of Biodiversity make up the principal thrusts of its environmental strategy.

In 2015 the Company consolidated its position as a leading company in the fight against climate change, opting for renewable technologies, reducing and compensating its emissions and seeking innovating solutions that will place the Company at the avant-garde of the most advanced environmental standards.

These efforts were acknowledged by the main international benchmarks for transparency and environmental behaviour in 2015:

CDP (formerly Carbon Disclosure project):

International organisation representing 822 major institutional investors with assets worth $95 billion and that require environmental data about the companies they rank:

- CDP gave ACCIONA the highest possible score at world level, both for Transparency and Leadership in the action against climate change[3]. The Company was awarded the Record Score of 100A rating.

- CDP also granted ACCIONA, for the third year running, the highest rating as Sustainable Supplier, with the Company now listed on the exclusive list that recognises globally only 2% of the assessed companies as suppliers of sustainable products and services.

As regards water management, in 2015 ACCIONA was recognised by CDP as a world leader, it being the only Spanish utility and one of the only two in the world that achieved the highest rating under the CDP programme related to water management. This programme, in which ACCIONA participated voluntarily, assesses the responsible use of water in terms of consumption reduction, transparency, improvement targets, governance, strategy, extension of commitment to suppliers and other stakeholders, as well as management of the risks and opportunities associated with water resources. **Dow Jones Sustainability Index World:**

- ACCIONA obtained the highest score in Biodiversity and Electricity generation based on renewable energies policies, achieving an overall environmental score higher than 98% of all the electricity companies assessed.

The Company's **main figures** in environmental matters in 2015 were:

- 17,2 million tonnes of CO_2 avoided.

- 0.6 million tonnes of CO_2 generated. ACCIONA has reduced by 45.7% the emissions generated in its production activities since 2009 (the Company's 2015 Master Plan for Sustainability base year).

- ACCIONA has reduced its energy intensity (energy consumed versus sales ratio) by 27% since 2009 (the Company's 2015 Master Plan for Sustainability base year). For fossil-based energy intensity, the drop is 55.3%.

3. For the fifth year running ACCIONA achieved the highest rating for performance vis-à-vis climate change, thus joining The Climate "A" list. For environmental transparency, it achieved a score of 100 out of 100, heading the Carbon Disclosure Leadership Index (CDLI)

- As for water, the Company's balance sheet is clearly favourable for the environment, with a positive global water footprint of over 491 million cubic metres, a figure equivalent to the annual domestic consumption of 6 million inhabitants.

- 21% of the Company's total water consumption comes from reused or recycled water.

- Greenhouse Gas (GHG) emissions were calculated for the second year running for 100% of the supply chain, i.e., 28,000 suppliers. With this pioneering action, ACCIONA shares its commitment to fight climate change, developing SCO2PE by ACCIONA, a programme for collaboration with suppliers to promote emission reductions on the supply chain.

- ACCIONA has also pioneered the measurement of water consumption of all its suppliers. ACCIONA has measured total water consumption associated with the activity of all its suppliers in 75 countries and has identified the 500 suppliers that induced 70% of total consumption on the supply chain. Thanks to this initiative, the Company has become the first major Spanish Company and one of the first companies in the world to analyse water consumption on 100% of its supply chain. The study carried out has made it possible for ACCIONA to learn, amongst other variables, the percentage of water consumption on the chain of suppliers related to direct suppliers; to identify those that consume water more intensively; to verify what supply activities are being more intensive in terms of water consumption in water-risk countries; or to identify the ACCIONA's activities with more consumption relevance within the supply chain.

- Strengthening of environmental risk management. Design of two documents about analysis of risks associated with water and climate change, in order to study in depth these aspects, which are highly relevant to the Company and at world level. These analyses were extended to the entire supply chain of ACCIONA. In addition, design of the corporate regulations on environmental risk management and three related procedures (environmental responsibility, climate change and water).

- Promotion of initiatives within the framework of the Biodiversity Compensation and Improvement Programme.

- Promotion of environmental offsetting services, with the organisation of carbon footprint neutral events for both its clients and for its own events, such as, for example, ACCIONA's General Shareholders' Meeting.

ACCIONA has put in place an organisational structure that facilitates the integration of environmental and quality variables into the operations of its businesses and guarantees enforcement of the policies, principles and strategies related to these matters.

This structure has been strengthened through the Training efforts made by the Company, which have contributed to the growth of continuous improvement in the qualification of its professionals and their active participation in an environment-focused culture. ACCIONA's employees received 34,618 hours in environmental training in 2015.

In addition, 2015 saw the launch of CACCIONA – Advanced Environmental Course, taken by over 4,359 people, with 3,064 qualifying as supported by Fundación General de la Universidad de Alcalá. The participating groups were employees, suppliers, education centres and different Foundations that support groups with disabilities or that risk social exclusion, such as ONCE, PRODIS o EXIT.

As regards impact management, ACCIONA has a basic management tool for the main environment-related problems, under the name of PLAN 10^{+}, which in 2015 meant implementation of 111 improvement measures aimed to prevent and minimise the impacts associated with each problem recorded.

Progress has also been made in the implementation and certification of quality management systems and environment management systems in all ACCIONA divisions, with in-depth analysis of the new requirements under ISO 9001:2005 and ISO 14001:2005 standards (quality and environment, respectively), as published in September, to make the transition thereto quickly and efficiently.

ACCIONA Energy implemented and certified for the first time its quality management systems and environment management systems under ISO 9001 and ISO 14001 standards in Chile, Costa Rica and South Africa. ACCIONA Construction certified its activity in Panama under both standards.

These systems permit process-level management, considering all environmental aspects related to our activities in all the development phases, with an approach based on continuous improvement. Also, the new ISO 9001 and ISO 14001 versions (published in September 2015) reinforce, amongst other aspects, the risk-based approach, the approach based on the life cycle of products/services, the control of the supply chain, the strategic environmental management, and communication with stakeholders, aspects on which ACCIONA is already at work.

The scope of the energy management system (ISO 50001) has increased in ACCIONA Water, with new centres and activities being certified in 2015, so the group's commitment to energy efficiency has continued.

Mention must be made of the first implementation of the EMAS regulations (Environmental Management and Audit Community System) in ACCIONA, specifically in ACCIONA Environment, at its Madrid offices and for the park and garden maintenance Service in the city of León.

The percentages of ACCIONA's revenue certified under ISO 9001 and ISO 14001 amounted to 92% and 90%, respectively (3% more than in 2014).

ENVIRONMENT-RELATED FIGURES FOR 2015:

The environmental investments and expenditure made by the ACCIONA Group in 2015 covered the following items:

- Measures to minimise environmental impact
- Environmental research, development and innovation
- Environmental prevention
- Personnel
- Investments in plant, property and equipment to avoid impacts and protect the environment
- Environment advice and consultancy
- Treatment of waste water and drinking water
- Other

In 2015, environmental expenditure amounted to 266 million euros, and investments, to 116 million euros, which placed the company's global environmental activity at 382 million euros.

The greatest efforts were made in the areas of waste water treatment, environmental prevention and environmental impact minimising measures.

Innovation

Every year ACCIONA challenges its innovative capacity so as to create value in products and services through technology differentiation, anticipating the clients' needs and requirements. ACCIONA relies on Innovation as the main tool that guarantees sustainability, competitive advantages and improved efficiency in all the lines of business.

In 2015, ACCIONA increased the Group's effort in Innovation, having reached the highest figure in its history, putting this Innovation figure up to 180.4M euros, developed in 141 projects. 45.8% of the Group's total for Innovation is already obtained outside Spain.

ACCIONA continues to opt for other state-of-the-art technologies, as it understands the advances that are gradually taking place in the field of IoT – Internet of things, mobility, Big Data, Advanced Analytics or digitisation. Business initiatives have developed that place ACCIONA at the avant-garde of Innovation. In addition, strategic agreements have been renewed and extended with various universities and technological centres of international repute.

The European Investment Bank (EIB) approved ACCIONA's Innovation programme for the four-year period 2013-2016, through the funding of 50% of the programme, with the granting of a loan for 120 million euros. In 2015 the first two annual amounts were justified, for 206.4 million euros, which largely exceeds the 50% of the bi-annual amount to justify.

ACCIONA's position remains steady in the most important innovation rankings. The "2015 EU Industrial R&D Investment Scoreboard" published by the European Commission's IRI (Economics of Industrial Research and Innovation) ranks ACCIONA at the 5th place among Spanish firms and at no. 144 in Europe in terms of the effort made in R&D+I.

On the international context, Strategy &, strategic consultancy firm of PwC, in its worldwide innovation ranking, based on a methodology selecting the top 1000 companies with the highest R&D+I figures (only 8 Spanish companies appear on the list), ranks ACCIONA at number 468 on the world ranking; ACCIONA is the 5th Spanish company.

Compliance with the Strategic Innovation Plan defined in 2014 fulfilled a milestone in ACCIONA's R&D&I strategic management, the outcome of which is an increased capacity for innovation focused on its businesses and activities.

ACCIONA's Innovation Policy continues to obtain international recognition:

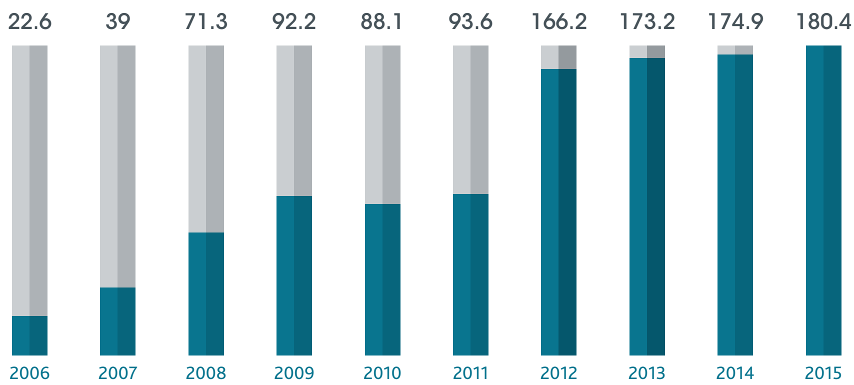
- OBRA CEMEX award to the Development of Industrial Works and Special Prize for Innovation in Construction Processes and techniques for the construction of the wind farms Ventika and Ventika II, located in the municipal district of General Bravo, Nuevo León.
- Infrastructure 360º Prize, awarded by the Inter-American development Bank to recognise sustainability in infrastructure projects implemented in Latin America and the Caribbean region. The Project awarded the prize was the Eurus wind farm, a facility with 250.5 megawatts (MW) located in the state of Oaxaca, Mexico.

A In Spain, ACCIONA received the Fundación Torres Quevedo 14th Award (Cantabria University) to Entrepreneurial Collaboration, for the Group's trajectory of collaboration in Innovation and support of the Research Groups at Cantabria University.

ACCIONA collaborates with entrepreneurs, start-ups and suppliers, helping their innovations to reach the market thanks to the group's procurement policy. In 2015 this initiative carried out in the last few years was awarded the "*Premio Comprendedor*" by *Fundación Empresa y Sociedad.*

ACCIONA's commitment to innovation is reflected in its R&D&I management System, certified under UNE 166.002: 2014 standard, which was amended in 2014 and made ACCIONA respond and adapt in record time. In 2015 the Company underwent successfully the audit for maintenance of the certification issued by AENOR.

→ **Trend of the figure for innovation**
(millions of euros)



Short-term Forecast

The world economic activity continued to slow down in the course of 2015. According to the IMF, 2015 is expected to close at a year-on-year growth rate of 3.1%. The brake on growth emerges basically from the gradual slowdown and rebalancing of activity in China, which is getting further and further way from investment and industry to focus on consumption and services, the fall in energy prices and other raw materials, in particular oil, and the gradual hardening of the monetary policy in the United States, which contrasts with the policies of the other advanced economies, which opt for following much more flexible lines.

Oil prices played a significant role in 2015, with a huge impact on the global economy, due mainly to the dramatic falls in the last few months of the year. The main reason for the non-stop fall in oil prices is based on an excess in offer on the market after production was increased by OPEP, which means that the global production of oil is higher than consumption. First, the fall in oil prices has come along with significant financial tensions directly affecting internal demand in the exporting economies. On the other hand, the drop in prices has reduced extraction investments, which no doubt has had an adverse effect on aggregate demand. Finally, consumption by oil importers has not improved in the way that it was expected to, possibly due to the deleveraging process in which those economies are involved.

Based on the current situation, the IMF has reduced its projections for global growth for 2016 and 2017 to rates of about 3.4% and 3.6%, respectively, which means a fall of 0.2% in the estimates. The review emerges from a weaker growth of the emerging economies and the strong trend downwards of oil prices. The stagnation of the growth levels of the American economy and the brake on world trade growth because of the Chinese situation are factors that also contribute to reduce expectations.

It is expected that the growth of the advanced economies will practically remain constant, going up only 0.2% in 2016 till it reaches 2.1%, according to IMF sources, and that it will remain constant in 2017.

In the United States growth continues to be robust, with rates above the average of the other developed countries, due to the strong employment and housing markets, as well as good financial conditions. However, the strength of the dollar is a risk to take into consideration, together with the fall in the oil price, which is holding back investment in natural resources and could give rise to financial tensions at odd times. The American economy is expected to grow 2.6% in 2016 and 2017, it being, among the developed economies, the one with the highest sustained growth rates. The US will continue to be the main driver of growth among the advanced economies, provided that the accommodating monetary policies of the country are upheld.

The euro zone will continue the path of economic recovery, albeit more slowly than initially anticipated. The boom of private consumption strengthened by the fall in the oil Price and the good conditions of financial markets is being opposed by weak exports. The growth rates projected for 2016 and 2017 are 1.7%, in an environment where Europe will have to face major challenges in the next few months. The challenges include the management of the migratory crisis of Syrian refugees and their inclusion in the European employment market, and the political uncertainty generated by the re-emergence of extremist and anti-system political forces in the peripheral countries.

Spain stands out among European countries as the country with higher prospects of growth in future. According to the IMF projections, the Spanish economy will grow 2.7% in 2016 and 2.3% in 2017, well above the average for Europe (1.7%) for both years. However, the political arena looks somewhat uncertain in 2016 and this might affect the economy, since both foreign and Spanish investments could be put on hold. Another important challenge will be the new government's capacity to maintain a stable fiscal balance that makes it possible to comply with the European Union's deficit requirements, and improved productivity.

As for Portugal, the country is expected to grow in 2016 at 1.5% rate, with the growth estimated for 2015 being less – according to the IMF it would stand at 1.6%. Even so, the country is expected to continue on the path of recovery in the next few years.

The IMF has also reviewed downwards the growth projected for France in 2016, which is not expected to exceed 1.3% in 2016. And Germany is expected to grow about 1.7% in 2016, according to IMF sources .

Average period of payment to suppliers and Corporate Social Responsibility

To the effects of the provisions in article 262.1 of Royal Legislative Decree 1/2010, of 2 July, whereby the rewritten text of the Capital Companies Act is approved, the information on the average period for payment to suppliers is contained in note 36 to the financial statements. In addition, and in conformity with recommendation 55 of the Code of Good Governance of Listed Companies, it is hereby indicated that the aspects related to Corporate Social Responsibility are discussed in the Sustainability Report.

ANNUAL CORPORATE GOVERNANCE REPORT

The **Annual Corporate Governance Report** is available in its entirety on the web site of the National Securities Market Commission (www.cnmv.es) and on the Company's web page, **(www.acciona.es)**.

In addition, the **Annual Corporate Governance Report** will be notified to the National Securities Market Commission as a Material Event.

ISSUING COMPANY'S IDENTIFICATION DETAILS	
CLOSING DATE OF THE FINANCIAL YEAR OF REFERENCE	31/12/2015
Tax ID no.	A08001851
Corporate Name:	ACCIONA, S.A.
Registered Office	AVDA. EUROPA, 18. PARQUE EMP. "LA MORALEJA", (ALCOBENDAS) MADRID

A. OWNERSHIP STRUCTURE

A.1 Complete the following table about the Company's share capital:

Date of last modification	Capital (€)	Number of shares	Number of voting rights
24/05/2012	57,259,550	57,259,550	57,259,550

Indicate whether there are different share classes with different associated rights:

YES		NO	X

A.2 List the direct and indirect registered holders of significant shareholdings in the Company at the close of the financial year, excluding directors:

Full name or Corporate name of the shareholder	Number of direct voting rights	Number of Indirect voting rights	% of total voting rights
WIT EUROPESE INVESTERING B.V.	16,057,205	0	28.04%
TUSSEN DE GRACHTEN, BV	15,854,847	0	27.69%
CAPITAL RESEARCH AND MANAGEMENT COMPANY	230,400	2,099,000	4.07%

Full name or Corporate name of the indirect shareholder	Held through: Full name or Corporate name of the direct shareholder	Number of voting rights
CAPITAL RESEARCH AND MANAGEMENT COMPANY	EUROPACIFIC GROWTH FUND	2,099,000

Indicate the most significant movements in the shareholding structure occurring during the financial year:

Full name or Corporate name of the shareholder	Date of the operation	Description of the operation
CAPITAL RESEARCH AND MANAGEMENT COMPANY	14/12/2015	Share capital has exceeded 3%

A.3 Complete the following tables about the members of the Company's board of directors holding voting rights through shares in the Company:

Full name or Corporate name of the Director	Number of direct voting rights	Number of voting rights	% of total voting rights
MR. JUAN IGNACIO ENTRECANALES FRANCO	11,529	7,668	0.03%
MR. JAIME CASTELLANOS BORREGO	10,000	31,000	0.07%
MS. MARÍA DEL CARMEN BECERRIL MARTINEZ	8,006	0	0.01%
MR. FERNANDO RODÉS VILA	9,000	0	0.02%
MR. JAVIER ENTRECANALES FRANCO	5	0	0.00%
MR. JOSÉ MANUEL ENTRECANALES DOMECQ	2,169	0	0.00%
MS. BELEN VILLALONGA MORENES	200	0	0.00%

Full name or Corporate name of the indirect shareholder	Held through: Full name or Corporate name of the direct shareholder	Number of voting rights
MR. JUAN IGNACIO ENTRECANALES FRANCO	OTHER SHAREHOLDERS IN THE COMPANY	7,668
MR. JAIME CASTELLANOS BORREGO	OTHER SHAREHOLDERS IN THE COMPANY	31,000

% of the total voting rights in the power of the board of directors	0.14%

Complete the following tables about the members of the Company's board of directors holding rights over shares in the Company:

Full name or Corporate name of the Director	Number of direct voting rights	Number of indirect voting rights	Equivalent number of shares	% of total voting rights
MR. JUAN IGNACIO ENTRECANALES FRANCO	4,613	0	4,613	0.01%
MR. JOSÉ MANUEL ENTRECANALES DOMECQ	37,389	0	37,389	0.07%

A.4 **Indicate any family ties or commercial, contractual or corporate relationships, if any, between the registered holders of significant shareholdings, insofar as these are known to the Company, unless they are scarcely relevant or derive from the normal course of the Company's business:**

Related name or corporate name	Type of relationship	Brief description
TUSSEN DE GRACHTEN, BV WIT EUROPESE INVESTERING B.V.	Familial	The shareholders of the companies that are the registered holders of significant shareholdings form part of the familial group of the descendants of Mr. José Entrecanales Ibarra.

A.5 **Indicate, where appropriate, the commercial, contractual or corporate relations between the registered holders of significant shareholdings and the Company and/or its group, except where these are scarcely relevant or derive from the normal run of commercial business:**

A.6 **Indicate whether any Shareholders' Agreements have been notified to the Company pursuant to the provisions contained in sections 530 and 531 of the Capital Companies Act. Where appropriate, describe them briefly and list the shareholders bound by the agreement:**

YES	X	NO	

Parties to the shareholders' agreement
TUSSEN DE GRACHTEN, BV WIT EUROPESE INVESTERING B.V.

% of share capital affected:	55.73%

Brief description of the agreement:
The shareholders' agreement was notified to the National Securities Market Commission ("CNMV") on 15 July 2011 and was registered under number 147698 where the entire text of the agreement can be consulted. It has also been deposited at the Companies' Registry.

The basic terms of the agreement are summarised in the corresponding note in section H.

Indicate whether the Company is aware of the existence of concerted action among its shareholders. If so, describe these briefly:

YES		NO	X

Where there has been any amendment or suspension of any shareholders agreement or concerted actions in the course of the financial year, indicate it expressly:

A.7 **Indicate whether there is any individual or body corporate exercising or able to exercise control over the Company in accordance with section 4 of the Securities Market Act. If so, identify this individual or body corporate:**

YES		NO	X

Comments

A.8 Complete the following tables about the Company's treasury stock:

At the close of the financial year:

Number of direct shares	Number of indirect shares (*)	% of total share capital
301,071	18,000	0.55%

(*) Through:

Full name or corporate name of the direct registered shareholder	Number of direct shares
FINANZAS DOS, S.A.	18,000
Total:	**18,000**

Detail the significant variations, in accordance with the provisions contained in Royal Decree 1362/2007, effected during the financial year:

Explain the significant variations
18/06/2015: % of direct voting rights: 1.884; % of indirect voting rights: 0.031; % of total voting rights: 1.915
26/06/2015: % of direct voting rights: 0.542; % of indirect voting rights: 0.031; % of total voting rights: 0.574
05/08/2015: % of direct voting rights: 0.542; % of indirect voting rights: 0.031; % of total voting rights: 0.574
01/09/2015: % of direct voting rights: 0.542; % of indirect voting rights: 0.031; % of total voting rights: 0.574
11/11/2015: % of direct voting rights: 0.582; % of indirect voting rights: 0.031; % of total voting rights: 0.613
15/12/2015: % of direct voting rights: 0.526; % of indirect voting rights: 0.031; % of total voting rights: 0.557

The significant variations in treasury stock respond to: a) conducting an accelerated placement process among qualified investors of 768,184 shares representative of 1.34% of share capital, which took place on June 24 and, b) the signing of a liquidity contract for treasury stock management on July 2.

A.9 Detail the conditions and term of the current resolution by the General Meeting of Shareholders mandating the Board of Directors to issue, buy back or transfer treasury stock.

The General Meeting of Shareholders held on 24 May 2012 adopted the following resolution:

To authorize the derivative acquisition of shares in the Company by the Company itself and by companies in its group both directly and indirectly through the acquisition of capital companies holding shares in ACCIONA, S.A., respecting the legal limits and requirements and in accordance with the conditions set out below, leaving without any effect, in the amount not utilized, the authorization approved for the purpose by the Ordinary General Meeting of Shareholders in 2010:

a) Modality: sale and purchase, swap, loan or surrender as payment.

b) Maximum number of shares to be acquired added to those already owned by ACCIONA, S.A. and its subsidiaries: up to 10% of the subscribed capital.

c) Maximum and minimum prices: the listing at the close of the last stock market session, with a margin of 15% up or down.

d) Duration of the authorization: five (5) years from the date this agreement.

To authorize the Board of Directors so that it may carry out the derivative acquisition of shares in ACCIONA, S.A. on the terms set out and so that it may dedicate, in full or in part, the treasury stock already acquired and such stock as may be acquired virtue of the preceding authorization for the execution of remuneration systems consisting in or aimed at delivering shares or share option rights over shares in ACCIONA, S.A. in favour of workers, senior management and directors exercising executive functions pursuant to the provisions contained in section 1 a) of section 146 of the Consolidated Text of the Capital Companies Act.

A.9.bis Estimated Floating Capital:

Estimated Floating Capital	39.51 %

A.10 Indicate whether there is any restriction in place on the conveyance of securities and/or any restriction on voting rights. In particular, notice will be given of the existence of any kind of restriction that may hinder the taking of control of the Company through the acquisition of its shares on the open market.

YES	X	NO	

Description of the restrictions

The shareholders Tussen de Grachten, BV and Wit Europese Investering, BV have mutually granted each other a preferential acquisition right over their respective shareholdings in ACCIONA, S.A. as indicated in section A.6.

A.11 Indicate whether the general meeting has resolved to adopt neutralization measures against a public takeover bid pursuant to the provisions contained in Act 6/2007.

YES		NO	X

Where appropriate, explain the measures approved and the terms on which the loss of effectiveness of the restrictions will occur:

A.12 Indicate whether the Company has issued securities not traded on a regulated market in the European Union.

YES		NO	X

Where applicable, indicate the different share classes and, for each share class, the rights and obligations conferred.

B. GENERAL MEETINGS

B.1 Indicate and, where appropriate, detail, whether there are any differences with regard to the regime for minimums foreseen in the Capital Companies Act ("LSC") in connection with the quorum for calling a General Meeting to order.

YES	X	NO	

	% quorum different from that set in sect. 193 "LSC" for general scenarios	% quorum different from that set in sect. 194 "LSC" for the special scenarios in sect. 194 "LSC"
Quorum required at the 1st call	0.00%	67.00%
Quorum required at the 2nd call	0.00%	62.00%

Description of the differences
The quorums required are higher than the general quorums of 50% and 25% for the special scenarios in section 194 of the Capital Companies Act.

B.2 Indicate and, where appropriate, detail whether there are any differences from the regimen foreseen in the Capital Companies Act (LSC) for the adoption of corporate resolutions:

YES		NO	X

Describe how the regime is different from that established in the LSC.

B.3 Indicate the rules applicable to amendments to the Company's Articles of Association. In particular, notice will be given of the majorities established for amendment of the Articles of Association, as well as, where appropriate, the rules foreseen for the protection of shareholders' rights in the amendment of the Articles of Association.

Amendments to the Company's Articles of Association must comply with the provisions contained in the Consolidated Text of the Capital Companies Act and section 17.2 of the Articles of Association whereby a General Meeting must be called to order with a quorum of 67% of the capital subscribed and fully paid up with voting rights at the first call, or of 62% at the second call, in order to be able to decide on any of the following issues:

a) Amendment of the Articles of Association, except for changes in the registered office, capital increases, the extension of the corporate purpose and, in those cases where legally compulsory, capital reductions.

b) Transformations, mergers, spin-offs, global transfers of assets and liabilities and the winding-up of the Company, except in those cases where such winding-up is legally compulsory.

In order to change the registered office, increase capital, extend the corporate purpose, eliminate or limit the preferential subscription right (the issue of simple, convertible or swappable debentures or bonds, the issue of warrants or options (alone or in connection with bonds) and preferential shareholdings and, in those scenarios where legal compulsory, reduce capital and wind up and liquidate the Company, the General Meeting must be called to order with a quorum of 67% of the capital subscribed and fully paid up with voting rights at the first call, or with a quorum of 50% of the capital subscribed with voting rights at the second call.

The same percentages foreseen in the preceding paragraph shall be applicable when, in scenarios of capital increase or issue of debentures, bonds, warrants or preferential equity, the General Meeting authorizes or delegates powers on the Board of Directors to adopt such resolutions.

In any case and as provided for in section 286 of the Consolidated Text of the Capital Companies Act, the directors or, where appropriate, the shareholders effecting the proposal must draw up the entire text of the proposed amendment and the corresponding report on its rationale and make these available to the shareholders at the moment notice is given convening the General Meeting.

Resolutions shall be adopted by majority vote and this shall be understood as the votes in favour of more than half the shares with voting rights attending the General Meeting according to the list of persons in attendance drawn up when it is called to order.

For the valid adoption of agreements referred to in article 17.2 of the Articles of Association, an absolute majority of votes in attendance, either present or represented will be required to adopt the agreement.

B.4 Indicate the attendance details at the General Meetings held in the financial year to which the present report refers and those in the preceding financial year:

	Attendance details				
			% distance votes		
Date of General Meeting	% present in person	% present by proxy	Electronic votes	Other votes	Total
24/06/2014	54.35%	22.56%	0.01%	0.00%	76.92%
11/06/2015	59.39%	22.90%	0.01%	0.00%	82.30%

B.5 Indicate whether there is any restriction in the Articles of Association establishing a minimum number of shares needed to attend the General Meet:

YES		NO	X

B.6 Section repealed.

B.7 Indicate the address of and how to access on the Company's web page the information on corporate governance and other information about general meetings that must be made available to shareholders through the Company's web page.

The Company's web page is: www.acciona.es

This address contains a link under the name "Shareholders and Investors" and this has a section regarding Corporate Governance where shareholders can find the Company's corporate information as well as the information related to General Meetings.

Furthermore, on the occasion of a notice of meeting convening the General Meeting, direct access will be provided on the main page of the Company's web site (www.acciona.es) to make available to shareholders all the information regarding the General Meeting so convened.

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors.

C.1.1. Maximum and minimum number of directors established in the Articles of Association:

Maximum number of directors	18
Minimum number of directors	3

C.1.2. Complete the following table with the members of the board:

Full name or corporate name of the director	Representative	Director´s category	Position on the Board	Date of first appointment	Date of most recent appointment	Procedure for election
MR. JUAN IGNACIO ENTRECANALES FRANCO		Executive	VICE-CHAIRMAN AND CEO	14/04/1997	11/06/2015	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MR. JUAN CARLOS GARAY IBARGARAY		Independent	DIRECTOR	06/06/2013	06/06/2013	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MR. JAIME CASTELLANOS BORREGO		Independent	DIRECTOR	04/06/2009	11/06/2015	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MS. MARÍA DEL CARMEN BECERRIL MARTÍNEZ		Other External	DIRECTOR	24/06/2014	24/06/2014	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MR. FERNANDO RODÉS VILA		Independent	DIRECTOR	04/06/2009	11/06/2015	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MR. JAVIER ENTRECANALES FRANCO		Proprietary Director	DIRECTOR	22/09/2011	11/06/2015	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MR. JOSÉ MANUEL ENTRECANALES DOMECQ		Executive	CHAIRMAN AND CEO	14/04/1997	11/06/2015	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MS. BELÉN VILLALONGA MORENES		Independent	DIRECTOR	10/05/2006	09/06/2011	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MR. DANIEL ENTRECANALES DOMECQ		Proprietary Director	DIRECTOR	04/06/2009	24/05/2012	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MR. JERÓNIMO MARCOS GERARD RIVERO		Independent	DIRECTOR	24/06/2014	24/06/2014	VOTE AT GENERAL MEETING OF SHAREHOLDERS
MS. ANA INÉS SAINZ DE VICUÑA BEMBERG		Independent	DIRECTOR	11/06/2015	11/06/2015	VOTE AT GENERAL MEETING OF SHAREHOLDERS

Total number of directors	11

Indicate any departures from the board of directors that have occurred during the period reported:

Full name or corporate name of the director	Status of the director at the moment of departure	Date of departure
MR. VALENTIN MONTOYA MOYA	Other External	11/06/2015
MR. CARLOS ESPINOSA DE LOS MONTEROS BERNALDO DE QUIROS	Other External	11/06/2015
MS. SOL DAURELLA COMADRAN	Independent	11/06/2015

C.1.3 Complete the following tables about the members of the board and their category:

EXECUTIVE DIRECTORS

Full name or corporate name of the director	Position in the organizational structure
MR. JUAN IGNACIO ENTRECANALES FRANCO	VICE-CHAIRMAN AND CEO
MR. JOSÉ MANUEL ENTRECANALES DOMECQ	CHAIRMAN AND CEO

Total number of executive directors	2
% of total of the board	18.18%

EXTERNAL DIRECTORS REPRESENTING SUBSTANTIAL SHAREHOLDINGS

Full name or corporate name of the director	Full name or corporate name of the significant shareholder represented or proposing his or her appointment
MR. JAVIER ENTRECANALES FRANCO	TUSSEN DE GRACHTEN, BV
MR. DANIEL ENTRECANALES DOMECQ	WIT EUROPESE INVESTERING B.V.

Total number of directors representing substantial shareholdings	2
% of total of the board	18.18%

INDEPENDENT EXTERNAL DIRECTORS

Full name or corporate name of the director	Profile:
MR. JUAN CARLOS GARAY IBARGARAY	BA in Law and Economics from Deusto University (Bilbao). He has also studied at the University of Southern California Marshall School of Business and has a Master's degree in Business Administration, and at Duke University Fuqua School of Business in the Senior Executive Programme. One of the highlights of his career is his term at Citibank (1980-1989) as President of Citibank and the CEO of Citicorp for Spain and Portugal. In 2000, he was appointed CEO of Deutsche Bank for the Iberian Peninsula and responsible for the Personal Banking Division for the whole of Europe, except Germany. Between 2005 and 2008, he was President of Deutsche Bank for Spain.
MR. JAIME CASTELLANOS BORREGO	He held the position of President and CEO of Recoletos Communication Group from 1991 until its sale in 2007. He is currently president of Willis Iberia and Lazard Financial Advisors. Furthermore, he sits on the Board of Directors of Vocento and is Vice-president of the Seres Foundation.
MR. FERNANDO RODÉS VILA	He is Vice-President of the Havas Group, with headquarters in Paris. He began his professional career in 1985 at Manufacturers Hanover Trust Bank, in the capital markets division. In 1994 he was appointed Managing Director of Media Planning S.A., in 2006 took over the position of CEO of the Havas Group, the world's fifth-largest communications, marketing and advertising group listed on the Paris stock exchange (hav), a position he held until March, 2012. He is president of Neometrics, a director of other companies in his family conglomerate, Patron of the Nature Foundation launched by Accionanatura, and President of the Catalonian Regional Government's Advisory Council for Sustainable Development.
MS. BELEN VILLALONGA MORENES	Professor at the Stern School of Business at New York University, where she teaches business strategy and management of family businesses. Between 2001 and 2012 she was Lecturer at Harvard Business School. She is also Senior Partner Affiliated to Cambridge Advisors to Family Enterprise, a consulting firm for family businesses. Her areas of specialization are corporate finance, corporate governance and business strategy, with special application to family businesses. She is a member as an independent director of the Board of Directors of Grifols and Talgo, and Chairman of the Audit Committee of the first. She holds a Doctorate in Business Administration and a Master's Degree in Economics from University of California (Los Angeles), and a Degree and Doctorate in Economics and Business from the Complutense University in Madrid.
MR. JERÓNIMO MARCOS GERARD RIVERO	BSc in Economics from the Autonomous Technological Institute of Mexico (ITAM) in 1993 and Master`s degree in Business Administration from Stanford University. Chairman and CEO of the Mexico Retail Properties (MRP) Group. In addition to his position as the Chief Executive of MRP, he is a director on the board of AMEXCAP, Vice-President of the Mexican Association of Property and Infrastructure Funds (AMFII), and sits on the boards of the Mexican Stock Market and the Mexican Development Group, S.A.B., Head of private investment funds in Mexico for 'The Latin America Enterprise Fund', President of Institutional Infrastructure and a Director of Telefónica Mexico. He is Vice-President of the Special Olympics Council in Mexico and a lecturer in Microeconomics at the Autonomous Technological Institute of Mexico (ITAM). He was CFO of Telefónica Móviles México and CEO of Telefónica B2B, and also worked for Goldman Sachs & Co. He was an Advisor to the Deputy Finance Minister in the Government of Carlos Salinas throughout his presidential mandate (1988-1994).
MS. ANA INÉS SAINZ DE VICUÑA BEMBERG	She holds a degree in Agricultural Economics from the University of Reading in the United Kingdom and has a Program for Management Development at Harvard University. Until 2002, she developed her professional activity for 18 years at Merrill Lynch in Spain. She began her career in Private Banking where she spent 12 years working as a Financial Consultant. She later joined the Securities and Exchange Society which was formed following the acquisition of FG, helping in integration and working in several positions, the last one being responsible for Operations, IT, HR and Finance. Finally she was appointed CEO of the branch in Spain of Merrill Lynch International Bank. She is currently a member of the Board of Corporacion Financiera Guadalmar (CFG) a Family Office with assets in Spain and Latin America, mainly Argentina and Chile. She Supervises the Committee of Financial Assets which manages the securities portfolios and the investments of the family in Chile in W Santiago y Awasi hotel group, and in the financial sector, Grupo Security in which she is also part of the Board of Directors. In May 2014 she joined Inmobiliaria Colonial S.A. as Independent Director, a real-estate management company in the office segment in Madrid, Barcelona and Paris. She is also a member of the Audit Committee. She is Director of Altamar Capital Partners, S.L. She has been a member of the Board of Mobile Dreams Factory, a marketing and mobile advertising agency, and Asturbega, a Coca-Cola bottling company in northern Spain. She is currently part of the founding Committee of the ARPE Foundation (Foundation for Art Research Partnership and Education) and is a member of the board of the Foundation Prójimo-próximo.

Total number of independent directors	6
% total of the board	54.55%

Indicate if any of the independent directors receive from the company or its group any amount or benefit other than their remuneration as director or if they maintain (or have maintained during the last financial year) any business relationship with the company or any company within the group in their own name or as a substantial shareholder, director, or senior manager of an entity that maintains or has maintained such a relationship.

Full name or corporate name of the director	Description of the relationship	Reason for the Declaration
Mr. Jaime Castellanos Borrego	Service agreements for financial and insurance advice.	The business relationships the group holds with Willis Iberia are not of significance by virtue of their quantity in the total calculation of the transactions carried out by such companies. Awards are generally made through rigorous contracting procedures, with several bids requested, and without the director being involved in the decision-making and negotiation process. Therefore, the Board considers that this in no way impacts the director's ability to carry out his duties as an independent director. The breakdown of the transactions is listed in Section H.

Where appropriate, a reasoned statement by the board shall be included, setting out the reasons why the director in question is considered able to perform his or her functions as an independent director.

OTHER EXTERNAL DIRECTORS

Detail the reasons why they cannot be considered directors representing substantial shareholdings or independent directors, and state their connections, whether with the company, its directors or its shareholders:

Full name or corporate name of the board member	Company, director or shareholder with whom he has a connection:	Reasons:
MS. MARIA DEL CARMEN BECERRIL MARTINEZ	--	As she left her executive duties in May, 2014, and was appointed as director in June that same year, she cannot be considered an Independent Director as the time period of three years has not passed, as stated in section 529 twelfth of the Capital Companies Act, nor as a Director representing Substantial Shareholders, as she has not been appointed in her capacity as a shareholder.

Total number of Other External Directors	1
% of the total Board	9.09%

State the changes, if any, that have taken place during the period with regard to the profile of each shareholder:

C.1.4 Complete the following table with the relevant information with regard to the number of female board members during the last four financial years, as well as the role of these female board members:

	Number of Female Board Members				Percentage of all board members of that type			
Type	2015	2014	2013	2012	2015	2014	2013	2012
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Representing External Shareholders	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Independent	2	2	4	4	33.00%	25.00%	50.00%	50.00%
Other External	1	1	0	0	100.00%	100.00%	0.00%	0.00%
Total:	**3**	**3**	**4**	**4**	**27.27%**	**23.08%**	**30.70%**	**30.70%**

C.1.5 Explain the measures, if any, that have been taken to include a number of women on the Board of Directors so as to enable the board to achieve a balanced presence of women and men.

Explanation of the Measures
All required policies have been endorsed by the Board of Directors to avoid situations where the selection procedures suffer implicit biases that obstruct the selection, not only of board members, but also of any male or female employee, in the search for candidates holding the required competence, knowledge and experience to carry out the position. This is detailed in point 4.3 of ACCIONA's Code of Conduct, which guarantees equality through its policies with regard to behaviour and does not tolerate any type of discrimination in the professional environment. The number of female board members is three, representing 27.27% of the total number on the Board in contrast with the 23.08% of the previous year.

C.1.6 Explain the measures the Appointments Committee has taken to ensure that selection procedures do not suffer implicit biases that obstruct the selection of female board members, and that the company deliberately looks for women with the required professional profile, and includes them in the list of potential candidates:

Explanation of the Measures
The Appointments and Remuneration Committee, in compliance with the Regulations for the Board of Directors and the group's Code of Conduct, includes women with an appropriate professional profile among potential candidates, and takes care to ensure that the selection procedures do not include implicit biases that could obstruct the selection of female board members. In 2015, this committee gave a favourable report on the appointment of Ms. Ana Inés Sainz de Vicuña as a Director

Where, despite the measures adopted, there are few or no female directors, provide a justification:

Explanation of the reasons

C.1.6 bis Explain the findings of the Appointment Committee about the verification of compliance with the policy of selection of directors. And in particular, how the policy is promoting the goal that by 2020 the number of female directors represents at least 30% of the total members of the board:

Explanation of findings
The Appointment and Remuneration Committee has been promoting the incorporation of female directors for some time and intends to fulfil the objective that by 2020 the number of female directors will represent at least 30% of all board members. At the closing date ACCIONA is close to reaching the target of 30% since today the percentage is 27.27%. In the years 2012 and 2013 the aim of at least 30% female directors was fulfilled.

C.1.7 Explain the type of representation granted to major shareholders on the board.

The Executive Director, Mr. José Manuel Entrecanales Domecq, and the Director representing external shareholders, Mr. Daniel Entrecanales Domecq, are shareholders of Wit Europese Investering, BV.

The Executive Director, Mr. Juan Ignacio Entrecanales Franco and the Director representing external shareholders, Mr. Javier Entrecanales Franco, are shareholders of Tussen de Grachten BV.

C.1.8 Explain, where appropriate, the reasons why directors representing external shareholders whose shares represent less than 3% of the capital have been appointed:

Indicate whether formal requests for a seat on the board from shareholders with a stake equal to or greater than that of others, at whose request directors representing substantial shareholders were appointed have not been respected. Where appropriate, explain the reasons why they have not been respected:

YES		NO	X

C.1.9 Indicate whether any director has resigned from his/her position prior to the end of the term, whether any reasons have been explained to the Board, and through what channel, and then explain at least the reasons provided:

Name of the Director:	Reason for resigning
MR. CARLOS ESPINOSA DE LOS MONTEROS BERNALDO DE QUIROS	Having remained as independent director continuously over 12 years.
MS. SOL DAURELLA COMADRÁN	Incompatibility reasons with her professional obligations.

C.1.10 Indicate, where applicable, any powers delegated to director(s) who have been empowered:

Full name or corporate name of the director	Brief Description
MR. JOSE MANUEL ENTRECANALES DOMECQ	All the powers of the Board of Directors, except for those that cannot be delegated by Law, to be exercised jointly and severally..
MR. JUAN IGNACIO ENTRECANALES FRANCO	All the powers of the Board of Directors, except for those that cannot be delegated by Law, to be exercised jointly and severally.

C.1.11 Indicate, where appropriate, the directors holding administrative or management positions in other companies forming part of the group of the listed company:

C.1.12 Detail those Company directors, if any, who are directors of other entities listed on official stock markets not related to this group and notified to the company:

Full name or corporate name of the board member	Corporate name of the listed entity	Position held
MR. JAIME CASTELLANOS BORREGO	VOCENTO, S.A.	DIRECTOR
MS. BELEN VILLALONGA MORENES	GRIFOLS, S.A.	DIRECTOR
MS. BELEN VILLALONGA MORENES	TALGO, S.A.	DIRECTOR
MS. ANA INÉS SAINZ DE VICUÑA BEMBERG	INMOBILIARIA COLONIAL, S.A.	DIRECTOR

C.1.13 Indicate and, where appropriate, explain whether the company has established rules regarding the number of other Boards in which its directors may serve:

YES	X	NO	

Explanation of the Rules
Section 38.1 c) of the Regulations for the Board of Directors obliges directors not to belong to the Boards of more than three listed companies, including ACCIONA without prejudice to the Board of Directors upon the report of the appointment and remuneration committee, to set a lower number if it is considered that the dedication required from other boards of directors does not allow dedicating the time necessary to perform the functions of ACCIONA directorship. The number of 4 listed companies was reduced to 2, excluding ACCIONA.

C.1.14 Section repealed

C.1.15 Indicate the total remuneration for the board of directors:

Remuneration for the Board of Directors (in thousands of euros)	6,488
Amount of the total remuneration corresponding to pension rights accumulated by directors (in thousands of euros)	2,311
Overall remuneration for the board of directors (in thousands of euros)	0

C.1.16 Identify the members of Senior Management who are not Executive Directors and indicate the total remuneration paid to them during the year:

Full name or corporate name	Position(s):
MR. FÉLIX RIVAS ANORO	GENERAL MANAGER OF PROCUREMENT, INNOVATION, ENVIRONMENT AND QUALITY
MR. PIO CABANILLAS ALONSO	GENERAL MANAGER OF THE CORPORATE IMAGE AND GLOBAL MARKETING DEPARTMENT
MR. CARLOS LÓPEZ FERNÁNDEZ	GENERAL MANAGER OF ACCIONA ENGINEERING AND INDUSTRIAL AREA
MR. ALFONSO CALLEJO MARTÍNEZ	GENERAL MANAGER OF CORPORATE RESOURCES
MR. RAÚL BELTRÁN NÚÑEZ	DIRECTOR OF ACCIONA INTERNAL AUDIT
MR. FRANCISCO ADALBERTO CLAUDIO VÁZQUEZ	GENERAL MANAGER OF CIVIL WORKS
MR. JOSE LUIS DIAZ-CANEJA RODRIGUEZ	AREA GENERAL MANAGER OF ACCIONA AGUA
MR. LUÍS CASTILLA CÁMARA	CEO ACCIONA INFRASTRUCTURES
MS. MACARENA CARRIÓN LÓPEZ DE LA GARMA	GENERAL MANAGER OF THE CHAIRMAN'S OFFICE
MR. CARLOS MARÍA ARILLA DE JUANA	GENERAL MANAGER OF THE ECONOMICS AND FINANCE DEPARTMENT
MR. RAFAEL MATEO ALCALÁ	CEO OF ACCIONA ENERGY
MR. JORGE VEGA-PENICHET LOPEZ	SECRETARY GENERAL
MR. RICARDO MOLINA OLTRA	GENERAL MANAGER OF ACCIONA SERVICE
MR. JOSÉ JOAQUÍN MOLLINEDO CHOCANO	GENERAL MANAGER OF INSTITUTIONAL RELATIONS
MS. ISABEL ANTÚNEZ CID	GENERAL MANAGER OF PROPERTY DEVELOPMENT
MR. FERNANDO FAJARDO GÉREZ	GENERAL MANAGER FOR ACCIONA INFRASTRUCTURES AUSTRALIA AND SOUTH-EAST ASIA
MR. JOAQUIN ANCÍN VIGUIRISTI	GENERAL MANAGER OF ENGINEERING, CONSTRUCTION AND INNOVATION AT ACCIONA ENERGY
MR. JOSÉ MARÍA FARTO PAZ	GENERAL MANAGER OF ACCIONA INFRASTRUCTURES - GALICIA
MS. ARANTZA EZPELETA PURAS	GENERAL MANAGER OF THE INTERNATIONAL AREA. CHAIRMAN'S OFFICE
MR. JUAN RAMÓN SILVA FERRADA	GENERAL MANAGER OF SUSTAINABILITY
MR. JOSÉ LUÍS BLANCO DIÉGUEZ	GENERAL MANAGER OF ACCIONA WINDPOWER
MR. JOSÉ MANUEL TERCEIRO MATEOS	GENERAL MANAGER OF ECONOMICS AND FINANCE AT ACCIONA INFRASTRUCTURES
MR. EDUARDO MEDINA SÁNCHEZ	GENERAL MANAGER OF BUSINESS DEVELOPMENT AT ACCIONA ENERGY
MR. JUAN MANUEL CRUZ PALACIOS	GENERAL MANAGER OF LABOUR RELATIONS, ENVIRONMENT AND QUALITY PLAN, AND SUSTAINABILITY AT ACCIONA INFRASTRUCTURES
MR. ROBERTO FERNÁNDEZ LÓPEZ	GENERAL MANAGER OF CORPORATE RESOURCES AT ACCIONA INFRASTRUCTURES
MR. JUSTO VICENTE PELEGRINI	GENERAL MANAGER OF ACCIONA INFRASTRUCTURES SPAIN AND CONSTRUCTION IN AFRICA, SWEDEN AND EMIRATES
MR. RAMÓN JIMÉNEZ SERRANO	GENERAL MANAGER FOR ACCIONA ENGINEERING AND INDUSTRIAL AREA
MS. OLGA CORELLA HURTADO	GENERAL MANAGER FOR ECONOMIC CONTROL AT ACCIONA INFRASTRUCTURES
MR. CARLOS NAVAS GARCÍA	GENERAL MANAGER OF ACCIONA AIRPORT SERVICES
MR. JOSÉ ÁNGEL TEJERO SANTOS	GENERAL MANAGER OF ECONOMIC CONTROL AND FINANCE
MR. JESÚS ALCÁZAR VIELA	GENERAL MANAGER OF ACCIONA INFRASTRUCTURES IN LATIN AMERICA
MR. WALTER DE LUNA BUTZ	CEO ACCIONA REAL ESTATE
MR. VICENTE SANTAMARIA DE PAREDES CASTILLO	GENERAL MANAGER OF LEGAL SERVICES
MR. JUAN MURO-LARA GIROD	GENERAL MANAGER OF CORPORATE DEVELOPMENT AND INVESTOR RELATIONS
MR. JOSE JULIO FIGUEROA GOMEZ DE SALAZAR	GENERAL MANAGER OF LEGAL ADVICE
MR. ANTONIO SOTO CONDE	GENERAL MANAGER OF HIJOS DE ANTONIO BARCELÓ AREA

Total Senior Management remuneration (in thousands of euros)	21,120

C.1.17 Indicate the identity of the members of the Board, if any, who are also members of the Board of Directors of companies that are significant shareholders and/or of companies in their corporate group:

Describe, if any, the relevant relationships other than those referred to in the previous section held by members of the Board of Directors and linking them to significant shareholders and/or entities in their corporate group:

Full name or corporate name of the related director:	Name or company name of the related Significant Shareholder:	Description of the relationship:
MR. JUAN IGNACIO ENTRECANALES FRANCO	TUSSEN DE GRACHTEN, BV	Shareholder
MR. JAVIER ENTRECANALES FRANCO	TUSSEN DE GRACHTEN, BV	Shareholder
MR. JOSE MANUEL ENTRECANALES DOMECQ	WIT EUROPESE INVESTERING B.V.	Shareholder
MR. DANIEL ENTRECANALES DOMECQ	WIT EUROPESE INVESTERING B.V.	Shareholder

C.1.18 Indicate whether there were any changes to the Regulations for the Board of Directors during the year:

YES	X	NO	

Modifications description
The purpose of the reform of the Regulations of the Board of Directors has been essentially to adapt its contents to the new developments in the legal regime applicable to the board of directors, and in general to managers of companies under Act 31/2014, of December 3, which amends the Capital Companies Act (LSC) to improve governance and the Code of Good Governance of listed companies (CBG), published on February 24. The amendments to the Regulations were approved at the meeting of the Board of Directors of May 7 although its effect was deferred to the holding of the General Meeting in 2015, which approved the amendments to the Articles of Association and Regulations of the General Meeting to give proper systematic consistency to the internal rules governing the organization and running of the Company. The amendments to the Regulations have been registered at the Companies Register and its consolidated text is available on the company´s website. At the General Meeting of Shareholders held on June 11, 2015 the amendments to the Regulations of the Board were reported.

C.1.19 Describe the procedures for the selection, appointment, re-election, evaluation and removal of Directors. List the competent bodies, procedures to be followed and criteria to be used in each of the procedures.

Directors are appointed by the General Meeting, except where the Board of Directors uses co-opting to fill vacancies or directors are appointed by Shareholders exercising their right to proportional representation.

The Board of Directors must respect the Regulations when formulating proposals to the General Meeting for the appointment of Directors and deciding the appointments made by the Board of Directors through co-opting.

The Board of Directors will comprise Directors representing substantial shareholdings, Independent Directors and Executive Directors.

Proposals for appointment or renewal of Directors submitted by the Board of Directors to the General Meeting and temporary appointments by co-opting shall be adopted by the Board based on a proposal from the Appointments and Remuneration Committee, in the case of Independent Directors, and the preliminary report issued by the Appointments and Remuneration Committee, in the case of other Directors.

The Board of Directors, in the exercise of its powers to propose to the General Meeting and to use co-opting to fill vacancies, will ensure that, within the membership of the Board, Directors representing substantial shareholdings and Independent Shareholders will represent a substantial majority over the Executive Directors and the number of Executive Directors will be kept to the necessary minimum in consideration of the complexity of the corporate group and the ownership interests of the Executive Directors in the company's capital, and that the number of Independent Directors will represent at least half of all board members.

The Board and the Appointments and Remuneration Committee shall ensure that, within the scope of their respective powers, the choice of Independent Directors will favour those with recognized solvency, competence and experience who are willing to devote a sufficient amount of time to performing the duties of the position. Any Director may request that the Appointments and Remuneration Committee take into consideration potential candidates whom they consider appropriate to fill vacancies on the Board.

The Appointments and Remuneration Committee shall also report to the Board of Directors on the proposed re-election of Directors. In its recommendation, the Appointments and Remuneration

Committee will assess the quality of their work and dedication to the office during their term.

The powers attributed to the Appointments and Remuneration Committee are specified in section 40.ter. of the Articles of Association and 32 of the Regulations of the Board of Directors.

Directors will cease to hold office:

- if they so choose, at any time.
- when required to do so by the General Meeting in exercise of the powers conferred on it by law,
- when the next General Meeting of the Shareholders is held once the term for which they were appointed expires, or else after the legally established deadline for holding the next Annual General Meeting has passed, if it has not been held.

The 2012 General Meeting of Shareholders approved the proposed statutory amendment to section 31.1 of the Articles of Association, by which the term of appointment of Directors is reduced to three years instead of five, without prejudice to the ability to be re-elected one or more times.

The new three-year term established in the Articles of Association applies to all Directors whose appointment or election occurred at that General Meeting and those who are appointed or re-elected thereafter. For those appointed prior to this date, the term of office shall be in accordance with the criteria applied by the Directorate General for Public Registries and Notaries (Resolutions of the DGRN dated 4 May 2006, and 18 March 2011), without prejudice to any pertinent decisions that may be adopted by the General Meeting.

In addition, in those cases referred to below in section C.1.21, Directors must tender their resignation to the Board of Directors and resign, if the Board deems this appropriate.

During the 2015 financial year, the Appointments and Remuneration Committee proposed to the Board the re-election of Mr. Jaime Castellanos, Mr. Fernando Rodés and the appointment of Ms. Ana Sainz de Vicuña, as Independent External Directors and reported the re-election proposal of the executive directors and the directors representing substantial shareholders. The report of the Committee and the Board of Directors assessing the competence experience and merit of the proposed for appointment or re-election was made available to the shareholders with the notice of meeting for the General Meeting together with the curriculum and the indication of the category to which each of them belongs.

C.1.20 Explain to what extent the annual Board´s assessment has resulted in important changes to the Board's internal organization and the procedures applicable to its activities:

Description of changes
Self-evaluation has not led to significant changes in the internal organization of the Board.

C.1.20 bis Describe the process and evaluated areas made by the board of directors assisted, if necessary, by an external consultant, respect for diversity in its composition and powers, the running of and composition of its committees, the performance of the Chairman of the Board and the chief executive of the company and the performance and contribution of each director.

The Board of Directors in the exercise referred to in this report has made the evaluation process without the intervention of an outside consultant. The Board of Directors evaluates the quality and efficiency of the Board annually, including the performance of the duties performed by the Board's Chair, Vice-Chair, Executive Committee and other Committees based on the reports submitted for that purpose. The evaluation is carried out through individual forms, which are completed anonymously by each Director and, once they are completed, the Audit Committee and the Appointments and Remuneration Committee discuss the results and issue the relevant reports for the Board of Directors.

C.1.20.ter Detail, if any, business relationships that the consultant or any company in its group have with the company or any company in its group.

The Board of Directors in the exercise referred to in this report has made the evaluation process without the intervention of an outside consultant.

C.1.21 Indicate the circumstances under which the Directors are forced to resign.

Directors must tender their resignation to the Board of Directors and, if deemed appropriate, formally resign in the following cases:

a) EIn the case of Directors representing substantial shareholdings, when the reasons for which they were named Director are no longer relevant, i.e., the entity or group they represent ceases to hold a significant stake in the share capital of ACCIONA or when the entity or corporate group requests their replacement as Director.

b) In the case of Independent Directors, if they join the ranks of ACCIONA's leading executives or any of its subsidiaries, or when, for other reasons, circumstances arise that are incompatible with the status of an Independent Director.

c) In the case of Executive Directors, when they leave the executive post for which they were appointed as Directors.

d) When they are involved in any case deemed incompatible or prohibited by Law or Regulations.

e) When reprimanded by the Audit Committee for a serious breach of any of their obligations as Directors.

f) When their remaining on the Board could affect the credit or reputation of ACCIONA and its group on the market or otherwise jeopardize its interests and particularly if a case is brought against the Company or if oral proceedings are held for any of the offences listed in section 213 of the Capital Companies Act.

C.1.22 Section repealed.

C.1.23 Is a reinforced majority, other than those legally stipulated, required for any type of decision?

YES		NO	X

Where applicable, describe the differences.

C.1.24 Explain whether there are specific requirements, other than those relating to the Directors, to be appointed Chairman of the Board of Directors.

YES		NO	X

C.1.25 Indicate whether the Chairman has the casting vote:

YES	X	NO	

Matters for which there is a casting vote
Resolutions are adopted by an absolute majority of the members of the Board who are present or represented by proxy. In case of a tie, the Chairman or Acting Chairman will have the casting vote, in accordance with section 37 of the Articles of Association.

C.1.26 Indicate whether the Articles of Association or the Regulations for the Board of Directors establish an age limit for directors:

YES		NO	X

C.1.27 Indicate whether the Articles of Association or the Regulations for the Board of Directors establish a limited mandate for Independent Directors, other than that established under the Regulations:

YES		NO	X

C.1.28 Indicate whether the Articles of Association or the Regulations for the Board of Directors establish specific rules for proxy voting during board meetings, how this is carried out and, in particular, the maximum number of proxies a Director may have, as well as if it has been established that a Director of the same type must be established as the proxy. If applicable, briefly detail these rules.

The Regulations for the Board of Directors provide that Directors must attend Board meetings, although the Chair may authorize, under exceptional circumstances, the participation of Directors via video-conference, telephone or other means of telecommunication enabling the Director to be unequivocally identified and the confidentiality of the discussions to be preserved. In such cases, the Directors participating in the session are considered to be physically present.

When a Director cannot attend in person, a circumstance that should only occur with especially good cause, and does not participate by means of remote communication, that Director will strive to designate another member of the Board of Directors as a proxy and indicate to that member, as far as possible, appropriate voting instructions. Representation must be granted by letter or by such other written medium as the Chairman may judge to be sufficient.

There is no limit set for the maximum number of proxies a Director may hold. Non-executive Directors may delegate only in favour of a Director of the same type.

C.1.29 State the number of meetings the Board of Directors has held during the financial year. In addition, point out the times the board has met without the Chairman. Attendance of representatives with specific instructions will be considered in the calculation.

Number of Board Meetings	12
Number of Board Meetings without the Chairman in attendance	1

If the Chair is executive director, indicate the number of meetings held without the assistance or representation of any executive director and under the presence of the coordinating director:

Number of meetings	0

State the number of meetings held by the various committees of the Board during the financial year:

Committee	No. of Meetings
EXECUTIVE OR DELEGATE COMMITTEE	0
AUDIT COMMITTEE	5
APPOINTMENTS AND REMUNERATION COMMITTEE	5
SUSTAINABILITY COMMITTEE	3

C.1.30 Indicate the number of meetings held by the Board of Directors during the financial year with the attendance of all its members. Attendance of representatives with specific instructions will be considered in the calculation:

Attendance of board members	3
% of attendances over the total number of votes in the financial year	91.55%

C.1.31 Indicate whether the individual and consolidated annual accounts presented to the Board for approval have previously been certified:

YES		NO	X

Identify the person or persons, if any, who have certified the Company's annual individual and consolidated accounts for approval by the Board:

C.1.32 **Explain, if any, the mechanisms established by the Board of Directors to avoid the situation where the individual and consolidated accounts drawn up are submitted to the General Meeting without an unqualified opinion from the auditors in their report.**

It is the obligation of the Board of Directors to ensure that the accounts have been prepared in such a way that the Auditors will issue an unqualified opinion. However, if the Board considers that it must uphold its criterion, the Chairman of the Audit Committee and the auditors will clearly explain the scope and contents of discrepancies to the shareholders.

The Audit Committee's functions also include the obligation to act as a channel for communication between the Board of Directors and the external auditors, to evaluate the results of each audit, and the responses of the management team to its recommendations, and to mediate and arbitrate in those cases where there are discrepancies regarding the principles and criteria applicable to the preparation of the financial statements.

The annual individual and consolidated accounts for the 2015 financial year are expected to be submitted to the General Meeting with an unqualified opinion in the auditors' report.

C.1.33 **Does the Secretary to the Board hold the position of Director?**

YES		NO	X

If the Secretary does not hold the position of Director complete the following table:

Full name or corporate name of the Secretary	Representative
MR. JORGE VEGA-PENICHET LOPEZ	

C.1.34 **Section repealed.**

C.1.35 **Indicate the mechanisms established by the company, if any, to preserve the independence of external auditors, financial analysts, investment banks and rating agencies.**

The Regulations for the Board of Directors require that it has the obligation to establish, through the Audit Committee, a professional and stable relationship with ACCIONA's external auditors and the principal companies in its group, with strict respect for their independence.

In addition, in order to ensure the auditors' independence, the Audit Committee must, in addition to the functions attributed thereto by section 529.14 of the Capital Companies Act and in accordance with the provisions of section 30 of the Regulations:

(i) In the event of resignation of the external auditor, examine the circumstances that have caused it.

(ii) Ensure that the remuneration of the external auditor for its work does not compromise quality or independence.

(iii) Make sure that the Company will communicate to the Spanish National Securities Market Commission (CNMV) the change of auditor as a relevant event; this will be accompanied by a statement about any possible disagreements with the outgoing auditor and, if there had been any disagreements, their contents will be reported too.

(iv) Ensure that the external auditor annually holds a meeting with the full Board of Directors to inform about the work done and the evolution of accounting and risk situation of the company.

(v) Make sure that the Company and the auditor respect the rules in place regarding the rendering of services other than auditing services, the limits on the concentration of the auditor's business and, in general, the rest of the rules established to ensure the independence of auditors.

(vi) Urge the group auditor to take responsibility for auditing the companies that comprise it.

The Board of Directors publicly reports in the Notes comprising the annual accounts the total amount of fees paid for the external audit of the annual accounts and the amounts paid for other services rendered to professionals related to the external auditors, with a breakdown of payments to the auditors and those to any company in the same group of companies to which the auditor belongs, or to any other company to which the auditor is connected through joint ownership, management or control.

In compliance with current legislation, the external auditor issued report which confirms his independence from the company and its group.

With regard to financial analysts, the Board of Directors applies the same standards as in the dialogue with shareholders, ensuring equal treatment between them and taking special care to ensure symmetric and simultaneous communication to the market of such data, scenarios and plans that may have an effect on the quotation of its shares on the stock market.

C.1.36 **Indicate whether the Company has changed the external auditors during the financial year. Where appropriate, name the incoming and outgoing auditors:**

YES		NO	X

If there were any disputes with the outgoing auditors, explain the reason:

C.1.37 **Indicate whether the audit firm performs any work for the company and/or its group other than audit work, and where appropriate declare the amount of fees received for this work and the percentage this represents of all fees invoiced to the company and/or its group:**

YES	X	NO	

	Company	Group	Total
Amount of work other than auditing (in thousands of euros)	1,424	1,294	2,718
Amount of work outside the audit / Total amount invoiced by the audit firm (as a percentage)	76.72%	29.76%	43.81%

C.1.38 **Indicate whether the auditors' report on the annual accounts for the previous year contains any reservations or qualifications. In this case, indicate the reasons given by the chairman of the audit committee to explain the content and scope of such reservations or qualifications.**

YES		NO	X

C.1.39 **State the number of consecutive years that the current audit firm has carried out the auditing of the company's and/or its group's annual accounts. Also, state the percentage that the number of years audited by the current audit firm represents over the total number of years that the annual accounts have been audited:**

	Company	Grupo
Number of consecutive years	14	14
No. of financial years audited by the current firm of auditors / No. of financial years the Company has had audited (as a %)	53.85%	53.85%

C.1.40 **Indicate and, where appropriate, detail if a procedure exists through which the board members may seek external advice:**

YES	X	NO	

Details of the Procedure

Section 41 of the Regulations for the Board of Directors establishes that for the purposes of assistance in exercising their responsibilities, directors may contract their own consultants, at ACCIONA's expense, for legal, accounting, financial or other matters.
The contracting of such external consultants will be limited to assignments dealing with specific problems of a certain prominence and complexity that arise in the exercise of their appointments.
The contracting of consultancy services to assist board members must previously have been notified to the Chair of the Board of Directors.
The contracting of consultancy services to assist board members may be vetoed by the Board of Directors if this body considers, by an absolute majority, that:
a) it is not necessary for the full performance of the duties entrusted to directors;
b) the cost is not reasonable with regard to the significance of the problem;
c) the technical assistance sought can be adequately provided by ACCIONA's technical experts; or
d) there might be a risk to the confidentiality of the information to be handled.
If the Chair of the Board of Directors calls a session of this body to rule on a veto of such contracting, then this contracting will be postponed until the meeting has taken place or until a resolution has been adopted. The decision should be adopted without delays that could impair the rights of directors.
In the 2015 financial year no director requested the contracting of external consultants at ACCIONA's expense.

C.1.41 **Indicate and, where appropriate, detail whether a procedure exists to provide directors with the information necessary to prepare for the meetings of the Company's governance bodies sufficiently in advance:**

YES	X	NO	

Details of the Procedure

The Board of Directors sets the schedule and programme of topics for the ordinary sessions before the beginning of each calendar year, without prejudice to subsequent modification for good cause. Notice of meeting is given by letter, fax, telegram or e mail at least three days prior to the date set although, should the circumstances of the case require, the Chairman may convene an extraordinary Board Meeting by telephone without complying with the notice period or the other requirements of the next section.

The notice of meeting will include a draft of the planned Agenda for the session, accompanied by pertinent information available in writing, without prejudice to the possibility for any board member to request information deemed necessary to complement the information delivered. On the agenda it will clearly be indicated the points on which the Board shall take a decision or agreement so that the directors may study or seek, in advance, the information required for its adoption.

C.1.42 **Indicate and provide details, where appropriate, whether the company has established rules obliging directors to report and, where appropriate, resign in scenarios that may harm the Company's credit and reputation:**

YES	X	NO	

Explain the rules

Section 53.2 of the Regulations obliges directors to declare all claims, whether judicial, administrative, or of any other nature initiated against the director, as well as any subsequent changes in circumstance that might seriously impact ACCIONA's reputation due to their significance.
Directors must tender their resignation to the Board of Directors, which may, if necessary, accept this if the director's position on the Board could affect the credit or reputation enjoyed by ACCIONA and its group on the market, or jeopardize its interests in any way.
In particular, directors must inform the Board whenever criminal proceedings are instituted or a trial is ordered for any of the offences listed in section 213 of the Capital Companies Act. In such situations, the Board will examine the case as soon as possible and, in the light of the specific circumstances, will decide whether or not the director may continue as a member of the board. Any such scenario will be set out in a reasoned manner in the Annual Corporate Governance Report.

C.1.43 Indicate whether any member of the board of directors has informed the Company that criminal proceedings have been instituted or a trial ordered for any of the offences listed in section 213 of the Capital Companies Act:

YES		NO	X

Indicate whether the board of directors has analysed the case. If the answer is positive, explain the decision taken in a reasoned manner, whether the director continues to sit on the board or else, where appropriate, explain the actions taken by the board of directors up to the date of the current report, or any that are planned.

C.1.44 Detail any significant resolutions adopted by the Company and have been put into effect, amended or withdrawn in the event of a change of control over the Company due to a public buy-out, and their effects.

ACCIONA issued convertible bonds in the amount of 342 million euros during the month of January, 2014. The terms and conditions of these bonds recognize a right to early redemption in favour of bondholders in those cases where there are changes in control and also to an adjustment in the initial conversion price in those cases where a public offer to acquire stock is announced, as these scenarios are defined in the terms and conditions related to the issue.

Furthermore, in April 2014, ACCIONA issued Simple Debentures in the amount of 62.7 million euros. The terms and conditions of these simple debentures recognize a right to early redemption in favour of bondholders in those cases where there are changes in control, as defined in the terms and conditions related to the issue.

The EMTN (European Medium Term Notes) program, which covers bond issues for terms longer than 12 months, recognizes the bondholders the right to early repayment in the event of change of control, as defined in the terms and conditions program. At December 31, 2015 had issued private placements under this program in the amount of 228.8 million euros.

ACCIONA has two loan agreements signed with the European Investment Bank (EIB) in the amounts of 120 and 185 million euros to finance Group R&D programmes; these agreements recognize the EIB's right to claim for reimbursement in the change of control scenarios defined in the agreements.

ACCIONA acts as guarantor in a syndicated financing agreement amounting to 1,800 million euros signed in March 2015, which contemplates as a situation of mandatory early payment the change of control of the obligees in the terms defined in the contract.

C.1.45 Identify, in the aggregate, and indicate in detail any agreements entered into between the Company and its directors, management or employees for the establishment of compensation, guarantee clauses or golden parachutes when they resign or are unfairly dismissed, or if the contractual relationship ends due to a public buy-out or other events.

Number of Beneficiaries:	4
Type of Beneficiary:	Executives

Description of Agreement:
The Company's general criterion with regard to senior management and executives is not to offer compensation, except for those amounts established for the specific cases foreseen under the employment law in force in the absence of any express agreement. The foregoing notwithstanding, a total of four executives, none of whom are executive directors, have agreed specific terms in the event that their employment contract comes to an end due to improper dismissal, or at the discretion of the Company. The amounts of such clauses, which do not affect executive directors, is as follows: one clause for 1.5 times the annual salary, and three clauses for an amount equivalent to six months' salary.

Indicate whether these contracts have to be notified to and/or approved by the bodies of the company or its group:

	Board of Directors	General Meeting
Body authorizing the clauses	Yes	No

	Yes	No
Was the General Meeting informed of the clauses?	X	

C.2 Committees of the Board of Directors

C.2.1 List all committees of the Board of Directors, their members and the proportion of directors representing substantial shareholdings and independent directors:

EXECUTIVE COMMITTEE OR DELEGATED COMMITTEE

Name	Position	Type
MR. JOSÉ MANUEL ENTRECANALES DOMECQ	CHAIRMAN	EXECUTIVE DIRECTOR
MR. JUAN IGNACIO ENTRECANALES FRANCO	CHAIRMAN	EXECUTIVE DIRECTOR
MR. JAIME CASTELLANOS BORREGO	MEMBER	INDEPENDENT DIRECTOR
MR. JUAN CARLOS GARAY IBARGARAY	MEMBER	INDEPENDENT DIRECTOR

% of Executive Directors	50.00%
% of Directors representing substantial shareholdings	0.00%
% of Independent Directors	50.00%
% of Other Non-Executive Directors	0.00%

Explain the functions assigned to this committee, describe the procedures and rules of organization and functioning thereof and summarize its most important performances during the year.

A) Functions

The Executive Committee, delegated by the Board of Directors, has all the powers that can be legally and statutorily delegated.

B) Organization and Proceedings

The executive committee shall be formed by directors. Their number will be no less than three and no more than seven.

The executive committee will be formed by executive directors and external directors.

The valid appointment and renewal of each of the members of the executive committee will require the favourable vote of at least two-thirds of the members of the Board of Directors.

The executive committee will have one or two Chairs. If there were two Chairs, one would be held by the Chair of the Board of Directors. Both Chairs would perform under the regime agreed between them or, failing that, jointly.

The executive committee meets only in exceptional situations. The notice of meeting is the Chair´s decision, either at its discretion or at the request of two members. The Executive Committee is quorate when at least half of its members, present in person or represented, attend the meeting. Attendance is possible by means of videoconference, telephone or other means of telecommunication, it being considered that the members participating in the session in such way are present.

The Executive Committee adopts resolutions by absolute majority of the members present in person or represented at the meeting.

In each meeting of the Executive Committee, the minutes are drafted by its Secretary. The Board of Directors may gain access at any time to the minutes of the Executive Committee.

The Executive Committee may request, by agreement of the Executive Committee itself or by decision of its Chair, or the Chief Executive Officer, participation at meetings by any executive of ACCIONA or of companies over which it holds a significant influence.

They can also request participation in meetings by external advisors or the statutory auditors of ACCIONA or of the companies over which it holds a significant influence, ACCIONA bearing the cost involved.

C) Proceedings in the financial year

The Committee has not met in 2015.

Indicate whether the delegate or executive composition reflects the participation on the Board of the different directors according to their category:

YES		NO	X

If not, explain the composition of the Executive or Delegate Committee
Only executive directors and two independent directors participate in the executive committee, without there being any proprietary directors, without prejudice to the two executive directors also being proprietary.

AUDIT COMMITTEE

Name	Position	Type
MS. ANA INÉS SAINZ DE VICUÑA BEMBERG	MEMBER	INDEPENDENT DIRECTOR
MR. JAIME CASTELLANOS BORREGO	MEMBER	INDEPENDENT DIRECTOR
MR. JUAN CARLOS GARAY IBARGARAY	CHAIR	INDEPENDENT DIRECTOR
MR. JAVIER ENTRECANALES FRANCO	MEMBER	PROPRIETARY DIRECTOR

% of Proprietary Directors	25.00%
% of Independent Directors	75.00%
% of Other External Directors	0.00%

Explain the functions assigned to this committee, describe the procedures and rules of organization and functioning thereof and summarize its most important performances during the year.

A) Functions

The Audit Committee has all the powers established in the Law, in Section 40.A of the Articles of Association and section 30c) of the Regulations, the text of which is available on the company´s website.

B) Organization and Proceedings..

The Audit Committee shall be formed by no less than three and no more than five directors, all of them external directors, and at least two of them will be independent directors.

The Chair of the Audit Committee will be elected by the Board of Directors from the members of the Audit Committee who are independent directors.

The Chair will be replaced every four years, being able to be reappointed after one year of his resign.

The Secretariat of the Audit Committee will be performed by the Secretary of the Board of Directors and in his absence, the Deputy Secretary of this body.

Members of the Audit Committee, and particularly its Chair, will be appointed taking into account their knowledge and experience in accounting, auditing or risk management.

Meetings are held on the dates that the Committee has set as meeting schedule and whenever they are called by its Chair, either at its discretion or at the request of one of its members. The notice of meeting is reported by the Chair or by the Secretary following the Chair´s instructions. In case of absence or incapacity of the Chair the notice of meeting is made by the Secretary at the request of any member.

The Audit Committee will meet periodically depending on its needs and at least four times a year, in advance of public disclosure of financial information by ACCIONA. One of the sessions will necessarily include the assessment of compliance with the rules and procedures governing ACCIONA and its efficiency. The Audit Committee is quorate when at least half of its members, present in person or represented, attend the meeting.

Attendance is possible by means of videoconference, telephone or other means of telecommunication, it being considered that the members participating in the session in such way are present.

The Audit Committee adopts resolutions by absolute majority of the members present in person or represented at the meeting. The Chair of the Audit Committee has the casting vote.

In each meeting of the Audit Committee, the minutes are drafted by its Secretary. The Board of Directors may gain access at any time to the minutes of the Audit Committee. The Committee may request, by agreement or by decision of its Chair, participation at meetings by any executive considered necessary and by the external auditor of any of the group´s companies.

They can also request participation in meetings by external advisors.

C) Proceedings in the financial year.

The Committee assessed the quality and efficiency of the Board, the Committee itself and the Chair and Vice-Chair, for which it approved a separate form filled out anonymously by each Director. The result of the evaluation was recorded in the minutes and was annexed.

The Committee supervised the preparation of the report on the internal and external audit about the Financial Statements for the year 2014.

As in previous years, the Committee has conducted the review, at an internal level, quarterly and six-monthly, of the financial information, which is disclosed to the stock markets before being reported; it has held meetings with the external auditors of the group before approving the proposed formulation of the annual accounts; it has reviewed the methods applied by the internal audit.

It evaluated compliance with the rules and procedures of governance and its quality and efficiency, issuing a report thereon and reporting to the Board.

It met and oversaw the renovation of the Risk Map.

It supervised and submitted for approval by the Board of Directors the annual report on corporate governance.

It has verified with the external auditors, in the absence of members of the management team, the quality of its relationship with them and the auditor´s trust in the group´s systems and information.

It supervised and submitted for approval by the Board of Directors the proposal to amend the Articles of Association, Regulations of the General Meeting and of the Board of Directors.

It issued a favourable proposal to the Board to assume the criteria established by the CNMV on discretionary treasury stock management.

It supervised the activity carried out by the Code of Conduct Committee receiving detailed information on the proceedings in progress and the ones processed in the year 2015 which have received a total of 33 reports identified through the Ethics Channel / Code of Conduct Committee, the purpose of which is:

- Financial (7)
- Employment / Discrimination / Mobbing (23)
- ORP (1)
- Theft (1)
- Consultations (1)

It met with the firm responsible for issuing an expert report on the group´s Crime Prevention and Anti-corruption Model in order to receive information on the effectiveness of the model and areas for improvement.

It reviewed and favourably reported to the Board the proposal for approval of the rules of the anticorruption policy implementation.

Identify the member of the audit committee that has been appointed considering his knowledge and experience in accounting, auditing or both and report on the number of years that the Chair of this committee has been in office.

Name of the experienced Director	MR. JUAN CARLOS GARAY IBARGARAY
Number of years in office	1

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
MR. JAIME CASTELLANOS BORREGO	CHAIR	Independent Director
MR. FERNANDO RODÉS VILA	MEMBER	Independent Director
MR. JUAN CARLOS GARAY IBARGARAY	MEMBER	Independent Director
MR. DANIEL ENTRECANALES DOMECQ	MEMBER	Proprietary Director

% of Directors representing substantial shareholdings	25.00%
% of Independent Directors	75.00%
% of Other External Directors	0.00%

Explain the functions assigned to this committee, describe the procedures and rules of organization and functioning thereof and summarize its most important performances during the year.

A) Functions

The Appointments and Remuneration Committee has all the powers established in the Law, in Section 40.B of the Articles of Association and section 30c) of the Regulations, the text of which is available on the company´s website.

B) Organization and Proceedings.

The Appointments and Remuneration Committee shall be formed by no less than three and no more than five directors, all of them external directors, and at least two of them will be independent directors.

Members of the Appointments and Remuneration Committee will be appointed taking into account their knowledge, skills and experience appropriate to the functions they are asked to perform.

The Chair of the Appointments and Remuneration Committee will be elected by the Board of Directors from the members of the Appointments and Remuneration Committee who are independent directors.

Meetings are held on the dates that the Committee has set as meeting schedule and whenever they are called by its Chair, either at its discretion or at the request of one of its members.

The notice of meeting is reported by the Chair or by the Secretary following the Chair´s instructions. In case of absence or incapacity of the Chair the notice of meeting is made by the Secretary at the request of any member.

The Appointments and Remuneration Committee will meet at least once a year, and when appropriate, it will report on the renovation of the Board, the Executive Committee or Committees, and will hold the necessary meetings to address the requests from the Board, the Chair, the CEO or the Executive Committee in the scope of its powers.

The Appointments and Remuneration Committee is quorate when at least half of its members, present in person or represented, attend the meeting. Attendance is possible by means of videoconference, telephone or other means of telecommunication, it being considered that the members participating in the session in such way are present. The Appointments and Remuneration Committee adopts resolutions by absolute majority of the members present in person or represented at the meeting.

In each meeting of the Appointments and Remuneration Committee, the minutes are drafted by its Secretary. The Board of Directors may gain access at any time to the minutes. The Committee may request, by agreement or by decision of its Chair, participation at meetings by any executive considered necessary and by the external auditors of any of the group´s companies. They can also request participation in meetings by external advisors or the statutory auditors of ACCIONA or of the companies over which it holds a significant influence, ACCIONA bearing the cost involved.

C) Proceedings in the financial year

In financial year 2015 the Committee:

- It assessed the quality and efficiency of the Board, the Committee itself and the Chair´s and Vice-Chair´s performance, formulating and submitting the appropriate report.
- It evaluated the related party transactions, noting that they are standard trade operations of the group in normal market conditions, as well as the remuneration policy of the Board and Executive Directors during the year, formulating the report and submitting to the Board the appropriate proposal.
- It analysed the remuneration of the first and second levels of the management team.
- It approved the proposed allocation of shares to the managers.
- It reported favourably on the replacement Plan for variable remuneration in cash by shares.
- It supervised and proposed to the Board the approval of the report on the remuneration policy of Directors.
- It proposed the appointment as Independent Director of the Board of Ms. Ana Sainz de Vicuña Bemberg and the re-election of Mr. Jaime Castellanos and Mr. Fernando Rodés. It also made a favourable report on the reappointments of executive and proprietary Directors proposed to the General Meeting.
- It reported on the appointment of Senior Executives.
- It discussed the appointment of a director as a director of another listed company without objecting to the appointment.
- It submitted a favourable report to the Board on the terms of the contracts to be signed with the executive directors in accordance with the provisions of the Capital Companies Act.
- It approved the Regulations of the Plan for Delivery of Shares and Performance Shares submitting the positive proposal to the Board.

SUSTAINABILITY COMMITTEE

Name	Position	Type
MR. DANIEL ENTRECANALES DOMECQ	CHAIRMAN	Proprietary Director
MS. MARÍA DEL CARMEN BECERRIL MARTINEZ	MEMBER	Other External
MR. FERNANDO RODÉS VILA	MEMBER	Independent Director
MR. JAVIER ENTRECANALES FRANCO	MEMBER	Proprietary Director

% of Proprietary Directors	50.00%
% of Independent Directors	25.00%
% of Other External Directors	25.00%

Explain the functions assigned to this committee, describe the procedures and rules of organization and functioning thereof and summarize its most important performances during the year.

A) Functions

The Sustainability Committee has the basic responsibilities listed below, without prejudice to any other tasks assigned to it by the board of directors:

a. Identify and guide policy, objectives, good practices and Sustainability and corporate social responsibility programs of the Group;

b. Assess, monitor and review implementation plans for these policies developed by the executives of the Group;

c. Periodically review the systems of internal control and management and the degree of compliance with those policies;

d. Annually prepare the Sustainability Report for approval by the Board;

e. Submit to the Board of Directors the policies, objectives and Sustainability and corporate social responsibility programs and the corresponding expenditure budgets for their execution.

B) Organization and Proceedings.

The Sustainability Committee shall be formed by no less than three and no more than five directors, all of them external directors.

The Sustainability Committee will meet quarterly to assess the degree of compliance with the Sustainability and corporate social responsibility policies approved by the Board of Directors. In addition, it will meet whenever convened in accordance with the provisions contained in the Regulations.

The Sustainability Committee will hold the necessary meetings to address the requests from the Board, the Chair, the CEO or the Executive Committee issuing a report or proposal or the Committee´s decision in the scope of its powers.

The Sustainability Committee is quorate when at least half of its members, present in person or represented, attend the meeting. Attendance is possible by means of videoconference, telephone or other means of telecommunication, it being considered that the members participating in the session in such way are present. The Sustainability Committee adopts resolutions by absolute majority of the members present in person or represented at the meeting.

In each meeting of the Sustainability Committee, the minutes are drafted by its Secretary. The Board of Directors may gain access at any time to the minutes. The Committee may request, by agreement or by decision of its Chair, participation at meetings by any executive considered necessary and by the external auditors of any of the group´s companies over which it holds a significant influence. They can also request participation in meetings by external advisors or the statutory auditors of ACCIONA or of the companies over which it holds a significant influence, ACCIONA bearing the cost involved.

C) Proceedings in the financial year

The Committee assessed the degree of compliance with the targets set for the Sustainability Directives Plan (PDS) as a whole (2010-2014) and found an excellent degree of compliance with the PDS.

It reviewed the proposal in detail of the 2020 PDS´ main lines.

It submitted to the Board, for approval, the Sustainability Report which was also submitted to the Shareholders' Meeting.

C.2.2 Fill out the following chart with information regarding the number of female directors comprising each committee of the Board of Directors over the last four years:

	Number of female directors							
	2015		2014		2013		2012	
	Number	%	Number	%	Number	%	Number	%
EXECUTIVE OR DELEGATED COMMITTEE	0	0.00%	0	0.00%	0	0.00%	0	0.00%
AUDIT COMMITTEE	1	25.00%	1	33.00%	2	50,.00%	1	25.00%
APPOINTMENTS AND REMUNERATION COMMITTEE	0	0.00%	0	0.00%	0	0.00%	0	0.00%
SUSTAINABILITY COMMITTEE	1	25.00%	0	0.00%	1	25.00%	1	25.00%

C.2.3 Section Repealed

C.2.4 Section Repealed.

C.2.5 Indicate, if relevant, whether there are any regulations in place for the Board's Committees, where these regulations can be consulted, and any changes to these made during the financial year. In addition, indicate whether any report on the activities of each committee has been voluntarily prepared.

There are no specific regulations for the Board's committees, as the provisions contained in the Regulations for the Board of Directors with regard to its committees are sufficient to regulate their organization and operation.

The Regulations for the Board of Directors, as well as all other corporate information, can be found in the Corporative Governance section of the Company's website: www.acciona.es

An annual report on the activities of each committee has not been made during the year.

C.2.6 Section repealed.

D. RELATED PARTY TRANSACTIONS AND INTRAGROUP ACTIVITIES

D.1 Explain, where appropriate, the process for approval of transactions with related parties and within the group.

Process for approval of related party transactions
According to the provisions of the Regulations for the Board of Directors, the carrying out by ACCIONA, or by the institutions over which ACCIONA exercises significant influence, of any transaction with directors, with shareholders who own a holding equal to, or in excess of, three per cent (3%) of the issued share capital or who have proposed the appointment of one of the directors of the Company, or with the respective Related Persons, will be subject to the authorization of the Board of Directors or, in urgent cases, of the Executive Committee, with retrospective ratification by the Board of Directors, subject to a report of the Appointments and Remuneration Committee. The authorization must necessarily be agreed by the general meeting when affecting a transaction which value exceeds ten percent of corporate assets. The Board of Directors will monitor, by means of the Appointments and Remuneration Committee, that the transactions between ACCIONA or the Companies over which it exercises significant influence and its directors, the shareholders referred to in the previous section or their respective Related Persons are carried out according to market conditions and with regard to the principles of equal treatment of shareholders. With regard to transactions within the normal course of company business which are regular or recurring, a general authorization by the line of business setting out the conditions for implementation will be sufficient, that is, by those responsible for each particular business, subject to notification to the Appointments and Remuneration Committee for review and subsequent submission to the Board. The authorization of the Board will not, however, be required for those transactions simultaneously complying with the following three conditions: (i) that they are carried out pursuant to contracts whose conditions are standardized and are applied en masse to many clients; (ii) that they are carried out on the basis of prices or rates established generally by whoever acts as the provider of the goods or services in question and (iii) that the amount does not exceed one per cent (1%) of the Company's annual income. Directors affected by the related party transaction in question will not be permitted to exercise or delegate their right to vote and will absent themselves from the meeting while the Board deliberates and votes on the matter. ACCIONA will report the transactions to which this section refers to in the regular financial half-yearly information and the annual corporate governance report, where and to the extent provided by Law. The provisions of the Regulations will be subject to further expansion by means of the appropriate rules issued by the Company's Board of Directors.

D.2 Give details of transactions that are significant in view of their amount or relevant because of their content carried out between the Company or its group entities and the significant shareholders in the Company:

D.3 Give details of transactions that are significant in view of their amount or relevant because of their content carried out between the Company or its group entities and the Company's directors or executives:

D.4 Report significant transactions carried out by the Company with other entities belonging to the same group, provided they are not omitted in the generation of the consolidated financial statements and do not form a part of the normal commercial affairs of the Company in terms of its substance and conditions.

In all cases, a report shall be made of any intragroup operation carried out with entities established in countries or territories with tax haven status:

D.5 Indicate the value of transactions carried out with other related parties.

0 (in thousands of euros)

D.6 Detail the mechanisms established to detect, determine and resolve possible conflicts of interest between the Company and/or its group and its directors, executives or significant shareholders.

The Regulations for the Board of Directors gives detailed rules on these topics, highlighting the following points with regard to the Directors:

a) Obligation to refrain from discussions, decisions and execution of operations where they have a direct or indirect conflict of interest, including decisions about their own appointment or resignation.

b) Obligation not to compete, in accordance with the provisions of article 45 of the Regulations for the Board of Directors.

c) Carrying out transactions with ACCIONA, S.A. or with companies over which ACCIONA, S.A. exercises a significant influence, apart from the exceptions indicated in the Regulations (which are indicated in section D.1) require authorization by the Board of Directors or the Executive Committee with later ratification by the Board, following a report from the Appointments and Remuneration Committee.

d) Obligation to refrain from securities trading with ACCIONA, S.A., or with companies over which it exercises a significant influence in the periods and circumstances established in article 50 of the Regulations.

e) Obligation not to gain personal advantage nor an advantage for any related person from the business opportunities of ACCIONA or companies over which ACCIONA exercises a significant influence under the terms of article 48 of the Regulations for the Board of Directors.

f) Obligation to inform the Board of Directors, through the Secretary or Deputy Secretary, of any situation of conflict of interest which may arise.

With regard to significant shareholders, the carrying out of transactions with ACCIONA, S.A. or with companies over which ACCIONA, S.A. exercises significant influence, apart from certain exceptions referred to in section D.1 requires authorization by the Board of Directors or the Executive Board with later ratification by the Board, following a report from the Appointments and Remuneration Committee and in all cases these must be carried out under market conditions and based on the principle of equal treatment of shareholders.

With regard to executives, the current internal code of conduct imposes on the latter the obligation to make known any possible conflicts of interest involving themselves, their family ties, their personal financial interests or any other reason and that this be done with sufficient prior notice in order to enable appropriate decisions to be made in this regard.

Similarly, the Secretary General requires the Group's executives to furnish a regularly updated declaration of their activities outside ACCIONA and the Group.

D.7 Is more than one of the companies in the Group listed in Spain?

YES		NO	X

Identify the subsidiaries listed in Spain:

Listed subsidiary

Indicate whether the respective areas of activity and potential business relations between them have been defined publicly in detail, as well as those of the dependent listed company with other group entities:

Define the potential business relations between the parent company and the listed subsidiary, and between the latter and the other companies in the group

Identify the mechanisms foreseen to resolve any potential conflicts of interest between the listed subsidiary and the other companies in the group:

Mechanisms to resolve potential conflicts of interest

E. CONTROL SYSTEMS AND RISK MANAGEMENT

E.1 Explain the scope of the Company's Risk Management System.

The ACCIONA Risk Management System works in an integrated way in that the identification, assessment and mitigation of risks are established in each line of business co-ordinated by a team at corporate level. This team manages and establishes the permitted level of tolerance for risk and co-ordinates the actions to align its management with the global risk policies of the Group and to enable the latter to be aware at all times of the exposure to risk assumed by the Group as a whole.

The presence of ACCIONA in different areas of business and in diverse countries with a variety of regulatory, political and social environments means that there are different risks to identify and manage which by nature are varied. Therefore, during the past year, an individualized system has been developed to manage the most important risks in each area of the business.

During 2015, an update has been made to the Risk Map of ACCIONA Group, with national and international scope, resulting in independent mapping for the following divisions. ACCIONA Water, ACCIONA Energy, ACCIONA Infrastructure, ACCIONA Concessions, ACCIONA Transmediterranea, ACCIONA Property, Bestinver, ACCIONA Facility Services and Other Activities (including GPD, Bodegas Palacio and Hijos de Antonio Barceló wineries) and a consolidated map of ACCIONA Group, widening the range for analysis and calculation of risks by country to those geographical areas with significant turnover.

During 2015, an update has been made to the Map of Environmental Risks by divisions, identification and study of the risks related to sustainability and the environment in each line of business. In addition, a document has been prepared for the specific treatment of these risks.

Due to the Company's policy regarding international expansion, the range of analysis and assessment of risks by country has continued to be increased in those geographic areas with a significant turnover or those designated as strategic vis-à-vis the future.

On the fiscal front, ACCIONA defined a policy of tax risk management based on an adequate control environment, a system of risk identification and a monitoring and continuous improvement process of the effectiveness of the control systems.

The Board of Directors agreed in September, 2011, to subscribe ACCIONA, S.A. to the Code of Good Taxation Practice, with the object of unifying and completing the systems for regulatory control, prevention and compliance in order to reduce significant financial risks and prevent those forms of conduct capable of generating these, approving on July 24, 2012 the Code of Tax Conduct and Policies which includes a section on their management policy and in which a matrix of acceptable tax risks is defined.

E.2 Identify the entities of the Company responsible for the development and implementation of the Risk Management System.

The General Directorate for Finance and Risks has carried out the whole process of development, updates, evaluation and management of the risks for all divisions, for later incorporation at corporate level.

The Corporate Internal Audit Department develops the planning and execution of auditing activities based on the risks identified. Additionally, it evaluates the effectiveness and efficiency of the internal control systems by continually analysing the main processes of the Group companies in their various areas of business.

The ACCIONA Audit Committee supports the Board of Directors with regard to the Company's risk management. The Audit Committee periodically revises the risk management systems to identify the main risks adequately as well as to manage and supervise the efficiency of the risk management systems.

The Board of Directors approves the policy for the control and management of risk.

E.3 Indicate the main risks potentially affecting the achievement of the Company's goals, including tax risks.

The risk scenarios considered in the ACCIONA Risk Management System have been classified into four groups: financial, strategic, operational and unforeseeable. The first two have been identified by the Group's executives as those presenting the greatest risk profile.

1. Financial and Economic Risks:.
Mainly fluctuations in exchange rates, interest rates and financial markets, changes in the prices of raw materials, liquidity, cash flow, late payment or loss of clients.

For the purposes of mitigating the exchange-rate risk, ACCIONA deals in derivatives for foreign currencies and exchange-rate hedges to cover operations and future significant cash flows in accordance with the limits of risk tolerated.

Interest-rate risk is particularly material with regard to the funding of infrastructure projects, in concession contracts, in the construction of wind farms or solar plants and other projects where the profitability of the projects depends on the possible variations in the interest rate and is mitigated by carrying out hedging transactions by contracting derivatives.

The risk of fluctuations in the prices of raw materials, construction supplies and particularly fuel is managed fundamentally in the short term by means of specific hedging operations generally through trading in derivatives.

With respect to credit and liquidity risks, the Group deals exclusively with solvent third parties and requires certain guarantees to mitigate the risk of financial losses in cases of default and maintains an adequate level of reserves through ongoing monitoring of the forecasts and actual cash flow figures, matching these to the maturity profiles of financial assets and liabilities.

2. Strategic Risks:
ACCIONA minimizes this type of risk by means of its own strategy and business model, through sectoral and geographical diversification of its business, the performance of exhaustive market research into competitors and the countries in which it engages in activities as well as by supporting Research and Development.

3. Operational Risks:
In each line of business, specific systems are implemented to cover their business requirements, systematizing and documenting processes, quality assurance, operations, planning and economic oversight.

To mitigate the risks in the procurement process, checks have been put in place to facilitate free competition and transparency of the processes, avoiding any violation of ACCIONA's commitment to ethical behaviour in these processes.

ACCIONA carries out annual risk mapping of its critical suppliers, analysing the main risks on its supply chain, using an economic and environmental analysis of risk prevention by workforce, activity and country of origin.

Risks derived from irregular conduct. ACCIONA has put in place a Code of Conduct which establishes the basic principles and commitments that all directors and employees of the divisions as well as suppliers and third parties in contact with these companies must fulfil and respect in the execution of their activities. There is a whistleblowing channel, communicated at all levels of the Organization, to enable information to be passed on, with guarantees of confidentiality, regarding any irregular conduct relating to accounting, supervision and auditing as well as any other non-compliance or breach of the behaviour promulgated in the Code.

The Board of Directors agreed in September, 2011, to subscribe ACCIONA, S.A. to the Code of Good Taxation Practice, with the object of unifying and completing the systems for regulatory control, prevention and compliance in order to reduce significant financial risks and prevent those forms of conduct capable of generating these.

4. Unforeseeable Risks:

Environmental risks.- ACCIONA has a Corporate Management System for Environmental Crises. This system includes measures to be followed and the allocation of responsibilities and resources necessary for the adequate management of a crisis situation following any incident occurring at facilities owned or operated by the Company and leading to consequences for the environment.

ACCIONA has consolidated its initiatives for management of risks to the environment, focusing its efforts on the identification and implementation of measures for the mitigation of the most relevant risks. During 2015 a document has been prepared for the specific treatment of these risks.

Occupational hazards.- Management of the Prevention of Occupational Hazards and Health and Safety in the Workplace is one of the priorities of all the Divisions and lines of business. The majority of our activities are included in those considered as high risk by the legislation (especially those in Infrastructure and Energy). The preventive activity is carried out through Management Systems certified to the OHSAS 18001 international standard.

E.4 Identify whether the entity has a level of tolerance to risk, including tax risk.

At corporate level, the Group's level of tolerance to risk is defined taking account of internal culture, structure and strategy. This level of tolerance establishes the acceptable level of risk in relation to the achievement of the targets set for each of the activities or investment projects.

Once the risks arising in the course of the activities have been identified by those responsible for each business area, they are assessed qualitatively and quantitatively and represented in a matrix according to their correct management and assessment at corporate level. For each of the main risks in each line of business, a file is created in which the basis of the decision making for acceptance or rejection of the operation in question is established with regard to the associated level of risk, in terms of profitability (solvency of customers, minimal acceptable revenue levels), operation (vulnerability of the supply chain, manpower), political and economic risks (currency transfers, political interference, …) and security.

Those situations or activities which exceed the level of tolerance to risk previously defined by the Company will be analysed individually by those with senior responsibility for the corresponding business area, establishing, in co-ordination with the Corporate Finance Division, the mechanisms that contribute most to its mitigation. Where the business opportunities exceed the levels of acceptable risk, they will not be approved by the Investment Committee.

On the fiscal side the group adopted a matrix of fiscal risks in which the risk areas have been defined, taking into account the impact on both quantitative and qualitative terms (reputational risk), as well as the probability of occurrence. In any case, when adopting decisions on tax matters, the Group chooses to make reasonable interpretations of the regulations, or shared by the relevant administrative bodies or courts in each jurisdiction where they have presence.

E.5 Indicate the risks which have arisen during the financial year.

During the 2015 financial year, risks have materialized as a result of the normal conduct of the Group's business activities caused by national and international financial and economic circumstances, largely mitigated by the diversification and internationalization of its activities.

The Treatment and Control systems established in the different lines of business have functioned adequately, as has the Crisis Management system for unforeseen and operational risks arising during the year.

In its financial statements ACCIONA provides detailed information on the progression of those risks that, by their nature, permanently affect the Group in the execution of its activities, including tax risks and main litigation in tax matters.

E.6 Explain plans for responding to and monitoring the entity's main risks, including tax risks.

Due to the significant sectoral diversification of ACCIONA and the high number of countries in which activities are being carried out, checking for compliance with regulations affecting the Company is particularly exhaustive.

Due to that, although there is a corporate system in place for risk management, each division is responsible for compliance with the internal standards and processes applicable to its activity.

Checking on their effectiveness is carried out by means of regular assessments by the technical services of the productive companies and by scheduled inspections, thus all operative and administrative phases of the different businesses are covered. The checks are carried out by the internal services of each company as well as by Corporate Internal Audit.

The Corporate Internal Audit Division contributes to the management of risks faced by the Group in the fulfilment of its goals and in the prevention and control of fraud by means of the planned monitoring of the efficiency of the internal control systems associated with the main processes of the Companies belonging to the Group in their various lines of business.

The corresponding conclusions and recommendations are communicated to the Group Management as well as to those responsible for the business areas and companies assessed.

For the development of its functions, the Corporate Internal Audit Division has professionals with the necessary knowledge and experience, independent of the production lines, complemented where appropriate with collaboration from external consultants.

As far as the tax risk regards the Board of Directors approved on November 26, 2015 the tax strategy available on the website and in the corporate portal “interacciona” in which objectives it stablishes the promotion of transparent relations and good faith with the tax Administrations of each country, aimed at achieving the best possible predictability of tax positions taken, and to minimize discrepancies and disputes in tax matters.

F. INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICoFR)

Describe the mechanisms making up the control and risk management systems for the financial reporting process (ICoFR) of your entity.

F.1 Entity control environment

Indicate the following, detailing at least their main features:

F.1.1. What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICoFR; (ii) its implementation; and (iii) its supervision.

ACCIONA's System of Internal Controls over Financial Reporting (hereinafter ICoFR) has been defined with the aim of obtaining reasonable assurance as to the reliability of financial information. The main bodies responsible for this control are the Board of Directors, the Audit Committee, and the Group's Corporate Finance Division.

As established in its Regulations, the Board of Directors is formally responsible for ensuring the existence, correct application and maintenance of the ICoFR.

As laid down in the Corporate Standard on Organizational Structure and Responsibilities, the design, implementation and operation of the ICoFR is the responsibility of the Corporate Finance Division.

With respect to its oversight, the Regulations for the Board of Directors establishes that the main function of the Audit Committee is to serve as the Board's instrument and support in the supervision of accounting and financial reporting, internal and external audit services and corporate governance. Furthermore, the same article specifies that the duty to supervise the ICoFR shall correspond to the Audit Committee. Indication is provided below of the main responsibilities of the Audit Committee in connection with systems for internal control over financial reporting:

a) Supervision of the process for preparing regulated financial information for ACCIONA and its Group, ensuring its completeness and presenting it to the market, reviewing compliance with regulatory requirements, adequate definition of the scope of consolidation and the correct application of accounting criteria.

b) Regular review of internal control and risk management systems so that the main risks can be adequately identified, managed and communicated.

F.1.2. With particular reference to the process for preparing financial information, which of the following elements are in place:

- Departments and/or mechanisms responsible for: (i) design and review of the organizational structure; (ii) clearly defining lines of responsibility and authority, with an adequate distribution of tasks and duties; and (iii) ensuring there are adequate procedures for their correct dissemination within the entity.

  As laid down in its regulations, the Board of Directors is responsible for defining the structure of Group companies, and at the proposal of the Company's Chief Executive, appointing and if applicable removing the Senior Management of ACCIONA and the remaining companies in its business group.

  The "Corporate Standard on Organizational Structure and Responsibilities" gives the Corporate Finance Division responsibility for the design, review and updating of the structure and organization of the Economic and Finance Units in ACCIONA Group. Corporate General Management co-ordinates and supervises the adequate definition, implementation and execution of the main financial information preparation and reporting functions assigned to the organizational units of all subsidiaries, Sub-groups, Divisions and Corporations in ACCIONA Group.

The standard in question is available on the ACCIONA Group Intranet.

In each Group company, the design of the organizational structure for the units participating in the preparation of financial information depends on various factors, such as turnover and type of business, in all cases aiming to provide coverage for all activities with regard to the recording, preparation, review and reporting of the operations performed and the economic and financial situation of each company. Consequently, the persons responsible for each Economic and Financial Unit in ACCIONA Group justify and propose the design, review and updating of the structure of their units according to their needs by means of a proposal that must be validated and approved by the Corporate Finance Division of the Group prior to implementation.

The "Corporate Standard on Segregation of Duties" establishes the main incompatibilities of duties for the various areas in the organizational structure, as well as the procedures to be followed to ensure correct compliance and maintenance of the corporate segregation of duties model.

- Code of conduct: approval body, degree of communication and instruction, principles and values included (indicating whether specific mention is made of the recording of operations and the preparation of financial information), the body responsible for analysing non-compliance and proposing corrective actions and sanctions.

ACCIONA Group possesses a Code of Conduct that has been approved by the Board of Directors, the main principles and values of which refer to the following:

- Maintaining an unimpeachable standard of integrity in behaviour and relations, both inside and outside the organization.

- Objectivity, transparency and rigour in administrative management and preparation of financial information with the aim of ensuring its reliability.

- Compliance with internal policies and rules, as well as with current legislation.

- The obligation to reject and report any practice representing a breach of ACCIONA Group's Code of Conduct.

- Confidential handling of all information acquired as a consequence of the performance of professional activities.

The Code of Conduct must be formally signed by all employees when they join any company in ACCIONA Group. In addition, Code of Conduct updates are notified and must be formally acknowledged by all Group employees by means of digital acceptance or the signing of acknowledgement and acceptance. Also, the Code of Conduct is published on the Group website, where it can be accessed by anyone for consultation.

The Code of Conduct and its Regulations assign the Code's control and supervision to the Code of Conduct Committee, which in particular is to:

- Encourage communication, awareness of and compliance with the Code of Conduct.

- Interpret the Code of Conduct and guide actions in case of doubt.
- Facilitate a communication channel for all employees to receive and provide information on compliance with the Code of Conduct.
- Prepare reports on the level of compliance with the Code containing recommendations and timely proposals to keep it updated.

In addition, an Anti-Trust Policy and an Anti-Corruption Policy are in place.

Furthermore, the Code of Conduct Committee is the body responsible for analysing possible breaches of the Code of Conduct, informing the Audit Committee of the measures taken and proposing corrective actions and sanctions for the breach.

During 2015, ACCIONA has continued its on line training campaign in relation to the Code of Conduct, focusing mainly on new hires, and this training has now been completed by 507 individuals.

- Whistle-blowing channel for communicating irregularities of a financial and accounting nature to the Audit Committee, as well as any failures to comply with the code of conduct and irregular activities in the organization, indicating whether it is confidential in nature.

ACCIONA has a confidential Ethical Channel for reporting irregular conduct of all kinds, whether financial, accounting or of any other nature, as well as any breach of the Code of Conduct.

To this end, the Code of Conduct Committee makes a postal and e-mail address available to all employees, suppliers, contractors and collaborators of the Group to answer questions regarding interpretation of the Code of Conduct and notify breaches. Both channels guarantee confidentiality of these reports by restricting access to the e-mails and letters received with accusations solely to the addressees authorized by the Code of Conduct Committee.

Furthermore, regardless of the confidentiality of the channels themselves, the Code of Conduct Committee guarantees reports received will be treated confidentially by means of the signing of a confidentiality agreement by all investigating officers and members of the Committee.

The Code of Conduct Committee analyses all reports received, and depending on the origins and severity of the charges, assigns them the appropriate priority and provides a justified response to the reporting party regarding either the opening of an investigation or rejection of the allegations. If it is decided to initiate an inquiry, investigators responsible for analysing the report will be appointed by the Code of Conduct Committee, following an appropriate confidentiality pledge. These investigators may either be appointed internally by ACCIONA Group, or be contracted from outside the Group for the analysis. Once investigators have been appointed, they will begin the process for analysis of the case following the procedures and time frames established for each phase in the Reporting Channel manual.

The conclusions of each investigation, together with the recommendations and penalties proposed, are notified to the Audit Committee for examination and the taking of such decisions as may be required.

In addition, the Group has put in place Internal Regulations for Conduct on the Securities Markets, approved in the 2013 financial year, pursuant to the provisions contained in the

Securities Market Regulations. Compliance with the said Internal Regulations is supervised by the Compliance Unit, comprising the Secretary to the Board, the Financial Director, and the Head of Legal Services.

- Training and regular updating programmes for the personnel involved in the preparation and review of financial information, as well as assessment of the ICoFR, dealing at least with accounting standards, audit, internal control and risk management.

  ACCIONA Group considers that continuous updated training of its employees and executives in rules affecting financial reporting and internal control constitutes an important factor for ensuring the reliability of financial information.

With the support of the Group's Corporate University, which handles the training programmes, ACCIONA Group places various courses and seminars at the disposal of its employees, including those involved in the preparation and review of financial information and evaluation of the ICoFR.

As a result of the needs identified, the Corporate Human Resources Division, or that of the subsidiaries involved, plans and manages specific training courses and seminars, either locally or centralized, and delivered either internally or externally, with the aim of ensuring the understanding and correct application of regulatory updates and changes as well as best practices necessary to guarantee the reliability of financial information. During 2015, a total of 542 employees received a total of 5,379 hours of training, of which 4,305 hours corresponded to Code of Conduct training, and the rest was directly related to the acquisition, updating and recycling of economic and financial knowledge, including accounting and audit standards, internal control, and risk management.

During 2015, Corporate and Local Finance Divisions involved in the preparation, review and reporting of financial information received various publications on the updating of accounting, financial internal control and tax rules, as well as courses from external experts with updates on accounting rules.

In addition, those responsible for supervision of the ICoFR and members of the Internal Audit Department have attended seminars, fora and meetings on specific sector-related topics concerning the ICoFR, risk control, audit, fraud and other matters related to the Group's activity organized by external firms.

As a result, those responsible for the Corporate and Local Finance Divisions, as well as the Corporate Unit for the Control of Accounting Policies and Tax Planning, are kept up to date and are aware of changes to the relevant regulations, so that they are able to communicate them to the corresponding Departments and Units for their correct adoption, and can respond to any queries received.

F.2 Assessment of financial reporting risks

Inform at least on the following:

F.2.1. What are the main features of the risk identification process? Include risks of error and fraud, indicating:

- Whether the process exists and is documented.

  ACCIONA Group's presence in various business areas and different countries with differing regulatory, political and social environments means that the risks to be identified and managed are very varied in nature. For this reason, during the last year, the development of an individualized plan of response to the major risks of each of the business areas has been carried out.

During 2015, ACCIONA Group Risk Map was updated with a national and international scope, reaching the rank of analysis and risk assessment by country to geographical areas with a significant business impact.

Also in 2015 an update by divisions has been made to the Environmental Risk Map, through the identification and assessment of risks related to sustainability and the environment in each of the business areas.

In the case of the identification of risks affecting the reliability of financial information, the ACCIONA Group Corporate Finance Division has formally established the procedure and the criteria for the determination and annual update of the scope of the ICoFR for the Group. The annual determination of the scope of ICoFR is based on quantitative and qualitative criteria, including the risks of error or fraud with a material impact on the financial statements.

The ICoFR also takes into account the possibility of error in certain general processes not directly linked to specific transactions, but which are especially relevant to the reliability of financial information. Among others, this is the case of the Closing and Consolidation process and the management processes in the Information Technologies area.

During 2012, the documenting and formalizing of corporate processes was completed, as was the documentation for those processes considered to be material to the main subsidiaries in the various Divisions. During 2014, in line with the guidelines in the Corporate Standard on Maintenance, Reporting and Supervision of the ICoFR, processes were reviewed and their documentation updated at various Group subsidiaries, no significant changes having been made to these in the year 2015.

- Whether the process covers all the objectives of the financial information (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), whether it is updated, and with what frequency.

For each of the processes identified in each of the companies within scope, the inherent risks have been identified along with the controls implemented at these companies to mitigate them. This procedure is documented in a Risk-Control Matrix that describes for each risk the objectives of the financial information covered (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations).

Both the determination of the scope of the ICoFR and the process for identifying and updating the documentation on risks and controls for the processes of companies considered to be material are updated and reported at least annually, as well as every time there is a significant change in the Group's consolidation perimeter. No significant changes having been made to this documentation in the year 2015.

- Whether there is a process for identification of scope of consolidation, taking into account among other aspects the possible existence of complex corporate structures, holding companies or special purpose vehicles.

The "Corporate Standard on Enterprise Transactions" has been formally established by the Corporate Finance Division of ACCIONA Group to establish and implement the appropriate internal control mechanisms in relation to approval of any type of enterprise-level transaction in relation to ACCIONA Group. This rule calls for analysis and authorization by Corporate Finance Division to ensure the correct identification and inclusion on the financial statements of all Group operations.

This standard considers the possible existence of complex corporate structures, holding companies or special purpose vehicles, establishing the procedure for requesting, authorizing, notifying and recording any operation for the incorporation, merger, spin-off, acquisition or sale of companies, as well as any other enterprise-level transaction. The Corporate Management Units for Economic Control, Consolidation, and Tax and Legal Affairs, among others, are directly involved in carrying out these procedures.

This standard is supplemented by the "Corporate Standard on the Preparation and Reporting of Financial Information" formalized by the Corporate Finance Division of ACCIONA Group, which establishes the procedure for monthly reporting of changes to the scope of consolidation for each of the sub-groups in Corporate Consolidation Management, so that control of the scope of consolidation for all the Group's subsidiaries can be carried in a centralized manner.

- Whether the process takes into account the impacts of other types of risk (operating, technology, financial, legal, reputational, environmental, etc.) insofar as these affect the financial statements.

The ACCIONA Group Global Risks Management System is designed to identify potential events that might affect the organization, managing their risks by establishing certain systems for internal control and treatment that will make it possible to keep the probability and impact of such events within established tolerance levels, providing reasonable assurance as to the achievement of the business's strategic targets.

The identification and quantification of the risks is laid down for each line of business, co-ordinated by a team at corporate level that administers and establishes the acceptable risk tolerance level in accordance with the directives outlined by the Corporate Board of Directors, and actions are co-ordinated to achieve alignment with the Group's overall risk policy, and so as to make it possible to determine the exposure to risk of the Group as a whole.

The Risk Management System covers 4 types of risks:

a) Financial. - Risks for which materialization would have a direct impact on the Group's income statement. They mainly consist of fluctuations in exchange rates, interest rates and financial markets, changes in commodity prices, liquidity, cash flow, default, or loss of clientele.

b) Strategic. - Those risks for which the consequence is failure to achieve the Group's goals and a decline in its growth. These risks include organizational changes, investments and divestments, threats from competitors, economic, political and legal changes, and the impact of new technologies or research and development.

c) Operational. - Risks concerning processes, persons and products. They are related to regulatory, legal and contractual compliance, control systems and procedures, the supply chain, auxiliary services, information systems, employee productivity and the loss of key personnel.

This category of risk includes risks associated with the reliability of financial information, as it directly affects the process of preparing and reporting such financial information.

d) Unforeseeable. - Risks related to harm caused to company assets and staff that could negatively impact the company's performance, such as fire, explosion, natural disasters, environmental pollution, damage to third parties, or occupational hazards.

All these categories are considered by ACCIONA Group in its process for the evaluation of risks to the reliability of financial information, as detailed in the "Corporate Standard on Internal Controls over Financial Reporting".

- Which governance body in the entity supervises the process?

The Regulations of the Board of Directors sets the Audit Committee the task of periodically reviewing the systems of internal control and Risk Management, so that the main risks can be adequately identified, managed and communicated.

In 2015, the Audit Committee was informed of the results of updating the risks map during the year.

F.3 Control activities

Report, indicating the main characteristics, on whether there are at least:

F.3.1. Financial information revision and authorization procedures and the ICoFR description for publishing information on the stock markets, indicating those responsible, as well as documentation describing flows of activities and controls (including those related to risk of fraud) of different transaction types that may significantly affect the financial statements, including the procedure for closing accounts and the specific revision of judgements, estimates, assessments, and relevant projections.

ACCIONA Group has established procedures for revision and authorization of financial information and the ICoFR description, whose responsibility is that of the Corporate Finance Division, the Audit Committee, and the Board of Directors.

Regarding the revision and authorization of financial information, the Corporate Economic Management Unit has established a report procedure where all the Economic and Financial Management Units of all Businesses confirm they have conducted and supervised the most significant aspects of their corresponding financial reporting.

Additionally, and prior to publishing financial information on the stock markets, the Audit Committee analyses, with the Corporate Finance Division and with the internal and external auditors, the financial statements and other relevant financial information, as well as the main judgements, estimates, and projections included in them, in order to confirm that this information is complete and that they have followed the regulations in force.

In this regard, the consolidated annual accounts of ACCIONA Group report areas of uncertainty, especially those relevant to judgements and estimates made and the criteria followed for their evaluation.

In relation to the ICoFR description, the Corporate Finance Division has established through policies, standards, and pertinent mandatory corporate procedures, the correct documentation on flows of activities and controls of different transaction types that may significantly affect the financial statements for the financial year.

The identification of risks and ICoFR controls give special consideration to fraud-related risk, as well as certain general processes not directly linked to specific transactions identified in the financial statements, such as the closing and consolidation process. In the same way, risks and key controls are identified in the processes where judgements, estimates, assessments, and relevant projections are performed.

As established in the "Corporate Standard on the Preparation and Reporting of ICoFR", at the close of the 2015 financial year, those with financial responsibilities in the various Divisions have submitted to the Corporate Finance Management Division the annual report setting out the variations arising during the financial year with respect to the identification of risks and their associated controls and the incidents detected during the period, without significant changes over the year 2014.

F.3.2. Internal policies and control procedures over financial reporting systems (among others, for secure access, controls over modification and operation, business continuity, and segregation of functions) that support the relevant processes of the entity in relation to development and publishing of financial information.

ACCIONA's Corporate Information and Communications Technology Division (ICT) is responsible for promoting and supporting the establishment of technical, organizational, and control measures to guarantee the integrity, availability, reliability, and confidentiality of the information.

ACCIONA's ICT Security Committee is the Body responsible for establishing the strategy and driving, prioritizing, and administering the monitoring of the security projects, plans, and programmes for information systems, as well as supervising the effective and efficient management of security risks and incidents, reporting to the Corporate Assessment Committee any possible crisis situation that may originate from an incident related to reporting system security.

The reporting systems of ACCIONA Group are based on the development of applications and data-processing services covering the needs' demand and assessment phases, the analysis, design, construction, testing, implementation, production deployment, and maintenance of these reports. All this through the application of different methodologies aimed at preserving the integrity and reliability of the Group's data, including financial information.

ACCIONA Group has policies, standards, and process and control descriptions included in the Information Systems Security Management System in accordance with recognized international standards, such as ISO 27001, ISO 27002, BS 25999, and different adaptations of the NIST standards and ITIL processes.

These policies establish the Group's corporate guidelines for the management of risks related to the process for managing information systems, specifically access control, change controls, segregation of functions, operation, development, continuity, and data recovery, to be applied to all Companies in the Group.

Access to information systems is centrally managed for most Spanish branches of each business division in the Group and individually managed by the remaining sub-groups and branches, through the definition of data access, modification, validation, or consultation profiles depending on the role of each user of the information systems according to their job description. To facilitate this assignment, criteria have been established in the "Corporate Security Standards of Information Systems" to establish that permission for access to networks, systems, and information must be granted depending on the function segregation criteria established for business areas so as to grant users access only to the resources and information needed for the exercise of their functions.

Furthermore, the Group's Function Segregation Standard establishes the basic prerequisites to be fulfilled by all companies of the Group, based on generally accepted standards, as well as the approval paths and supplementary controls in exceptional cases.

The "Corporate Standard for Information Systems Security" establishes the security measures against leaks, loss, unavailability, or unauthorized manipulation or disclosure of information all Branches of the Group must comply with, designating different security levels according to the level of confidentiality of the information.

The general security and access management policy is designed to protect equipment against the installation, removal or modification of software without specific clearance, as well as to protect the information systems from Trojans, viruses and other types of malware, for which there are electronic elements and up-to-date software to prevent intrusions of the Information systems.

The control mechanisms for the continuity of information systems and data backup are defined in the business continuity plans. These plans define the infrastructure failover strategies supporting the business processes. For this reason, backup systems automate the redundant synchronized saving of data to enable the assumption of the continuity of critical systems within levels of availability agreed in service level agreements. Furthermore, backup copies are systematically stored at off-site locations to forestall contingencies requiring the use of these copies.

F.3.3. Policies and internal control procedures for supervising the management of activities subcontracted to third parties, as well as the evaluation, calculation or assessment aspects entrusted to independent experts, when they may materially affect financial statements.

In general, ACCIONA Group conducts the management of activities that may significantly affect the reliability of the financial statements through the direct use of internal resources, avoiding outsourcing.

The management of the evaluation, calculation or assessment activities entrusted to independent experts by ACCIONA Group basically refers to the appraisal of assets, mainly property, for which the involvement of a third party is requested at least once a year. In order to ensure their independence and training, the appraisal firms are selected considering the recommendations of the Spanish National Securities Market Commission (CNMV), exclusively contracting valuation firms holding the RICS evaluation certificate from the Royal Institute of Chartered Surveyors in accordance with International Appraisal Standards.

The valuation reports on these assets obtained from the appraisal firms are subjected to an internal review process to verify the accuracy of the most significant hypotheses and assumptions employed, as well as their conformity with International Valuation Standards (IVS) and International Financial Reporting Standards (IFRS), and the reasonableness of their impact on financial information.

Lastly, it must be emphasized that ACCIONA Group has put in place controls and procedures for the supervision of businesses operating through a corporate structure in which control is not held or otherwise not directly administered by the Group, as is the case with temporary joint ventures.

F.4 Information and communication.

Report, indicating the main characteristics, whether there is at least:

F.4.1. A function responsible for defining and updating accounting policies (an accounting policy area or department) and resolving doubts or conflicts derived from their interpretation; maintaining fluid communication with those responsible for operations in the organization, as well as an up-to-date manual of accounting policies communicated to the units through which the Company operates.

ACCIONA Group has adequate procedures and mechanisms for transmitting the applicable operating criteria and information systems used in financial information collation processes to the personnel involved in these processes. To this end, reliance is placed on the Accounting Policies Control Unit, which reports to ACCIONA Group's Corporate Finance Division.

The areas of responsibility of the Accounting Policies Control Unit are defined in the Corporate Standard for Financial Reporting Preparation and include, among others, the following functions:

- Define, administer, update, and communicate the accounting policies of ACCIONA Group in compliance with accounting and consolidation standards applicable to the collation and presentation of financial information to be published.

- Develop, update, and communicate the Accounting Policies Manual to be applied to all financial units in ACCIONA Group. This manual is updated annually and is approved by the Corporate Economic Management Unit. In this regard, the last update of the Accounting Policies Manual was on 31 December 2014.

- Resolve doubts and conflicts arising from the interpretation and application of accounting policies, maintaining fluid communication with those responsible for operations in the organization.

- Define and establish the templates, formats, and criteria to be used for the collation and reporting of financial information. In this way, all financial data furnished to markets are obtained by consolidating the reports from the different business units drawn up in accordance with standardized mechanisms for data capture, preparation, and presentation at all units in ACCIONA Group. These mechanisms are designed in such a way as to allow them to comply with the standards applicable to the main financial statements, including accounting criteria, valuation policies, and presentation formats, covering not only the balance sheet, the profit and loss account, the statement of changes in equity, and the cash flow statement, but also the procurement of other information necessary for preparation of the Notes to the Annual Accounts.

F.4.2. Mechanisms for capturing and preparing financial information in standard formats applied and used by all units in the Company or the Group supporting the principal financial statements, as well as information given on the ICoFR.

LThe preparation of ACCIONA Group's consolidated financial information begins with the process for aggregating at source the individual financial statements from each of the branches making up each consolidated sub-group, for subsequent consolidation in accordance with the accounting and consolidation standards uniformly defined for the whole Group so as to obtain the financial information published on the markets.

The entire process for aggregation and consolidation of the financial statements of ACCIONA Group is based in the SAP BPC (Business Planning Consolidation) computer application. The loading of data in the consolidation application is uniformly performed for all branches and subgroups included in the consolidation perimeter and taking into account the reporting schedule communicated by the Corporate Economic Management Unit at the beginning of each financial year. The information loaded into SAP BPC includes the main breakdowns necessary for the development of the consolidated annual accounts of ACCIONA Group.

The system for reporting and reviewing the information for the production of financial statements is regulated by the "Corporate Standard for Preparing Financial Information" which establishes, for each level of responsibility of the financial units in ACCIONA Group (Branch/Subgroup/Division/Corporate), the nature and format of the information to be reported, as well as its revision by the corresponding parties responsible.

The consolidation application, SAP BPC, is parameterized to make numerous automatic verifications and reconciliations where analytical and comparative revisions are performed in search of incongruities in the registered data before validating them. The automatic revisions are supplemented by a review of the data in the process of closing and consolidation, as well as by a revision of the estimation, valuation and calculation criteria used for procurement. This review is conducted by the person with financial responsibility at each level of aggregation and consolidation and, once reported, is checked again by the Corporate Economic Management Unit.

The Corporate Finance Division completes the development phase of the financial information by revising the financial statements developed by the Corporate Economic Management Unit.

Regarding the mechanisms for preparing and reporting relevant information on the ICoFR, ACCIONA Group has implemented a reporting system for maintaining internal controls over financial reporting systems, recorded in the "Corporate Standard for Maintaining, Reporting, and Supervision of Internal Controls over Financial Reporting Systems". The objective of this standard is to establish the bases for maintaining, reviewing, reporting, and supervising ICoFR in ACCIONA Group, ensuring that the risk of errors, omissions, or fraud in the financial information is adequately controlled, whether it is by prevention, detection, mitigation, remuneration, or correction of errors. Where control deficiencies are identified, those responsible in the company in question have to define the necessary actions for their correction, thus contributing to guaranteeing the reliability of the financial information of ACCIONA Group.

The report for 2015 has been made every six months by all branches of ACCIONA Group that have been designated as significant according to the established criteria, considering, in turn, the most relevant processes of each one, the deadline being the same as that of the Financial Information report. The person responsible for the report is the Financial Director of each Branch/ Subgroup, who submits it to the Financial Management of the corresponding Division which, in turn, reports to the Corporate Economic Management Unit of ACCIONA Group.

F.5 Supervision of system operation

Report, indicating the main characteristics, whether at least:

F.5.1. The ICoFR supervisory activities are performed by the audit committee, as well as the internal audit function, if any, with the capability, among others, of supporting the committee in the task of supervising the internal control system, including ICoFR. Furthermore, information will be provided on the extent of the ICoFR evaluation performed in the financial year and the procedure whereby the results of the evaluation are communicated by the party conducting it, on whether the entity has a plan of action detailing the eventual corrective measures, and whether consideration has been given to the impact on financial reporting.

The Regulations for the Board of Directors of ACCIONA assign to the Audit Committee the primary role of serving as an instrument and support for the Board of Directors in the supervision of accounting and financial information, internal and external auditing services, and Corporate Governance. Among others, the Regulations for the Board of Directors attributes the following areas of responsibility to the Audit Committee:

1. Approve the internal auditing plan for the evaluation of the System of Internal Controls over Financial Reporting and receive regular information about the results of the work undertaken and the action plan to correct any deficiencies observed.

2. Ensure the independence and effectiveness of the internal audit, propose the selection, appointment, re-election, and termination of the person responsible for the internal auditing service; propose the budget for this service; receive regular information about its activities; and verify that senior management takes the conclusions and recommendations of its reports into consideration.

3. Supervise the internal auditing services of ACCIONA and its Group, approve the annual budget for the department, be apprised of the internal auditing plan, and oversee the selection and contracting systems for internal auditing personnel.

ACCIONA Group has an Internal Auditing unit devoted exclusively to this function. Its responsibilities include supporting the Audit Committee in the task of supervising the System of Internal Controls over Financial Reporting.

The Internal Auditing Management reports periodically to the Audit Committee on its annual work plan. It reports any incidents identified in its execution and the corresponding action plans for eventual corrective measures directly on identification and, at the end of each financial year, delivers a summary report of the activities performed during the year.

During the 2015 financial year, the Internal Auditing Management has completed a review of the effectiveness in the design and implementation of key controls in the processes of various branches of ACCIONA Group with significant impact on the Group's consolidated financial statements, according to the scheduled rotation plan. The objective of this rotation plan is the evaluation and supervision of the description of the processes, the identification and evaluation of the risks with the greatest impact on financial information, and the effectiveness of the controls implanted for mitigating these. Specifically, in the present financial year, the main processes of the principal branches have been revised: those corresponding to the Infrastructures, Services, and Other Activities Divisions, where the operational design and effectiveness of the system of internal controls over financial reporting have been analysed.

The outcome of the reviews completed by the Internal Auditing Management, as well as the incidents detected, has been notified to the Audit Committee. Furthermore, the action plan for the correction of these incidents has been notified to the person responsible for correcting them, as well as to the Audit Committee.

F.5.2. **Whether any discussion procedure is in place whereby the auditor of accounts (in accordance with the provisions contained in the Auditing Standards, the internal auditor, and other experts may notify senior management and the Audit Committee or the entity's directors any significant weaknesses in internal control identified during the processes of reviewing the annual accounts or others entrusted to them. Furthermore, information will be provided on whether there is an action plan to correct or mitigate the weaknesses identified.**

The Regulations for the Board of Directors of ACCIONA assigns the Audit Committee the following jobs and responsibilities:

1. Revise, analyse, and comment the Financial Statements and other relevant financial information to senior management and to internal and external auditors in order to confirm that said information is complete and that the criteria followed is consistent with the close of the previous financial year.

2. Supervise the decisions of senior management regarding adjustments proposed by the external auditor, as well as be apprised of, and mediate in disagreements between them, if any.

3. Regularly receive information from the external auditor regarding the auditing plan and the results of its execution and verify that senior management takes their recommendations into account.

4. Serve as a channel of communication between the Board of Directors and the external auditors, evaluate the results of each audit and the responses of the executive team to the recommendations, and mediate and arbitrate in cases of discrepancies between them in relation to the principles and criteria applicable to the preparation of the financial statements.

The Audit Committee maintains a stable and professional relationship with the external auditors in the different businesses and the main companies in ACCIONA Group with strict respect for their independence. This relationship favours communication and discussion of significant weaknesses in internal control identified during the process of reviewing the annual accounts or others entrusted to them.

In this regard, the Audit Committee , in the year 2015, received information from the external auditor, at two of its sessions, regarding the auditing plan and the results of its execution. The Audit Committee also invites Senior Management to its meetings so that its recommendations are taken into account.

F.6 Other relevant information

F.7 Report by the external auditor:

F.7.1. **Whether the information on the ICoFR sent to the markets has been submitted for review by the external auditor, in which case the entity must include the corresponding report as an appendix. Otherwise, the reasons must be given here.**

The information from ICoFR described by ACCIONA in the present document has been revised by the external auditor, whose revision report is attached as an appendix.

G. EXTENT UP TO WHICH CORPORATE GOVERNANCE RECOMMENDATIONS ARE FOLOWED

Indicate the extent up to which the company follows the recommendations in the Code of Good Governance of listed companies.

Where a recommendation is not followed or followed only partially, a detailed explanation should be provided giving the reasons for this so as to allow shareholders, investors and the market in general to have sufficient information to value the conduct of the Company. Explanations which are general in nature will not be acceptable.

1. The Articles of Association of Companies listed on the Stock Market do not limit the maximum number of votes cast by the same shareholder, nor are there other restrictions which hinder the takeover of the company through acquiring its shares in the market.

Compliant	X	Explain	

2. When the parent company and its subsidiaries are listed, the following are defined publicly:

a) The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary company with other entities within the group;

b) The mechanisms outlined to resolve possible conflicts of interest which may arise.

Compliant		Partially compliant		Explain		Not applicable	X

3. During the celebration of the ordinary general meeting, in addition to distributing the written annual report on corporate governance, the chair of the administration board verbally reports to the shareholders, in sufficient detail, the most important aspects of corporate governance society and, in particular:

a) The changes since the previous annual general meeting.

b) The specific reasons why the company does not follow some of the recommendations of the Corporate Governance Code and, if any, of the alternative rules that apply in this area.

Compliant		Partially compliant	X	Explain	

According to the Board´s and the general meeting´ Regulations the chair will verbally inform the shareholders during the general meeting of the most important aspects of corporate governance of the Company that have occurred with posterity to the publication of the annual report on corporate governance and the concrete reasons for which the company does not follow some of the recommendations of the Corporate Governance Code if they weren't identified in the annual corporate governance report.

4. The Company defines and promotes a policy of communication and contacts with shareholders, institutional investors and proxy advisors to be fully respectful of the rules against market abuse and gives similar treatment to shareholders who are in the same position.

The company should make the policy public through its website, including information on how it is implemented and identifying the partners or persons responsible for carrying it out.

Compliant		Partially compliant	X	Explain	

The company has not made public on the website the policy to which the recommendation refers to.

5. The Board of Directors does not submit to the general meeting a proposal for delegation of powers, to issue shares or convertible securities excluding preferential subscription rights, for more than 20% of the capital amount at the time of the delegation.

And when the board of directors approves any issuance of shares or convertible securities excluding preferential subscription rights, the company immediately publishes on its website the reports on that exclusion as referred to mercantile legislation.

Compliant		Partially compliant	X	Explain	

The Board's Regulation, as amended in 2015, states that when the Board of Directors approves any issuance of shares or convertible securities excluding the preferential subscription right ACCIONA immediately publish on its website the reports on that exclusion as referred to in the mercantile legislation. Also, it includes that the Board of Directors shall not submit to the general meeting a proposal for delegation of powers, to issue shares or convertible securities without preferential subscription rights for over 20% of the share capital at the time of the delegation agreement.

Notwithstanding the above, the General Shareholders' Meeting of 2014 delegated to the Board the authority to issue shares or securities in one or more times with exclusion of preferential subscription rights for a maximum amount of up to half of the share capital at the date of the authorization.

6. The listed companies which produce the reports listed below, either in mandatory or voluntary form, publish them on their website well in time before the annual general meeting is held, although their dissemination is not mandatory:

a) Report on auditor independence.

b) Report of proceedings of audit committees and appointments and remuneration.

c) Report of the audit committee on related party transactions.

d) Report on the corporate social responsibility policy.

Compliant		Partially compliant	X	Explain	

ACCIONA publishes on the website, well in advance of the Annual General Meeting the Sustainability Report, a document which is equivalent to the report on Corporate Responsibility Policy and is subject to approval by the General Meeting.

In financial years 2015 ACCIONA did not publish the rest of the reports referred to in this recommendation.

7. That the Company broadcasts live, via its website, the holding of general meetings of shareholders.

Compliant	X	Explain	

8. That the audit committee ensures that the board of directors should seek to present the accounts to the general meeting of shareholders without limitations or qualifications in the audit report and, in exceptional cases where there are qualifications, both the chair of the audit committee and the auditors should clearly explain to shareholders the contents and scope of such limitations or qualifications.

Compliant	X	Partially compliant		Explain	

9. The company should make public on its website, permanently, the requirements and procedures it will accept to prove ownership of shares, the right to attend the general meeting of shareholders and the exercise or delegation of voting rights.

   And such requirements and procedures facilitate the shareholders' attendance and the exercise of their rights and are applied in a non-discriminatory manner.

Compliant	X	Partially compliant		Explain	

10. When some legitimate shareholder has exercised, prior to the holding of the general meeting of shareholders, the right to complete the agenda or to submit new agreement proposals, the company:

    a) Immediately reports such additional items and new agreement proposals.

    b) Makes public the attendance card model or form of proxy or remote voting with the changes required so that the new items on the agenda and alternative agreement proposals can be voted on, on the terms proposed by the administration board.

    c) Submits all these points or alternative proposals to vote and the same voting rules are applied to them as those made by the board of directors, including, in particular, presumptions or inferences about the meaning of the vote.

    d) Announces, after the general meeting of shareholders, the breakdown of the vote on such additional points or alternative proposals.

Compliant	X	Partially compliant		Explain		Not applicable	

11. In the event that the company plans to pay premiums to attend the general meeting of shareholders, it will previously establish a general policy on such premiums and this policy is stable.

Compliant	X	Partially compliant		Explain		Not applicable	

12. The board of directors performs its duties with unity of purpose and independent judgment, affording equal treatment to all shareholders who are in the same position, and it is guided by the corporate interest, understood as the achievement of a profitable and sustainable in the long term, to promote continuity and maximizing the economic value of the company.

    And in the pursuit of corporate interest, in addition to compliance with laws and regulations and a behaviour based on good faith, ethics and respect to the uses and commonly accepted good practices, it shall try to reconcile the corporate interest with, as appropriate, the legitimate interests of its employees, suppliers, customers and any other stakeholders that might be affected, and the impact of the company's activities on the community as a whole and on the environment.

Compliant	X	Partially compliant		Explain		Not applicable	

13. The Board of Directors has enough members in order to implement efficient and participative proceedings, which makes it advisable that the board should have from five to fifteen members.

Compliant	X	Explain	

14. The board of directors approves a policy of selection of directors that:

a) Is specific and verifiable.

b) Ensures that proposals for appointment or reappointment are based on a preliminary analysis of the needs of the board.

c) Promotes the diversity of knowledge, experience and gender.

The result of the previous analysis of the needs of the board is collected in the report justifying the appointments to be published when the general meeting of shareholders is called, in which the ratification, appointment or re-election of each director is submitted.

And the selection policy promotes the goal that by 2020 the number of female directors will represent no less than 30% of the total members of the board of directors.

The appointments committee shall annually verify compliance with the policy of selection of directors and inform thereof in the annual corporate governance report.

Compliant		Partially compliant	X	Explain	

The Board of Directors has not explicitly adopted a policy of selection of directors that is concrete and verifiable although the requirements in the recommendation are followed.

15. The independent directors and external directors representing substantial shareholders constitute a significant majority of the board of directors and the number of executive directors is kept to the minimum necessary, taking account of the complexity of the Corporate Group and the percentage shareholding of the executive directors in the Company's share capital.

Compliant	X	Partially compliant		Explain	

16. The percentage of external directors over the total of non-executive directors is not higher than the proportion between the capital represented by the external directors representing substantial shareholders and the remainder of the company's share capital.

This criterion may be reduced:

a) In highly capitalized companies where the shareholdings legally considered significant are low.

b) In companies where there is a diversity of shareholders represented on the board of directors and there are no links between them.

Compliant		Explain	X

In ACCIONA this recommendation is followed in the sense that the proprietary director does not nominate a number of directors proportionate to their shareholding but rather a smaller number, given that at the close of the financial year there were only two proprietary directors, despite the fact that two executive directors also share the characteristics typical of the proprietary directors. In any case, the number of independent directors is greater than those representing substantial shareholdings and the represent the majority on the Board of Directors (54%).

17. The number of independent directors represents at least half of all directors.

However, where the company is not highly capitalized or where, still being so, it has a shareholder or several acting together, who control more than 30% of the share capital, the number of independent directors should represent at least one-third of all board members.

Compliant	X	Explain	

18. Companies publish the following information about their directors on their website and keep it up to date:

a) Professional profile and biography;

b) Other Boards of Directors on which they sit, whether or not these belong to listed companies, as well as other remunerated activities in which they may be involved.

c) Indication of the category of director to which they belong, indicating, in the case of directors representing substantial shareholders, the shareholder(s) they represent or with whom they have a connection.

d) Date when they were first appointed as a director of the Company, as well as the dates of any subsequent re-appointments.

e) Their holdings of company shares and their stock options.

Compliant	X	Partially compliant		Explain	

19. The Annual Report on Corporate Governance, with prior verification by the Appointments Committee, explains the reasons for the appointment of external directors representing substantial shareholders at the request of shareholders whose shareholding is less than 3% of the share capital; and reasons are given why formal requests for a seat on the board from shareholders with a stake equal to or greater than that of others, at whose request directors representing substantial shareholders were appointed, have not been respected.

Compliant	X	Partially compliant		Explain		Not applicable	

20. Directors representing substantial shareholders tender their resignation when the shareholders they represent sell their entire shareholding. They also do so, in the appropriate number, should the shareholders they represent reduce their shareholding to a level requiring a reduction in the number of such proprietary shareholders.

Compliant	X	Partially compliant		Explain	

21. The Board of Directors does not propose the removal of independent directors from their position prior to the completion of the term indicated in the Articles of Association for which they have been appointed, except when there is just cause and the director in question has been informed about this, following a report from the appointments committee. In particular, just cause is interpreted as directors' failing to fulfil their responsibilities inherent to the role or becoming affected by any of the circumstances causing them to lose their independence, pursuant to the provisions contained in the appropriate legislation.

The removal of independent directors from office may also be proposed as a result of public buy-outs, mergers or other similar enterprise-level transactions implying a change in the structure of the company's capital when such changes in the Board are due to the proportionality criterion in Recommendation 16.

Compliant	X	Explain	

22. Companies establish rules obliging directors to provide information and, where appropriate, tender their resignation in cases where it is alleged they could prejudice the good name and reputation of the Company and, in particular, oblige them to inform the Board of any criminal lawsuits they may be involved in, as well as any subsequent legal proceedings.

If a director is subject to legal proceedings or is sent for trial for one of the offences indicated in the Capital

Companies Act, the Board examines the case as promptly as possible and, after reviewing the specific circumstances, will decide whether or not the director may continue in that position. And the Board gives a reasoned account of such circumstances in the Annual Report on Corporate Governance.

Compliant	X	Partially compliant		Explain	

23. All directors clearly express their opposition when they consider that a proposal submitted to the Board for decision could be contrary to the Company's interests. And, moreover, independent and other board members in particular, who are not affected by potential conflicts of interest, do the same in the case of decisions that would be detrimental to shareholders not directly represented on the Board.

    And when the Board adopts significant or repeated decisions on matters with regard to which the director has expressed serious reservations and subsequently opts to resign, the ensuing conclusions drawn and reasons for the resignation are explained in the letter referred to in the following recommendation.

    This recommendation also affects the Secretary to the Board, even where he/she does not have the status of director.

Compliant		Partially compliant		Explain		Not applicable	X

24. When, whether due to resignation or any other reason, a director leaves his or her position before the end of the term, the reasons are explained in a letter sent to all the members of the Board. And, without prejudice to the possibility of notifying such termination as a relevant event, the reason for termination will be included in the Annual Report on Corporate Governance.

Compliant	X	Partially compliant		Explain		Not applicable	

25. The appointments committee shall ensure that the non-executive directors have enough time for proper performance of their duties.

    And the Board regulations set the maximum number of boards of which they may form part.

Compliant	X	Partially compliant		Explain	

26. The committee holds meetings as frequently as required in order to carry out its role effectively, at least eight times a year, following the programme and agenda established at the start of the financial year, with each director able to propose for inclusion alternative items not originally on the agenda.

Compliant	X	Partially compliant		Explain	

27. The absences of directors should be limited to unavoidable circumstances and are listed in the Annual Report on Corporate Governance. And, when they must occur, instructions are given to proxies if representation is essential.

Compliant	X	Partially compliant		Explain	

28. When the directors or the company secretary express concerns about a particular proposal or, in the case of the directors, about the company's progress and such concerns are not resolved within the Board, this is recorded in the minutes at the request of whoever expressed such concerns.

Compliant		Partially compliant		Explain		Not applicable	X

29. The company should establish appropriate channels for directors to get the advice they need to fulfil their duties including, if required by circumstances, external advice charged to the company.

Compliant	X	Partially compliant		Explain	

30. Regardless of the knowledge that directors are required for the exercise of their functions, the companies must also offer Directors refresher programs when circumstances so warrant.

Compliant	X	Explain		Not applicable	

31. The agenda of the sessions clearly indicates those points on which the board shall adopt a decision or agreement so that directors can study or seek, in advance, the information required for its adoption.

When exceptionally, for reasons of urgency, the Chair wants to submit to the approval of the board decisions or agreements not included in the agenda, this will require the express prior consent of the majority of the directors present, which will be duly recorded in the minutes.

Compliant	X	Partially compliant		Explain	

32. Directors should be regularly informed of the movements in shareholders and of the opinion that significant shareholders, investors and rating agencies have on the company and its group.

Compliant	X	Partially compliant		Explain	

33. The Chair, as responsible for the effective proceedings of the board of directors, in addition to exercising the functions legally and statutorily assigned to him/her, prepares and submits to the board a program of dates and issues to be addressed; organizes and coordinates the periodic evaluation of the board and, where appropriate, the chief executive of the company; is responsible for the management of the board and the effectiveness of its operation; ensures that sufficient time is devoted to discussion on strategic issues, and arranges and reviews refresher programs for each director, when circumstances so require.

Compliant	X	Partially compliant		Explain	

34. When there is a coordinating director, the regulations of the board of directors, in addition to the powers legally entitled, attribute him/her the following: chairing the board in the absence of the Chair and Vice-Chairs, if any; echoing the concerns of non-executive directors; maintaining contacts with investors and shareholders to ascertain their views in order to form an opinion about their concerns, particularly in relation to the corporate governance of the company; and coordinate the Chair´s plan of succession.

Compliant	X	Partially compliant		Explain		Not applicable	

35. The secretary of the board of directors safeguards particularly for the board to have present in its actions and decisions the recommendations on good governance contained in the Code of Good Governance as might be applicable to the company

Compliant	X	Explain	

36. The Board of directors holds a plenary meeting once a year in which it evaluates, and adopts, if necessary, a plan of action to correct the deficiencies identified regarding:

a) The quality and efficiency of the proceedings of the Board;

b) The proceedings and composition of its committees;

c) The diversity in the composition and competences of the board of directors;

d) The performance of the Chair of the Board and the Company's Chief Executive;

e) The performance and contribution of each director, with particular attention being given to those responsible for the different committees.

The evaluation of the various committees will be based on the reports they submit to the Board of Directors, and for the latter, evaluation will be based on the one submitted by the appointments committee.

Every three years, the board will be assisted to carry out the evaluation by an external consultant, whose independence will be verified by the appointments committee.

Business relationships that the consultant or any company in its group have with the company or any company of its group should be detailed in the annual corporate governance report.

The process and the evaluated areas will be further described in the annual corporate governance report.

Compliant		Partially compliant	X	Explain	

The Board Regulations only establishes that the board can be helped to carry out the evaluation by an external consultant not reflecting therefore the mandatory nature of the assistance of external consultant every three years.

37. When an executive committee or delegated committee exists, the framework for the participation of the different categories of board members will be similar to that of the board itself, and its Secretary will be the secretary to the board.

Compliant		Partially compliant		Explain	X	Not applicable	

The composition of the executive committee does not include board members representing substantial shareholders; although two of the executive board members have characteristics typical of board members representing substantial shareholders. The secretary to the Committee is the Secretary to the Board.

38. The board of directors is always aware of matters dealt with and decisions adopted by the executive committee and all the members of the board receive a copy of the minutes of the meetings of the executive committee.

Compliant	X	Partially compliant		Explain		Not applicable	

39. The members of the audit committee, and especially its chair, are appointed taking into account their knowledge and expertise in the field of accounting, audit or risk management.

Compliant	X	Partially compliant		Explain	

40. Under the supervision of the audit committee there should be a unit that assumes the internal audit function and that ensures the proper implementation of the internal controls and reporting systems and that in terms of proceedings depends on the non-executive chair of the board of of the audit committee.

Compliant	X	Partially compliant		Explain	

41. The person in charge of the internal audit function submits the annual work plan to the audit committee, reports directly incidents that occur as and when they arise, and submits a report on activities at the end of each financial year.

Compliant	X	Partially compliant		Explain		Not applicable	

42. In addition to those as legally established, the audit committee is responsible for the following:

1. With regard to information systems and internal control:

a) Ensuring the main risks identified as a result of the supervision of the effectiveness of the company's internal controls, and the internal audit, where appropriate, are managed and published in a satisfactory manner.

b) Overseeing the independence and effectiveness of the internal audit function; proposing the selection, appointment, re-election and termination of the person in charge of internal audits; proposing the budget for this service; receiving regular information on its activities; and verifying that senior management takes the conclusions and recommendations in its reports into account.

c) Establishing and supervising a mechanism that allows employees to report in confidence and, if appropriate, anonymously, potentially important irregularities they may observe in the Company, especially those in financial and accounting matters.

2. With regard to the external auditor:

a) EIn the event of resignation of the external auditor, to examine the circumstances that led to this.

b) Ensure that the remuneration of the external auditor for his/her work does not compromise quality or independence.

c) Make sure that the company communicates the change of auditor to the CNMV as a relevant event, and accompanies this communication with a statement about any disagreements with the outgoing auditor and their contents.

d) Ensure that the external auditor annually holds a meeting with the full board of directors to report on the work done and the evolution of the company´s accounting and risk situation.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other rules on auditor independence.

Compliant	X	Partially compliant		Explain	

43. The audit committee may summon any employee or executive of the company; this includes appearances without the presence of any other executive.

Compliant	X	Partially compliant		Explain	

44. The audit committee is informed about the operations of structural and corporate changes that the company plans to carry out, for analysis and preliminary report to the board of directors on their economic conditions and their accounting impact, and especially, if any, on the proposed swap equation.

Compliant	X	Partially compliant		Explain		Not applicable	

45. The control and risk management policy must identify at least:

a) The various types of risk, financial and non-financial (including operational, technological, legal, social, environmental, political and reputational) facing the society, including among the financial or economic risks of contingent liabilities and other risks off balance.

b) The setting of the level of risk that the company considers acceptable.

c) The measures provided to mitigate the impact of identified risks, if they materialize.

d) The information and internal control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

Compliant	X	Partially compliant		Explain	

46. **Under the direct supervision of the audit committee or, if any, of a specialized committee of the board, there is an internal function of risk control and management exercised by a unit or internal department of the company that has expressly attributed the following functions:**

a) To ensure the proper implementation of the control and risk management systems and in particular, to identify, manage and adequately quantify all important risks affecting the company.

b) To Actively participate in the development of the risk strategy and major decisions about its management.

c) To ensure that the control and risk management systems adequately mitigate risks within the framework of the policy defined by the board of directors.

Compliant	X	Partially compliant		Explain	

47. **Members of the Appointments and Remuneration Committee, or both Committees if they were separate - are designated by ensuring that they have the knowledge, skills and experience appropriate to the duties that they are to perform and that most of these members are independent directors.**

Compliant	X	Partially compliant		Explain	

48. **That highly-capitalized companies have an appointments committee and a separate remuneration committee.**

Compliant	X	Explain		Not applicable	

Although the possibility of separate committees for appointments and for remuneration is provided in the articles of association, it is not considered necessary to separate the functions at the date of this report.

49. **The appointments committee consults with the Chair of the board of directors and the chief executive of the company, particularly regarding matters concerning executive directors.**

And any director may request the appointment committee to consider potential candidates to fill vacancies on the Board of Directors, if deemed suitable.

Compliant	X	Partially compliant		Explain	

50. **The duties of the remuneration committee must be exercised with independence and include, in addition to those indicated by law, the following:**

a) Proposing to the board of directors the basic conditions of the contracts for senior management.

b) Ensuring compliance with the remuneration policy established by the company.

c) Periodically reviewing the remuneration policy applied to directors and senior executives, including share-based remuneration systems and their application and ensuring that their individual remuneration is proportionate to that of other directors and senior executives of the company.

d) To ensure that any conflicts of interest do not impair the independence of external advice to the commission.

e) To verify the information on remuneration of directors and senior management contained in the various

corporate documents, including the annual report on remuneration of directors.

Compliant	X	Partially compliant		Explain	

51. The remuneration committee consults with the chair and the chief executive of the company, particularly regarding matters concerning executive directors and senior managers.

Compliant	X	Partially compliant		Explain	

52. The rules regarding the composition and proceedings of the supervising and control committees are listed in the regulations for the board, are consistent with those applicable to the legally mandatory committees under the previous recommendations, and include the following:

a) These committees are composed exclusively of non-executive directors, with a majority of independent directors.

b) The chairs of these committees are independent directors.

c) The board appoints the members of these committees, taking into account the knowledge, skills and experience of the directors and the responsibilities of each committee; deliberates on its proposals and reports; and, at the first plenary session of the board after their meetings, receives an account of their activity and a report on the work carried out.

d) The committees may seek external advice whenever this is deemed necessary for the performance of their duties.

e) Minutes are taken for all their meetings and copies are sent to all directors.

Compliant		Partially compliant	X	Explain		Not applicable	

The Sustainability Committee does not comply entirely with the recommendation because, although all members are non-executive directors, in its composition there isn't an independent majority and its Chair has a proprietary nature.

53. The supervision of compliance with corporate social responsibility policy, internal codes of conduct and corporate governance rules is attributed to one or more committees within the board of directors; these committees may be the audit committee, the appointments committee, or the corporate social responsibility committee, if any, or a specialised committee created specifically for such duties; and these committees will have the following minimum duties:

a) Monitoring compliance with internal codes of conduct and corporate governance rules of the company.

b) Monitoring the communication strategy and relations with shareholders and investors, including small and medium shareholders.

c) Periodic evaluation of the adequacy of corporate governance system of the company in order to fulfil its mission of promoting social interest and consider, as appropriate, the legitimate interests of other stakeholders.

d) Reviewing the corporate responsibility policy of the company, ensuring that is aimed at value creation.

e) Monitoring the strategy and corporate social responsibility practices and evaluation of their compliance.

f) Monitoring and evaluation of processes associated with different stakeholders.

g) Evaluation of everything related to non-financial risks of the company, including operational, technological, legal, social, environmental, political and reputational risks.

Compliant	X	Partially compliant		Explain	

54. The corporate social responsibility policy includes the principles or commitments which the company voluntarily assumes in its relationship with the different stakeholders and identify at least:

a) The objectives of the corporate social responsibility policy and the development of support tools.

b) The corporate strategy related to sustainability, the environment and social issues.

c) The specific practices on issues related to: shareholders, employees, customers, suppliers, social issues, environment, diversity, fiscal responsibility, respect for human rights and prevention of illegal behaviour.

d) Methods or systems monitoring the results of the implementation of the specific practices identified in the previous point, the associated risks and their management.

e) The mechanisms for monitoring non-financial risk, ethics and business conduct.

f) The channels of communication, participation and dialogue with stakeholders.

g) Responsible communication practices that prevent manipulation of information and protect the integrity and honour.

Compliant	X	Partially compliant		Explain	

55. The company should report in a separate document or in the management report on matters related to corporate social responsibility, using any of the internationally accepted methodologies.

Compliant	X	Partially compliant		Explain	

56. Remuneration should be sufficient to attract and retain directors of the desired profile and to reward the dedication, abilities and responsibilities that the post entails, but not so high as to compromise the independence of judgment of non-executive directors.

Compliant	X	Explain	

57. The variable remuneration tied to the corporate performance and personal performance is restricted to executive directors, as well as remuneration comprising shares, options or rights over shares or instruments linked to the share value and long-term savings systems such as pension plans, pension schemes or other social security systems.

Delivery of shares as remuneration can be contemplated for non-executive directors on condition that they hold them until they cease to be directors. The foregoing shall not apply to shares that the director needs to dispose of, if appropriate, to meet the costs related to acquisition.

Compliant	X	Partially compliant		Explain	

58. In the case of variable remuneration, remuneration policies incorporate the limits and technical safeguards to ensure that such remunerations relate to the professional performance of its beneficiaries and not only to the general evolution of markets or of the company's industry sector or other similar circumstances.

And in particular, the variable components of remunerations:

a) Are linked to performance criteria that are predetermined and measurable and that these criteria consider the risk taken to obtain a result.

b) Promote the sustainability of the company and include non-financial criteria that are suitable for creating long-term value, such as compliance with internal rules and procedures of the company and its policies for control and risk management.

c) Are set on the basis of a balance between fulfilling short-, medium- and long-term goals, to remunerate the results from continued performance over a sufficient period of time to appreciate their contribution to sustainable value creation, so that the elements that measure the results do not revolve solely around specific, occasional or extraordinary events.

Compliant	X	Partially compliant		Explain		Not applicable	

59. The payment of a significant part of the variable components of remuneration is deferred for a period sufficient to ensure that the previously established minimum performance conditions have been met.

Compliant	X	Partially compliant		Explain		Not applicable	

60. The remuneration linked to company earnings takes into account any possible qualifications defined in the external auditor's report and that reduce such earnings.

Compliant		Partially compliant		Explain		Not applicable	X

61. A significant percentage of the variable remuneration of executive directors is linked to the delivery of shares or financial instruments referenced to its value.

Compliant	X	Partially compliant		Explain		Not applicable	

62. Once the shares or options or rights over shares corresponding to the remuneration systems are allocated, directors will not be able to transfer ownership of a number of shares equivalent to twice the fixed annual remuneration, or to exercise the options or rights until at least three years after their allocation have elapsed.

The above shall not apply to the shares that the director needs to dispose of, when appropriate, to meet the costs related to acquisition.

Compliant	X	Partially compliant		Explain		Not applicable	

63. Contractual agreements include a clause that allows the company to claim reimbursement of variable components of remuneration when payment has not been adjusted to the return conditions or when they have been paid based on data which are subsequently credited with inaccuracy.

Compliant		Partially compliant	X	Explain		Not applicable	

Regarding long-term remuneration consisting in the delivery of shares precautions are set that permit to recover the shares in certain circumstances but not in regard to the annual variable remuneration.

64. Payments for contract termination do not exceed the established amount equivalent to two years of total annual remuneration and they are not paid until the company has been able to verify that the director has met the performance criteria previously established.

Compliant	X	Partially compliant		Explain		Not applicable	

H. OTHER RELEVANT INFORMATION

1. If there are any relevant points regarding the corporate governance of the company or entities of the group that are not contained in the rest of the sections of this report, but which should be included in order to present a more complete and reasoned view of the governance structure and practices of the entity or its group, describe them briefly.

2. This section may also include any other information, clarification or aspect related to the previous sections of the report insofar as they are relevant and not repetitions.

In particular, an indication will be given of whether the company is subject to corporate governance laws other than those of Spain, and, if so, any information it is obliged to provide and which is different from that required in this report will be included.

3. The company may also indicate whether it has voluntarily committed to adhere to other ethical or best practice codes, whether on the sectoral, international or any other level. If so, state the code in question and the date of adherence.

NOTE ON SECTION A.5

Global Lubbock, S.L, a company controlled by director Mr. José Manuel Entrecanales holds 6% of the share capital of ATLL Concessionaria de la Generalitat de Catalunya, S.A, a company which in turn holds a 76.05% stake in ACCIONA Group.

Global Buridan S.L, a company controlled by director Mr. Juan Ignacio Entrecanales, holds 6% of the share capital of ATLL Concessionaria de la Generalitat de Catalunya, S.A, a company which in turn holds a 76.05% stake in ACCIONA Group.

Acacia ISP, S.L, of which director Mr. Fernando Rodés indirectly holds an 18% share, holds 5% of the share capital of ATLL Concessionaria de la Generalitat de Catalunya, S.A, a company which in turn holds a 76.05% stake in ACCIONA Group.

NOTE ON SECTION A.6

The summary of the basic terms of the agreement is as follows:

1. Tussen de Grachten, BV and Wit Europese Investering, BV and their respective partners descendants of Mr. José Entrecanales Ibarra and signatories to this agreement mutually grant each other a preferential acquisition right over their respective direct stakeholdings in ACCIONA, S.A. as a result of the reverse takeover of Grupo Entrecanales, S.A. and its subsidiaries by ACCIONA, S.A., regardless of the reason whereby they are held, and/or on their respective stakeholdings in Tussen de Grachten, BV and Wit Europese Investering, BV.

2. These preferential acquisition rights will continue to exist for the term of ten (10) years from the registration of the merger of ACCIONA, S.A. with Grupo Entrecanales, S.A. on the Companies' Registry, with successive tacit extensions for further terms of five (5) years each, unless either of the companies, Tussen de Grachten, BV o Wit Europese Investering, BV, announces in writing its intention not to continue with the agreement giving eighteen (18) months' notice prior to the date of termination of the initial term currency of this agreement or of any of its successive extensions. The registration of the merger on the Companies' Registry occurred on 14 July 2011. The present Agreement does not make any impositions or imply any arrangement of interests by the signatories with regard to the management of ACCIONA, S.A.

In the financial year 2015 investment companies who hold shares of Wit and Tussen have joined the pact, without modification of the terms hereof. These investment companies are companies incorporated and controlled by shareholders that are descendants of Mr. José Entrecanales Ibarra who continue to be the ultimate holders and were also signatories of the pact.

NOTE ON SECTION A.12

ACCIONA S.A. has a programme of promissory notes known as the Euro Commercial Paper (ECP) Programme registered on the Irish Stock Exchange for a maximum amount of 500 million euros. Through this programme, notes with maturities of between 15 and 364 days are issued on the Euromarket. On 29 October 2014, this programme was renewed for another year with the same terms and characteristics.

ACCIONA issued convertible debentures for the sum of 342 million euros in the month of January, 2014, which were admitted for trading on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange.

Finally, on 2 July 2014, ACCIONA formalized a fixed-income securities issue programme known as the Euro Medium-Term Note (EMTN) Programme for a maximum amount of up to 1,000 million euros. The securities issued pursuant to the programme are listed on the Irish Stock Exchange.

NOTE ON SECTION C.1.2

The independent director, Mr. Juan Carlos Garay, also performs the functions of Lead Independent Director.

NOTE ON SECTION C.1.12

The position held by the director, Mr. Jaime Castellanos Borrego, in the Vocento, S.A. Company is that of the personal representative of the Casgo, S.A. company. He tendered his resignation from the Board of Vocento the 18th of January 2016.

NOTE ON SECTION C.1.16

The figure established for remuneration includes the amount corresponding to the compensations paid to four executives due to the termination of their employment relationship and departure from the company in 2015.

For the purposes of this report, those forming part of the two upper levels of management of ACCIONA Group and the corporate internal audit director are included as senior management. They are categorized like this merely for the purposes of information and under no circumstances should this classification be taken as an interpretation or assessment of the concept of senior management established in the legislation in force and, in particular, in Royal Decree 1382/1985.

NOTE ON SECTION D.

All transactions outside the normal course of business of the Company or its Group were undertaken under normal market conditions. Entities linked to certain directors have undertaken transactions characteristic of a normal business relationship with ACCIONA or companies in the group. These transactions are not considered significant in terms of their amount nor relevant due to their subject matter. These transactions basically consisted of:

A. The execution of civil works with a value of 81.5 thousand euros by ACCIONA Infrastructure in 2015.

B. Advertising services provided to entities in the group by Revolution Publicidad S.L. The agency's fees amounted to 94.5 thousand euros.

C. Willis Iberia, as one of several insurance brokers selected by the Group's divisions, acted as the collector for the insurance policy premiums.

D. Sale of energy by ACCIONA Green Energy to facilities of Coca-Cola Iberian Partners, S.A. in the amount of 20,141 thousand euros.

E. The Trasmediterranea Group does business with the Group of Coca-Cola Iberian Partners, S.A., consisting in cargo transport services, for which it has invoiced 2,579 thousand euros and purchased 597 thousand euros in products.

During the year 2015 business relationships or mandate letters with Lazard & Frères have not been maintained.

Data is included on transactions with the Coca-Cola Iberian Partners group for having held Ms. Sol Daurella the position of Director during the first half of 2015.

NOTE TO SECTION G.

The answer of "not applicable" to the recommendations numbers 23, 28 and 60 respond to situations referring to these recommendations not having occurred in the year 2015. Regarding the recommendations numbers 10 and 19, domestic legislation includes the text of recommendations but no shareholder has requested to complete the agenda or submit new proposals of resolutions nor have been appointed proprietary directors at the request of shareholders whose holding is less than 3% of the share capital. Regarding recommendation number 11 the Regulation of the General Meeting states that if ACCIONA in the future foresaw to pay attendance premiums at the General Meeting it shall establish before a general policy that is stable.

In September 2011, ACCIONA adhered to the Code of Good Tax Practices approved and promoted by the Large Businesses Forum and the Public Tax Administration.

This annual corporate governance report was approved by the Company's Board of Directors during its session on 29 February 2016.

Indicate whether any directors voted against or refrained from voting with regard to the approval of this report.

YES		NO	X

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

AUDITOR'S REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF ACCIONA, S.A. FOR 2015

To the Directors of Acciona, S.A.,

As requested by the Board of Directors of Acciona, S.A. ("the Entity") and in accordance with our proposal-letter of 16 November 2015, we have applied certain procedures to the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report (ACGR) of Acciona, S.A. for 2015, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report (ACGR).

It should be noted in this regard, irrespective of the quality of the design and operating effectiveness of the internal control system adopted by the Entity in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Standards on Auditing, the sole purpose of our assessment of the internal control of the Entity was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Entity's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Guidelines on the Auditor's Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establish the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Entity's annual financial reporting for 2015 described in the information relating to the ICFR system included in section F) of the accompanying Annual Corporate Governance Report (ACGR). Therefore, had procedures additional to those provided for in the aforementioned Guidelines been applied or an audit or a review of the system of internal control over the statutory annual financial reporting been performed, other matters or aspects might have been disclosed which would have been reported to you.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469. Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the audit regulations in force in Spain, we do not express an audit opinion in the terms provided for in those regulations.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Entity in relation to the ICFR system - disclosure information included in the directors’ report- and assessment of whether this information addresses all the information required in accordance with the minimum content described in section F, relating to the description of the ICFR system, of the model Annual Corporate Governance Report established in CNMV Circular no. 7/2015, of 22 December 2015.

2. Inquiries of personnel in charge of preparing the information detailed in point 1 above for the purpose of: (i) obtaining an understanding of the process that goes into drawing up the information; (ii) obtaining information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) obtaining information on whether the control procedures described are in place and functioning at the Entity.

3. Review of the explanatory documentation supporting the information detailed in point 1 above, including mainly the documentation furnished directly to the personnel in charge of preparing the information describing the ICFR system. In this regard, the aforementioned documentation includes reports prepared by the internal audit department, senior executives or other internal or external experts providing support functions to the Audit Committee.

4. Comparison of the information detailed in point 1 above with the knowledge on the Entity's ICFR system obtained through the procedures applied during the financial statement audit work.

5. Perusal of minutes of meetings of the Board of Directors, the Audit Committee and of other committees of the Entity in order to assess the consistency between the ICFR system issues addressed thereat and the information detailed in point 1 above.

6. Obtainment of the representation letter in connection with the work performed, duly signed by those responsible for preparing and formulating the information detailed in point 1 above.

The procedures applied to the information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the information.

This report has been prepared exclusively in the context of the requirements of Article 540 of the Consolidated Spanish Limited Liability Companies Law, and of CNMV Circular no. 7/2015 of 22 December, published by the Spanish National Securities Market Commission for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.

DELOITTE, S.L.

Raquel Martinez

Raquel Martínez Armendáriz

29 February 2016

Annual report on remuneration of directors

ISSUER IDENTIFICATION DATA	
DATE OF END OF REFERENCE YEAR	31/12/2015
TAX ID NUMBER	A08001851
COMPANY NAME	ACCIONA, S.A.
DOMICILE	AVDA. EUROPA, 18. PARQUE EMP. "LA MORALEJA", (ALCOBENDAS) MADRID

A. Company remuneration policy for the current year

A.1 Describe the Company's remuneration policy. Include the following information in this section:

- **General principles and fundamentals of the remuneration policy.**
- **Most significant changes in the remuneration policy with respect to the previous year and changes made during the year to the conditions for the exercise of previously awarded options.**
- **Criteria used and composition of groups of comparable companies whose policies have been considered in establishing the company's remuneration policy.**
- **A proportion between variable and fixed remuneration and standards for determining the components of directors' remuneration package.**

Describe the remuneration policy

* **Company remuneration policy.** The Company's remuneration policy, including that of members of the Board of Directors with executive functions, is guided by the following principles:

- Coherence with the business strategy: The Board of Directors must define a remuneration policy which is coherent with the Company's long-term business strategy, risk tolerance and values.
- Corporate governance and transparency: The Board of Directors must adopt the necessary measures to ensure proper governance and transparency in director remuneration.
- Balanced design: The Board of Directors must ensure a reasonable proportion between fixed and variable, annual and multi-annual components, and payments in cash and in shares. The variable remuneration should be of a significant amount and include technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or other circumstances of this kind.
- Internal fairness: The Board of Directors must ensure that the remuneration system allocates analogous remuneration to comparable functions and dedication.
- Alignment with market practices: The Board of Directors must ensure the director remuneration is moderate

and aligned with remuneration at other companies of a similar size and activity.

The director remuneration policy was approved by the General Meeting on 11 June 2015 in accordance with the provisions of section 2.a) of the Transitional Provision of Law 31/2014: “where the first Ordinary General Meeting held after 1 January 2015 issues consultative approval of the report on directors’ remuneration, it shall be understood that the company’s remuneration policy in the report has also been approved for the purposes of the provisions of Article 529 novodecies, and that article shall apply to the company from then onwards.”

*** Remuneration policy applicable to the Directors for supervision functions.**
In accordance with article 32.1 of ACCIONA’s Articles of Association, Directors’ remuneration shall consist of a fixed annual amount for membership of the Board of Directors and any Committees of which the director is a member. The total remuneration payable by the Company to the directors as a whole for membership of the Board of Directors and its Committees is the amount determined for this purpose by the General Meeting of Shareholders, and it remains in force until amended; nevertheless, the Board of Directors may reduce that amount in any given year if it sees fit. The Board of Directors is responsible for determining the exact remuneration within this limit and its distribution among the directors, having consideration for the functions and responsibilities of each director, whether they belong to Board committees, and other objective circumstances that it considers to be relevant. Article 55 of the Board of Directors Regulation (available on the company’s website) also refers to Director remuneration.

*** Remuneration policy applicable to Directors for discharging executive functions.**
According to article 31.3, remuneration for membership of the Board of Directors is compatible with any other remuneration (fixed salaries; variable remuneration tied to business, corporate and/or personal objectives; indemnities paid to the director for termination due to causes other than breach of duty; providential plans; deferred compensation) to which the director may be entitled, subject to a proposal by the Appointment and Remuneration Committee and a decision by the Board of Directors, for performing functions in the Company, whether related to senior management or otherwise, other than the collective supervision and decision-making functions that are inherent to the position of Board member. Article 31.4 of the Articles of Association states that, subject to a decision by the General Meeting with the scope required by law, executive directors may also be paid in the form of shares or stock options or by any other remuneration system referenced to the share price.

Article 55 bis of the Board of Directors Regulation also refers to executive director remuneration. That text is available on the company’s website.

Under the current policy, in addition to the remuneration components for membership of the Board of Directors, executive directors of the company may also receive remuneration comprising the following elements: Fixed remuneration, annual variable remuneration, shares and stock options, providential plans and remuneration in kind.

In accordance with article 31.6 of the Articles of Association, ACCIONA has arranged civil liability insurance for its directors and executives.

As for the most significant changes in the remuneration policy with respect to the previous year:

i) With regard to non-executive directors, there was: a) a reduction in remuneration for belonging to the Board and its committees in 2013 by 10% with respect to 2009 (and which had remained unchanged since then), and b) the General Meeting of 6 June 2013 established a cap on directors’ remuneration for discharging their duties as such. That amount, which is €1,503,000 and which will remain in force until it is amended by the General Meeting, may be reduced by the Board of Directors in the terms envisioned in the Articles of Association. The resolution was adopted with 99.9% of votes in favour. In June 2015, the Board of Directors resolved to establish the additional remuneration for chairing Board committees (excluding the Executive Committee) in the amount of 10,000 euros.

ii) With regard to executive directors: a) the establishment of a savings plan in the terms indicated in section A.5 was approved in December 2014, and b) under the authorisation of the General Meeting of 24 June 2014, which approved the extension of the Share Delivery Plan, the Plan has been modified in the terms set out in section A.4.

There were no changes in the conditions for exercising the options granted to executive directors as set out in section D.

* **Remuneration mix for executive directors.**
Executive directors' remuneration mix, comprising the above-mentioned items, consisted primarily of variable remuneration in 2015 (approximately 67% of the total), compared with 64% in 2014.

A.2 Information on the preparatory work and decision-making process followed to determine the remuneration policy and role, if any, performed by the Remuneration Committee and other supervisory bodies in shaping the remuneration policy. This information should include any mandate given to the remuneration committee, its composition and the identity of the external consultants whose services have been used to define the remuneration policy. Also describe the category of any directors who participated in the definition of the remuneration policy.

Describe the process for determining the remuneration policy

1. Composition of the Appointment and Remuneration Committee
ACCIONA's Articles of Association and Board of Directors Regulation establish that the Appointment and Remuneration Committee shall comprise at least three (3) and at most five (5) directors, all of them external, and that at least two of them must be independent directors. The members of the Appointment and Remuneration Committee will be appointed on the basis of possessing the appropriate knowledge, skill and experience in the light of the tasks they will be required to perform. At the date of drafting this report, the Committee's composition was as follows:

- Mr Jaime Castellanos Borrego (Chairman. Independent Director).
- Mr Fernando Rodés Vila (Member. Independent Director).
- Mr Daniel Entrecanales Domecq (Member. Proprietary Director).
- Mr Juan Carlos Garay Ibargaray (Member. Independent Director).
- Mr Jorge Vega-Penichet López (Secretary, not a member).

The members of the Committee are appointed by the Board of Directors. The chairman of the Committee is appointed by the Board of Directors from among the independent directors.

2. Functions of the Appointment and Remuneration Committee

In accordance with the Board of Directors Regulation, the Appointment and Remuneration Committee has general powers in remuneration matters and in proposals for the appointment and removal of directors and senior executives. Specifically, it has the following functions:

- Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- Formulate and review the criteria to be employed regarding the composition of the Board of Directors and the selection of candidates.
- Make proposals to the Board of Directors as to the appointment of independent directors, for remittal to the General Meeting or for approval by the Board itself by means of co-optation, and advise on the appointments of other categories of directors.
- Oversee the selection processes to ensure that there is no implicit bias preventing the appointment of directors due to personal circumstances.
- Examine or organise, in appropriate form, the succession of the chair and chief executive, making recommendations to the Board to ensure that the handover proceeds in a planned and orderly manner.

- Advise on the appointment of the Secretary and the Vice-Secretary to the Board of Directors.

- Propose, to the Board, the directors to be designated as Chair, Managing Director and members of the Executive Committee and the other Committees. Establish the conditions that the Chairman of the Board must fulfil in discharging his duties.

- Formulate and review the criteria to be applied in appointing senior executives of ACCIONA.

- Report on the senior executive appointments and removals which the chief executive proposes to the Board.

- Evaluate the annual remuneration system and amounts paid to directors and senior executives.

- Periodically review the variable remuneration programmes, considering their suitability and results.

- Make proposals to the Board of Directors as to the remuneration policy for Directors and senior executives, the individual remuneration and other contractual conditions of executive directors, and the basic conditions of senior executives' contracts.

- Ensure transparency in remuneration and compliance with ACCIONA's established remuneration policy.

- Be apprised of and, if appropriate, authorise transactions with related parties as provided in the Board of Directors Regulation.

- Be apprised of directors' other professional obligations to ensure that they do not interfere with the necessary dedication to their position.

- Ensure that conflicts of interest do not impair the independence of external advisors to the Committee.

3. Meetings of the Appointment and Remuneration Committee.
The Appointment and Remuneration Committee meets with sufficient frequency to perform its functions, and at least once per year, to evaluate remuneration and, if appropriate, to advise on renewal of the Board of Directors, its Executive Commission or its other Committees. The Committee also meets when convened in accordance with the provisions of the Board of Directors Regulation.

The Appointment and Remuneration Committee meets as often as is necessary to cater to the requests of the Board of Directors, the Chairperson of ACCIONA, the Managing Director or the Executive Commission for a report, proposal or opinion from the Appointment and Remuneration Committee within the scope of its powers.

The Committee met on five occasions in 2015. Preparatory reports of proposals submitted to the Committee are presented at the meetings, and a copy is preserved along with the minutes. According to the schedule for 2016, the Appointment and Remuneration Committee is expected to hold at least 3 meetings during the year.

4. External consulting
In the process to adopt decisions in connection with remuneration, the Appointment and Remuneration Committee and the Board of Directors are informed and advised by the Company's internal specialised units as well as by a specialised external advisor, KPMG Abogados S.L.

A.3 Indicate the amount and nature of the fixed components, with a breakdown, where necessary, of the remuneration for the performance of senior management functions by the executive directors, the additional remuneration for acting as chairman or member of any board committee, per diem payments for attendance at meetings of the Board and its committees and other fixed payments for directorship, and an estimate of the fixed annual remuneration to which they give rise. Identify other benefits not paid in cash and the parameters on which they are based.

Described the fixed components of remuneration

At the proposal of the Appointment and Remuneration Committee, on 28 February 2013 the Board of Directors resolved to reduce remuneration for belonging to the Board of Directors and its Committees by 10%, with the following result:

- Fixed remuneration for belonging to the Board of Directors: €67,500.
- Fixed remuneration for non-executive directors for belonging to the Executive Committee: €45,000.
- Fixed remuneration for belonging to the Audit Committee: €45,000.
- Fixed remuneration for belonging to the Appointments Committee: €36,000.
- Fixed remuneration for belonging to the Sustainability Committee: €36,000.

On 11 June 2015, the Board of Directors established additional remuneration for chairing Board committees (excluding the Executive Committee) in the amount of 10,000 euros.

The Appointment and Remuneration Committee focused particularly on the level of responsibility when proposing remuneration for belonging to the Board and its Committees, ensuring that remuneration is competitive with that offered for equivalent functions at comparable companies.

Executive directors who are members of the Executive Committee do not receive remuneration for belonging to the committee.

There are no specific per diems for attending Board of Directors meetings.

The amount paid to directors for belonging to the Board of Directors and its committees was €1,365,000 in 2015, i.e. lower than the cap established by the General Meeting (€1,503,000). That amount was €1,440,000 in 2014.

Additionally, executive directors receive a salary for performing senior management functions, as detailed below:

- Executive Chairman: €1,000,000.
- Executive Vice-Chairman: €500,000.

The executive directors' salary in 2015 was unchanged with respect to the previous year.

The Board of Directors will review this fixed remuneration as a function of executive performance, market performance and Company results on an annual basis, based on a proposal by the Appointment and Remuneration Committee.

Other remuneration paid in kind is detailed in section A.10.

A.4 **Describe the amount, nature and main characteristics of the variable components of the remuneration systems.**

Specifically,

- **Detail the amount, date of approval, date of implementation, effective period and the main characteristics of the remuneration plans of which the directors are beneficiaries. For plans involving stock options and other financial instruments, the general features of the plan must include information on the conditions for exercising such options or financial instruments for each plan.**
- **Indicate any payments made under profit-sharing or bonus schemes, and the reason why they were granted.**
- **Detail the basic parameters and grounds for any annual bonus scheme.**
- **The types of directors (executive directors, proprietary external directors, independent external directors or other external directors) that are beneficiaries of remuneration systems or plans that incorporate variable remuneration.**
- **The foundations of such variable remuneration systems or plans, the criteria chosen to assess performance as well as the components and methods for determining whether or not the criteria have been met, and an estimate of the total amount of variable remuneration that would result from the current compensation plan, as a function of the degree to which targets or benchmarks have been met.**
- **Where appropriate, give information on any deferral periods or deferral of payment**

established and/or retention periods for shares or other financial instruments.

Describe the variable components of the remuneration systems

1. Annual variable remuneration system
Variable remuneration is based essentially on compliance with the financial objectives set out in the annual budgets as well as on the individual professional performance of each executive director, as assessed by the Appointment and Remuneration Committee and finally approved by the Board of Directors. The benchmark amount of variable remuneration corresponding to the fulfilment of 100% of the objectives is three times the fixed salary.
EBITDA, EBT, debt and the other financial objectives established at the beginning of the year, in line with the Company's strategy, are used to evaluate the attainment of annual financial targets. In addition to economic value creation, objectives that contribute to development of a business model which promotes balanced, sustainable development and encourages social cohesion are also assessed. The annual assessment of executive director performance includes specific sustainability objectives and metrics.
The necessary safeguards are in place in connection with variable remuneration to ensure that it is linked to the professional performance of its beneficiaries and not simply to the general performance of the market or of the Company's sector of activity.

The Board of Directors may modify the objectives established for each year to reflect the Company's strategic priorities and ensure that incentives are aligned with value creation and shareholders' interests.
Annual variable remuneration is paid on an accrual basis after the Board of Directors has authorised the financial statements and the specific amount has been established at the proposal of the Appointment and Remuneration Committee.
In the event that the contractual relationship ends before the end of the accrual period for annual variable remuneration for reasons not attributable to the executive director, he/she will be entitled to receive the proportional part for the period during which he/she provided services in the year he/she ceased to be a director.
This variable remuneration is settled in cash, either at the time of payment or deferred through a contribution to the Savings Plan. In 2015, the variable remuneration was settled in cash at the time of payment.
Among the members of the Board of Directors, only executive directors benefit from remuneration systems which include variable remuneration, as established under article 31.3 of the Articles of Association. No profit-sharing or bonus schemes have been established.

2. Variable remuneration in shares
As provided in article 31.4 of the Articles of Association and article 55.bis of the Board of Directors Regulation, the executive directors may be beneficiaries of remuneration systems that comprise the delivery of shares or stock options or any other remuneration system referenced to the share price, subject to prior approval by the General Meeting.
By law and in accordance with the Company's Articles of Association, the power to offer remuneration linked to the ACCIONA, S.A. share lies with the General Meeting, based on a proposal by the Board of Directors following consultation with the Appointment and Remuneration Committee.
The General Meeting in 2009 approved a remuneration plan for specific executives at ACCIONA group and Directors of ACCIONA, S.A. with executive functions, consisting of the payment of part of their variable remuneration in ordinary shares of ACCIONA, S.A. with the possibility of exchanging a portion of the shares assigned for options on ordinary shares of ACCIONA, S.A.
The Options may be exercised, in whole or in part, once three years have elapsed since they were granted and within the following three years. Their exercise is conditional upon the executive maintaining an unbroken relationship with the Group up to the option exercise date. The options held by executive directors are listed in section D.
On 24 June 2014, the General Meeting of Shareholders adopted the following resolution:

A) Extend the term of the Share and Option Delivery Plan for executives of the ACCIONA group, including executive directors, approved by the General Meeting of Shareholders of ACCIONA, S.A. on 4 June 2009, so that it applies from 2014 to 2020, increasing the number of shares available for the plan by 200,000.

B) Empower the Board of Directors of the Company, to the fullest extent required by law and at the proposal of the Appointment and Remuneration Committee, to amend the Plan Regulation, in the terms and conditions it considers advisable and, as necessary, establish delivery conditions and periods, vesting periods, assignment criteria and limits and any other aspect it deems relevant, with a view to aligning the long-term interests of executive directors and executives of the ACCIONA group with those of the shareholders of ACCIONA, S.A. and increase their motivation to enhance the Group's value and stability over the long term and secure their loyalty to, and permanence in, the Group.

Under the authorization of the General Meeting on 26 February 2015, the Board of Directors, at the proposal of the Appointment and Remuneration Committee, approved the modification of the Plan Regulation to cover 2014 to 2019, both inclusive.

Based on those resolutions, the main characteristics of the Plan are as follows:

a) The 2014 Plan to deliver shares and performance shares to the management of ACCIONA and its Group aims to reward management, including executive directors, of ACCIONA, S.A. ("ACCIONA") and its Group and of companies of which ACCIONA, S.A. is the parent company or has a significant participation in management ("ACCIONA Group" or "ACCIONA and its Group") in a way that encourages the achievement of the strategic business objectives of ACCIONA and its Group to the benefit of ACCIONA shareholders, and to build loyalty and retain executives.

b) Strategic indicators and objectives to fulfil.

Fulfilment of objectives is based on the strategic business indicators. They have been defined by the Board of Directors for the years 2014 to 2019. Within the Board of Directors' freedom to decide, the following variables are included:

(a) Consolidated net debt/EBITDA ratio at the end of the last year of the reference period;

(b) Ordinary profit before taxes in the reference period;

(c) Net earnings per share in the reference period;

(d) Other criteria to be assessed by the Appointment and Remuneration Committee, including at least the following:

i. Total shareholder return, due to share appreciation and dividends, during the reference period.

ii. Comparison of estimates in terms of the future value of the share of ACCIONA and the recommendations of no fewer than four analysts who track the share on a meaningful basis, made by those analysts in December 2013 and in January of the year following the end of the reference period; and

iii. Comparison of ACCIONA's share performance with the IBEX-35 index between the first and last years of the reference period.

After considering the recommendation by the Appointment and Remuneration Committee, the Board of Directors defined the following with respect to each of the strategic business indicators for the reference period of the 2014 Plan:

i. The objective, which will be quantified where it can be expressed as a metric, with respect to each of the following indicators:

ii. The minimum level of each indicator below which it is deemed not to have been achieved; and

iii. The weighting assigned to each indicator in quantifying the degree of achievement of the objective in the reference period.

c) Executive directors.

For the first time, executive directors have been given the possibility of an annual allocation of "performance shares" by the Board of Directors, which does not entitle them to acquire the corresponding shares (except in cases envisioned in the Regulation), but constitute an indication by the Board of Directors of the number of shares that it considers may be assigned to those executive directors at a later time if they fulfil the twin condition of remaining with the Group and achieving the long-term strategic objectives of ACCIONA Group that the Board of Directors established as a requirement for executive directors to receive shares.

Reference period: The reference period for strategic business indicators will be the six-year period from 2014 to 2019; however, "performance shares" will be allocated for the whole period from the beginning of the application period of the 2014 Plan to the end of the preceding year.

Assignment of "performance shares"
At the end of each year, the Board may assess the progress made in achieving the long-term strategic goals to date. Based on that progress and the executive directors' discharge of their respective responsibilities as senior management of ACCIONA and its Group until that time, the Board of Directors may assign to each of the executive directors a specific number of "performance shares"; i.e. units whereby the Board of Directors estimates expectations of own shares to be delivered to the executive director, based on his/her (a) continuity and (b) achievement of the strategic objectives defined for the relevant period.

The final allocation of shares to executive directors will be made (a) at the end of the total duration of the 2014 Plan (2020), considering the assessment made for the entire period 2014 to 2019, and (b) at an intermediate milestone, in 2017, after completing the first three years (2014-2016), considering the assessment of the first three years (2014-2016).

Having regard to the company's interests and where circumstances make it advisable for ACCIONA and its group in the opinion of the Board of Directors, following consultation with the Appointment and Remuneration Committee, the Board may delay until 2020 the delivery to executive directors of the own shares that were definitively assigned in 2017 (in connection with the years 2014, 2015 and 2016), and make delivery of those shares coincide with the delivery of those to which they are entitled upon completion of the full duration of the 2014 Plan (in 2020).

Continuity: The delivery of shares definitively assigned to the executive directors is subject to the condition that, until March 31 of the year in which the shares are delivered to the executive director, he/she has not ceased to be a member of senior management of ACCIONA and its Group for reasons attributable to the director.

If, before that date, the director has been terminated due to causes not attributable to him/her, the condition attached to share delivery will be deemed to have been fulfilled and, following consultation with the Appointment and Remuneration Committee, the Board of Directors will resolve upon the final vesting of shares in the name of the executive directors and the immediate delivery of the own shares corresponding to the "performance shares" associated to the executive director up to the time of his/her termination for that reason and which had not yet vested. If the Board of Directors decided not to allocate "performance shares", at the time of termination for reasons not attributable to the director it will evaluate the degree of attainment of the objectives established in the period elapsed up to his/her termination and will deliver the appropriate number of shares based on any criteria that may be established by the Board of Directors.

In no case may the number of shares allotted and so quantified plus the others allocated under the 2014 Plan exceed the maximum number of available shares approved by the General Meeting.

d) Non-executive director beneficiaries.

For other beneficiaries who are not executive directors, following consultation with the Appointment and Remuneration Committee, the Board of Directors will approve the amount of the individual variable remuneration to be paid by delivery of shares of ACCIONA allocated with respect to each of the years for each executive, other than executive directors, who is a beneficiary of the 2014 Plan. The assignment may be made as a number of own shares or as a monetary amount. In the latter case, the number of shares will be based on the closing price on the last trading day of the month of March in the year in which the Board of Directors decides on the allocation. In no case may the number of allotted shares so quantified together with others allocated under the 2014 Plan exceed the maximum number approved by the General Meeting.

The own shares transferred to these beneficiaries will be subject to a call option held by ACCIONA and exercisable if the beneficiary of the shares ceases to work at ACCIONA or its Group prior to 31 March of the third year following the year of the delivery due to causes attributable to the beneficiary. The Board of Directors may extend the allocation of "performance shares" and/or shares established for the executive directors to a small group of other executives subject to such modifications in terms of provisional allocations, taxation, objectives, interim milestones and delivery deadlines as may be proposed by the Appointment and Remuneration Committee with a view to increasing their motivation to achieve greater long-term value and stability for the Group and to strengthen loyalty and retention.

e) Number of shares available for the Plan

The maximum number of Shares that can be assigned to beneficiaries under the 2014 Plan was initially 258,035.

The maximum number of Shares which may be assigned by the Board of Directors to the beneficiaries in application of the 2014 Plan may be increased by a decision of the General Meeting.

On 11 June 2015, the General Meeting of Shareholders increased the available number of shares by 100,000 with the result that, at 2015 year-end, the maximum number of shares that could be assigned under the Plan for the entire period, after assigning 29,651 shares to non-executive directors in 2015, was 328,384 shares.

f) Beneficiaries.

The number of Beneficiaries, including executive directors and executives of the ACCIONA Group, may not exceed 100 in any given year.

3. Other possible extraordinary incentives.

The Board of Directors, at the proposal of the Appointment and Remuneration Committee, may submit other extraordinary incentive plans for approval to the General Meeting to respond to business circumstances or corporate transactions, if it considers this to be necessary.

A.5 Describe the main features of the long-term savings systems, including retirement and any other survivorship benefit, partly or wholly funded by the company, whether endowed internally or externally, with an estimate of their amount or annual equivalent cost, indicating the type of plan, whether defined-contribution or defined-benefit, the conditions for the vesting of the directors' economic rights and their compatibility with any type of severance payment for early cancellation or termination of the contractual relationship between the company and the director.

Also indicate payments made to any director's defined-benefit pension scheme; or any increase in the director's vested rights with regard to contributions to defined-benefit schemes.

Describe the long-term saving systems

The Company has established a savings plan linked to survival to a given age, total, absolute and severe permanent disability, and death ("Savings Plan") exclusively for executive directors of the Company, in order to supplement their benefits under the public Social Security system, in the conditions and terms set out in Savings Plan Regulation.

1. BASIC FEATURES OF THE SAVINGS PLAN

a) It is a defined-contribution plan.

b) It is a system which is outsourced through payment by the Company of an annual premium to an insurer on behalf of the plan member to cover survival and risk contingencies, i.e.: (i) death, and (ii) permanent disability in the degrees set out in the Regulation.

c) In the event that the plan member ceases to hold the office of executive director of ACCIONA for any reason, the Company will cease to pay premiums into the savings plan on the date that the participant conclusively ceases to hold office, without prejudice to the economic rights recognised on behalf of the members.

d) The benefit under the Savings Plan will be paid directly by the insurer to the member, net of any personal income tax withholdings and prepayments that apply, which will be borne by the recipient of the benefit. For other contingencies, the Benefit will be paid directly by the insurer to the heirs.

e) Savings plan members will abandon the plan in any of the following circumstances:

The occurrence of any of the risk contingencies covered, and receipt of the benefit.

Reaching the age of 65 ("maturity").

Termination as executive director of ACCIONA for any reason other than those set out above.

f) The Board of Directors of ACCIONA may decide to cancel or modify the amount of the premium.

2. VESTING CONDITIONS.
The beneficiary of the Savings Plan benefit will be the Company in the following two cases:

A) Where the member ceases to hold the post of executive director of ACCIONA due to resignation, the member forfeits all economic rights accumulated in the Savings Plan and, therefore, may not receive the benefit arising from this Plan.

B) Where the executive director is terminated due to a breach of his/her duties or the performance of any act or omission that is detrimental to the Company, as ruled on a final basis by a competent court.

Contributions on behalf of the executive directors in 2015 were 75% of the fixed salary, although the Board of Directors, at the proposal of the Appointment and Remuneration Committee, may amend these contributions to adapt them to business performance and market changes.

There are no indemnities in the event of early termination of the contractual relationship with executive directors, so it is considered unnecessary to establish compatibility conditions in the savings plan.

A.6 Indicate any indemnity payments agreed or paid in the event of termination as a director.

Describe the indemnity payments

The contract signed with executive directors does not establish any indemnity in the event of termination as a director nor has any amount been paid for termination as director.

A.7 Describe the conditions with which contracts with executive directors for performing senior management functions must comply. Among other aspects, give information on the term, limits to the amounts of indemnity, permanence clauses, notice periods and payments in lieu of notice, and any other clauses regarding hiring bonuses, as well as severance payments or golden handshakes for early cancellation or termination of the contractual relationship between the company and the executive director. include, inter alia, non-compete, exclusivity, permanence or loyalty covenants or agreements and any governing non-competition after termination.

Describe the conditions of executive directors' contracts

The term of the executive directors' contract for their executive functions is indefinite. According to Article 31.1 of ACCIONA's Articles of Association, members of the Board of Directors hold office for a term of three years, and can be re-elected one or more times.

According to the Board of Directors Regulation, executive directors must tender their resignation to the Board of Directors and, if the latter deems it appropriate, resign if they are removed from the executive position that resulted in their appointment as director.

No indemnity has been arranged for termination, early or otherwise, of directors' executive functions, nor are there hiring bonuses or permanence or notice clauses.

Executive directors serve the Company full-time and on an exclusive basis, although this does not prevent them from holding positions in family businesses whose activity does not compete with ACCIONA Group or institutional or representative posts in non-profit entities.

For an additional period of one year following the termination of the contract signed with the company, executive directors may not:

(a) Provide services, directly or indirectly, to any person, business or company (whether as a partner, executive, employee, consultant, investor, borrower or otherwise) that competes with the business of the Company or ACCIONA Group, unless authorised by the Company, which authorisation shall not be unreasonably denied.

(b) Hold a direct or indirect interest in the capital of any company or entity that competes with the business of the Company or ACCIONA Group. This prohibition will not be considered to be breached in the case of a non-significant stake. For these purposes, a stake is considered to be non-significant if the investment does not provide, directly or indirectly, management functions or a significant influence over the competing company.

(c) Employ or attempt to employ any member of the management team of the Company or any other company belonging to ACCIONA Group or persuade them to resign from their post, or persuade or attempt to persuade any agent, customer, supplier or independent contractor of the Company or ACCIONA Group to end their relationship with them.

In compliance with the provisions of articles 248 and 529 octodecies of Legislative Royal Decree 1/2010, of 2 July, approving the consolidated text of the Capital Companies Act, contracts have been signed with executive directors. The regular employment relationship that executive directors have had with the company since they joined it is suspended once they become directors.

A.8 Describe any additional remuneration paid to directors for services rendered other than those inherent to their directorship.

Describe supplementary remuneration items

Ms Carmen Becerril has signed a contract to provide professional services to ACCIONA Group in the areas of sustainability, climate change and energy. Apart from that, the directors have not received any remuneration other than that indicated in this report.

A.9 Indicate any remuneration granted in the form of advances, loans or guarantees, stating the interest rate, key features and any amounts repaid, as well as guarantee obligations assumed on their behalf.

Describe the advances, loans and guarantees granted

The Directors have not received any type of remuneration in the form of advances, loans or guarantees.

A.10 Describe the main features of remuneration in kind.

Describe any remuneration in kind

In addition to the remuneration items discussed above, executive directors receive specific remuneration in kind as follows:

Life insurance, a company vehicle and medical insurance, in accordance with the ACCIONA Group's benefit policy for executives at any given time.

Executive directors are entitled to reimbursement for any reasonable cost (travel expenses and board, mobile phone, entertainment expenses, etc.) incurred in the performance of their services to the Company, provided that they are duly documented.

This remuneration in kind is itemised in section D of this report. This remuneration may be modified by the Board, at the proposal of the Appointment and Remuneration Committee.

A.11 Indicate the remuneration accruing to the director by virtue of payments made by the listed company to a third party in which the director provides services, where such payments are intended to remunerate the director's work in the company.

Describe the remuneration accruing to the director by virtue of payments made by the listed company to a third party in which the director works.

The company has not paid remuneration of this kind.

A.12 Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or where its omission would detract from a true and fair view of the total remuneration accrued by the director.

Describe other remuneration items

The directors have not received any remuneration other than as set out in this report, without prejudice to that which corresponds to them for their status as shareholders.

A.13 Describe the actions taken by the company in connection with the remuneration system to reduce excessive risk exposure and match it to the company's long-term goals, values and interests. Include references to any: measures designed to ensure that the remuneration policy is aligned with the company's long-term performance; measures to provide an appropriate balance between fixed and variable compensation; measures taken in relation to those categories of staff whose work has a material impact on the undertaking's risk profile; clawback formulae or clauses to claim back performance-based variable remuneration when it was paid out on the basis of data that is subsequently proven to be manifestly inaccurate; and measures designed to prevent conflicts of interest, where applicable.

Describe actions taken to reduce the risks

Director remuneration for membership of the Board of Directors and its Committees is a fixed annual amount. The maximum remuneration that directors may receive for discharging their supervisory functions is that established by the General Meeting.

Variable remuneration takes into account quantitative and qualitative objectives which contribute to a business model that promotes balanced, sustainable development and social cohesion. Annual variable remuneration is analysed each year by the Appointment and Remuneration Committee and is submitted to the Board of Directors for final approval. The variable remuneration components are sufficiently flexible, to the extent they can be eliminated entirely.

The 2014 Plan for the delivery of shares and "performance shares", as set out in section A.4, aims to align remuneration with the company's long-term objectives and interests. The Plan is part of a multi-year approach to ensure that the assessment process is based on long-term results and takes account of the Company and the Group's underlying economic cycle.

The allocation of "performance shares" as a measure of the prospect of delivery of treasury shares does not constitute a right of the executive directors that entitles them to demand, then or at a later date, the delivery of the corresponding own shares, excluding the cases provided for in the Regulation in connection with circumstances or events not attributable to the executive directors.

ACCIONA's call option on the shares delivered in 2017: Own shares that are delivered to the executive directors in 2017 (in connection with 2014, 2015 and 2016) will be subject to a call option held by ACCIONA and exercisable in the event that the executive director who receives the shares is terminated as senior manager of ACCIONA and its Group prior to 31 March 2020 for breach of contract or through voluntary resignation.

In terms of remuneration governance, the requirements as to independence in the composition of the Appointment and Remuneration Committee and its deliberations are met, and Board decisions that affect the remuneration of executive directors are adopted without the participation of those directors in the discussion or the vote.

B. Remuneration policy projected for future years

Derogated.

C. Overall summary of how the remuneration policy was applied during the closed financial year

C.1 **Give a brief description of the main features of the structure and remuneration items of the remuneration policy applied during the last financial year, with a breakdown of the individual remuneration accrued by each of the directors listed in Section D of this report, and a summary of the resolutions passed by the board to implement those items.**

Describe the structure and remuneration items of the remuneration policy applied during the year

Fixed remuneration for directors for discharging supervisory functions has remained unchanged in recent years except as regards remuneration for committee chairs (other than the Executive Committee), which was increased by 10,000 euros. Non-executive directors do not receive any type of variable remuneration.

Executive directors' fixed remuneration remained unchanged with respect to the previous year, and has not increased in the last four years.

EBITDA, EBT, debt and the other financial objectives established at the beginning of the year, in line with the Company's strategy, are used to evaluate the attainment of annual financial targets. In addition to economic value creation, objectives that contribute to development of a business model which promotes balanced, sustainable development and encourages social cohesion are also assessed. The annual assessment of executive director performance includes specific sustainability objectives and metrics. The necessary safeguards are in place in connection with variable remuneration to ensure that it is linked to the professional performance of its beneficiaries and not simply to the general performance of the market or of the Company's sector of activity.

Regarding share-based remuneration, in 2015 the Company did not make any definitive assignment of "performance shares" or deliver any shares to executive directors. The individual variable remuneration disclosed in this report is the result of decisions by the Board in its overall evaluation of compliance with the financial targets established in the annual budgets and in the assessment of the professional performance by each executive director, which includes qualitative objectives that contribute to a business model that promotes balanced, sustainable development and social cohesion.

D. Breakdown of individual remuneration accrued by each director

Name	Type	Accrual period for 2015
JOSÉ MANUEL ENTRECANALES DOMECQ	Executive	From 01/01/2015 to 31/12/2015.
JUAN IGNACIO ENTRECANALES FRANCO	Executive	From 01/01/2015 to 31/12/2015.
JAIME CASTELLANOS BORREGO	Independent	From 01/01/2015 to 31/12/2015.
DANIEL ENTRECANALES DOMECQ	Proprietary	From 01/01/2015 to 31/12/2015.
FERNANDO RODÉS VILA	Independent	From 01/01/2015 to 31/12/2015.
JAVIER ENTRECANALES FRANCO	Proprietary	From 01/01/2015 to 31/12/2015.
BELÉN VILLALONGA MORENÉS	Independent	From 01/01/2015 to 31/12/2015.
MARIA DEL CARMEN BECERRIL MARTÍNEZ	Other External	From 01/01/2015 to 31/12/2015.
JUAN CARLOS GARAY IBARGARAY	Independent	From 01/01/2015 to 31/12/2015.
JERÓNIMO MARCOS GERARD RIVERO	Independent	From 01/01/2015 to 31/12/2015.
ANA INÉS SAINZ DE VICUÑA BEMBERG	Independent	From 11/06/2015 to 31/12/2015.
VALENTÍN MONTOYA MOYA	Other External	From 01/01/2015 to 11/06/2015.
CARLOS ESPINOSA DE LOS MONTEROS BERNALDO DE QUIRÓS	Other External	From 01/01/2015 to 11/06/2015.
SOL DAURELLA COMADRÁN	Independent	From 01/01/2015 to 11/06/2015.

D.1 Complete the following tables on the individual remuneration accrued during the year by each of the directors (including remuneration for carrying out executive functions).

a) Remuneration accrued in the reporting company:

i) Remuneration in cash (thousand euro)

Name	Wages	Fixed remuneration	Per diems	Short-term variable remuneration	Long-term variable remuneration	Remuneration for belonging to Board committees	Indemnities	Other items	2015 Total	2014 Total
JOSÉ MANUEL ENTRECANALES DOMECQ	1,000	68	0	2,478	0	0	0	21	3,567	3,183
JUAN IGNACIO ENTRECANALES FRANCO	500	68	0	956	0	0	0	12	1,536	1,466
JAIME CASTELLANOS BORREGO	0	68	0	0	0	131	0	0	199	194
DANIEL ENTRECANALES DOMECQ	0	68	0	0	0	59	0	0	127	104
JAVIER ENTRECANALES FRANCO	0	68	0	0	0	59	0	0	127	104
FERNANDO RODÉS VILA	0	68	0	0	0	72	0	0	140	140
JUAN CARLOS GARAY IBARGARAY	0	68	0	0	0	86	0	0	154	104
JERÓNIMO MARCOS GERARD RIVERO	0	68	0	0	0	0	0	0	68	34
BELÉN VILLALONGA MORENÉS	0	68	0	0	0	0	0	0	68	68
MARIA DEL CARMEN BECERRIL MARTÍNEZ	0	68	0	0	0	19	0	150	237	106
ANA INÉS SAINZ DE VICUÑA BEMBERG	0	37	0	0	0	19	0	0	56	0
CARLOS ESPINOSA DE LOS MONTEROS BERNALDO DE QUIRÓS	0	34	0	0	0	22	0	0	56	113
VALENTÍN MONTOYA MOYA	0	34	0	0	0	63	0	0	97	194
SOL DAURELLA COMADRÁN	0	34	0	0	0	22	0	0	56	113

ii) Share-based remuneration systems

JOSÉ MANUEL ENTRECANALES DOMECQ 2009 PLAN								
	Options held at the beginning of 2015				Options assigned during 2015			
Date of implementation	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
24/06/2009	2,529	2,529	89.00	04/12 to 03/15	0	0	0.00	-
Conditions:								

Shares delivered in 2015			Options exercised in 2015				Options vested but not exercised	Options at 2015 year-end			
No. of shares	Price	Amount	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	0.00	0	0	0	2,529	0	0	0.00	-
Other requirements for exercise:											

JOSÉ MANUEL ENTRECANALES DOMECQ 2010 PLAN								
	Options held at the beginning of 2015				Options assigned during 2015			
Date of implementation	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
23/06/2010	4,342	4,342	91.10	04/13 to 03/16	0	0	0.00-	-
Conditions:								

Shares delivered in 2015			Options exercised in 2015				Options vested but not exercised	Options at 2015 year-end			
No. of shares	Price	Amount	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	0.00	0	0	0	0	4,342	4,342	91.10	04/13 to 03/16
Other requirements for exercise:											

JOSÉ MANUEL ENTRECANALES DOMECQ 2011 PLAN

	Options held at the beginning of 2015				Options assigned during 2015			
Date of implementation	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
29/06/2011	4,874	4,874	53.00	04/14 to 03/17	0	0	0.00	-
Conditions:								

Shares delivered in 2015			Options exercised in 2015				Options vested but not exercised	Options at 2015 year-end			
No. of shares	Price	Importe	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€))	Exercise period
0	0.00	0	0.00	0	0	0	0	4,874	4,874	53.00	04/14 to 03/17
Other requirements for exercise:											

JOSÉ MANUEL ENTRECANALES DOMECQ 2012 PLAN

	Options held at the beginning of 2015				Options assigned during 2015			
Date of implementation	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
25/05/2012	9,995	9,995	66.73	04/15 to 03/18	0	0	0.00	-
Conditions:								

Shares delivered in 2015			Options exercised in 2015				Options vested but not exercised	Options at 2015 year-end			
No. of shares	Price	Amount	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	0.00	0	0	0	0	9,995	9,995	66.73	04/15 to 03/18
Other requirements for exercise:											

JOSÉ MANUEL ENTRECANALES DOMECQ
2013 PLAN

	Options held at the beginning of 2015				Options assigned during 2015			
Date of implementation	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
06/06/2013	10,138	10,138	56.21	04/16 to 03/19	0	0	0.00	-
Conditions:								

Shares delivered in 2015			Options exercised in 2015				Options vested but not exercised	Options at 2015 year-end			
No. of shares	Price	Amount	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	0.00	0	0	0	0	10,138	10,138	56.21	04/16 to 03/19
Other requirements for exercise:											

JOSÉ MANUEL ENTRECANALES DOMECQ
2014 PLAN

	Options held at the beginning of 2015				Options assigned during 2015			
Date of implementation	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
24/06/2014	5,511	5,511	62.84	04/17 to 03/20	0	0	0.00	-
Conditions:								

Shares delivered in 2015			Options exercised in 2015				Options vested but not exercised	Options at 2015 year-end			
No. of shares	Price	Amount	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	0.00	0	0	0	0	5,511	5,511	62.84	04/17 to 03/20
Other requirements for exercise:											

JUAN IGNACIO ENTRECANALES FRANCO
2009 PLAN

	Options held at the beginning of 2015				Options assigned during 2015			
Date of implementation	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
24/06/2009	1,013	1,013	89.00	04/12 a 03/15	0	0	0.00	-
Conditions:								

Shares delivered in 2015			Options exercised in 2015				Options vested but not exercised	Options at 2015 year-end			
No. of shares	Price	Amount	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	0.00	0	0	0	1,013	0	0	0.00	-
Other requirements for exercise:											

JUAN IGNACIO ENTRECANALES FRANCO
2010 PLAN

	Options held at the beginning of 2015				Options assigned during 2015			
Date of implementation	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
25/05/2012	3,600	3,600	91.10	04/13 to 03/16	0	0	0.00	-
Conditions:								

Shares delivered in 2015			Options exercised in 2015				Options vested but not exercised	Options at 2015 year-end			
No. of shares	Price	Amount	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	0.00	0	0	0	0	3,600	3,600	91.10	04/13 to 03/16
Other requirements for exercise:											

iii) Long-term savings systems

Name	Contribution by the company in the year (thousand euro)		Total accumulated funds (thousand euro)	
	2015	2014	2015	2014
JUAN IGNACIO ENTRECANALES FRANCO	375	375	750	375
JOSÉ MANUEL ENTRECANALES DOMECQ	750	750	1.561	750

b) Remuneration accrued by company directors for belonging to boards of other Group companies:

i) Remuneration in cash (thousand euro)

Name	Wages	Fixed remuneration	Per diems	Short-term variable remuneration
JOSÉ MANUEL ENTRECANALES DOMECQ	0	0	0	0
JUAN IGNACIO ENTRECANALES FRANCO	0	0	0	0
BELÉN VILLALONGA MORENÉS	0	0	0	0
JAIME CASTELLANOS BORREGO	0	0	0	0
DANIEL ENTRECANALES DOMECQ	0	0	0	0
FERNANDO RODÉS VILA	0	0	0	0
JAVIER ENTRECANALES FRANCO	0	0	0	0
MARIA DEL CARMEN BECERRIL MARTÍNEZ	0	0	0	0
JUAN CARLOS GARAY IBARGARAY	0	0	0	0
JERÓNIMO MARCOS GERARD RIVERO	0	0	0	0
ANA INÉS SAINZ DE VICUÑA BEMBERG	0	0	0	0
CARLOS ESPINOSA DE LOS MONTEROS BERNALDO DE QUIRÓS	0	0	0	0
SOL DAURELLA COMADRÁN	0	0	0	0
VALENTÍN MONTOYA MOYA	0	0	0	0

Long-term variable remuneration	Remuneration for belonging to Board committees	Indemnities	Other items	2015 Total	2014 Total
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

ii) Share-based remuneration systems

iii) Long-term savings systems

c) Summary of remuneration (thousand euro):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to the director, in thousand euro.

Where there are long-term Saving Systems, include contributions or endowments made to such systems:

	Remuneration accrued in the Company			
Name	Total cash remuneration	Value of shares granted	Gross gain on options exercised	2015 Total - Company
JOSÉ MANUEL ENTRECANALES DOMECQ	3,567	0	0	3,567
JUAN IGNACIO ENTRECANALES FRANCO	1,536	0	0	1,536
JAIME CASTELLANOS BORREGO	199	0	0	199
DANIEL ENTRECANALES DOMECQ	127	0	0	127
JAVIER ENTRECANALES FRANCO	127	0	0	127
FERNANDO RODÉS VILA	140	0	0	140
BELÉN VILLALONGA MORENÉS	68	0	0	68
MARIA DEL CARMEN BECERRIL MARTÍNEZ	237	0	0	237
JUAN CARLOS GARAY IBARGARAY	154	0	0	154
JERÓNIMO MARCOS GERARD RIVERO	68	0	0	68
ANA INÉS SAINZ DE VICUÑA BEMBERG	56	0	0	56
VALENTÍN MONTOYA MOYA	97	0	0	97
CARLOS ESPINOSA DE LOS MONTEROS BERNALDO DE QUIRÓS	56	0	0	56
SOL DAURELLA COMADRÁN	56	0	0	56
TOTAL	**6,488**	**0**	**0**	**6,488**

Remuneration accrued in group companies				Total		
Total cash remuneration	Value of shares delivered	Gross gain on options exercised	2015 Total - Group	2015 Total	2014 Total	Contributions to savings systems during the year
0	0	0	0	3,567	3,239	750
0	0	0	0	1,536	1,577	375
0	0	0	0	199	194	0
0	0	0	0	127	104	0
0	0	0	0	127	104	0
0	0	0	0	140	140	0
0	0	0	0	68	68	0
0	0	0	0	237	106	0
0	0	0	0	154	104	0
0	0	0	0	68	34	0
0	0	0	0	56	0	0
0	0	0	0	97	194	0
0	0	0	0	56	113	0
0	0	0	0	56	113	0
0	**0**	**0**	**0**	**6,488**	**6,090**	**1,125**

D.2 Describe the relationship between the remuneration received by the directors and the undertaking's earnings or other performance indicators, detailing how any variations in the company's performance influenced the variation in directors' remuneration.

Director remuneration for belonging to the Board of Directors and its committees is fixed, as detailed in section A.3 and, therefore, it bears no relationship to the Company's earnings or other metrics of performance during the year.

With respect to executive directors, remuneration for their executive functions is directly related to the company's earnings and the evaluation of their professional performance. Variable remuneration is based essentially on meeting the economic objectives set out in the annual budget, as described in section A.4. The Appointment and Remuneration Committee evaluates the results and submits its proposal to the Board of Directors for final approval.

D.3 Describe the outcome of the consultative vote at the annual meeting on the annual remuneration report for the previous year, indicating the number of votes cast against, if any:

	Number	% of total
Votes cast	46,259,833	80.78%

	Number	% of total
Votes against	4,502,452	7.86%
Votes in favour	41,754,017	72.92%
Abstentions	3,364	0.00%

E. Other information of interest

If there are any material aspects relating to directors' remuneration that could not be disclosed in other sections of this report but are necessary to provide a more comprehensive and fully reasoned picture of the remuneration structure and practices for the company's directors, describe them briefly.

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This annual report on the remuneration of directors was approved by the company's Board of Directors on 29 February 2016.

Indicate whether any board members voted against or abstained with respect to the approval of this report.

SI		NO	X

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