Acciona, S.A. and Subsidiaries

Condensed Consolidated Interim Financial Statements

30 June 2019

Consolidated Interim Directors' Report

2019

(With Limited Review Report thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

KPMG Auditores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Limited Review Report on the Condensed Consolidated Interim Financial Statements

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

To the Shareholders of

Acciona, S.A. commissioned by the Company's Directors

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have conducted a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Acciona, S.A. (the "Company") and subsidiaries (the "Group"), which comprise the balance sheet at 30 June 2019, the income statement, the statement of recognised income and expense, the statement of changes in equity, the statement of cash flows, and the explanatory notes, all condensed and consolidated, for the six-month period then ended. The Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances can be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2019 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 2 (a), which states that these accompanying interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2018. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2019 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2019. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Acciona, S.A. and subsidiaries.

Paragraph on Other Matters

This report has been prepared at the request of the Directors of Acciona, S.A. in relation to the publication of the six-monthly financial report required by article 119 of of Royal Legislative Decree Law 4/2015, of 23 October, approving the consolidated text of the Securities Market Law developed by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Borja Guinea López

29 July 2019

ACCIONA, S.A.

AND

SUBSIDIARIES
(Consolidated Group)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM DIRECTORS' REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10303

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2019 AND AT 31 DECEMBER 2018 (Thousand euros)

ASSETS	Note	30.06.2019 (Unaudited)	31.12.2018
Property, plant and equipment	4	6,800,133	6,735,988
Investment property	5	90,989	130,800
Rights of use	15	218,668	--
Goodwill	6	201,275	198,466
Other intangible assets	7	569,215	584,583
Other non-current financial assets	8	211,214	208,086
Investments accounted for using the equity method	8	1,013,984	1,000,822
Deferred tax assets		805,148	787,378
Non-current receivables and other non-current assets	9	806,715	355,959
NON-CURRENT ASSETS		**10,717,341**	**10,002,082**
Inventories	10	1,119,922	914,311
Trade and other accounts receivable		1,967,746	1,700,814
Current financial assets	8	175,672	178,305
Current income tax assets		154,477	107,475
Other current assets		238,109	317,201
Cash and cash equivalents		1,338,550	1,717,405
Non-current assets held for sale		--	--
CURRENT ASSETS		**4,994,476**	**4,935,511**
TOTAL ASSETS		**15,711,817**	**14,937,593**

EQUITY AND LIABILITIES	Note	30.06.2019 (Unaudited)	31.12.2018
Share capital		54,857	57,260
Retained earnings and issue premium	11	3,371,338	3,637,683
Own securities	11	(29,030)	(199,616)
Foreign exchange translation differences	11	(197,465)	(205,902)
Interim dividend		--	--
Equity attributable to equity holders of the Parent	**11**	**3,199,700**	**3,289,425**
Non-controlling interests		219,433	205,713
EQUITY		**3,419,133**	**3,495,138**
Preference shares, debt instruments and other marketable securities	13	384,720	405,980
Interest bearing borrowings	13	3,909,075	3,673,960
Leasing obligations	15	165,632	--
Deferred tax liabilities		507,045	475,929
Provisions	12	379,907	420,354
Other liabilities	14	886,027	892,371
NON-CURRENT LIABILITIES		**6,232,406**	**5,868,594**
Preference shares, debt instruments and other marketable securities	13	1,292,710	1,243,758
Interest bearing borrowings	13	665,861	904,838
Leasing obligations	15	47,204	--
Trade and other accounts payable		2,531,204	2,459,030
Provisions		283,104	231,888
Current income tax liabilities		93,404	60,366
Other liabilities	14	1,146,791	673,981
Liabilities held for sale		--	--
CURRENT LIABILITIES		**6,060,278**	**5,573,861**
TOTAL LIABILITIES AND EQUITY		**15,711,817**	**14,937,593**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2019.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019 AND 2018
(Thousand euros)

	Note	30.06.2019 Unaudited	30.06.2018 Unaudited
Revenue	18	3,569,513	3,525,279
Other income		247,011	241,124
Changes in inventories of finished goods and work in progress		17,350	44,955
Procurement		(956,927)	(981,718)
Staff costs		(765,633)	(741,584)
Other operating expenses		(1,452,700)	(1,470,134)
Depreciation and amortisation charge and change in provisions	4, 5, 7	(308,374)	(319,669)
Impairment and gains or losses on disposal of assets	19	(742)	104,609
Other gains or losses		(10,588)	(3,096)
PROFIT FROM OPERATIONS		**338,910**	**399,766**
Financial income		16,491	31,832
Finance costs		(127,423)	(182,370)
Foreign exchange rate fluctuations		6,040	2,034
Profit/(loss) from changes in value of financial instruments at fair value		7,947	(1,873)
Profit/(loss) from changes in value of non-financial assets at fair value		--	--
Profit/(loss) of companies accounted for using the equity method	8	14,354	11,404
PROFIT BEFORE TAX, FROM CONTINUING OPERATIONS		**256,319**	**260,793**
Income tax expense		(74,533)	(56,063)
PROFIT IN THE PERIOD FROM CONTINUING OPERATIONS		**181,786**	**204,730**
Profit/(loss) after tax, from discontinued operations		--	--
PROFIT IN THE PERIOD		**181,786**	**204,730**
Non-controlling interests		(26,704)	(19,096)
PROFIT ATTRIBUTABLE TO THE PARENT		**155,082**	**185,634**
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	17	**2.85**	**3.28**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	17	**2.85**	**3.28**
BASIC EARNINGS PER SHARE (euros)	17	**2.85**	**3.28**
DILUTED EARNINGS PER SHARE (euros)	17	**2.85**	**3.28**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2019.

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Nº. 10009

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2019 AND 2018 (Thousand euros)

(unaudited)	2019	2018
A) CONSOLIDATED PROFIT FOR THE YEAR	**181,786**	**204,730**
1. Profit attributable to the Parent	155,082	185,634
2. Non-controlling interests	26,704	19,096
B) ITEMS THAT WILL NOT BE RECOGNISED IN THE INCOME STATEMENT	--	--
1. Revaluation / (reversal of the revaluation) of PPE and intangible assets	--	--
2. Actuarial gains and losses and other adjustments	--	--
3. Tax effect	--	--
C) ITEMS THAT CAN BE RECOGNISED IN THE INCOME STATEMENT	**(42,402)**	**39,038**
Income and expenses recognised directly in equity:	**(55,459)**	**19,280**
1. Revaluation of financial instruments:	22	135
a) Financial assets at fair value with changes in the recognised income statement	22	135
b) Other income / (expenses)	--	--
2. Cash flow hedges	(90,709)	10,506
3. Foreign exchange translation differences	12,557	11,300
4. Other income and expenses recognised directly in equity	--	--
5. Tax effect	22,671	(2,661)
Transfers to the income statement:	**13,057**	**19,758**
1. Revaluation of financial instruments:	--	--
a) Financial assets at fair value with changes in the recognised income statement	--	--
b) Other income / (expenses)	--	--
2. Cash flow hedges	17,408	26,680
3. Foreign exchange translation differences	--	(252)
4. Other income and expenses recognised directly in equity	--	--
5. Tax effect	(4,351)	(6,670)
TOTAL RECOGNISED INCOME/(EXPENSES) (A+B+C)	**139,384**	**243,768**
a) Attributed to the Parent	110,666	214,739
b) Attributed to non-controlling interests	28,718	29,029

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2019.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
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ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2019

	Equity attributable to the parent							
	Shareholders' Equity							
(unaudited)	**Share capital**	**Share Premium, reserves & interim dividend**	**Treasury shares**	**Year's profit attributable to the Parent**	**Other equity instruments**	**Value & Foreign exc. transl. differences adjust-ments**	**Non-controlling interests**	**Total equity**
Opening balance at 01/01/2019	**57,260**	**3,410,678**	**(199,616)**	**328,030**	**--**	**(306,927)**	**205,713**	**3,495,138**
Adjustments due to changes in accounting criteria (Note 2)	--	(15,069)	--	--	--	--	(7,016)	**(22,085)**
Adjustments due to errors	--	--	--	--	--	--	--	**--**
Adjusted opening balance	**57,260**	**3,395,609**	**(199,616)**	**328,030**	**--**	**(306,927)**	**198,697**	**3,473,053**
Total recognised income/(expenses)	--	--	--	155,082	--	(44,416)	28,718	**139,384**
Transactions with shareholders or owners	**(2,403)**	**(353,547)**	**164,962**	**--**	**--**	**--**	**(8,588)**	**(199,576)**
Capital increases/(reductions)	(2,403)	(162,425)	164,828	--	--	--	--	--
Conversion of financial liabilities to equity	--	--	--	--	--	--	--	--
Dividends paid	--	(191,819)	--	--	--	--	(10,778)	(202,597)
Treasury share transactions (net)	--	697	134	--	--	--	--	831
Increases/(Decreases) due to business combinations	--	--	--	--	--	--	2,132	2,132
Other transactions with shareholders or owners	--	--		--	--	--	58	58
Other changes in equity	**--**	**328,072**	**5,624**	**(328,030)**	**--**	**--**	**606**	**6,272**
Share-based payments	--	2,116	5,624	--	--	--	--	7,740
Transfers between equity items	--	328,030	--	(328,030)	--	--	--	--
Other changes	--	(2,074)	--	--	--	--	606	(1,468)
End balance at 30/06/2019	**54,857**	**3,370,134**	**(29,030)**	**155,082**	**--**	**(351,343)**	**219,433**	**3,419,133**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2019.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº 10009

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2018

	Equity attributable to the parent							
	Shareholders' Equity							
(unaudited)	Share capital	Share Premium, reserves & interim dividend	Treasury shares	Year's profit attributable to the Parent	Other equity instruments	Value & Foreign exc. transl. differences adjust-ments	Non-controlling interests	Total equity
Opening balance at 01/01/2018	**57,260**	**3,861,097**	**(3,146)**	**220,131**	**--**	**(375,115)**	**203,041**	**3,963,268**
Adjustments due to changes in accounting criteria	--	(495,986)	--	--	--	--	(532)	**(496,518)**
Adjustments due to errors	--	--	--	--	--	--	--	**--**
Adjusted opening balance	**57,260**	**3,365,111**	**(3,146)**	**220,131**	**--**	**(375,115)**	**202,509**	**3,466,750**
Total recognised income/(expenses)	--	--	--	185,634	--	29,105	29,029	**243,768**
Transactions with shareholders or owners	--	**(172,223)**	**(134,805)**	--	--	--	**(32,981)**	**(340,009)**
Capital increases/(reductions)	--	--	--	--	--	--	--	--
Conversion of financial liabilities to equity	--	--	--	--	--	--	--	--
Dividends paid	--	(171,779)	--	--	--	--	(19,089)	(190,868)
Treasury share transactions (net)	--	(444)	(134,805)	--	--	--	--	(135,249)
Increases/(Decreases) due to business combinations	--	--	--	--	--	--	(15,895)	(15,895)
Other transactions with shareholders or owners	--	--	--	--	--	--	2,003	2,003
Other changes in equity	--	**220,369**	**7,716**	**(220,131)**	**--**	**--**	**120**	**8,074**
Share-based payments	--	(231)	7,716	--	--	--	--	7,485
Transfers between equity items	--	220,131	--	(220,131)	--	--	--	--
Other changes	--	469	--	--	--	--	120	589
End balance at 30/06/2018	**57,260**	**3,413,257**	**(130,235)**	**185,634**	**--**	**(346,010)**	**198,677**	**3,378,583**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2019

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019 AND 2018 (Thousand euros)

(Unaudited)	Note	30.06.2019	30.06.2018
CASH FLOWS FROM OPERATING ACTIVITIES		**231,903**	**108,941**
Consolidated profit before tax for the period		**256,319**	**260,794**
Adjustments to profit:		**370,107**	**318,072**
Depreciation and amortisation charge and provisions	4,5,7,8,15	302,345	321,955
Other adjustments to profit (net)	8,19	67,762	(3,883)
Changes in working capital		**(200,023)**	**(374,765)**
Other cash flows from operating activities:		**(194,500)**	**(95,160)**
Interest paid		(110,457)	(143,746)
Interest received		17,748	32,714
Dividends received		7,813	18,321
Income tax recovered / (paid)		(54,045)	(1,346)
Other amounts received / (paid) relating to operating activities	8,9,14,15	(55,559)	(1,103)
CASH FLOWS FROM INVESTMENT ACTIVITIES	**4,5,6,7,8,19**	**(540,237)**	**654,365**
Payments due to investment:		**(653,591)**	**(272,916)**
Group companies, associates and business units		(3,330)	(29,085)
Property, plant and equipment, intangible assets and investment property		(650,261)	(243,831)
Proceeds from disposal:		**36,590**	**1,003,921**
Group companies, associates and business units		--	981,377
Property, plant and equipment, intangible assets and investment property		36,590	22,544
Other cash flows from investment activities:		**76,764**	**(76,640)**
Other amounts received/(paid) relating to investment activities		76,764	(76,640)
CASH FLOWS FROM FINANCING ACTIVITIES		**(77,204)**	**(687,088)**
Proceeds and (payments) relating to equity instruments:	**11**	**--**	**(124,680)**
Purchases		--	(124,680)
Disposals		--	--
Proceeds and (payments) relating to financial liability instruments:	**13**	**(18,533)**	**(540,040)**
Proceeds from issues		730,762	1,669,970
Repayments and redemptions		(749,295)	(2,210,010)
Dividends and returns on other equity instruments paid	**11**	**(10,778)**	**(19,089)**
Other cash flows from financing activities	**8**	**(47,893)**	**(3,279)**
Other amounts received/(paid) relating to financing activities		(47,893)	(3,279)
EFFECT OF EXCHANGE RATE FLUCTUATIONS		**6,683**	**(12,092)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		**(378,855)**	**64,126**
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,717,405	1,272,781
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD		1,338,550	1,336,907
BREAKDOWN OF CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD			
Cash and banks		1,196,046	1,048,626
Other financial assets		142,504	288,281
TOTAL CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,338,550**	**1,336,907**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2019.

CLARA LOIS LOZANO
TRADUCTORA INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019 OF ACCIONA, S.A. AND SUBSIDIARIES (Consolidated Group)

1. - <u>Group activities</u>

Acciona, S.A. (hereinafter, the “Parent” or the “Company”) and its subsidiaries make up Acciona Group (hereinafter, “Acciona” or the “Group”). Acciona, S.A. has its registered office and headquarters in Alcobendas (Madrid), at Av. Europa, 18.

Acciona Group companies operate in several sectors of economic activity, amongst which the following are noted:

- Acciona Energy: comprises the electricity business covering the development of renewable power generation plants, their construction, operation and maintenance, and the sale of the energy produced. All the electricity generated by Acciona Energy comes from renewable energy sources.

- Infrastructures: Which includes:

  - Construction: includes infrastructures construction and engineering activity.
  - Industrial: turn-key projects of high technological content mainly for the construction of energy generation plants and transmission networks.
  - Concessions: includes the exploitation of mainly transport and hospital concessions.
  - Water: includes the construction of desalination, water and wastewater treatment plants, as well as integral water services management from bulk water abstraction all the way to discharging treated wastewater to the environment. It also operates water concessions covering the entire water cycle.
  - Services: includes the activities of facility services, airport handling, waste management and logistic services, among others.

- Other activities: includes the business related to fund management and stock brokerage, winery production, real estate and other businesses.

The explanatory notes to the accompanying consolidated financial statements include Note 18 “Segment Reporting”, which includes detailed information on the assets, liabilities and operations carried out in each of the business activities developed by Acciona Group. Acciona, S.A. shares are listed on the Madrid Stock Exchange.

CLARA LOIS LOZANO

Nº. 10009

2. - <u>Bases of presentation of the six-month consolidated financial statements and other disclosures</u>

a) Bases of presentation

In conformity with Regulation (EC) no. 1606/2002 of the European Parliament and the Council of 19 July 2002, all the companies governed by the Law of a European Union member state and whose stock is quoted on a regulated market of any European Union member state, must disclose their consolidated financial statements for the financial years commencing 1 January 2005 in accordance with the International Financial Reporting Standards (hereinafter, IFRS) as adopted by the European Union.

Acciona Group consolidated financial statements for financial year 2018 were prepared by the Directors of the Company at the Board of Directors meeting held on 28 February 2019, in accordance with the applicable financial information regulatory framework and, in particular, in accordance with the principles and criteria contained in the IFRS adopted by the European Union, by applying the consolidation principles, accounting policies and measurement criteria described in notes 3 and 4 to said consolidated financial statements, so that the financial statements give a true and fair view of the consolidated equity and of the consolidated financial situation of the Group at 31 December 2018, and of the consolidated results of its operations, of the changes in the recognised consolidated income statement and of the consolidated cash flows for the financial year then ended. Said consolidated financial statements were approved by the General Shareholders' Meeting held on 30 May 2019.

Acciona Group consolidated financial statements for financial year 2018 were prepared on the basis of the accounting records kept by the Parent and by the other Group companies.

These condensed six-month consolidated financial statements are presented in accordance with IAS 34 – Interim Financial Reporting and circular 1/2008, 5/2015 and 3/2018 of the Spanish National Markets and Competition Commission (CNMC), and were prepared by the Directors of the Parent on 29 July 2019, in conformity with article 12 of Royal Decree 1362/2007.

Following IAS 34, interim financial information is prepared only with the purpose of bringing up to date the contents of the most recent annual consolidated financial statements prepared by the Group, highlighting the new activities, events and circumstances that have taken place in the six-month period and not duplicating the information as previously disclosed in the consolidated financial statements for financial year 2018. Therefore, for a proper understanding of the information included in these six-month condensed consolidated financial statements, these statements should be read jointly with the consolidated financial statements of the Group for financial year 2018.

In the first half of 2019 the following accounting standards, amendments and interpretations became effective:

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

Standards, amendments and interpretations:		Of mandatory application in annual periods beginning on or after:
Approved for application in the EU		
IFRS 16 - Leases	Replaces IAS 17 and associated interpretations. The central novelty lies in a single accounting model for lessees, which will include all leases in the balance sheet (with some limited exceptions) with an impact similar to that of current financial leases (there will be amortisation of the asset for the usage right and a finance expense for the amortised cost of the liability).	1 January 2019
Amendment to IFRS 9 - Prepayment features with negative compensation.	This amendment will permit the measurement of certain financial assets that can be cancelled early at amortised cost for an amount less than the outstanding amount of principal and interest on that principal.	1 January 2019
IFRIC 23 - Uncertainty over tax treatment	This interpretation clarifies how to apply the recording and measurement criteria in IAS 12 when there is uncertainty regarding the tax authority's acceptability of a particular tax treatment used by the entity.	1 January 2019
Amendment to IAS 28 - Long-term interests in associates and joint ventures	Clarifies that IFRS 9 should be applied to long-term interests in an associate or joint venture to which the equity method is not applied.	1 January 2019
Amendment to IFRS 3 - Business Combinations - Improvement Cycle 2015-2017	Acquisition of control over a business previously registered as a joint venture.	1 January 2019
Amendment to IFRS 11 - Joint Arrangements - Improvement Cycle 2015-2017	Acquisition of joint control over a joint operation constituting a joint arrangement.	1 January 2019
Amendment to IAS 12 - Income tax - Improvement Cycle 2015-2017	Recognition of the tax impact of the remuneration of financial instruments classified as equity.	1 January 2019
Amendment to IAS 23 - Borrowing costs - Improvement Cycle 2015-2017	Capitalisation of interest on outstanding financing, specific to a ready-to-use asset.	1 January 2019
Amendment to IAS 19 - Plan amendment, curtailment or settlement	Clarifies how to calculate the cost of the service for the current period and the net interest for the remainder of an annual period when a defined benefit plan is amended, curtailed, or settled.	1 January 2019

With respect to IFRIC 23 - Uncertainty over tax treatment, the Group is reviewing whether there is uncertainty over the acceptability by the corresponding tax authority of certain tax treatments used in each jurisdiction. While the Group has not fully completed the analysis of the effects of this standard, at the present date the initial application of this interpretation has not entailed any adjustment to the balance of retained earnings and has only required certain balances to be reclassified between "Provisions" and "Other Liabilities". The Group does not expect any significant effects once it has completed the analysis.

On the other hand, the entry into force of IFRS 16 - Leases has led to significant changes in the accounting treatment of such contracts in the Group, which are explained in detail below. The remaining standards, amendments and interpretations are not expected to have significant impacts, as either they do not pose significant changes, or they refer to economic events that do not affect the Acciona Group.

The accounting policies and criteria used in the preparation of these condensed consolidated financial statements for the first half of the year are consistent with those applied to the consolidated financial statements for financial year 2018, with the exception of the amendments introduced in accounting policies associated with IFRS 16.

All accounting principles or measurement criteria with a significant impact on the condensed consolidated financial statement for the first half of the year were applied to their preparation.

Unless otherwise indicated, these six-month condensed consolidated financial statements are presented in thousands of euros, as the euro is the functional currency in the main economic area where Acciona Group operates.

The amendments to accounting policies and treatments associated with the entry into force of IFRS 16 - Leases are described below:

On 1st of January 2019 came into force IFRS 16 - Leases that replaced the IAS 17 – Leases, IFRIC 4 - Determining whether an arrangement contains a lease, SIC 15 Operating leases - Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

This new standard proposes a single lease model for the lessee in which a liability will be recorded for any future payments due for the lease, including any reasonable extensions, and an asset that will represent the right to use the underlying asset for the duration period of the lease.

Assets recognised under "Rights of use" caption are initially recognised at amortised cost of the contract and subsequently measured at cost less any accumulated amortisation and recognised impairment losses. These assets are amortised on a straight-line basis over the life of the contract, except when the useful life of the asset is shorter than that of the contract or when it is estimated that a purchase option will be exercised on the asset.

The lease liability corresponds to the committed fixed payment rent and the initial or future disbursements considered highly likely to occur (direct costs associated with commissioning or penalties, among others), excluding variable rents that depend on the future measurement of a parameter from this calculation. This liability is measured at amortised cost using the interest rate implicit in the contract or, if this cannot be easily determined, the estimated incremental interest rate is used in accordance with the methodology defined by the Group. The liability will be discounted according to the effective interest method and will be decreased by the payments made.

The weighted average incremental rate applied by the Group to operating leases recognised on the balance sheet on 1 January 2019 was 4.60%.

Lessees are also required to revalue the lease liability, usually as an adjustment to the asset for the right of use, and to update the discount rate on the occurrence of certain events, such as changes in lease terms, changes in future lease payments by updating index rates, changes in future lease payments quotes, etc.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

The Standard includes two exceptions to the recognition of the lease asset and lease liability by lessees for whom the expense is recognised in the income statement on an accrual basis:

- *Low-value* leases: These refer to insignificant leases, i.e. contracts for which the underlying asset is attributed a value as new that is not significant. The Group has set the upper limit of this value at 5,000 euros as a reference amount.

- *Short-term* leases: Contracts with an estimated rental term of less than 12 months.

Transition to IFRS 16 - Leases:

The Acciona Group opted to apply the standard prospectively from 1 January 2019 and not to restate the previous comparative year.

The accounting for lease contracts where the Group acts as lessor has not been affected by this standard.

A mixed transition method has been chosen for the measurement of lease contracts where the Group acts as lessee. Depending on the characteristics of the existing contracts and the historical information available on them, the Group has applied the modified retroactive transition approach (paragraph C8 (b) (i)) or the simplified modified retroactive transition approach (paragraph C8 (b) (ii)) at 1 January 2019.

Following a detailed analysis of the land lease contracts on which the wind energy generation facilities are located and, in particular, whether or not the right to obtain substantially all the economic benefits from the use of the asset to the Group as lessee and control over the use of the underlying asset identified in the contract were transferred in these contracts, the Group has decided to exclude these contracts from the scope of IFRS 16 because they contain clauses that do not recognise the exclusive use by the lessee subsidiaries and allow the lessor to access and carry on activities on the land, thereby limiting the Group's ability to manage the use of the land.

Given that it is an issue that is not specifically regulated in the standard, it cannot be ruled out that this treatment may be modified in light of the interpretations or clarifications that may be issued by the regulators or accounting doctrine.

The initial impact recognised by the Group at 1 January 2019 as a result of the application of IFRS 16 resulted in the recognition in the balance sheet of an asset for rights of use, a deferred tax asset, a negative impact on equity and a leasing obligations liabilities of 170, 6, 22 and 198 million euros, respectively.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

The main magnitudes of the affected financial statements are detailed below, in millions of euros:

	01.01.2019		01.01.2019
Technical facilities	70	Reserves	(15)
Buildings	57	Non-controlling interests	(7)
Transport elements	16	**Equity**	**(22)**
Land	20		
Machinery	6	Leasing obligations	198
Other	1	**Non-current liabilities**	**198**
Rights of use	**170**		
Deferred tax assets	**6**		
TOTAL ASSETS	**176**	**TOTAL LIABILITIES AND EQUITY**	**176**

If the land lease arrangements associated to wind power generation described above had been considered to be subject to IFRS 16, the estimated initial impact would have to be increased by 186 million euros for rights of use, 8 million euros for the negative impact on equity, and 194 million euros for leasing obligations liabilities, and at 30 June 2019 the carrying amount of the asset for rights of use would be 179 million euros and the liability for leasing obligations would be 189 million euros.

A reconciliation of the amount of operating lease commitments disclosed in Note 26 to the Group's consolidated financial statements at 31 December 2018 to the recognition of the lease obligation liability recognised at 1 January 2019 is detailed below:

	Million euros
Operating lease commitments in 2018 financial statements	533
Exclusion of wind power generation land lease agreements	(298)
Low-value leases	(5)
Short-term leases	(2)
Adjustment for discount rate	(38)
Other	8
Leasing obligations	**198**

b) Accounting estimates and judgements

For these six-month condensed consolidated financial statements, estimates made by the Group's Directors were used to measure some of the assets, liabilities, income, expenses and obligations reported therein. Basically, these estimates refer to:

- The measurement of assets with impairment signs and goodwill so as to determine any impairment losses thereon.
- Allocation of the cost of business combinations.
- Revenue recognition in the construction and engineering activity.
- The assumptions used in the actuarial estimate of pension liabilities and obligations.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

- 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, if applicable.
- Future costs for dismantling facilities and land restoration.
- The expense for corporate tax that, under IAS 34, is recognised in interim periods on the basis of the best estimate of the effective tax rate that Acciona Group anticipates for the annual period, and the recoverability of recognised deferred taxes.

These estimates were based on the best information available to date about the events analysed, but it so might happen that future events could make it necessary to change these estimates (upwards or downwards) at the close of financial year 2019 or in subsequent financial years. If this were the case, it would be done, under IAS 8, prospectively, and the effects of change in estimates on the consolidated income statement of the years affected would be recognised.

During the six-month period ended 30 June 2019, no significant changes occurred in the estimates made at the close of financial year 2018; nor were there changes in accounting criteria or correction of errors, with the exception of accounting policies related to the recognition of assets and liabilities associated with lease agreements in accordance with IFRS 16 (see Note 2.a).

c) Contingent assets and liabilities

Note 17 to Acciona Group consolidated financial statements for the financial year ended 31 December 2018 provides information on contingent assets and liabilities at said date. No significant changes in the contingent assets and liabilities of Acciona Group took place in the first half of 2019, except as indicated in note 12.

d) Comparison of information

The information contained in these condensed consolidated financial statements for the first half of financial year 2018 and for the year ended 31 December 2018 is presented only and exclusively for purposes of comparison with the information on the six-month period ended 30 June 2019.

e) Seasonal nature of the Group's operations

Most activities carried out by Acciona Group companies are not particularly cyclical or seasonal. The Group's airport handling activity has a seasonal component in its revenues, which is concentrated in the summer months. In the same way, some energy division businesses show a certain seasonal component in terms of their income, as is the case with the wind or hydraulic business. This seasonal component, however, does not affect significantly the comparability of information, so no specific itemisation is required in these explanatory notes to the condensed consolidated financial statements for the six-month period ended 30 June 2019.

f) Relative importance

In determining what information to disclose in the notes about the various items on the financial statements, or about other matters, the Group, under IAS 34, took into account the relative importance in relation to the six-month condensed consolidated financial statements for the six-month period.

g) Consolidated statement of cash flows

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: typical activities of the Company, as well as other activities that cannot be classified as investment or financing activities. Based on the profit before tax from continuing operations, in addition to the adjustment for "*Depreciation and Amortisation of Assets and Provisions*", 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 assets included under investment 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.

- Investment activities: acquisition, disposal or use by other means of non-current 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 liabilities that are not operating activities.

In the preparation of the condensed consolidated statement of cash flows, the following were considered "cash and cash equivalents": cash and demand bank deposits, and current investments with high liquidity, which can be easily translated to determined amounts of cash and are under very little risk of change in value.

3. - <u>Changes in the Group's composition</u>

Appendices I, II and III to Acciona Group's consolidated financial statements for the financial year ended 31 December 2018 provide relevant information on subsidiaries, jointly-controlled entities and associates and joint arrangements of the Group. Following the acquisition method, the Group recognises all the additions to the Group that involve taking control.

During the six month period ended 30 June 2019, there were no additions or disposals of significant shareholdings.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10003

4.- Property, plant and equipment

The changes in the first six-month period of 2019 and 2018, in cost and accumulated depreciation, are broken down as follows (in thousand euros):

PPE	Land & buildings	Energy generation facilities	Other plant & machinery	Advances & PPE under construction	Other PPE	Depreciation & provisions	Impairment	Total
				Six-month period ended 30 June 2018				
Balance at 31.12.2017	**356,310**	**10,302,821**	**817,069**	**430,350**	**222,646**	**(4,712,122)**	**(776,746)**	**6,640,328**
Variations due to changes in scope of consolidation	4,276	--	310	8,524	176	(4,337)	2,213	11,162
Additions / Allocation	1,207	2,541	13,597	136,863	16,049	(240,772)	139	(70,376)
Reductions	(814)	(39,359)	(33,135)	(6,125)	(3,883)	62,400	5,494	(15,422)
Transfers	176	10,937	13,005	(11,874)	(445)	(1,466)	(896)	9,437
Other changes	413	18,611	10,357	962	(725)	(10,595)	(2,267)	16,756
Balance at 30.06.2018	**361,568**	**10,295,551**	**821,203**	**558,700**	**233,818**	**(4,906,892)**	**(772,063)**	**6,591,885**
				Six-month period ended 30 June 2019				
Balance at 31.12.2018	**357,815**	**10,895,444**	**780,866**	**390,346**	**243,360**	**(5,133,623)**	**(798,220)**	**6,735,988**
Variations due to changes in scope of consolidation	--	--	1,384	16	1,076	(1,874)	--	602
Additions / Allocation	6,587	1,089	28,758	258,667	22,591	(223,419)	(953)	93,320
Reductions	(3,591)	(2,998)	(55,926)	(4,155)	(3,237)	47,899	--	(22,008)
Transfers	(17)	42,311	(82,637)	(38,626)	(18,504)	43,827	60	(53,586)
Other changes	771	38,366	7,001	9,206	2,736	(11,180)	(1,083)	45,817
Balance at 30.06.2019	**361,565**	**10,974,212**	**679,446**	**615,454**	**248,022**	**(5,278,370)**	**(800,196)**	**6,800,133**

The most significant movement in PPE corresponds with the "Additions" in the six month period ended 30 June 2019, specifically under "PPE under construction" for the energy division corresponding to power generation facilities for wind projects in Mexico, Chile, and the USA, and for photovoltaic projects in Chile and Ukraine, amounting to approximately 246 million euros.

It should be noted that at 1 January 2019 "Transfers" were made from property, plant and equipment for a net amount of 60 million euros to "Rights of use", a new heading in the balance sheet which presents all the assets recognised under lease agreements (see note 15). From "Other Intangible Assets", expectant rights have been reclassified to "PPE - Energy generation facilities" associated with the commissioning of a photovoltaic plant in Ukraine in June 2019 for an amount of 5 million euros.

The most notable reduction in the six month period ended 30 June 2019 includes the disposal of a tunnel boring machine used in a construction project in Norway for a net cost of 11 million euros.

"Other changes" includes the effect of foreign exchange translation differences in the six-month period ended 30 June 2019, for a positive amount of 46 million euros, which came mainly from energy projects whose functional currency is the US dollar, Australian dollar and Mexican peso (positive amount of 16 million euros in the six-month period ended 30 June 2018).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main assets, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests at 31 December 2018, as well as the presence of relevant changes on the markets where the assets operate relating to regulatory, economical or technological aspects, for adequate adjustment of impairment provisions during the financial year. There are no relevant aspects to be noted for the first half of 2019.

At 30 June 2019, the Group companies had commitments to buy property, plant and equipment for 569 million euros mainly in the energy division for the wind power facilities currently under construction in Australia, Mexico and the USA (233 million euros at 31 December 2018).

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº 10003

5.- Investment property

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

The changes in the first half of financial years 2019 and 2018 in the Group's investment property were as follows:

	Thousand euros			
Investment property	**Cost**	**Depreciation**	**Impairment**	**Total**
	Six-month period ended 30 June 2018			
Balance at 31.12.2017	**276,804**	**(47,810)**	**(52,237)**	**176,757**
Additions	7,004	(1,931)	--	5,073
Reductions	(4,400)	134	1,451	(2,815)
Transfers	--	--	--	--
Other changes	--	--	--	--
Balance at 30.06.2018	**279,408**	**(49,607)**	**(50,786)**	**179,015**

Six-month period ended 30 June 2019

Investment property	**Thousand euros**			
	Cost	**Depreciation**	**Impairment**	**Total**
Balance at 31.12.2018	**204,452**	**(40,556)**	**(33,096)**	**130,800**
Additions	83	(1,448)	--	(1,365)
Reductions	(17,325)	633	6,417	(10,275)
Transfers	(28,171)	--	--	(28,171)
Other changes	--	--	--	--
Balance at 30.06.2019	**159,039**	**(41,371)**	**(26,679)**	**90,989**

The most significant changes in this first six-month period of 2019 correspond to:

- The transfer of a real estate asset in Madrid to "Inventories" due to the change in its use, amounting to 28,171 thousand euros.

- The sales of mostly residential real estate assets located in various parts of Spain for a net amount of 10,267 thousand euros.

Based on the analyses made by the Group's Management on the trend of the real estate market in Spain, no additional impairment was appraised in the first half of 2019; nor were there additional significant losses not covered by the existing provisions at 30 June 2019.

At 30 June 2019 the Group had a portion of its investment property mortgaged for 2,825 thousand euros net book value to secure loans granted by banks.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

6.- Goodwill

Breakdown at 30 June 2019 and 31 December 2018 of this caption on the accompanying condensed consolidated balance sheet was as follows:

	Balance at 30/06/2019	Balance at 31/12/2018
Geotech Holding subgroup	103,725	103,879
Acciona Facility Services subgroup	53,457	50,962
Acciona Agua subgroup	27,976	27,976
Andes Airport Service, S.A.	15,757	15,295
Other	359	355
Total	**201,275**	**198,466**

The recognition of 2.5 million euros in the services division is noted, following the control takeover of a company in Qatar.

At 30 June 2019 positive foreign exchange translation differences in the caption have been recorded for approximately 0.3 million euros (negative 7 million euros at 31 December 2018), mainly due to changes in the Chilean peso exchange rate.

In the first half of 2019 no circumstances have been identified indicating that an impairment test to 30 June 2019 needs to be done. Similarly, at 31 December 2018 no impairment was identified in the tests carried out.

Acciona Group policies concerning impairment analysis of its intangible assets, PPE and particularly its goodwill are described in note 4.2 e) to the consolidated financial statements for financial year ended 31 December 2018.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 100[illegible]

7.- Other intangible assets

At 30 June 2019 and 2018, the breakdown of "Other Intangible Assets" on the accompanying consolidated balance sheet was as follows:

Other intangible assets	Develop-ment	Concessions	Computer software	Advances	Other	Deprecia-tion	Impairment	Total
Six-month period ended 30 June 2018								
Balance at 31.12.2017	**53,309**	**2,092,622**	**53,580**	**14,439**	**45,347**	**(562,388)**	**(120,887)**	**1,576,022**
Variations due to changes in scope of consolidation	--	--	(1)	--	64	(15)	--	48
Additions / Allocation	173	7,974	2,121	3,465	1,500	(42,576)	--	(27,343)
Reductions	(206)	(4,817)	(77)	--	(2,962)	1,319	--	(6,743)
Transfers	(1)	(11,037)	2	--	--	1,627	--	(9,409)
Other changes	(52)	(13,166)	(273)	--	(147)	4,247	358	(9,033)
Balance at 30.06.2018	**53,223**	**2,071,576**	**55,352**	**17,904**	**43,802**	**(597,786)**	**(120,529)**	**1,523,542**
Six-month period ended 30 June 2019								
Balance at 31.12.2018	**53,834**	**920,404**	**59,256**	**9,246**	**43,749**	**(495,423)**	**(6,483)**	**584,583**
Variations due to changes in scope of consolidation	--	--	--	--	--	--	--	--
Additions / Allocation	320	6,336	5,000	1,210	4	(25,125)	(3)	(12,258)
Reductions	--	(444)	(147)	--	(9,707)	10,131	--	(167)
Transfers	--	(5,385)	(879)	(505)	931	122	--	(5,716)
Other changes	24	2,772	144	--	25	(192)	--	2,773
Balance at 30.06.2019	**54,178**	**923,683**	**63,374**	**9,951**	**35,002**	**(510,487)**	**(6,486)**	**569,215**

The most significant additions in the six-month period ended 30 June 2019 refer to the expectant rights to a solar field in Ukraine for an amount of 3.1 million euros, as well as a new integral water cycle concession in the city of Granada (Spain) for an amount of 2.3 million euros.

In addition, investments of 5 million euros have been made in various computer software, aimed at innovation, improvement in the integration of Group processes and technological development, as well as investments aimed at adapting systems to cover legal, accounting or tax requirements in the different territories in which the Group is present.

Among other reductions in the period, the most notable was the reduction of the initial valuation of intangible assets associated with the confirmed project backlog identified during the acquisition of the Australian subgroup "Geotech Holding" in 2017, amounting to 9.7 million euros under "other assets" which was fully depreciated.

In June 2019, expectant rights amounting to 5 million euros were reclassified to "Property, Plant and Equipment" associated with the commissioning of a photovoltaic plant in Ukraine.

The main item in "Other changes" is the effect of foreign exchange translation differences in the six-month period ended 30 June 2019, for a positive amount of 2.8 million euros (negative amount of 9 million euros in the six-month period ended 30 June 2018).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main projects, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests at 31 December 2018, as well as the presence of relevant changes on the markets where the assets operate, for adequate recognition of impairment provisions during the financial year. At this date, there are no relevant aspects to be noted.

At 30 June 2019 and 31 December 2018, the Group companies had commitments to buy intangible assets for 36 and 43 million euros respectively, mainly for projects in the water activity.

The breakdown of the "Concessions" heading at 30 June 2019 and 31 December 2018 is the following:

Concessions	**30.06.2019**				**31.12.2018**			
	Cost	**Depreciation & provisions**	**Impairment**	**Total**	**Cost**	**Depreciation & provisions**	**Impairment**	**Total**
Administrative concessions	307,792	(125,518)	(3,348)	178,926	306,997	(121,792)	(3,345)	181,860
Intangible conc. (IFRIC12)	615,891	(260,963)	(3,105)	351,823	613,407	(245,386)	(3,105)	364,916
Total	**923,683**	**(386,481)**	**(6,453)**	**530,749**	**920,404**	**(367,178)**	**(6,450)**	**546,776**

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. [illegible]

8.- Other current and non-current financial assets and investments accounted for by applying the equity method

8.1 Other current and non-current financial assets

The breakdown of this caption from the Group's consolidated balance sheet at 30 June 2019 and 31 December 2018, disclosed by type and category for measurement purposes, was as follows:

Thousand euros 30.06.2019					
Financial Assets: Type / Category	**Financial Assets designated at fair value with changes in profit or loss**	**Financial assets at fair value with changes in the recognised consolidated income statement**	**Financial assets carried at amortised cost**	**Hedging Derivatives**	**Total**
Equity instruments	1,705	1,811	--	--	3,516
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets	--	--	207,265	433	207,698
Long-term / non-current	**1,705**	**1,811**	**207,265**	**433**	**211,214**
Equity instruments	2	--	--	--	2
Other credits	--	--	131,112	--	131,112
Derivatives	--	--	--	714	714
Other financial assets	--	--	43,844	--	43,844
Short-term / current	**2**	**--**	**174,956**	**714**	**175,672**
Total	**1,707**	**1,811**	**382,221**	**1,147**	**386,886**

Thousand euros 31.12.2018					
Financial Assets: Type / Category	**Financial Assets designated at fair value with changes in profit or loss**	**Financial assets at fair value with changes in the recognised consolidated income statement**	**Financial assets carried at amortised cost**	**Hedging Derivatives**	**Total**
Equity instruments	--	1,292	--	--	1,292
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets	--	--	206,364	430	206,794
Long-term / non-current	**--**	**1,292**	**206,364**	**430**	**208,086**
Equity instruments	--	--	--	--	--
Other credits	--	--	132,124	--	132,124
Derivatives	--	--	--	825	825
Other financial assets	--	--	45,356	--	45,356
Short-term / current	**--**	**--**	**177,480**	**825**	**178,305**
Total	**--**	**1,292**	**383,844**	**1,255**	**386,391**

There were no significant changes in the balances composing this heading during the first six months of 2019. Likewise, no significant impairment losses on the current and non-current financial asset balances occurred.

The line "Other credits" records the investments in debt securities or occasional investments in short-term investments or deposits as well as funds allocated by the energy division to the debt service reserve accounts for projects, as required by "Project Financing" clauses in force, to guarantee compliance with payment obligations.

The line "Other financial assets" mainly includes loans granted to companies accounted for by applying the equity method.

8.2 Investments accounted for by applying the equity method

The changes in the first six-month period of 2019 and 2018 under this caption on the balance sheet are broken down as follows (in thousand euros):

Direct investment of the parent	Balance at 31/12/2017	IFRS 15 1st application impact	Share in profit/(loss) before tax	Dividend	Changes in scope and capital contr./ret.	Tax effect & other changes	Balance at 30/06/2018
Consorcio Tranvía de Zaragoza	4,894	--	--	(265)	(4,731)	102	--
Nordex, SE	622,609	(36,587)	(20,346)	--	--	7,487	573,163
Total direct investment	**627,503**	**(36,587)**	**(20,346)**	**(265)**	**(4,731)**	**7,589**	**573,163**

Indirect investment of the parent	Balance at 31/12/2017	IFRS 15 1st application impact	Share in profit/(loss) before tax	Dividend	Changes in scope and capital contr./ret.	Tax effect & other changes	Balance at 30/06/2018
Indirect Acciona Energía Subgroup	192,621	--	16,809	(8,818)	31,905	(2,725)	229,792
Indirect Ceatesalas Subgroup	88,192	--	6,265	(3,299)	--	(1,912)	89,246
Indirect Acciona Construcción Subgroup	35,977	--	3,995	--	--	(733)	39,239
Indirect Acciona Concesiones Subgroup	33,167	--	2,792	(421)	3,500	(1,102)	37,936
Indirect Acciona Agua Subgroup	75,535	(22,890)	5,136	(2,246)	6,071	10,360	71,966
Indirect Acciona Inmobiliaria Subgroup	337,421	--	(3,529)	--	--	(155)	333,737
Indirect Trasmediterránea Subgroup	--	--	(9)	--	9	--	--
Other	915	--	291	(55)	1	(72)	1,080
Total indirect investment	**763,828**	**(22,890)**	**31,750**	**(14,839)**	**41,486**	**3,661**	**802,996**
Total investments booked by equity method	**1,391,331**	**(59,477)**	**11,404**	**(15,104)**	**36,755**	**11,250**	**1,376,159**

Direct investment of the parent	Balance at 31/12/2018	Share in profit/(loss) before tax	Dividend	Changes in scope and capital contr./ret.	Tax effect & other changes	Balance at 30/06/2019
Nordex, SE	556,169	(33,470)	--	--	5,446	528,145
Total direct investment	**556,169**	**(33,470)**	**--**	**--**	**5,446**	**528,145**

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

Indirect investment of the parent	Balance at 31/12/2018	Share in profit/(loss) before tax	Dividend	Changes in scope and capital contr./ret.	Tax effect & other changes	Balance at 30/06/2019
Indirect Acciona Energía Subgroup	202,733	22,078	(1,126)	16,959	(9,509)	231,135
Indirect Ceatesalas Subgroup	89,961	7,249	(1,418)	--	(1,649)	94,143
Indirect Acciona Construcción Subgroup	36,749	3,362	(2,619)	--	(1,248)	36,244
Indirect Acciona Concesiones Subgroup	39,041	3,679	(165)	2,921	(8,347)	37,129
Indirect Acciona Agua Subgroup	72,019	10,957	(1,572)	(434)	2,828	83,798
Indirect Acciona Inmobiliaria Subgroup	2,588	210	--	143	(105)	2,836
Other	1,562	289	--	(938)	(359)	554
Total indirect investment	**444,653**	**47,824**	**(6,900)**	**18,651**	**(18,389)**	**485,839**
Total investments booked by equity method	**1,000,822**	**14,354**	**(6,900)**	**18,651**	**(12,943)**	**1,013,984**

The movement in "Changes in scope and capital contributions/returns" mainly relate to additional capital contributions without the percentage ownership share being changed, including most notably those made in favour of associates developing a photovoltaic project in Mexico.

The "Tax Effect and Other Changes" line includes mainly the income tax expense and changes in the value of hedging derivatives.

After signs of impairment on Acciona Group's investment in Nordex, S.E. were identified in 2017, an impairment test was carried out in which the value in use was determined to be lower than the book value, recognising for this purpose a value impairment that came to 145 million euros. With regards to this impairment, it should be noted that the main assumptions and estimates used in the impairment test from 31 December 2018 were reviewed with the latest information published by the Nordex subgroup and with market estimates which are on the whole consistent; therefore, no circumstances have arisen that require the impairment test to be updated at 30 June 2019. The closing price of Nordex, SE on 30 June 2019 was 12.12 euros per share.

9.– Non-current receivables and other non-current assets

The heading at 30 June 2019 and 31 December 2018, in thousand euros, was broken down as follows:

	30.06.2019	31.12.2018
Non-current operating receivables	623,186	170,043
Non-current prepayments	73,322	74,947
Concessions under the non-current account receivable model	110,207	110,969
Total non-current receivables and other non-current assets	**806,715**	**355,959**

At 30 June 2019 and 31 December 2018, the line "Non-current operating receivables" included mainly customer balances and other trade receivables generated by operating activities with due date over one year and retentions in guarantee as are customary in the construction industry.

In relation to the claim that the Acciona Group, through its subsidiary ATLL Concessionària de la Generalitat de Catalunya, S.A. (in liquidation) maintains with the Generalitat de Catalunya, as a result

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10003

of the cause of voidability of the assignment of the Ter-Llobregat water supply service management agreement sentenced by the Superior Justice Court of Catalonia and ratified by the Supreme Court, the Group at 31 December 2018 had recorded the net assets and liabilities that are subject to the concession activity under the heading "Other Current Assets" in the consolidated balance sheet, based on the expectation, at that date, of a settlement in the short term. On 1 April 2019, the Generalitat de Catalunya formulated a Provisional Final Settlement (PFS) amounting 53.8 million euros, that is, far from the amounts claimed by the Company (see Note 12), which, in the Group's opinion, has confirmed the impossibility of this dispute being resolved without resorting to a contentious-administrative procedure. In this context, as of 30 June 2019, the Group has adjusted the compensation arising from the application of the clauses regulating the concession contract voidability; in addition, considering the premise which has been repeatedly defended by the Group and based on reports by independent experts, it is extremely unlikely that the subsidiary's equity may be impaired, having been classified at 30 June 2019 under "Non-current operating receivables" since the expected settlement has exceeded twelve months, except for the amount corresponding to the PFS, which remains under current assets.

Also, on 21 June 2019, the Group transferred the future payment rights arising from the claim to a third party, which does not include the aforementioned portion of the compensation which has already been recognised by the Generalitat de Catalunya (see note 14).

On the other hand, with regard to the contract for the design, construction and commissioning of a light railway line in the centre of the city of Sydney (Australia), as mentioned in Note 12, and for which there were claims and an open legal dispute with the client, an agreement was reached on 31 May 2019 to admit a large part of the claims presented by the Group. As a result of this agreement, an account receivable, the amortised cost of which at 30 June 2019 amounted to 281 million euros, was reclassified to "Non-current operating receivables".

Finally, this line also includes an amount of 68,882 thousand euros (68,503 thousand euros at 31 December 2018) corresponding to the fair value of a non-financial derivative taken out by a Chilean subsidiary of the Energy Division for the supply of energy to a customer from 2017 at an inflated fixed price for 13 and a half years.

"Non-current prepayments" includes an amount of 62,049 thousand euros (62,319 thousand euros at 31 December 2018) corresponding to the initial value of two energy contracts formalised in December 2015 and December 2018 by two subsidiaries in the United States to supply a specific quantity of energy over a period of 13 and 12 years respectively.

At 30 June 2019 and 31 December 2018, the line "Concessions under the non-current financial model" included the balance receivable at over one year in the concessions that, under IFRIC 12, were considered financial assets, since there is an unconditional payment right on the investment made to date. The current portion of this unconditional right was recognised in "Trade and other receivables" on the basis of the payments expected to be received from the grantors of the concessions under the different economic and financial plans. The balance classified as "current" amounted to 13,367 and 12,852 thousand euros at 30 June 2019 and 31 December 2018, respectively.

Detail of "Concessions under the non-current financial model", by activity, was as follows:

	30.06.2019	31.12.2018
Concession activity	109,265	109,871
Water activity	942	1,098
Total	**110,207**	**110,969**

The main concession projects included in the Concessions activity relate to two hospitals located in Spain and Mexico, and in the Water activity, those related to the integral water cycle. The breakdown of the balance of the main concessions under the financial model at 30 June 2019 and 31 December 2018 was as follows:

	30.06.2019	31.12.2018
S.C. Hospital del Norte, S.A.	75,823	77,185
Hospital de León Bajío, S.A. de C.V.	33,442	32,686

There are no significant variations during the first half of 2019. Also note that the Group companies at 30 June 2019 and 31 December 2018 did not have commitments to acquire concession assets under the financial asset model for a significant amount.

10.- Inventories

At 30 June 2019, the amount recognised in this caption related mainly to real estate inventories for a net carrying amount of 757,952 thousand euros (564,867 thousand euros at 31 December 2018), which is disclosed net of a provision amounting to 408,707 thousand euros (413,652 thousand euros at 31 December 2018), as well as to procurement from the Infrastructure and Energy divisions.

At 30 June 2019 and 31 December 2018, the net carrying amount of mortgaged inventories stood at 4,505 and 2,347 thousand euros, respectively, mostly related to real estate development.

Real Estate development sales commitments to customers at 30 June 2019 and 31 December 2018 amounted to 183,676 and 132,800 thousand euros, respectively.

Based on the analysis performed by the Group's Management of the trends on the different real estate markets where it operates (basically Spain, Poland, Mexico and Portugal), in the first half of 2019 no relevant changes therein or signs of additional impairment were estimated, so the Group did not update the measurements of real estate inventories made in December 2018.

At 30 June 2019, there were firm commitments to purchase a plot in Portugal and a plot in Spain for 14,000 and 21,236 thousand euros, respectively.

11.- Equity

a) Subscribed and registered share capital

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº 10003

The Parent's share capital is represented by 54,856,653 ordinary shares, which are represented by book entries, with a par value of EUR 1 each and fully paid up. All the shares carry the same rights and there are no statutory restrictions as to their transferability, and they are all quoted.

The share capital at 30 June 2019 was reached after Acciona's Board of Directors executed its capital reduction agreement by virtue of the delegation conferred by the General Shareholders' Meeting held on 30 May 2018, with effects on 28 March 2019, for an amount equal to 2,402,897 euros through the amortisation of 2,402,897 own shares acquired through a buy-back programme in accordance with Regulation (EU) No. 596/2014, on market abuse and its delegated regulations, the purpose of which was to reduce capital through the amortisation of own shares and, to a lesser extent, to comply with the obligations that may derive from the Share Delivery Programmes for the Group's directors, executives and employees. The effect of this capital reduction through the amortisation of own shares on voluntary reserves amounted to 162,425 thousand euros.

On the basis of the information reported to the Company, the table below shows the holders of significant direct and indirect ownership interests in the share capital at 30 June 2019 and 31 December 2018.

	30.06.2019	31.12.2018
Tussen de Grachten, BV	29.02%	27.80%
Wit Europesse Investering, BV	26.10%	25.01%
La Verdosa, S.L.	5.78%	5.54%

Significant shareholders have seen their shareholdings in the share capital of Acciona, S.A. change as a result of the reduction in share capital referred to in the preceding paragraph.

b) Share premium and reserves

The breakdown of share premium and reserves at 30 June 2019 and 31 December 2018 was as follows:

	30.06.2019	31.12.2018
Issue premium	**170,110**	**170,110**
Legal reserve	11,452	11,452
Reserve for retired capital	17,524	15,121
Voluntary reserve	3,161,306	3,288,457
Consolidated reserve	(144,136)	(175,487)
Subtotal reserves	**3,046,146**	**3,139,543**
Total reserves & share premium	**3,216,256**	**3,309,653**

The legal reserve, to which transfers must be made until it reaches 20% of the share capital, may be used to increase capital provided that the reserve balance does not fall below 10% of the increased share capital. Otherwise and as long as the legal reserve does not exceed 20% of the share capital, it can only be used to offset losses, provided that there are no other reserves available in a sufficient amount for that purpose.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10000

c) Own shares

The changes in own shares in the six-month periods ended 30 June 2019 and 2018 were the following:

	30.06.2019		30.06.2018	
(Thousand euros)	**Number of shares**	**Cost**	**Number of shares**	**Cost**
Opening balance	**2,902,115**	**199,616**	**45,702**	**3,146**
Additions	851,691	79,295	523,375	35,684
Reductions	(866,831)	(79,429)	(510,982)	(35,226)
Liquidity contract movement	**(15,140)**	**(134)**	**12,393**	**457**
Additions	-	-	2,010,852	134,348
Reductions	(2,484,880)	(170,452)	(119,418)	(7,716)
Other movements	**(2,484,880)**	**(170,452)**	**1,891,434**	**126,632**
End balance	**402,095**	**29,030**	**1,949,529**	**130,235**

On 2 July 2015 Acciona, S.A. subscribed a liquidity contract with the Group company Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. This contract was cancelled and replaced on 10 July 2017 by another contract with the same company, to which 44,328 shares were assigned as well as an amount of 3,340,000 euros in the cash account. The company's stock operations carried out by Bestinver within the framework of this contract take place on the Spanish stock exchanges and the purpose is to promote the liquidity of transactions as well as a regular quotation.

During the first six months of 2019, the shares operating under the liquidity contract resulted in profit amounting to 697 thousand euros, recognised in reserves caption.

With regards to other movements, on 27 March 2018 the Company's Board of Directors agreed to carry out a time-scheduled buy-back programme which would affect a maximum of 2,862,978 shares, representing 5% of the share capital, for a maximum amount of 233,332,707 euros. The purpose of this time-scheduled buy-back programme over its own shares was mainly the reduction in capital through the amortisation of shares, and to a lesser extent, to comply with Acciona, S.A.'s obligations with the Share Delivery Plan for directors and executives.

At 31 December 2018, a total of 2,817,395 shares had been acquired under this programme, representing 4.92% of the share capital, for a total cost of 193,207 thousand euros.

On 28 March 2019, the aforementioned capital reduction was materialised through the redemption of 2,402,897 own shares at a cost of 164,828 thousand euros.

In addition, 81,983 shares were retired under this programme during the six-month period ended 30 June 2019, corresponding to the delivery of shares to Group management under the Share Delivery Plan and the Variable Remuneration Replacement Plan (see note 23). The profit reflected in reserves for these operations amounted to 2,116 thousand euros.

d) Foreign exchange translation differences

In the six-month period ended 30 June 2019, the foreign exchange translation differences led to an equity increase by 8,437 thousand euros, in respect of December 2018, due to appreciation of some foreign currencies in which the Acciona Group operates, mainly the US dollar and the Chilean peso.

e) Value adjustments

- Financial assets at fair value with changes in the recognised consolidated income statement

This item under "Retained earnings" on the consolidated balance sheet includes the amount, net of the tax effect, of changes in the fair value of assets classified as financial assets at fair value with changes in the recognised consolidated income statement (previously classified as Financial assets held for sale under IAS 39). At 30 June 2019 the reserves for this item increased by 16 thousand euros, the end balance amounting to 14 thousand euros.

- Cash flow hedges

This item under "retained earnings" on the condensed consolidated balance sheet includes the amount, net of the tax effect, of changes in the value of financial derivatives designated as cash flow hedges.

Movements in the balance of cash flow hedges during the six-month period ended 30 June 2019 and during the first six months of 2018 are presented below:

	Movements 1 January to 30 June 2019	Movements 1 January to 30 June 2018
Opening balance	**(98,532)**	**(135,723)**
• Changes in value in the period	(64,735)	956
Gross	(86,311)	1,276
Tax effect	21,576	(320)
• Transfer to profit/(loss) for the period	11,866	18,137
Gross	15,818	24,182
Tax effect	(3,952)	(6,045)
End balance	**(151,401)**	**(116,630)**

12.- Non-current provisions

These provisions cover, according to the best estimate by the Directors of the Parent Company, any liabilities that might arise from litigation, appeals, contentious procedures and obligations pending resolution at the close of the financial year.

Note 17 to the consolidated financial statements for financial year ended 31 December 2018 describes the main litigation affecting the Group at said date. There have been no significant variations to the Group's non-current provisions during the six-month period ended 30 June 2019, except for the comments made at the end of this note relating to the payment in April 2019 of the personal income tax inspection report.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

With regards to the current situation of the Ter-Llobregat water supply service management agreement, on 20 February 2018 the Supreme Court rejected the cassation appeal lodged by Acciona Agua, S.A., together with the Generalitat de Catalunya and Aguas de Barcelona, S.A., thereby confirming the judgement issued by the Superior Justice Court of Catalonia on 22 July 2015 and therefore voiding the assignment of the concession for reasons solely attributable to the Generalitat de Catalunya.

The Generalitat de Catalunya has informed the Superior Court of Justice of Catalonia that the judgement has been executed with the contract entering into liquidation, and the contract settlement period was initiated.

On 19 July 2018, Decree Law 4/2018 was published in the Official Journal of the Generalitat de Catalunya, validated by the Permanent Delegation of the Parliament in the session on 1 August 2018, through which the direct management of the service was assumed through the entity called Ens d'Abastament d'Aigua Ter-Llobregat, which was to become operational before 31 December. The Decree establishes the continuity of ATLL in the service provision, in accordance with the clauses of the concession contract, until the new public entity that assumes direct management of the service comes into operation.

In December 2018, the Generalitat de Catalunya made a first proposal to settle the contract following the Supreme Court ruling, in which it claimed an approximate amount of 38 million euros from the Concessionaire.

On 19 November, the Superior Court of Justice of Catalonia resolved the judgement execution proceeding filed by the Concessionary Company, clarifying the voidability of the contract against the nullity maintained by the Generalitat.

Following this resolution, on 1 April 2019, the Generalitat presented a provisional final settlement proposal, in this case proposing compensation for ATLL amounting to 53.8 million euros.

Following the refusal on 12 and 13 February by the Superior Court of Justice of Catalonia to grant the precautionary measures requested by ATLL, with effect from 1 March 2019, the facilities were delivered and the service was terminated, without this implying any waiver by ATLL of all the rights and actions corresponding to it with respect to the contract settlement and termination of the service, and of the circumstances in which the delivery takes place.

On 21 June 2019, the Group assigned the future payment rights arising from the claim to a third party for a fixed, unconditional and settled price of 170 million euros at 30 June 2019, and for another contingent on the amount finally recognised by the Generalitat and/or the Courts of Justice. The aforementioned compensation already recognised by the Generalitat in favour of ATLL Concesionària de la Generalitat de Catalunya, S.A. is excluded from this transfer agreement (see Note 14).

Finally, the Company has opposed the settlement proposals made because, in short, they are based on the fact that the contract incurred a nullity cause and not one of voidability, according to the Superior Court of Justice of Catalonia in its Ruling of 19 November 2018. Based on expert reports carried out by external advisors, the Company has estimated that the amount resulting from clause 9.12 amounts to 304 million euros, and 770 million euros is the amount corresponding to the damages caused, all without taking into account the deduction from provisions for the ordinary settlement of the contract.

In this regard, on 24 July 2019, the Company filed a contentious-administrative appeal against the Resolution of the Territory and Sustainability Ministry of the Generalitat de Catalunya dated 1 April 2019, approving the provisional final settlement of the contract.

The final resolution of the procedures described will not involve disbursement of resources for the Group, nor any capital losses.

Regarding the contract that the Group manages, through one of its Australian subsidiaries, for the design, construction and commissioning of a light railway route in the city centre of Sydney (Australia) together with its partner Alstom, in the context of a public-private partnership (PPP) contract through the concession company Altrac Light Rail Partnership (of which the Group holds 5% of the share capital), and whose final client is Transport for New South Wales (TfNSW), the 2018 financial statements cited the claims made against the client under the contractual clauses as a result of multiple modifications and changes in scope during the execution of the contract, and based on the various technical and legal reports by external advisors, a legal proceeding against the final client has been initiated before the Supreme Court of New South Wales.

The Group finally reached an agreement on 31 May 2019, which resulted in the admission of a large part of its claims without negative effects on its equity.

In addition, the Group continues to scrupulously comply with its obligations under the contract and to deliver the work in accordance with the required technical and safety standards.

As for procedures of a fiscal nature, Note 22 to the consolidated financial statements notes for the financial year ended 31 December 2018 describes the years subject to audit by the tax authorities and the inspections in progress that affected the Group at said date. The most significant variations during the six month period ended 30 June 2019 correspond to:

- Corporate tax inspection activities relating to the years 2007-2009 that ended on 12 June 2014 with the signing of the 2007-2009 Corporate Tax conformity certificate without any fees to be paid, the VAT settlement certificates and without penalty, and the procedure which remains open relating to the non-conformities regarding personal income tax retentions for severance pay (years 2008 to 2011) for a total amount for the Group entities of 8,351 thousand euros, of which 2,448 thousand euros corresponds to penalties. An administrative appeal was filed on 3 December 2015 before the National Court. On 3 April 2018, the National Court notified that the appeal related to the debts settled by Acciona Construcción, S.A. (previously Acciona Infraestructuras, S.A.) had been dismissed, but that disciplinary proceedings for an amount of 2,360 thousand euros had been annulled. A notice of a cassation appeal was submitted to the Supreme Court on 18 July 2018, which was ruled inadmissible on 12 November 2018. On 11 December 2018, a motion for nullity of proceeding was presented before the Supreme Court, which was eventually ruled inadmissible on 11 January 2019. The amount had been duly provisioned and this provision has been applied to its purpose in the payment thereof.

- The remaining limited verification proceedings for the corrective declarations presented on 28 June 2017 by the Tax Group relating to the years 2013 to 2015 were concluded on 3

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10003

December 2018 with the signing of the conformity certificate, resulting in an amount of 2,330 thousand euros to be returned, including interest on arrears.

The Directors of Acciona, S.A. consider that the risk that additional liabilities to those registered should emerge is remote but, should they occur, they would not have a significant impact on these condensed consolidated six-month period financial statements taken as a whole.

13. Interest bearing borrowings, debt instruments and other marketable securities

Detail of financial liabilities by type of financing at 30 June 2019 and 31 December 2018, in thousand euros, was as follows:

Financial Liabilities: Type / Category	Thousand euros 30.06.2019		
	Debits and items payable	**Hedging Derivatives**	**Total**
Interest bearing borrowings	3,780,068	--	3,780,068
Debt instruments and other marketable securities	384,720	--	384,720
Derivatives	--	129,007	129,007
Other financial liabilities	--	--	--
Non-current debt / Non-current financial liabilities	**4,164,788**	**129,007**	**4,293,795**
Interest bearing borrowings	662,292	--	662,292
Debt instruments and other marketable securities	1,292,710	--	1,292,710
Derivatives	--	3,569	3,569
Other financial liabilities	--	--	--
Current debt / Current financial liabilities	**1,955,002**	**3,569**	**1,958,571**
Total	**6,119,790**	**132,576**	**6,252,366**

Financial Liabilities: Type / Category	Thousand euros 31.12.2018		
	Debits and items payable	**Hedging Derivatives**	**Total**
Interest bearing borrowings	3,583,941	--	3,583,941
Debt instruments and other marketable securities	405,980	--	405,980
Derivatives	--	90,019	90,019
Other financial liabilities	--	--	--
Non-current debt / Non-current financial liabilities	**3,989,921**	**90,019**	**4,079,940**
Interest bearing borrowings	900,381	--	900,381
Debt instruments and other marketable securities	1,243,758	--	1,243,758
Derivatives	--	4,457	4,457
Other financial liabilities	--	--	--
Current debt / Current financial liabilities	**2,144,139**	**4,457**	**2,148,596**
Total	**6,134,060**	**94,476**	**6,228,536**

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10003

a) Interest bearing borrowings

At 30 June 2019 and 31 December 2018, the breakdown of recourse and non-recourse financial liabilities, non-recourse meaning debt with no corporate guarantee whose recourse is limited to the debtor's cash flows and assets, by type and category, was as follows:

Concept	30.06.2019		31.12.2018	
	Current	Non-current	Current	Non-current
Non-recourse interest bearing borrowings	**147,641**	**994,987**	**286,136**	**1,029,040**
Mortgage loans for PPE financing	5,737	5,832	8,563	6,706
Mortgage loans for property development	2,929	--	1,902	--
Project finance	117,886	954,776	262,279	990,471
Obligations under financial leases	10,098	24,879	13,392	31,863
Other limited recourse debt	10,992	9,500	--	--
Recourse interest bearing borrowings	**518,219**	**2,914,088**	**618,702**	**2,644,920**
Undue discounted notes and bills	--	--	325	--
Other bank loans and credit facilities	518,219	2,914,088	618,377	2,644,920
Total interest bearing borrowings	**665,861**	**3,909,075**	**904,838**	**3,673,960**

In the first half of 2019 and in financial year 2018 the Group's loans and credit facilities bore market interest rates.

At 30 June 2019 and 31 December 2018, neither Acciona, S.A. nor any of its significant subsidiaries were in breach of their financial obligations or any other obligation in such a manner as might give rise to early maturity of their financial commitments.

In addition, in the first six months of 2019 and 2018 there were no defaults or any other non-payments of principal, interest or repayments in respect of interest bearing borrowings.

In February 2019, Acciona Financiación Filiales, S.A. arranged a syndicated loan for a maximum amount of 675 million euros, classified in "Other bank loans and credit facilities", with due date to five years and accruing a market interest rate. This operation has been sized to cover the maturities of bank and capital market debt, mainly from the EMTN programme, planned for the second half of the year. For this reason, the draw down period ends in January 2020.

Borrowings by the real estate business are classified as current liabilities on the basis of the production cycle of the asset they finance, that is, inventories, even though the due date for some of these liabilities stands at over twelve months.

At 30 June 2019, the Group's working capital was negative, although this imbalance between "Current Assets" and "Current Liabilities" in the balance sheet is considered temporary and has no effect on the management of the Group's working capital. At 30 June 2019 the Group companies had been granted additional financing of 2,195 million euros that had not been drawn down, relating to credit lines to finance working capital.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10003

b) Information on issues or redemption of debt securities

The table below shows the detail at 30 June 2019 and 2018 of the outstanding balance of debt securities which, at said date, had been issued by the Company or by any other Group company, and of the changes in said balance in the first six-month period of 2018 and 2019:

	Thousand euros				
	30/06/2019				
	Balance 31.12.2018	**Issues**	**Repurchases or redemption**	**Adjustments due to exchange rate, change in scope and other**	**Balance 30.06.2019**
Debt securities issued in a EU member state, which required registration of an informative leaflet	1,425,337	795,160	(770,835)	6,025	1,455,687
Other debt securities issued outside a EU member state	224,401	--	(4,038)	1,380	221,743
Total current and non-current	**1,649,738**	**795,160**	**(774,873)**	**7,405**	**1,677,430**

	Thousand euros				
	30/06/2018				
	Balance 31.12.2017	**Issues**	**Repurchases or redemption**	**Adjustments due to exchange rate, change in scope and other**	**Balance 30.06.2018**
Debt securities issued in a EU member state, which required registration of an informative leaflet	1,285,367	626,068	(495,816)	3,606	1,419,225
Other debt securities issued outside a EU member state	220,719	--	(3,191)	6,342	223,870
Total current and non-current	**1,506,086**	**284,389**	**(157,328)**	**9,948**	**1,643,095**

Note 18 to the consolidated financial statements notes for the financial year ended 31 December 2018 describes the issues making up the balance for this heading.

During the first half of 2019, the Acciona Group through its subsidiary Acciona Financiación de Filiales, S.A. and with guarantee from Acciona, S.A., has issued promissory notes amounting to 795 million euros. The promissory notes are issued under the Euro Commercial Paper (ECP) programme, initially formalised by Acciona, S.A. on 17 January 2013 and renewed annually from 2015 by the subsidiary Acciona Financiación de Filiales, S.A. (the last renewal date being 30 April 2019), with a guarantee from Acciona, S.A. The programme currently has a maximum amount of 1,000 million euros, Through this programme, which is registered in Euronext Dublin (formerly the Irish Stock Exchange), notes are issued in the Euromarket with maturities between 15 and 364 days.

On the same date, Acciona Financiación Filiales, S.A. also renewed the issue of fixed-income securities programme - Euro Medium Term Note Programme (EMTN) for a maximum amount of up to 2,000 million euros. During the first six months of 2019 there have been no issues of securities under this programme.

Of the redemptions for the period indicated in the table above, a total of 769 million euros corresponds to the redemption of ECP at maturity.

The other debt securities issued outside a EU member state refer to bond issues made in 2012 by the Mexican subsidiaries CE Oaxaca Dos, S. de R.L. de C.V. and CE Oaxaca Cuatro, S. de R.L. de C.V. The main variation during the first half of 2019 corresponds to the scheduled debt amortisation.

In the first half of 2019 there were no new issues of bonds convertible to shares or that granted privileges or rights that might, should a contingency occur, lead to the issues being exchanged to shares of the Parent or of a Group Company.

14. – Other non-current and current liabilities

The breakdown of other non-current and current liabilities at 30 June 2019 and 31 December 2018 was as follows, in thousands of euros:

Other liabilities	Non-current		Current	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Grants	107,543	108,649	--	--
Other revenue to apply in several years	68,156	74,782	--	--
Obligations for financial leases	--	13,920	--	690
Unpaid remuneration	--	--	123,670	141,420
Debt with non-controlling interests	312,646	331,531	2,665	1,681
Other creditors	397,682	363,489	1,020,456	530,190
End balance	**886,027**	**892,371**	**1,146,791**	**673,981**

During the first half of 2019, the most significant changes occurred under "Other Current Liabilities" and related to:

- On 21 June 2019, the Group entered into an agreement with a third party to transfer the future payment rights arising from various litigation and claims procedures for a fixed, unconditional price charged of 213 million euros collected on 30 June 2019, recognised under current financial liabilities, of which 170 million euros correspond to the claim corresponding to ATLL Concessionària de la Generalitat de Catalunya, S.A (see Note 12), and a contingent price based on the amount finally collected as a result of the resolution of the litigation and claims proceedings included in the agreement. As mentioned above, the compensation already recognised by the Generalitat de Catalunya in favour of ATLL Concesionària de la Generalitat de Catalunya, S.A. for 53.8 million euros is excluded from the aforementioned transfer agreement.

- Also, at 30 June 2019, the "Other creditors" account included the outstanding dividend of 192 million euros, which was paid on 1 July 2019 (see Notes 16 and 22).

- Lastly, it should be noted that the "Other creditors" account increased by 104 million euros due to the movement in the property, plant and equipment supplier accounts, mainly in the energy division, due to the increase from five wind farms under construction in Chile, the United States, Mexico and Australia at the end of the half-year period.

15.- Leases

15.1 Rights of Use Assets

The changes in the first six-month period of 2019 in cost and accumulated depreciation are broken down as follows (in thousand euros):

Rights of use	Land and natural resources	Constructions	Plant	Machinery and transport elements	Other RoU	Deprecia-tion	Impair-ment	Total
				Six-month period ended 30 June 2019				
Balance at 31.12.2018	--	--	--	--	--	--	--	--
IFRS 16 1st application	20,234	57,016	69,640	22,563	907	--	--	170,360
Additions / Allocation	350	1,293	11	9,407	7	(23,650)	--	(12,582)
Reductions	--	(792)	--	(42)	--	789	--	(45)
Transfers	--	--	23,097	75,515	4,415	(43,484)	--	59,543
Other changes	197	169	428	148	--	450	--	1,392
Balance at 30.06.2019	**20,781**	**57,685**	**93,176**	**107,591**	**5,330**	**(65,895)**	**--**	**218,668**

The main movement in this caption relates to the recognition of underlying assets of the operating lease contracts amounting to 170 million euros, as the new IFRS 16 lease standard came into force (see Note 2.a)). In addition, the assets associated with financing lease agreements recognised in the balance sheet at 31 December 2018, for a net amount of approximately 60 million euros, were reclassified from property, plant and equipment to "Rights of use" new heading (see Note 4).

The main rentals recognised in this caption in which the Group acts as lessee relate to rentals for offices, a solar plant and machinery used mainly in the infrastructure division.

In the six month period ended 30 June 2019, the Group recorded an interest expense and amortisation expense of 6 and 24 million euros, respectively, in the income statement associated with these lease agreements.

In addition, the Group recorded in the income statement for the six-month period ended 30 June 2019 an expense of 59 million euros associated with lease agreements considered as low-value contracts (underlying assets whose value as new is less than 5,000 euros), short-term contracts (less than 12 months) and amounts corresponding to variable rental expense.

15.2 Non-current and current leasing obligations

The balance of liabilities associated with lease agreements at 30 June 2019 is detailed below, in thousands of euros:

	30 June 2019
Non-current	165,632
Current	47,204
Total leasing liabilities	**212,836**

On 1 January 2019, in accordance with IFRS 16, the Group recognised a liability associated with old operating lease agreements amounting to 198 million euros. In addition, 30 million euros associated with financing lease agreements that had already been recognised in the balance sheet at 31 December 2018 was also transferred to "Leasing Obligations" heading.

16.- Dividends paid by the Parent Company

The table below shows the dividends paid by the Parent in the first six month period of 2019 and 2018, which in both cases related to dividends approved in relation to the previous financial year's profit.

- First semester of 2019:

On 30 May 2019 the Annual General Meeting of Shareholders of Acciona, S.A. approved the payment of a dividend worth 3.5 euros per share against 2018 profit. This dividend totalling 191,819 thousand euros was paid on 1 July 2019.

- First semester of 2018:

On 30 May 2018 the Annual General Meeting of Shareholders of Acciona, S.A. approved the payment of a dividend worth 3 euros per share against 2017 profit. This dividend totalling 171,779 thousand euros was paid on 2 July 2018.

17. - Earnings per share

- Basic:

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

The amounts for the six-month periods ended 30 June 2019 and 2018 were as follows:

	1st semester 2019	1st semester 2018
Net profit attributable to the Parent (thousand euros)	155,082	185,634
Weighted average number of shares outstanding	54,422,159	56,579,255
Basic earnings per share (euros)	**2.85**	**3.28**

- Diluted:

To estimate diluted earnings per share, the company adjusts the year's profit attributable to the holders of ordinary equity instruments, and the weighted average number of shares outstanding by all the potential dilutive effects attached to ordinary shares.

In 2018 and the first half of 2019, there were no dilutive effects and therefore basic earnings per share and diluted earnings per share coincide.

18.- Segment reporting

Note 27 to the consolidated financial statements of Acciona Group for the financial year ended 31 December 2018 details the criteria applied by the Group to define its operating segments.

In order to facilitate comparison of segmented information, the divisional distribution for the six-month period ending 30 June 2018 has been restated to reflect the changes in presentation described in the aforementioned Note 27. These changes basically consist of simplifying the divisional structure and allocating between divisions the net interest income generated by the cash centralisation system managed by the Corporate Unit.

The table below shows the segment balance sheet by division at 30 June 2019 and 31 December 2018 and the segment income statement at 30 June 2019 and 30 June 2018.

Balances at 30/06/2019	Segments				Corporate transactions	Total Group
	Energy	Infrastructures	Other activities	Intra-group transactions		
ASSETS						
PPE, intangible assets, investment property and rights of use	6,707,397	801,657	172,294	(2,343)	--	7,679,005
Goodwill	--	201,275	--	--	--	201,275
Non-current financial assets	34,166	83,682	90,343	3,023	--	211,214
Investments booked by the equity method	853,424	157,724	2,836	--	--	1,013,984
Other assets	457,946	886,306	267,535	76	--	1,611,863
Non-current assets	**8,052,933**	**2,130,644**	**533,008**	**756**	**--**	**10,717,341**
Inventories	118,175	208,644	808,679	(15,576)	--	1,119,922
Trade and other receivables	612,127	1,770,648	141,786	(556,815)	--	1,967,746
Current financial assets	110,595	53,097	11,980	--	--	175,672
Other assets	104,879	199,148	89,872	(1,313)		392,586

Cash & equivalents	(44,207)	1,657,805	(272,025)	(3,023)	--	1,338,550
Current assets	**901,569**	**3,889,342**	**780,292**	**(576,727)**	**--**	**4,994,476**
Total assets	**8,954,502**	**6,019,986**	**1,313,300**	**(575,971)**	**--**	**15,711,817**
EQUITY AND LIABILITIES						
Consolidated equity	**3,320,382**	**967,604**	**(854,101)**	**(14,752)**	**--**	**3,419,133**
Interest bearing borrowings & other financial liabilities	3,439,122	1,611,285	(756,612)	--	--	4,293,795
Other liabilities	1,293,726	418,155	171,134	(4,404)	--	1,938,611
Non-current liabilities	**4,732,848**	**2,089,440**	**(585,478)**	**(4,404)**	**--**	**6,232,406**
Interest bearing borrowings & other financial liabilities	143,576	67,109	1,747,886	--	--	1,958,571
Trade and other payables	290,767	2,064,623	287,679	(111,865)	--	2,531,204
Other liabilities	466,929	831,210	717,314	(444,950)	--	1,570,503
Current liabilities	**901,272**	**2,962,942**	**2,752,879**	**(556,815)**	**--**	**6,060,278**
Total equity and liabilities	**8,954,502**	**6,019,986**	**1,313,300**	**(575,971)**	**--**	**15,711,817**

Balances at 31/12/2018	**Segments**				**Corporate transactions**	**Total Group**
	Energy	**Infrastructures**	**Other activities**	**Intra-group transactions**		
ASSETS						
PPE, intangible assets & investment property.	6,519,463	750,077	184,277	-2,446	--	7,451,371
Goodwill	--	198,466	--	--	--	198,466
Non-current financial assets	35,042	80,161	89,860	3,023	--	208,086
Investments booked by the equity method	848,864	149,369	2,589	0	--	1,000,822
Other assets	448,473	445,272	249,500	92	--	1,143,337
Non-current assets	**7,851,842**	**1,623,345**	**526,226**	**669**	**--**	**10,002,082**
Inventories	112,405	205,050	613,026	(16,170)	--	914,311
Trade and other receivables	559,836	1,600,727	194,654	(654,403)	--	1,700,814
Current financial assets	124,082	52,013	2,210	--	--	178,305
Other assets	63,607	298,766	-23,379	(22,954)	108,636	424,676
Cash & equivalents	(39,653)	1,952,796	-192,715	(3,023)	--	1,717,405
Current assets	**820,277**	**4,109,352**	**593,796**	**(696,550)**	**108,636**	**4,935,511**
Total assets	**8,672,119**	**5,732,697**	**1,120,022**	**(695,881)**	**108,636**	**14,937,593**
EQUITY AND LIABILITIES						
Consolidated equity	**3,254,616**	**927,825**	**(759,024)**	**(36,915)**	**108,636**	**3,495,138**
Interest bearing borrowings & other financial liabilities	3,129,763	1,639,223	(689,046)	--	--	4,079,940
Other liabilities	1,232,078	399,404	161,734	(4,562)	--	1,788,654
Non-current liabilities	**4,361,841**	**2,038,627**	**(527,312)**	**(4,562)**	**--**	**5,868,594**
Interest bearing borrowings & other financial liabilities	254,700	111,111	1,782,785	--	--	2,148,596
Trade and other payables	466,628	2,071,579	117,995	(197,172)	--	2,459,030
Other liabilities	334,334	583,555	505,578	(457,232)	--	966,235
Current liabilities	**1,055,662**	**2,766,245**	**2,406,358**	**(654,404)**	**--**	**5,573,861**

Total equity and liabilities	**8,672,119**	**5,732,697**	**1,120,022**	**(695,881)**	**108,636**	**14,937,593**

Balances at 30/06/2019	**Segments**				**Corporate transactions**	**Total Group**
	Energy	**Infrastruc-tures**	**Other activities**	**Intra-group transactions**		
Total revenue	1,035,011	2,465,058	153,304	(83,860)	--	3,569,513
Revenue	1,025,614	2,399,828	144,071	--	--	3,569,513
Inter-segment revenue	9,397	65,230	9,233	(83,860)	--	--
Other operating income and expenses	(646,417)	(2,213,897)	(133,289)	82,704	--	(2,910,899)
Gross profit / (loss) from operations	**388,594**	**251,161**	**20,015**	**(1,156)**	**--**	**658,614**
Allocations	(198,435)	(102,523)	(7,519)	103	--	(308,374)
Impairment and gains / (losses) on disposal of assets	(1,294)	520	32	--	--	(742)
Other gains or losses	473	(11,076)	15	--	--	(10,588)
Profit / (loss) from operations	**189,338**	**138,082**	**12,543**	**(1,053)**	**--**	**338,910**
Financial profit / (loss)	(93,500)	(5,065)	(6,327)	--	--	(104,892)
Profit / (loss) from changes in value	5,658	--	2,289	--	--	7,947
Results of companies booked by equity method	(4,142)	18,286	210	--	--	14,354
Profit / (loss) before tax	**97,354**	**151,303**	**8,715**	**(1,053)**	**--**	**256,319**
Corporate Tax	(28,309)	(43,996)	(2,534)	306	--	(74,533)
Consolidated profit / (loss) for the period	**69,045**	**107,307**	**6,181**	**(747)**	**--**	**181,786**
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--
Profit / (loss) for the year	**69,045**	**107,307**	**6,181**	**(747)**	**--**	**181,786**
Non-controlling interests	(9,177)	(17,673)	146	--	--	(26,704)
Profit / (loss) attributable to the Parent	**59,868**	**89,634**	**6,327**	**(747)**	**--**	**155,082**

Balances at 30/06/2018	**Segments**				**Corporate transactions**	**Total Group**
	Energy	**Infrastruc-tures**	**Other activities**	**Intra-group transactions**		
Total revenue	1,022,887	2,329,266	244,312	(71,186)	--	3,525,279
Revenue	1,005,934	2,276,688	242,657	--	--	3,525,279
Inter-segment revenue	16,953	52,578	1,655	(71,186)	--	--
Other operating income and expenses	(631,198)	(2,132,284)	(213,699)	69,824	--	(2,907,357)
Gross profit / (loss) from operations	**391,689**	**196,982**	**30,613**	**(1,362)**	**--**	**617,922**
Allocations	(192,333)	(111,570)	(15,869)	103	--	(319,669)
Impairment and gains / (losses) on disposal of assets	134	1,034	5,693	--	97,748	104,609
Other gains or losses	277	(3,380)	7	--	--	(3,096)
Profit / (loss) from operations	**199,767**	**83,066**	**20,444**	**(1,259)**	**97,748**	**399,766**
Financial profit / (loss)	(105,066)	(34,831)	(8,607)	--	--	(148,504)
Profit / (loss) from changes in value	(1,334)	--	(539)	--	--	(1,873)
Results of companies booked by equity method	2,728	12,214	(3,538)	--	--	11,404
Profit / (loss) before tax	**96,095**	**60,449**	**7,760**	**(1,259)**	**97,748**	**260,793**
Corporate Tax	(25,628)	(16,121)	(2,069)	336	(12,581)	(56,063)
Consolidated profit / (loss) for the period	**70,467**	**44,328**	**5,691**	**(923)**	**85,167**	**204,730**
Profit / (loss) after tax of discontinued operations	-	--	--	--	--	--
Profit / (loss) for the year	**70,467**	**44,328**	**5,691**	**(923)**	**85,167**	**204,730**

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

Non-controlling interests	(14,838)	(4,292)	456	(422)	--	(19,096)
Profit / (loss) attributable to the Parent	**55,629**	**40,036**	**6,147**	**(1,345)**	**85,167**	**185,634**

The table below shows the breakdown of certain of the Group's consolidated balances based on the geographical location of the companies that originated them:

	Revenue		Total assets		Non-current assets		Current assets	
	30.06.2019	30.06.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Spain	1,513,082	1,583,006	7,791,911	7,741,356	4,659,621	4,538,146	3,132,290	3,203,210
European Union	309,238	257,258	1,470,712	1,474,649	1,076,177	1,102,785	394,535	371,864
OECD countries	1,125,185	1,013,813	4,979,099	4,311,924	4,281,972	3,696,060	697,127	615,864
Other countries	622,008	671.2202	1,470,095	1,409,664	699,571	665,091	770,524	744,573
Total	**3,569,513**	**3,525,279**	**15,711,817**	**14,937,593**	**10,717,341**	**10,002,082**	**4,994,476**	**4,935,511**

19.- Impairment and profit / (loss) on disposal of assets

Breakdown of the item "Impairment and profit / (loss) on disposal of assets" on the income statement at 30 June 2019 and 2018 was as follows (in thousand euros):

	30.06.2019	30.06.2018
Results of non-current assets	431	5,717
Profit/(loss) from controlling interests	(11)	98,941
Impairment of other assets	(1,162)	(49)
Total	**(742)**	**104,609**

In the first six months of 2018, "profit/(loss) from controlling interests" included mainly the gains obtained from the disposal of the Trasmediterránea Subgroup and the Termosolar Subgroup, amounting to 44.8 million euros and 53 million euros, respectively.

20. - Average headcount

Personnel:

The average number of Acciona Group's employees for the first six-month period of 2019 and 2018, broken down by men and women, was as follows:

	Number of Employees	
	30.06.2019	30.06.2018
Men	27,721	27,976
Women	10,150	10,055
Total	**37,871**	**38,031**

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10003

21. - Events after the reporting period

- As indicated in Note 16, on 30 May 2019 the AGM of Shareholders of Acciona, S.A. approved the payment of a dividend worth 3.5 euros per share against 2018 profit. This dividend totalling 191,819 thousand euros was registered at 30 June 2019 under the "Other current liabilities" heading from the balance sheet and was paid on 1 July 2019.

- On 2 July 2019, Acciona Construcción, S.A. launched a Tender Offer for the acquisition of 49.91% of the shares of the Polish listed company Mostostal Warszawa, S.A., of which it currently owns 50.09% of the share capital. The Tender Offer amounts to a total value of 8 million euros, the ultimate purpose of which is to obtain 100% of the shares of Mostostal Warszawa, S.A. and to delist it from the Warsaw Stock Exchange.

22. - Related-party transactions

In addition to the subsidiaries, associates and jointly-controlled entities, the Group's "related parties" include Corporate Management "key personnel" (members of the Board of Directors and Senior Executives, and their close relatives), significant shareholders and the entities over which key Management personnel may exercise control or significant influence.

The table below shows the transactions performed by the Group with its related parties in the first six-month period of 2019 and 2018, differentiating between significant shareholders, members of the Board of Directors and Executives and other related parties. The terms of related-party transactions are equivalent to those made at arm's length, and any relevant remuneration in kind has been recognised.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

	Thousand euros				
	30.06.2019				
Expenses and Income	**Significant shareholders**	**Directors & Executives**	**Group employees, companies or entities**	**Other related parties**	**Total**
Expenses:					
Finance costs					
Leases					
Services received				63	**63**
Purchase of stock					
Other expenses					
Income:					
Financial income					
Dividends received					
Services provided					
Sales of stock					
Other income					

	Thousand euros				
	30.06.2019				
Other Transactions	**Significant shareholders**	**Directors & Executives**	**Group employees, companies or entities**	**Other related parties**	**Total**
Financing agreements: loans and capital contributions (lender)					
Financing agreements: loans and capital contributions (borrower)					
Guarantees and bonds provided					
Guarantees and bonds received					
Obligations acquired					
Dividends and other profit distributed					
Other transactions					

	Thousand euros				
	30.06.2019				
Balances at End of Period	**Significant shareholders**	**Directors & Executives**	**Group employees, companies or entities**	**Other related parties**	**Total**
Customers and trade receivables				174	174
Loans and credit facilities granted					
Other payment rights					
Total balance receivable				174	**174**
Loans and credit facilities received					
Other payment obligations					
Total balance payable					

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

Expenses and Income	Significant shareholders	Directors & Executives	Group employees, companies or entities	Other related parties	Total
					Thousand euros 30.06.2018
Expenses:					
Finance costs					
Leases					
Services received				51	**51**
Purchase of stock					
Other expenses					
Income:					
Financial income					
Dividends received					
Services provided				137	**137**
Sales of stock					
Other income					

Thousand euros
30.06.2018

Other Transactions	Significant shareholders	Directors & Executives	Group employees, companies or entities	Other related parties	Total
Financing agreements: loans and capital contributions (lender)					
Financing agreements: loans and capital contributions (borrower)					
Guarantees and bonds provided					
Guarantees and bonds received					
Obligations acquired					
Dividends and other profit distributed					
Other transactions					

Thousand euros
30.06.2018

Balances at End of Period	Significant shareholders	Directors & Executives	Group employees, companies or entities	Other related parties	Total
Customers and trade receivables					
Loans and credit facilities granted					
Other payment rights					
Total balance receivable					
Loans and credit facilities received					
Other payment obligations					
Total balance payable					

23. - Remuneration and other benefits

Note 34 to the Group's consolidated financial statements for financial year ended 31 December 2018 details the existing agreements about remuneration and other benefits for the members of the Board of Directors of the Company and for Senior Management.

The table below shows the main information on said remuneration and benefits for the six-month periods ended 30 June 2019 and 2018:

	Thousand euros	
	30.06.2019	**30.06.2018**
Directors		
Type of remuneration:		
Remuneration for belonging to the board and/or board committees	744	661
Wages	1,057	1,057
Variable cash remuneration	2,368	2,107
Share-based compensation systems	--	--
Indemnities	--	--
Long-term savings systems	2,800	2,900
Other	60	26
Total	**6,285**	**6,089**
Management		
Total remuneration received by Management	17,229	16,789

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 Regulation 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 Acciona Group with those of the shareholders of Acciona, S.A., and thus, strengthen their motivation in the attainment of higher value and long-term stability for the Group, and consolidate their loyalty and permanence.

Pursuant to this authority, in the first quarter of 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; the main characteristics of this plan are described below.

In addition, the Board of Directors adopted at its meeting on 14 December 2017, upon proposal by the Appointments and Remuneration Committee, an additional modification of the Plan Regulations in order to adapt it to corporate governance best practices with regards to deferral, malus and clawback for the variable remuneration of Executive Directors, and to adapt it to the principles and guidelines contained in the Directors' Remuneration Policy approved by the General Shareholders' Meeting held on 18 May 2017.

Following the 2014 Plan Regulations and based on the evaluation of the results obtained during the three year period from 2014-2016, the Board of Directors, upon proposal by the Appointments and Remuneration Committee, agreed to deliver 104,096 shares to Executive Directors in 2017 and assign 26,025 shares to be delivered in a deferred manner, evenly distributed over a period of three years (1/3 each year).

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 prompt 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 Regulation) 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.*

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº 10003

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.

In response to social interest and if in the opinion of the Board of Directors circumstances make it advisable for Acciona and the group, after consideration of the Appointments and Remuneration Committee recommendation, the Board of Directors may delay until 2020 the delivery of the shares finally allocated to Executive Directors in 2017 (related to financial years 2014, 2015 and 2016), aligning the delivery of these shares with those which, as appropriate, correspond to be given to them 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 General Meeting.

Shares subject to deferral, malus and clawback: *The delivery of 20% of the shares that the Executive Directors are entitled shall be subject to a deferral period for a minimum of one (1) year; the accrual of such shares will be subject to their permanence as Executive Director according to the Regulations, and to no causes being revealed that according to the external auditors would lead to a material restatement of the Acciona Group's consolidated financial statements, as judged by the Board of Directors upon proposal by the Appointments and Remuneration Committee, except when such a material restatement is the result of a change in accounting regulations.*

In addition, during the three (3) years following the date on which the shares are delivered, Acciona could request the Executive Directors to: (i) return the amounts paid when the corresponding calculations had been done based on data which has been proven to be manifestly misstated, and (ii) return the amounts paid and/or not be paid the amounts that they are entitled to, in cases where the director has incurred a serious breach in their duties of diligence or loyalty in line with their position in Acciona, or for any other serious and negligent breach of the obligations that the Executive Directors have assumed under the contracts signed with Acciona in order to fulfil their executive functions.

Finally, the 2014 Plan does not contemplate the possible sale of shares delivered in order to pay the tax incurred by the beneficiary as a result of such delivery. The cost of such payment on account derived from the 2014 Plan shall not be passed on to the beneficiaries, as the Company shall assume the tax cost that such payment on account will incur for the beneficiaries within the limits set out by Acciona.

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

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10069

variable remuneration to be paid through delivery of 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, the exact date on which the shares will be delivered shall be determined by the Board of Directors. 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 General Meeting.

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

The maximum number of shares that can be allocated to the Beneficiaries in application of the 2014 Plan has been set at 258,035. This 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, 10 May 2016, 18 May 2017 and 30 May 2018 agreed to increase the maximum number of shares available for the 2014-2019 Plan for Delivery of Shares and Performance Shares by 400,000, without affecting later increases if so proposed by the Board of Directors and approved by the General Meeting. After the increase in 100,000 shares agreed in the last General Meeting on 30 May 2019, the maximum number of shares available is 476,867 shares.

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 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 Substitution Plan), excluding executive directors; the main characteristics of the plan are the following:

Purpose: *To retain and motivate the management team effectively and achieve higher alignment of their interests with those of the Company and its Group.*

CLARA LOIS LOZANO

Initial duration: *Six years (2014 to 2019).*

Specific purpose: *To offer some executives, on a discretionary basis, the option of replacing or swapping, in whole or in part, variable remuneration in cash for Company shares, according to a swap equation to be determined each year. In 2018, 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.

Acciona's 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.

The number of shares delivered to Beneficiaries other than executive directors (44 Beneficiaries), under the ***Plan for Delivery of Shares /Performance Shares***, in the first half of 2019, has been 28,956 shares.

With regards to executive directors, during the first half of 2019 there has been no firm allocation of performance shares or of shares under the 2014 ***Plan for Delivery of Shares /Performance Shares.***

Finally, in application of the ***Substitution Plan***, in the first half of 2019 16,211 Company shares have been delivered to 30 executives of Acciona and its Group in payment of part of their variable remuneration in cash for 2018.

Shareholders Plan

The Board of Directors of ACCIONA agreed unanimously, and upon recommendation by the Appointments and Remuneration Committee, to approve a new "Shareholders Plan" to be generally applied to all the employees with fiscal residence in Spain. This plan makes it possible to redistribute part of the variable and/or fixed remuneration with a limit of 12,000 euros per year through delivery of Company shares, in accordance with the current regulatory framework after the amendments introduced by Act 26/2014, of 27 November, which amended Act 35/2006, of 28 November, on Personal Income Tax, the reworded text of the Act on Non-Residents' Income Tax, approved by Royal Legislative Decree 5/2004, of 5 March, and other taxation regulations, and which benefits this type of plans in fiscal terms, (the "Plan").

CLARA LOIS LOZANO

The Plan, where participation is voluntary, offers all the employees with fiscal residence in Spain and who joined any of Acciona Group's companies before 31 December 2018, the opportunity of sharing in the company's results and thus, becoming a shareholder.

This Plan does not affect executive directors because their relationship with the Company is mercantile and not based on an employment contract.

The delivery of shares, referenced to the closing price quoted on the stock exchange on 29 March 2019, will take place in the second half of the month of April.

Savings Plan

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 with the Participant as the beneficiary, 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 unquestionably 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 variable remuneration is settled in cash, either when it is paid or deferred through contribution to the Savings Plan. Contributions deferred through contributions to the Savings Plan with the Executive Directors as beneficiaries amounted to 2,800 thousand euros in the first half of 2019.

The global remuneration related to rights accumulated by the Directors in this respect amounts to 19,605 thousand euros.

(CONSOLIDATED GROUP)
CONSOLIDATED INTERIM DIRECTORS' REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

Part I – Analysis of the first semester

ACCIONA discloses results in accordance with the International Financial Reporting Standards (IFRS), under a corporate structure that comprises three divisions:

- Energy comprises the electricity business covering the development, construction operation and maintenance of renewable power generation plants, and the sale of the energy produced. All the electricity generated by ACCIONA Energy comes from renewable energy sources.

- Infrastructures:
  - Construction: includes infrastructures construction and engineering activity.
  - Industrial: turn-key projects of high technological content mainly for the construction of energy generation plants and transmission networks.
  - Concessions: includes the exploitation of mainly transport and hospital concessions.
  - Water includes the construction of desalination, water treatment and purification plants, as well as integral water services management from bulk water abstraction all the way to discharging treated wastewater to the environment. ACCIONA Agua also operates water concessions across the entire water cycle.
  - Services includes the activities of facility services, airport handling, waste collection and treatment and logistic services amongst others.
- Other activities include the businesses of real estate, Bestinver (funds manager), wineries, and other investments.

The Alternative Performance Measures (APMs) used repeatedly and in this six month Directors' Report by the Acciona Group are defined below:

EBITDA: It is defined as the "operating income before depreciation and amortisation", meaning, it shows the operating result of the Group. The Company presents the EBITDA calculation in the income statement (see consolidated income statement in part 2 of the Directors' Report). It is calculated by taking the following items of the consolidated income statement: "Net revenue", "Other revenues", "Change in inventories of finished goods and work in progress", "Cost of goods sold", "Personnel expenses" and "Other operating expenses".

EBT excluding corporate transactions: it is defined as earnings before tax excluding those accounting impacts related to exceptional events and decisions made by the Group's management, which go beyond the usual course of business operative decisions made by the different division's top management and are detailed in segment information note.

Net Debt: It shows the Group's debt, in net terms, deducting cash and cash equivalents. The detailed reconciliation is broken down in the Cash flow and Net Financial Debt Variation section of the Directors' Report. It is calculated by taking the following items from the consolidated balance sheet:

CLARA LOIS LOZANO

"Non-current interest bearing borrowings and debt instruments", "Current interest bearing borrowings and debt instruments", less "Cash and cash equivalents" and "Other current financial assets".

Non-recourse debt (project debt):corresponds to debt that does not have corporate guarantees, and therefore its recourse is limited to the debtor's assets and cash flows.

Recourse debt (corporate debt): debt with a corporate guarantee.

Financial gearing: It shows the relation between the Group's net financial debt and its equity. It is calculated dividing "Net debt" (calculated as explained above) by "Equity".

Backlog: It is defined as the pending production, i.e., contractual amounts or customer orders after having deducted the amounts already accounted for as income in the income statement. It is calculated on the basis of orders and contracts awarded to the Group, deducting the realised portion that is accounted on "Net revenue" and adding or subtracting "Other variations" that correspond to forex adjustments, modifications to the initial contracts, and other changes to be made to the awarded backlog.

Gross Ordinary Capex: is defined as the net change in the balance of property, plant & equipment, intangible, financial and property investments assets during the period, corrected by the following concepts:

- Depreciation, amortisation, and impairment of assets during the period
- Results on disposal of assets
- Forex fluctuations

When dealing with changes in the consolidation perimeter, gross ordinary capex is defined as the net outflow/inflow of used/generated resources in the purchase/sale of net assets.

Net Ordinary Capex: is defined as "Gross Ordinary Capex" plus/minus change in payables to capex suppliers.

Divestments: resources obtained from the sale of businesses or significant cash generating units that are carried out within the framework of a divestment strategy.

Operating Cash Flow: The Operating Cash Flow represents the ability of assets to generate resources in terms of net debt. It is obtained as follows:

EBITDA +/- change in operating working capital – net financial cost +/- cash inflow/outflow of capital gains + income from associates +/- other cash inflow/outflow different from those included in the Net Investment Cash-flow and from those which constitute remuneration to shareholders.

Net Investment Cashflow: "Net Ordinary Capex", subtracting "extraordinary divestments", +/- change in Real Estate inventories.

Management uses these APMs in financial, operational, and planning decision-making, as well as to evaluate the performance of the Group and its subsidiaries.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº 10000

Management considers these APMs provide additional financial information which is useful to evaluate the performance of the Group and its subsidiaries as well as for decision-making by financial information users.

1. Executive Report

Major milestones for the period

- ACCIONA generated revenues of €3,570 million, which represents an increase of 1.3% compared to the first semester of 2018.

- EBITDA reached €659 million, 6.6% more than the first semester last year. Excluding the contribution of deconsolidated assets (the thermosolar business in Spain, Trasmediterránea and Rodovia do Aço), the early termination of ATLL operations and, eliminating the effect of the IFRS 16 (which entered into force in 2019), EBITDA increased by 16.6%.

- The Energy division reduced its EBITDA contribution by 0.8%. On a like-for-like basis (excluding the contribution of the thermosolar business and the effect of IRFS 16), Energy EBITDA grew by 4.8%.

    - In the Spanish market, in spite of the higher price level, the Generation business EBITDA fell by 16.3% due to lower production (mainly hydro output), the sale of thermosolar assets, even though higher prices were reached.

    - The International Generation business grew by 15.2% mainly driven by the contribution of the new operating assets.

- EBITDA for the Infrastructure division grew by 27.5%, supported by the increase of construction revenues, which include revenues related to the Sydney Light Rail following the global settlement reached with the client, and despite the changes in the perimeter (the early cessation of ATLL operations from the 1st of March and the disposal of Rodovia do Aço) and the slow start to the new Water awards. The growth of the EPCs' portfolio (Construction & Industrial and Water) stands out, amounting to €901 million during the first semester and reaching €8,027 million at the end of June 2019, thanks to the success in the awarding processes.

- Other Activities' EBIDTA decreased by 34.6% mainly due to the property development activity.

- Net Ordinary Capex during the period amounted €540 million. This figure includes €281m from the global settlement with the client in the Sydney Light Rail project. The group invested an additional €161 million in real estate development inventories.

- Net financial debt reached €4,738 million vs. €4,333 million at the close of 2018, remaining stable with respect to that reported during the first quarter. The working capital investment

CLARA LOIS LOZANO

Nº. 10063

decreased to €39 million mainly because of the assignment of future credit rights associated to ATLL's claim.

- Attributable net profit amounted €155 million decreasing by 16.5% compared to the first semester 2018, which included the corporate transactions that were closed last year. Without taking their effect into consideration, the result increased by 54.4%.

Consolidated Income Statement Data

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Change (%)
Revenues	3,570	3,525	1.3%
EBITDA	659	618	6.6%
Earnings before tax (EBT)	256	261	-1.7%
EBT - excluding corporate transactions	256	163	57.2%
Attributable net profit	155	186	-16.5%
Attributable net profit - excluding corporate transactions	155	100	54.4%

Balance Sheet and Capital Expenditure Data

(Million euros)	30-Jun-19	31-Dec-18	Change (%)
Equity	3,419	3,495	-2.2%
Net debt	4,738	4,333	9.4%

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Change (%)
Net Ordinary Capex	540	331	63.4%
Net Investment Cashflow	701	593	n.a.

Operating Data

	30-Jun-19	31-Dec-18	Change (%)
Infrastructure backlog (Million euros)	11,548	10,846	6.5%
Average workforce	37,871	38,544	-1.7%

	30-Jun-19	30-Jun-18	Change (%)
Total capacity (MW)	9,851	9,004	9.4%
Consolidated capacity (MW)	7,787	7,478	4.1%
Total production (GWh) (Jan-Jun)	11,245	11,806	-4.8%
Assets under Bestinver management (Million euros)	6,007	6,348	-5.4%

CLARA LOIS LOZANO

2.- Consolidated Income Statement

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg.	Chg. (%)
Revenue	**3,570**	**3,525**	**44**	**1.3%**
Other revenue	247	241	6	2.4%
Changes in inventories of finished goods and work in progress	17	45	(28)	n.a.
Total Production Value	**3,834**	**3,811**	**23**	**0.6%**
Procurement	(957)	(982)	25	2.5%
Personnel expenses	(766)	(742)	(24)	-3.2%
Other expenses	(1,453)	(1,470)	17	1.2%
EBITDA	**659**	**618**	**41**	**6.6%**
Depreciation and amortisation	(274)	(309)	35	11.4%
Provisions	(35)	(11)	(24)	n.a.
Impairment of asset value	(1)	--	(1)	n.a.
Results on non-current assets	--	105	(104)	n.a.
Other gains or losses	(11)	(3)	(7)	n.a.
EBIT	**339**	**400**	**(61)**	**-15.2%**
Net financial result	(110)	(150)	40	26.6%
Exchange differences (net)	6	2	4	n.a.
Change in financial investment provisions	(1)	--	--	n.a.
Income from associates booked by equity method	14	11	3	-25.9%
Change in fair value of financial instruments	8	(2)	10	n.a.
Profit from Continuing Activities	**256**	**261**	**(4)**	**-1.7%**
Income tax expense	(75)	(56)	(18)	-32.9%
Profit / (loss) from Continuing Activities	**182**	**205**	**(23)**	**-11.2%**
Non-controlling interests	(27)	(19)	8	-39.8%
Attributable Net Profit	**155**	**186**	**(31)**	**-16.5%**

In order to facilitate the analysis, a simplified income statement is included where the results of corporate transactions are separated from the total:

(Million euros)	Jan-Jun 19			Jan-Jun 18			Change excl. corporate trans-actions %
	Profit/(loss) excl. corporate transactions	Corporate transactions	Total	Profit/(loss) excl. corporate transactions	Corporate transactions	Total	
Revenue	**3,570**	**--**	**3,570**	**3,525**	**--**	**3,525**	**1.3%**
Procurement, expenses and other income	(2,911)	--	(2,911)	(2,907)	--	(2,907)	-0.1%
EBITDA	**659**	**--**	**659**	**618**	**--**	**618**	**6.6%**
Depreciation and amortisation	(274)	--	(274)	(309)	--	(309)	11.4%
Provisions, impairments and other	(46)	--	(46)	(7)	98	91	-552.1%
EBIT	**339**	**--**	**339**	**302**	**98**	**400**	**12.2%**
Net financial result	(110)	--	(110)	(150)	--	(150)	26.6%
Income from associates booked by equity method	14	--	14	11	--	11	25.9%

CLARA LOIS LOZANO

Other financial results	13	--	13	--	--	--	-90.2%
Profit from Continuing Activities	**256**	**--**	**256**	**163**	**98**	**261**	**57.2%**
Income tax expense	(75)	--	(75)	(43)	(13)	(56)	-71.4%
Profit / (loss) from Continuing Activities	**182**	**--**	**182**	**120**	**85**	**205**	**52.0%**
Non-controlling interests	(27)	--	(27)	(19)	--	(19)	-39.8%
Attributable Net Profit	**155**	**--**	**155**	**100**	**85**	**186**	**54.4%**

Additionally, information has been included below on the effects of the changes in the scope of consolidation, as well as IFRS 16, in order to homogenise the comparison between both years:

	Revenue			**EBITDA**			**EBT excl. Corp. Trans.**		
(Million euros)	**Jan-Jun 2019**	**Jan-Jun 2018**	**Chg.**	**Jan-Jun 2019**	**Jan-Jun 2018**	**Chg.**	**Jan-Jun 2019**	**Jan-Jun 2018**	**Chg.**
Total Reported	**3,570**	**3,525**	**44**	**659**	**618**	**41**	**256**	**163**	**93**
CSP	--	43	(43)	--	29	(29)	--	2	(2)
Rodovia	--	15	(15)	--	5	(5)	--	(2)	2
ATLL	22	81	(59)	10	46	(35)	9	7	2
Trasmediterránea	--	160	(160)	--	4	(4)	--	(7)	7
Total perimeter variations	**22**	**299**	**(277)**	**10**	**84**	**(73)**	**9**	**1**	**8**
IFRS 16	**--**	**--**	**--**	**25**	**--**	**25**	**--**	**--**	**--**
Total (like for like)	**3,548**	**3,226**	**321**	**623**	**534**	**89**	**247**	**162**	**85**

Revenue

(Million euros)	**Jan-Jun 2019**	**Jan-Jun 2018**	**Chg. €m**	**Chg. (%)**
Energy	1,035	1,023	12	1.2%
Infrastructures	2,465	2,329	136	5.8%
Other activities	153	244	(91)	-37.3%
Consolidation adjustments	(84)	(71)	(13)	-17.8%
TOTAL Revenue	**3,570**	**3,525**	**44**	**1.3%**

Revenues increased by 1.3% to €3,570 million, due to the combination of the following factors:

- The increase in Energy revenues (+1.2%) mainly as a result of higher Generation prices in Spain and the new operating capacity.
- An increase in the Infrastructure business revenues (+5.8%), with Construction & Industrial and Services standing out.
- The decrease in revenues from Other Activities (-37.3%), mainly due to the contribution of real estate deliveries.

EBITDA

(Million euros)	**Jan-Jun 2019**	**% EBITDA**	**Jan-Jun 2018**	**% EBITDA**	**Chg.**	**Chg. (%)**

Energy	389	59%	392	63%	(3)	-0.8%
Infrastructure	251	38%	197	32%	54	27.5%
Other activities	20	3%	31	5%	-11	-34.6%
Consolidation adjustments	(1)	n.a.	(1)	n.a.	--	n.a.
TOTAL EBITDA	**659**	**100%**	**618**	**100%**	**41**	**6.6%**
Margin (%)	***18.5%***		***17.5%***			***+0.9pp***

Note: EBITDA contributions calculated before consolidation adjustments.

EBITDA increased by 6.6% to €659 million. Broken-down by business lines, Energy remained relatively flat (-0.8%) despite the sale of thermosolar plants, Infrastructure's EBITDA grew by 27.5% in the semester and Other Activities contributed with an EBITDA of €20 million, representing a decrease of 34.6% compared to last year.

EBIT

EBIT amounted to €339 million vs. €400 million in the first six-month period of 2018, including the latter the result of the corporate transactions carried out during the first part of 2018

Earnings Before Tax (EBT)

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg. €m	Chg. (%)
Energy	97	96	1	1.3%
Infrastructure	151	60	91	150.3%
Other activities	9	8	1	12.3%
Consolidation adjustments	(1)	(1)	--	n.a.
EBT excl. corporate transactions	**256**	**163**	**93**	**57.2%**
Corporate transactions	--	98	(98)	n.a.
TOTAL EBT	**256**	**261**	**(4)**	**-1.7%**
Margin (%)	***7.2%***	***7.4%***		***-0.2pp***

Note: In 2019, the Corporate Unit in charge of the treasury centralising system has generated a financial margin that has been attributed among the various divisions in accordance with financing necessities, aiming to facilitate its year on year comparison; the information by segment for 2018 has been reformulated.

EBT decreased by 1.7%, mainly as a result of the effect of the corporate transactions in 2018.

Attributable Net Profit

Attributable net profit reached €155 million, 16.5% lower than in the first half of 2018. If the effect of these corporate transactions is eliminated, Net Profit grew 54.4% during the first half of 2019.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10003

3.- Consolidated Balance Sheet and Cashflow:

(Million euros)	30-Jun-2019	31-Dec-2018	Chg. €m	Chg. (%)
Property, plant and equipment & intangible assets	7,460	7,451	9	0.1%
Rights of use	219	--	219	n.a.
Financial assets	1,225	1,209	16	1.3%
Goodwill	201	198	3	1.4%
Other non-current assets	1,612	1,143	469	41.0%
NON-CURRENT ASSETS	**10,717**	**10,002**	**715**	**7.2%**
Inventories	1,120	914	206	22.5%
Accounts receivable	1,968	1,701	267	15.7%
Other current assets	393	425	(32)	-7.6%
Current financial assets	176	178	(3)	-1.5%
Cash and cash equivalents	1,339	1,717	(379)	-22.1%
CURRENT ASSETS	**4,994**	**4,936**	**59**	**1.2%**
TOTAL ASSETS	**15,712**	**14,938**	**774**	**5.2%**
Share capital	55	57	(2)	-4.2%
Reserves	3,019	3,104	(85)	-2.7%
Profit / (loss) attributable to the Parent	155	328	(173)	-52.7%
Own securities	(29)	(200)	171	85.5%
EQUITY ATTRIBUTABLE TO THE PARENT	3,200	3,289	(90)	-2.7%
NON-CONTROLLING INTERESTS	219	206	14	6.7%
EQUITY	**3,419**	**3,495**	**(76)**	**-2.2%**
Interest-bearing borrowings	4,294	4,080	214	5.2%
Long-term leasing liabilities	166	--	166	n.a.
Other non-current liabilities	1,773	1,789	(16)	-0.9%
NON-CURRENT LIABILITIES	**6,232**	**5,869**	**364**	**6.2%**
Interest-bearing borrowings	1,959	2,149	(190)	-8.8%
Short-term leasing liabilities	47	--	47	n.a.
Trade payables	2,531	2,459	72	2.9%
Other current liabilities	1,523	966	557	57.7%
CURRENT LIABILITIES	**6,060**	**5,574**	**486**	**8.7%**
TOTAL LIABILITIES AND EQUITY	**15,712**	**14,938**	**774**	**5.2%**

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10003

(Million euros)	Jan-Jun 19	Jan-Jun 18	Chg.	Chg. (%)
EBITDA	659	618	41	6.6%
Financial results	(99)	(113)	14	12.1%
Working capital	(39)	(317)	277	87.5%
Other operating cashflow	(161)	(51)	(110)	n.a.
Operating cashflow	**359**	**137**	**222**	**161.7%**
Net Ordinary Capex	(540)	(331)	(210)	-63.4%
Divestments	--	981	(981)	n.a.
Real Estate inventories	(161)	(58)	(103)	n.a.
Net Investment Cashflow	**(701)**	**593**	**(1,293)**	**n.a.**
Share buy-back programme	--	(125)	125	n.a.
Debt derivatives	(48)	5	(53)	n.a.
Forex	(3)	19	(22)	n.a.
Dividend	--	--	--	n.a.
Perimeter changes and other	(13)	(17)	4	-23.0%
Financing/others cashflow	**(63)**	**(117)**	**54**	**-45.8%**
Change in net debt decrease / (increase)	**(405)**	**613**	**(1,018)**	**n.a.**

Attributable Equity

ACCIONA's attributable equity as of 30 June 2019 stood at €3,200 million, 2.7% lower than 31 December 2018.

Change in Net Financial Debt

	30-Jun-19		31-Dec-18		Chg.	Chg. (%)
(Million euros)	**Amount**	**% Total**	**Amount**	**% Total**		
Non-recourse debt (project debt)	1,364	22%	1,540	25%	(175)	-11.4%
Recourse debt (corporate debt)	4,888	78%	4,689	75%	199	4.2%
Total interest-bearing debt	**6,252**	**100%**	**6,229**	**100%**	24	**0.4%**
Cash + Current financial assets	**(1,514)**		**(1,896)**		**381**	**20.1%**
Net financial debt	**4,738**		**4,333**		**405**	**-9.4%**

Net debt as of 30 June 2019 grew to €4,738 million, an increase of €405 million compared to December 2018, and in line with the first quarter of the year. This variation of net debt is a result of a combination of the following factors:

- Operating Cashflow of €359 million.
- Net Investment Cashflow of -701 million, including investment on real estate inventories.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº: 10003

- Financing Cashflow and Others, increased to -€63 million (€-117 million in the same period last year, which included the investment in the temporary treasury share buy-back programme).

Financial gearing evolved as follows:

(Million euros)	30-Jun-19	31-Dec-18
Gearing (Net Debt / Equity) (%)	139%	124%

Capital Expenditure

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg.	Chg. (%)
Energy	**196**	**225**	**(29)**	**-12.8%**
Infrastructure	**350**	**74**	**276**	**374.9%**
Construction & Industrial	26	16	10	n.a.
Concessions	288	(3)	291	n.a.
Water	6	22	(16)	-74.2%
Services	30	39	(9)	-23.4%
Other activities	**(6)**	**32**	**(38)**	**n.a.**
Net Ordinary Capex	**540**	**331**	**210**	**63.4%**

The net ordinary capex across ACCIONA's various divisions in 2019 amounted to €540 million, 63.4% more than the amount invested in the first half of 2018.

The Energy division invested €196 million in the construction of new capacity, mainly Palmas Altas in USA, San Gabriel and Almeyda in Chile and Santa Cruz in Mexico.

Regarding Infrastructures, it invested €350 million, including €281 million from the global settlement reached with the client on the Sydney Light Rail project.

Capex in Other Activities, not including the net investment in real estate inventories (€161 million), amounted to -€6 million in the period.

4.- Results by Division

4.1 Acciona Energy

(Million euros)	Jan-Jun 2018	Jan-Jun 2018	Chg. €m	Chg. (%)
Generation	739	736	3	0.4%
Spain	410	465	(55)	-11.8%
International	330	272	58	21.2%
Development, Construction & Other	416	378	38	10.0%
Consolidation adjustments and other	(121)	(92)	(29)	-31.2%
Revenue	**1,035**	**1,023**	**12**	**1.2%**
Generation	420	434	(14)	-3.2%
Spain	213	254	(41)	-16.3%
International	207	180	27	15.2%
Development, Construction & Other	(11)	(21)	9	44.8%
Consolidation adjustments and other	(20)	(22)	2	7.9%
EBITDA	**389**	**392**	**(3)**	**-0.8%**
Margin (%)	56.8%	59.0%		
EBT	**97**	**96**	**1**	**1.3%**
Margin (%)	*19.1%*	*19.4%*		

ACCIONA Energy revenues increased by 1.2% compared to the first half of 2018 and the EBITDA slightly decreased reaching €389 million (-0.8%), mainly due to:

- Lower production (-4.8%), highlighting the large decrease in hydro production in Spain, as explained below.
- Deconsolidation of the thermosolar business in Spain after its disposal in the second quarter 2018.

These negative effects have been partially offset by the level of average prices made by the business in Spain, slightly higher than in the same period in 2018, in a context of higher wholesale prices (€51.7/MWh vs. €50.1/MWh in 2018), as well as the entry into operation of new capacity and the favourable evolution of the exchange rate.

Over the last 12 months, consolidated installed capacity increased by 309MWs. In Spain, capacity increased by 83MWs (+30MWs related to wind facilities in Tarifa, +53MWs from the purchase of the remaining 50% of two windfarms that were consolidated by the equity method), and the International Portfolio increased by 227MWs (169MWs of wind capacity in the USA and Chile and 58MWs in PV in Ukraine).

At an operational level, consolidated production in the semester amounted to 9,318GWh with a 4.8% decrease compared to the same period last year. In the Spanish market, it decreased by 14.4%, mainly driven by the lower hydro output. On the other hand, International assets showed a 9.9% growth in production, due to the increase in GWh produced by assets already in operation (mainly in Mexico) and due to the new capacity that has come into operation in the last 12 months.

Breakdown of Installed Capacity and Production by Technology

	Totals		Consolidated		Net	
30-Jun-2019	**MW installed**	**GWh produced**	**MW installed**	**GWh produced**	**MW installed**	**GWh produced**
Spain	**5,681**	**6,558**	**4,456**	**5,083**	**5,036**	**5,776**
Wind	4,740	5,436	3,516	3,960	4,098	4,663
Hydro	876	905	876	905	876	905
Solar Thermoelectric	--	--	--	--	--	--
Solar PV	3	2	3	2	3	2
Biomass	61	215	61	215	59	206
International	**4,170**	**4,686**	**3,331**	**4,235**	**2,793**	**3,141**
Wind	**3,071**	**4,138**	**2,869**	**3,857**	**2,111**	**2,776**
Mexico	740	1,213	740	1,213	544	906
USA	806	1,085	731	967	552	706
Australia	435	575	371	492	312	397
India	164	155	164	155	135	127
Italy	156	140	156	140	104	93
Canada	181	247	141	198	94	132
South Africa	138	172	138	172	51	63
Portugal	120	148	120	148	75	91
Poland	101	137	101	137	67	91
Costa Rica	50	143	50	143	32	93
Chile	129	45	129	45	114	30
Croatia	30	47	30	47	20	31
Hungary	24	30	--	--	12	15
Solar PV	**1,035**	**493**	**398**	**322**	**639**	**328**
Chile	246	209	246	209	246	209
South Africa	94	103	94	103	35	38
Portugal	46	51	--	--	20	22
Mexico	405	--	--	--	202	--
Egypt	186	120	--	--	78	49
Ukraine	58	10	58	10	58	10
Solar Thermoelectric (USA)	**64**	**56**	**64**	**56**	**43**	**38**
Total Wind	**7,812**	**9,573**	**6,385**	**7,817**	**6,210**	**7,439**
Total other technologies	**2,039**	**1,671**	**1,402**	**1,501**	**1,619**	**1,478**
Total Energy	**9,851**	**11,245**	**7,787**	**9,318**	**7,829**	**8,917**

4.2.Infrastructure

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg. €m	Chg. (%)
Construction & Industrial	1,759	1,624	135	8.3%
Concessions	40	56	(15)	-27.9%
Water	289	304	(15)	-4.9%
Services	390	359	31	8.5%
Consolidation adjustments	(13)	(14)	1	7.6%
Revenue	**2,465**	**2,329**	**136**	**5.8%**
Construction & Industrial	201	106	95	90.2%
Concessions	21	24	(3)	-13.2%
Water	13	56	(42)	-75.9%
Services	15	11	4	38.2%
EBITDA	**251**	**197**	**54**	**27.5%**
Margin (%)	10.2%	8.5%		
EBT	**151**	**60**	**91**	**150.3%**
Margin (%)	6.1%	2.6%		

ACCIONA's Infrastructure revenues reached €2,465 million, a 5.8% increase compared to the first half of 2018. EBITDA increased by 27.5% and stood at €251 million.

Infrastructure Backlog

(Million euros)	30-Jun-19	31-Dec-18	Chg. (%)	Weight (%)
Construction	5,683	5,328	6.7%	49%
Industrial	540	687	-21.5%	5%
Water	4,390	3,779	16.2%	38%
Concessions	935	1,052	-11.1%	8%
TOTAL	**11,548**	**10,846**	**6.5%**	**100%**

(Million euros)	30-Jun-19	31-Dec-18	Chg. (%)	Weight (%)
EPC (Const., Industry and Water)	8,027	7,126	12.6%	70%
Services	935	1,052	-11.1%	8%
Water O&M	2,585	2,668	-3.1%	22%
TOTAL	**11,548**	**10,846**	**6.5%**	**100%**

(Million euros)	30-Jun-19	31-Dec-18	Chg. (%)	Weight (%)
Spain	3,772	3,589	5.1%	33%
International	7,775	7,257	7.1%	67%
TOTAL	**11,548**	**10,846**	**6.5%**	**100%**

A. Construction & Industrial

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg. €m	Chg. (%)
Revenue	**1,759**	**1,624**	**135**	**8.3%**
EBITDA	**201**	**106**	**95**	**90.2%**
Margin (%)	*11.5%*	*6.5%*		

Revenues increased by 8.3% and amounted to €1,759 million, including the revenues related to the Sydney Light Rail following the agreement reached with the client. EBITDA stood at €201 million.

B. Concessions

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg. €m	Chg. (%)
Revenue	**40**	**56**	**(15)**	**-27.9%**
EBITDA	**21**	**24**	**(3)**	**-13.2%**
Margin (%)	*52.8%*	*43.9%*		

Concessions revenues and EBITDA fell to €40 million and €21 million respectively, partially explained by the sale of Rodovia do Aço.

C. Water

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg.	Chg. (%)
Revenue	**289**	**304**	**(15)**	**-4.9%**
EBITDA	**13**	**56**	**(42)**	**-75.9%**
Margin (%)	4.7%	18.3%		

The Water division revenues fell by 4.9% and its EBITDA decreased by 75.9% to €13 million, highlighting the early termination of ATLL's water concessions from the 1st of March and the slow start to the new backlog of large desalination projects in the Middle East.

D. Services

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg. €m	Chg. (%)
Revenue	**390**	**359**	**31**	**8.5%**
EBITDA	**15**	**11**	**4**	**38.2%**
Margin (%)	3.9%	3.1%		

Growth of this business line is as a result of the growth of the Facility Services business.

4.3 Other Activities

(Million euros)	Jan-Jun 2019	Jan-Jun 2018	Chg. €m	Chg. (%)
Real Estate	56	15	41	281.5%
Bestinver	48	52	(4)	-7.0%
Corp. and other	50	178	(128)	-72.1%
Revenue	**153**	**244**	**(91)**	**-37.3%**
Real Estate	(9)	(4)	(5)	125.9%
Bestinver	31	34	(3)	-9.3%
Corp. and other	(2)	1	(2)	n.a.
EBITDA	**20**	**31**	**(11)**	**-34.6%**
Margin (%)	13.1%	12.5%		
EBT	**9**	**8**	**1**	**12.3%**
Margin (%)	5.7%	3.2%		

A. Real estate:

Revenues increased as a result of the delivery of residential units during the semester, although part of the margin was reflected in the last half of 2018 due to the increase in the value of these assets certified by appraisers at the end of the year.

Real Estate business EBITDA reached -€9 million, partially due to the payment in January of annual council taxes (IBI) on the properties in development.

B. Bestinver:

Bestinver EBITDA reached €31 million, a 9.3% decrease, due to the slight reduction of the average funds under management, which went from €6,251 million in the first semester of 2018, to €5,978 million in the same period of 2019.

At the end of the first semester, the asset under management stood at €6,007 million, up 9.6% compared to the end of 2018.

CLARA LOIS LOZANO

5. Relevant events in the period

- **11 January 2019: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 11/10/2018 and 10/01/2019, both inclusive**

- On 29 October 2018 (Relevant information 254438), the operational phase under the Liquidity Contract was reactivated after its temporary suspension under the Buy-Back Programme.

- **28 March 2019: ACCIONA executes its capital reduction agreement**

- ACCIONA's Board of Directors executes its capital reduction agreement for an amount equal to 2,402,897 euros through the amortisation of 2,402,897 own shares acquired through a buy-back programme.
- After the share capital reduction and amortisation of own shares, the Company's articles of association consider a share capital of 54,856,653 euros, divided into 54,856,653 shares of 1 euro nominal value each, fully subscribed and paid-up within the same class and in one series.

- **15 April 2019: Official announcement and submission of proposals of the Annual General Meeting**

- ACCIONA's Board of Directors has convened the Shareholders Annual General Meeting for 29 May 2019 on first call and 30 May 2019 on second call (it being expected that it will be held on second call).

- **30 May 2019: Approval of Agreements adopted by the Ordinary General Shareholders Meeting**

- At the Ordinary General Shareholders' Meeting held on 30 May 2019, the following agreements, among others, were adopted:
  1) To approve ACCIONA, S.A.'s individual annual accounts for 2018, as well as the consolidated annual accounts of the Group for the same period.
  2) To approve the management of the Board of Directors, managers and attorneys of the Company during 2018, as well as the management reports presented by the Board of Directors.
  3) To approve the allocation of the results of the 2018 financial year set out in the approved annual accounts. The payment of a gross dividend of €3.5 per share will be paid on 1 July 2019.
  4) To re-elect Mr. Juan Carlos Garay Ibargaray as Independent External Director. To appoint Sonia Dulá as Independent External Director.
  5) To approve the 2018 Sustainability Report.
  6) To increase the maximum number of shares available under the 2014 Share and Performance Share Delivery Plan by 100,000 shares, notwithstanding subsequent increases if so proposed by the Board of Directors and approved by the General Meeting of Shareholders.
  7) To authorise the announcement, where relevant, of Extraordinary General Meetings of the Company with a minimum of fifteen days' notice, pursuant to article 515 of the Spanish Companies Act.
  8) To approve, on a consultative basis, the Annual Report on the Remuneration of Directors for the 2018 financial year.

9) Information about the changes introduced in the Board of Directors Regulations.
10) To delegate to the Board of Directors the broadest powers of implementation, interpretation, remedy and execution of the resolutions adopted by this General Meeting, with the express authorisation for the powers to be exercised by the Directors or the Secretary designated by the Board of Directors.

- **30 May 2019: ACCIONA reports on the dividend payment of €3.5 gross per share and payment date on 01/07/2019**

- ACCIONA reports that the €3.5 per share gross dividend approved by the Annual General Shareholders Meeting shall be paid on July 1st, 2019, through the agents of Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores.

- **30 May 2019: ACCIONA reports on the replacement of the Audit Committee president.**

- As a result of the resolutions adopted by the Board of Directors at the meeting held today, ACCIONA reports that, due to the mandatory term of four years having elapsed, Mr. Juan Carlos Garay Ibargaray has been replaced by Ms. Ana Sáinz de Vicuña Bemberg as President of the Audit Committee with effects from today.

- **21 June 2019: ACCIONA reports on the cessation of payment rights of its stake in ATLL**

- In relation with the claim between ATLL Concesionaria de la Generalitat de Catalunya, S.A. and the Catalan Government (Generalitat de Cataluña) deriving from the annullability of the award of the contract for the management of water supply "en alta" Ter-Llobregat declared by the Superior Court of Justice of Catalonia and confirmed by the Supreme Court, ATLL Concesionaria, in which ACCIONA holds a 76.05% share, has assigned any future payment rights derived from the Claim for a price equal to; (i) a fixed and unconditional amount of €170 million; and (ii) a contingent amount based on the amount finally awarded by the Catalan Government and/or the Courts.

- **24 June 2019: ACCIONA reports on the exact dates and amount of the dividend payment**

- ACCIONA reports on the payment of its 2018 dividend, as approved by the Annual General Shareholders Meeting. The payment of the dividend shall be processed through agents of Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores.
- The €3.5 per share gross dividend approved by the Annual General Shareholders Meeting has been slightly increased to the amount of 3.52256082 euros per share due to the direct treasury stock adjustment.

- **2 July 2019: ACCIONA Construcción S.A. has launched a Tender Offer for 49.9% of the share capital of Mostostal Warszawa**

- ACCIONA informs that its subsidiary, ACCIONA Construcción S.A. has today launched a Takeover Bid for the acquisition of shares representing 49.91% of the share capital of Mostostal Warszawa S.A. Currently, ACCIONA Construcción, S.A. holds shares representing 50.09% of the share capital. The shares of Mostostal are traded in the Warsaw Stock Exchange.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

- The Tender Offer has been launched for a total of 9,981,267 shares for a total price of PLN 34,435,371 (€8,120,401).

▪ **11 July 2019: ACCIONA forwards detail of the operation related to the Liquidity Contract between 11/04/2019 and 10/07/2019, both included**

- Detailed information about the operations relevant to the eighth quarter of the mentioned contract (from 11 April 2019 to 10 July 2019, both included).

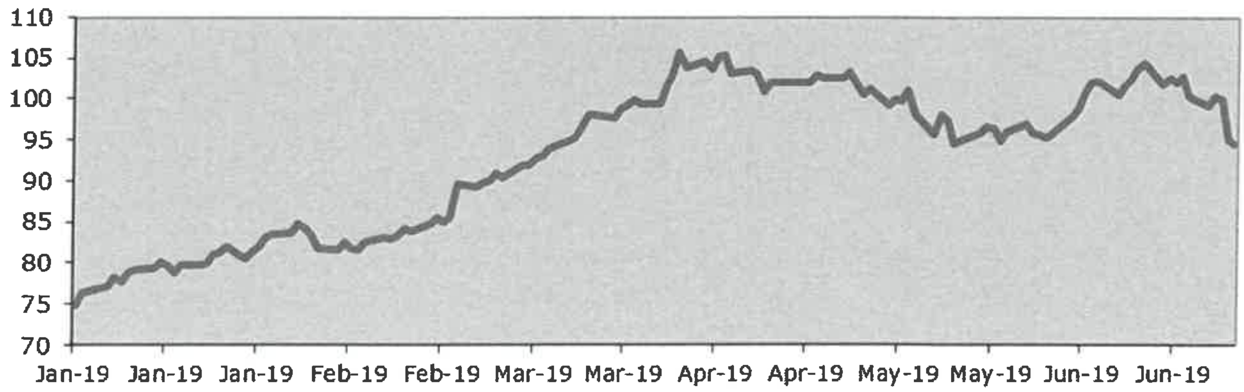
▪ **22 July 2019: BESTINVER buys Fidentiis and strengthens its position as the Spanish market leading independent financial group**

- Bestinver, belonging to ACCIONA group, has closed the acquisition of Fidentiis, a leading financial firm in Spain, specialised in the capital markets of Southern Europe Bestinver will stay focused on asset management expanding its services with analysis and equity brokerage, capital markets and mergers and acquisitions. Sonia Dulá will assume Bestinver's non-executive presidency, Enrique Pérez-Pla will be its CEO and Beltrán de la Lastra will continue as investments director. This operation is subject to the approval of CNMV, which is expected to be completed by 2019.

6. Dividend

On 28 February 2019 the ACCIONA's Board of Directors proposed the distribution of a dividend of €192.0m (€3.50 per share) charged to the results of the 2018 fiscal year, approved on the 30 May 2019 in the General Shareholders Meeting.

7. Share Price Performance in first half of 2019



CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº 10803

8. Key Share Data

	30-Jun-19
Price at 28 June 2019 (€/share)	94.40
Price at 29 June 2018 (€/share)	70.92
Low in H1 2019 (02/01/2019)	74.80
High in H1 2019 (04/04/2019)	105.70
Average daily trading (shares)	114,924
Average daily trading (€)	10,731,525
Number of shares	54,856,653
Market capitalisation 28 June 2018 (€ million)	5,178

9. Share Capital

As of 30 June 2019, ACCIONA's share capital amounted to €54,856,653 divided into 54,856,653 shares of €1 of nominal value each.

The group's treasury shares as of 30 June 2019, amounted to 402,095 shares, which represent 0.73% of the share capital.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

Part II – Main risks and uncertainties for the first six months of 2019.

An element of natural risk mitigation within the ACCIONA Group is its continued geographical and sectoral diversification. However, this diversification can influence the evolution of its operations and of its economic performance.

The ACCIONA Group has a Risk Management System defined by a set of specific procedures for action, identification, evaluation and management of risks through risk reduction measures such as transfers through insurance covers, market instruments, contractual agreements or establishment of more efficient policies or procedures.

The main risks related to activities and which may affect the achievement of the Group's objectives are the following:

Regulatory risks

A significant portion of the Group's activities is subject to a large number of regulations and any changes thereto might affect both activities and economic results.

A significant portion of the Group's electricity generation activities in Spain is subject to the regulatory framework initially established in Royal Legislative Decree 9/2013 and later affirmed by Law 24/2013 of 26 December, on the Electricity Sector and its development regulations. The remuneration model established seeks to provide predictable income for the plants that apply it and mitigates their exposure to market price fluctuations through review of this remuneration parameter every 3 years (regulatory semi-period). Furthermore, the regulation provides for a possible review of the parameters that determine the future remuneration for the plants every 6 years (regulatory period), and if this regulation were amended this could impact the results of the operations subject thereto.

In addition, in 2019 there will be an exceptional review of the remuneration parameters for the period from 1 October 2018 to 30 June 2019 as a result of the approval of regulations that temporarily suspended the taxation of electricity production. This parameter review is not expected to negatively affect the Group. The next regulatory period will begin on 1 January 2020, and the reasonable return is expected to be very similar to the current one.

In the international area, ACCIONA tries to reduce that exposure to the market risk through private energy purchase and sale agreements (PPA) which make it possible to establish, for an agreed period of time, the future sale price with third parties and thus reduce that exposure to possible market tariff changes.

In addition to hedging through energy sale agreements, ACCIONA Green Energy manages the energy exposed to market fluctuations through derivative instruments, measuring on a monthly basis that the risk margin is within the limits established by the Economic and Financial Management Division.

As regards the subsidiaries related to ACCIONA Service, with a high number of employees and of employee benefits, they may be affected by possible amendments to regulations and employment reforms.

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº 10009

Financial risks

To manage the financial risk related to the Group's operations, the exposure to and degree and extent of the market risk is analysed (including foreign currency risk, interest rate risk and price risk), as well as credit risk and liquidity risk.

The Group seeks to reduce the effects of those risks by using derivative financial instruments; this use is governed by the Group's risk management policies approved by the Board of Directors. These risk management policies are framed within the principles related to exchange rate risk, interest rate risk, procurement, credit risk, use of derivative and non-derivative financial instruments, and surplus investment policies.

Interest rate risk: The risk of interest rate fluctuation is particularly significant in connection to the financing of concession projects and energy generation plants, capital intensive projects where profitability depends on potential fluctuations of the interest rate as it is directly related to project flows.

Adequate management of these risks through hedging operations and the engagement of derivatives can prevent a significant impact of these risks on results. However, it cannot be guaranteed that the exposure to changes in interest risks will disappear 100%.

In order to analyse the effect that a potential change in interest rates might have on the Group's accounts, a sensitivity test is implemented, simulating increased and reduced interest rates.

Foreign currency risk: ACCIONA develops its activity in a large number of countries; therefore, there is exposure to foreign currency exchange risk. In order to reduce this risk, the ACCIONA Group engages foreign currency derivatives and exchange rate insurance to hedge operations and significant future cash flows in accordance with the risk limits that can be assumed. Other times, the financing of non-current assets denominated in a currency other than the euro is performed in the same currency in which the asset is denominated or contracts with third parties are made in double currency.

In order to analyse the effect that a potential change in interest rates might have on the Group's accounts, a sensitivity test is carried out which simulates the impact that a revaluation of the euro of 10% would have on the Group's net equity, on an individual basis compared to the main currencies in which the Group operates and holds investments.

Credit risk: To mitigate the risk that the counterparty to a contract fails to meet its obligations, transactions are negotiated only with solvent third parties and securing sufficient guarantees, to reduce the risk of financial losses in the event of default. The Group enters into contracts only with organisations at the same investment ranking level or above and it obtains information on its counterparties from independent business appraisal agencies, from other public sources of financial information, and from the information it gathers from its relations with clients.

Bills receivable and customers' accounts cover a large number of customers from different industries and geographical areas. The credit relations held with customers and their solvency are appraised on an on-going basis, and credit guarantee insurance is engaged where it is considered necessary. As regards the non-payment risk and essentially in the main business areas, public and private clients are

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

assessed before any contract is made. This process includes a solvency report and going over contractual requirements from the economic and legal standpoints, and the correct debt evolution is permanently monitored during the development of the work, and the related value adjustments according to economic criteria.

To minimise the risk of international expansion, ACCIONA studies the engagement of credit covers through export credit insurers, in view of possible losses arising from the occurrence of political risks which may have a significant impact.

The Group has no significant exposure to credit risk with any of its clients or group of clients with similar characteristics. Similarly, credit risk concentration is not significant.

Liquidity risk: The ACCIONA Group's management of the liquidity risk is prudent. The Group keeps an adequate level of cash and marketable securities and arranges credit facilities undertaken in sufficient amounts to meet the projected needs.

The diversification of the financing sources used has increased and thus the dependence on conventional banks has been reduced, through renewal of the commercial paper issue (Euro-Commercial paper) with maturity dates under 12 months and through the approval of a programme for issue of bonds with middle- and long-term maturity dates (Euro Medium term Notes).

The ultimate responsibility over the liquidity risk management lies with the Economic and Financial General Management, which prepares an adequate framework for control of the liquidity needs in the short-, middle- and long-term. The Group manages liquidity by keeping adequate reserves, appropriate banking services and available credits and loans, through permanent monitoring of fund flow forecasts and current amounts and pairing them off with financial asset and liability maturity profiles.

Environmental risks

ACCIONA's Regulatory System contains the corporate environmental risk management standard, which includes three specific procedures -climate change, water resources and environmental responsibility- the development of which provides the company with a methodological framework that serves as a reference in the identification, analysis, evaluation and treatment of the impacts (both economic and reputational) that climate change and water resources can generate for the company, as well as the impacts that the company can generate on the environment, this information being reflected in risk maps for each business line.

For this task, over 300 risk scenarios are analysed - through a group of experts in the fields of sustainability and environment, business development and asset management, which enables greater certainty when identifying scenarios that present greater risk and management needs.

The operational centres and activities on which the risk scenarios are generated are identified, as well as the hazards and causes that motivate them, so that specific strategies for risk management can be planned. Thus, for each significant risk that is assessed, a specific mitigation file is developed, detailing both the information relating to treatment measures and management methods, as well as those responsible for their implementation, deadlines, expected costs and expected effects.

CLARA LOIS LOZANO

In addition, the company prepares an annual top-down analysis of the risks and opportunities associated with climate change and water resources, which form the basis for drawing up risk maps and mitigation files for each business line. The risks arising from climate and water scenarios are specifically analysed, evaluating the interrelationship of the hazards with the company's exposure and vulnerability. The methodology followed is that of the Intergovernmental Panel on Climate Change (IPCC).

ACCIONA aligns its climate risk management with the recommendations established by TCFD (Task Force on Climate-related Financial Disclosures) and with the environmental risk management requirements of world-renowned indices in which ACCIONA has traditionally obtained the highest ratings (CDP Climate, CDP Water Security, CDP Supply Chain), as well as DJSI.

In addition, ACCIONA has a worldwide cover Environmental Civil Liability policy, whereby all the Group companies are insured. The main coverages include personal and material damages, pollution from goods transport, prevention costs, and damage to natural resources.

Procurement risk

The ACCIONA Group is exposed to the risk of fluctuation in the price of supplies, which is mainly related to international construction activities, where there is the risk of delay in the supply of materials such as concrete or steel, due to the vulnerability of the supply chain in some countries where we develop our business.

The Procurement General Management Division manages the supply chain drawing risk maps for the portfolio of suppliers for all the group divisions and this helps to monitor the suppliers in detail and to learn about the degree of dependence on the supply chain.

Compliance risks

On 23 December 2010 amendment to Organic Law 5/2010 of 22 June came into force, and later on Organic Law 01/2015 of 30 March was amended. Under Organic Law 1/2015 legal persons are subject to Criminal Law and can commit crimes, regardless of the natural persons that form them, and therefore can be given real sentences. The introduction of criminal liability of legal persons on the basis of the principle of due control carries the obligation of due control by legal representatives, an obligation that up to now was unknown to legal persons in such a serious criminal context, in view of the fundamental fact that a company can actually commit more than thirty different crimes and be given hard sentences on those grounds. A company can prevent being sentenced only by implementing a proper crime prevention system.

For this reason, ACCIONA has implemented the due systems for regulatory compliance control and crime prevention, in order for the company not to commit criminal offences and for its directors not to be exposed to serious personal liability risk.

Other external factors affecting activities

CLARA LOIS LOZANO

The development of the Group's activities sometimes requires permits, licences, government authorisations, signature of public and private contracts, as well as performance of work, construction of facilities.

Delays in obtaining government approvals and adverse changes in the political and regulatory frameworks in the countries where the Group operates, together with political transition periods, may lead to delays in the start-up of operations, changes in business priorities or deficiencies in the performance of projects and in the rendering of services and, along with this, sanctions and penalties with an adverse impact on the financial position and results.

CLARA LOIS LOZANO

For the purposes of Royal Decree 1362/2007 of 19 October (article 11.1b), the Directors of Acciona, S.A. now subscribe the following **declaration under their own responsibility:**

To the best of their knowledge, the Condensed Consolidated Financial Statements presented herein are drawn up in accordance with applicable accounting principles, offer a true and fair view of the equity, financial situation and the results of the issuer and of the companies included in the scope of consolidation taken as a whole, and the interim directors' report includes a faithful analysis of the information required.

Formal note added to state for the record that the Directors of ACCIONA, S.A. are aware of the entire contents of the condensed consolidated financial statements for the six-month period ended 30 June 2019 of Acciona, S.A. and its subsidiaries (Consolidated Group), as submitted to the Board of Directors and duly prepared by the Board at the meeting held on 29 July 2019, printed on 77 sheets, all of them signed by the Secretary and with the corporate seal affixed and numbered as follows:

Therefore, in witness of the agreement herewith, this note is signed by all the members of the Board of Directors:

Mr. José Manuel Entrecanales Domecq
Chairman

Mr. Juan Ignacio Entrecanales Franco
Vice-Chairman

Mr. Javier Entrecanales Franco
Member

Mr. Juan Carlos Garay Ibargaray
Member

Mr. Daniel Entrecanales Domecq
Member

Ms. Karen Christiana Figueres Olsen
Member

Mr. Javier Sendagorta Gómez del Campillo
Member

Ms. Sonia Dulá
Member

Mr. José María Pacheco Guardiola.
Member

Ms. Ana Sainz de Vicuña Bemberg
Member

Mr. Jerónimo Marcos Gerard Rivero
Member

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS

Doña Clara Lois Lozano, Traductora-Intérprete Jurada de inglés número 10009 nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que sigue es traducción fiel al inglés de un documento escrito en español. En caso de discrepancia o ambigüedad, prevalecerá lo indicado en el original.

En Madrid, a 26 de septiembre de 2019

Firmado.

Ms Clara Lois Lozano, Sworn English Translator and Interpreter number 10009, authorized by the Spanish Ministry of Foreign Affairs, certifies that the succeeding is a truthful translation into English of a document written in Spanish. In case of any discrepancy or ambiguity, the original document shall prevail.

Madrid, on the 26th day of September 2019

Signed.