Acciona, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements and Interim Consolidated Directors' Report for the six-month period ended 30 June 2014, together with Report on Limited Review

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Acciona, S.A., at the request of the Board of Directors:

Report on the interim condensed consolidated financial statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Acciona, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated statement of financial position at 30 June 2014, the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with 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 the 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 the 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 the audit regulations in force in Spain and, consequently, it 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

As a result of our limited review, which under no circumstances may be considered an audit of financial statements, 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 2014 were not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, in conformity with Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

Emphasis of matter paragraph

We draw attention to Note 2-a to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2013. This matter does not qualify our conclusion.

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

Report on other legal and regulatory requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2014 contains the explanations which the Parent's directors consider appropriate about the significant events which took place in this period and their effect on the interim financial statements presented, of which it does not form part, and about the information required pursuant to Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2014. Our work was confined to checking the interim directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Acciona, S.A. and Subsidiaries.

Other matters paragraph

This report was prepared at the request of the Board of Directors of Acciona, S.A. in relation to the publication of the half-yearly financial report required by Article 35 of Spanish Securities Market Law 24/1988, of 28 July, implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

Raquel Martínez

Raquel Martínez Armendáriz
29 July 2014

TRANSLATION

ACCIONA, S.A.

AND

SUBSIDIARIES
(Consolidated Group)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM DIRECTOR'S REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

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TRADUCTORA E INTÉRPRETE DE INGLÉS
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ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2014 AND AT 31 DECEMBER 2013 AND 2012 (Thousands of euros)

ASSETS	Note	30.06.2014 Unaudited	31.12.2013 Unaudited	31.12.2012 Unaudited
Property, plant and equipment	4	7,877,808	7,831,280	9,325,509
Investment property	5	137,297	117,249	122,014
Goodwill	6	79,305	79,305	1,011,720
Other intangible assets	7	562,073	633,879	749,618
Non-current financial assets	8	217,153	239,932	203,844
Investments accounted for using the equity method	8	458,759	473,167	528,530
Biological assets		6,830	6,830	6,825
Deferred tax assets		1,033,515	1,001,566	874,060
Non-current receivables and other non-current assets	9	406,424	384,530	345,384
NON-CURRENT ASSETS		**10,779,164**	**10,767,738**	**13,167,504**
Biological assets		--	--	--
Inventories	10	1,055,196	1,020,035	1,142,857
Trade and other receivables		1,932,331	1,786,722	2,235,256
Other current financial assets	8	370,028	333,893	344,491
Current income tax assets		89,851	95,804	60,740
Other current assets		198,277	169,493	230,672
Cash and cash equivalents		1,161,255	1,163,568	1,104,878
Non-current assets classified as held for sale and discontinued operations	3	196,722	352,954	252,661
CURRENT ASSETS		**5,003,660**	**4,922,469**	**5,371,555**
TOTAL ASSETS		**15,782,824**	**15,690,207**	**18,539,059**

LIABILITIES AND EQUITY	Note	30.06.2014 Unaudited	31.12.2013 Unaudited	31.12.2012 Unaudited
Share capital		57,260	57,260	57,260
Retained earnings and issue premium	11	3,286,369	3,242,767	5,153,741
Treasury shares		(3,122)	-6,461	-4,107
Translation differences		(40,416)	-63,628	22,828
Interim dividend		--	--	--
Equity attributable to equity holders of the Parent	**11**	**3,300,091**	**3,229,938**	**5,229,722**
Non-Controlling interests		168,734	166,348	275,578
EQUITY		**3,468,825**	**3,396,286**	**5,505,300**
Debt instruments and other marketable securities	13 y 14	565,813	201,692	212,371
Bank borrowings	13	5,175,943	5,369,914	5,911,873
Deferred tax liabilities		771,681	761,759	835,444
Provisions	12	520,586	533,121	549,667
Other non-current liabilities		492,756	478,444	438,285
NON-CURRENT LIABILITIES		**7,526,779**	**7,344,930**	**7,947,640**
Debt instruments and other marketable securities	13 y 14	438,552	161,657	6,542
Bank borrowings	13	1,199,410	1,803,703	2,020,082
Trade and other payables		2,435,896	2,156,112	2,291,326
Provisions		154,430	180,862	165,240
Current income tax liabilities		49,540	19,564	20,375
Other current liabilities		441,039	447,132	457,505
Liabilities held for sale and discontinued activities	3	68,353	179,961	125,049
CURRENT LIABILITIES		**4,787,220**	**4,948,991**	**5,086,119**
TOTAL EQUITY AND LIABILITIES		**15,782,824**	**15,690,207**	**18,539,059**

Accompanying notes 1 to 21 are an integral part of the six-month condensed consolidated financial statements at 30 June 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014 AND 30 JUNE 2013
(Thousands of euros)

	Note	30.06.2014 Unaudited	30.06.2013 Unaudited
Revenue	17	3,004,932	3,082,920
Other income		153,319	155,790
Changes in inventories of finished goods and work in progress		(22,461)	1,104
Procurements		(753,472)	(666,101)
Staff costs		(624,958)	(666,012)
Other operating expenses		(1,285,480)	(1,343,609)
Depreciation and amortisation charge and change in provisions	4, 5 y 7	(255,546)	(350,515)
Impairment and gains or losses on disposals of non-current assets	3	35,977	1,303
Other gains or losses		1,240	(394)
PROFIT FROM OPERATIONS		**253,551**	**214,486**
Financial income		24,152	18,399
Finance costs		(217,436)	(220,882)
Translation differences		8,287	(906)
Profit/(loss) from changes in value of financial instruments at fair value		(131)	1,143
Profit/(loss) from changes in value of non-financial assets at fair value		--	--
Profit/(loss) of companies accounted for using the equity method	8	20,852	41,894
PROFIT BEFORE TAX, FROM CONTINUING OPERATIONS		**89,275**	**54,134**
Income tax expense		(14,590)	(14,734)
PROFIT IN THE PERIOD FROM CONTINUING OPERATIONS		**74,685**	**39,400**
Profit/(loss) after tax, from discontinued operations		--	--
PROFIT IN THE PERIOD		**74,685**	**39,400**
Non-controlling interests		(6,411)	8,389
PROFIT ATTRIBUTABLE TO THE PARENT		**68,274**	**47,789**
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	**16**	**1.19**	**0.84**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPS, (euros)	**16**	**1.14**	**0.84**
BASIC EARNINGS PER SHARE (euros)	**16**	**1.19**	**0.84**
DILUTED EARNINGS PER SHARE (euros)	**16**	**1.14**	**0.84**

Accompanying notes 1 to 21 are an integral part of the six-month condensed consolidated financial statements at 30 June 2014,

TRANSLATION

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2014 AND 2013 (Thousands of euros)

	2014	2013
A) CONSOLIDATED PROFIT FOR THE YEAR	**74,685**	**39,400**
1. Profit attributable to the Parent	68,274	47,789
2. Non-controlling interests	6,411	(8,389)
B) ITEMS THAT WON'T BE RECOGNIZED 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 RECOGNIZED IN THE INCOME STATEMENT	**(42,432)**	**53,872**
Income and expenses recognized directly in equity:	**(89,005)**	**6,225**
1. Revaluation of financial instruments:	5,851	710
a) Available-for-sale financial assets	5,851	710
b) Other income / (expenses)	--	--
2. Cash flow hedges	(168,053)	82,015
3. Translation differences	35,051	(73,832)
4. Other income and expenses recognized directly in equity	--	--
5. Tax effect	38,146	(2,668)
Transfers to the income statement:	**46,573**	**47,647**
1. Revaluation of financial instruments:	(1,711)	(1,468)
a) Available-for-sale financial assets	(1,711)	(1,468)
b) Other income / (expenses)	--	--
2. Cash flow hedges	68,245	69,535
3. Translation differences	--	--
4. Other income and expenses recognized directly in equity	--	--
5. Tax effect	(19,961)	(20,420)
TOTAL RECOGNIZED INCOME/(EXPENSES) (A+B+C)	**32,253**	**93,272**
a) Attributable to the Parent	**28,440**	**103,931**
b) Attributable to non-controlling interests	**3,813**	**(10,659)**

Accompanying notes 1 to 21 are an integral part of the six-month condensed consolidated financial statements at 30 June 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2014

	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 & transl. differences adjust-ments	Non-controlling interests	Total equity
Opening balance at 01/01/2014	**57,260**	**5,521,448**	**(6,461)**	**(1,972,371)**	**--**	**(369,938)**	**166,348**	**3,396,286**
Adjustments due to changes in accounting criteria								--
Adjustments due to errors								--
Adjusted opening balance	**57,260**	**5,521,448**	**(6,461)**	**(1,972,371)**	**--**	**(369,938)**	**166,348**	**3,396,286**
Total recognized income/(expenses)				68,274		(39,834)	3,813	**32,253**
Transactions with shareholders or owners	--	37,405	--	--	--	--	(7,356)	30,049
Capital increases/(reductions)								--
Equity component in composite financial instruments		37,405						37,405
Dividends paid		--					(8,558)	(8,558)
Treasury share transactions (net)	--	--	--					--
Increases/(Decreases) due to business combinations		--				--	1,202	1,202
Other transactions with shareholders or owners								--
Other changes in equity	--	(1,971,402)	3,339	1,972,371	--	--	5,929	10,237
Share-based payments		1,243	3,339					4,582
Transfers between equity items		(1,972,371)		1,972,371				--
Other changes		(274)					5,929	5,655
End balance at 30/06/2014	**57,260**	**3,587,451**	**(3,122)**	**68,274**	**--**	**(409,772)**	**168,734**	**3,468,825**

Accompanying notes 1 to 21 are an integral part of the six-month condensed consolidated financial statements at 30 June 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2013

	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 adjustments**	**Non-controlling interests**	**Total equity**
Opening balance at 01/01/2013	**57,260**	**5,487,071**	**(4,107)**	**189,401**	**--**	**(499,903)**	**278,548**	**5,508,270**
Adjustments due to changes in accounting criteria – IFRS 11	--	--	--	--	--	--	(2,970)	**(2,970)**
Adjustments due to errors								
Adjusted opening balance	**57,260**	**5,487,071**	**(4,107)**	**189,401**	**--**	**(499,903)**	**275,578**	**5,505,300**
Total recognized income/(expenses)				47,789		56,142	(10,659)	**93,272**
Transactions with shareholders or owners	--	(151,690)	(7,704)	--	--	--	(5,374)	(164,768)
Capital increases/(reductions)								--
Conversion of financial liabilities into equity								--
Dividends paid		(151,690)					(7,195)	(158,885)
Treasury share transactions (net)	--	--	(7,704)					(7,704)
Increases/(Decreases) due to business combinations		--				--	1,821	1,821
Other transactions with shareholders or owners								--
Other changes in equity	--	188,712	5,350	(189,401)	--	--	(1,540)	3,121
Share-based payments		(5)	5,350					5,345
Transfers between equity items		189,401		(189,401)				--
Other changes		(684)					(1,540)	(2,224)
End balance at 30/06/2013	**57,260**	**5,524,093**	**(6,461)**	**47,789**	**--**	**(443,761)**	**258,005**	**5,436,925**

Accompanying notes 1 to 21 are an integral part of the six-month condensed consolidated financial statements at 30 June 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014 AND 30 JUNE 2013 (Thousands of euros)

(Unaudited)	30.06.2014	30.06.2013
CASH FLOWS FROM OPERATING ACTIVITIES	**317,672**	**194,530**
Consolidated profit before tax for the period	**89,275**	**54,134**
Adjustments for:	**354,808**	**502,170**
Depreciation and amortisation charge and provisions	259,067	348,722
Other adjustments to profit (net)	95,741	153,448
Changes in working capital	**41,190**	**(189,432)**
Other cash flows from operating activities:	**(167,601)**	**(172,342)**
Interest paid	(213,511)	(210,172)
Interest received	30,068	16,890
Income tax recovered / (paid)	23,988	(22,981)
Other amounts received / (paid) relating to operating activities	(8,146)	43,921
CASH FLOWS FROM INVESTING ACTIVITIES	**(95,162)**	**(176,031)**
Payments due to investment:	**(219,856)**	**(214,946)**
Group companies, associates and business units	(4,103)	(2,355)
Property, plant and equipment, intangible assets and investment property	(215,753)	(212,591)
Proceeds from disposal:	**109,592**	**11,814**
Group companies, associates and business units	81,574	--
Property, plant and equipment, intangible assets and investment property	28,018	11,814
Other cash flows from investing activities:	**15,102**	**27,101**
Dividends received	11,055	28,939
Other amounts received/(paid) relating to investing activities	4,047	(1,838)
CASH FLOWS FROM FINANCING ACTIVITIES	**(228,850)**	**(81,854)**
Proceeds and (payments) relating to equity instruments:	--	**(7,704)**
Purchases	--	(7,704)
Disposals	--	--
Proceeds and (payments) relating to financial liability instruments:	**(245,575)**	**10,818**
Proceeds from issues	1,043,419	372,706
Repayments and redemptions	(1,288,994)	(361,888)
Dividends and returns on other equity instruments paid	**(8,558)**	**(58,712)**
Other cash flows from financing activities	**25,283**	**(26,256)**
Other amounts received/(paid) relating to financing activities	25,283	(26,256)
EFFECT OF EXCHANGE RATE FLUCTUATIONS	**4,027**	**(18,614)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**(2,313)**	**(81,969)**
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,163,568	1,104,878
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	1,161,255	1,022,909
BREAKDOWN OF CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and banks	958,583	872,211
Other financial assets	202,672	150,698
TOTAL CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,161,255**	**1,022,909**

Accompanying notes 1 to 21 are an integral part of the six-month condensed consolidated financial statements at 30 June 2014.

TRANSLATION

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014 OF ACCIONA, S.A. AND SUBSIDIARIES (Consolidated Group)

1. - Group activities

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

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

- Acciona Infrastructure, which includes mainly construction and engineering activities and transport and hospital concessions.

- Acciona Water, which includes construction of desalination, water treatment and water purification plants, as well as management of the integral water cycle, which ranges from water collection, water purification including desalination, to water purification and return to the environment. In addition, Acciona operates integral water cycle service concessions.

- Acciona Services, including, *inter alia*, facility services, airport handling, waste collection and treatment and logistics.

- Acciona Energy, which includes the various industrial and commercial activities of the electric business, from the construction of wind farms to the generation, distribution and retailing of different energy sources.

- Other activities, including businesses relating to fund management and stock market brokerage, wine production and the Acciona Trasmediterránea subgroup's activity, the real estate business and other investments.

Note 17 to the accompanying consolidated financial statements, "Segment Reporting", includes detailed information on the assets, liabilities and operations carried out in each of the business activities developed by the Acciona Group.

2. - Bases of presentation of the six-month consolidated financial statements and other information

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.

The consolidated financial statements for financial year 2013 of the Acciona Group were prepared by the Directors of the Company at meeting of the Board of Directors held on 25 February 2014, 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 2 and 3 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 2013, and of the consolidated results of its operations, of the changes in the recognized 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 24 June 2014.

The consolidated financial statements for financial year 2013 of the Acciona Group were prepared on the basis of the accounting records kept by the Parent and by the other Group companies.

These six-month consolidated financial statements are presented in accordance with IAS 34 – Interim Financial Reporting and were prepared by the Directors of the Parent on 28 July 2014, 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 content of the most recent annual consolidated financial statements prepared by the Group, highlighting the new activities, events and circumstances that have occurred in the six-month period and not duplicating the information as previously disclosed in the consolidated financial statements for financial year 2013. 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 2013.

In the first half of 2014 the following accounting standards and interpretations became effective:

Standards, amendments and interpretations:		**Mandatorily applicable in annual periods beginning on or after:**
__Approved for use in the EU__		
IFRS 10 – Consolidated Financial Statements (issued in May 2011)	It replaces the requirements related to consolidation financial statements of IAS 27.	1 January 2014
IFRS 11 – Joint arrangements (issued in May 2011)	It replaces IAS 31 in relation to joint ventures.	1 January 2014
IFRS 12 – Disclosure of interests in other entities (issued in May 2011)	Single standard that establishes disclosure requirements related to interests in subsidiaries, associates, joint arrangements and unconsolidated entities.	1 January 2014
IAS 27 (Revised) – Separate Financial Statements (issued in May 2011)	The standard is revised since, following issue of IFRS 10, now it applies only to the separate financial statements of an entity.	1 January 2014
IAS 28 (Revised) – Investments in associates and joint ventures (issued in May 2011)	Revision in conjunction with the issue of IFRS 11 – Joint arrangements.	1 January 2014
Transition rules: Amendment to IFRS 10, 11 and 12 (issued in June 2012)	Clarification of the rules for transition to these standards.	1 January 2014
Investment entities: Amendment to IFRS 10, IFRS 12 and IAS 27 (issued in October 2012)	Exception from consolidation for parent companies that meet the definition of investment entities.	1 January 2014
Amendment to IAS 32 – Offsetting financial assets and financial liabilities (issued in December 2011)	Additional clarifications to the rules for offsetting financial assets and financial liabilities of IAS 32.	1 January 2014
Amendments to IAS 36 – Disclosures of recoverable amounts of non-financial	It clarifies when certain disclosures are necessary and extends those required when the recoverable	1 January 2014

assets (issued in May 2013)	value is the fair value less sales costs.	
Amendments to IAS 39 – Novation of derivatives and continuation of hedge accounting (issued in June 2013)	The amendments determine in which cases and on which criteria the novation of a derivative makes it unnecessary to suspend hedge accounting.	1 January 2014

These standards and interpretations were applied to these six-month financial statements and, except for the adoption of the five standards or amendments issued jointly and replacing the standards in force up to date in relation to consolidation and accounting of investments in subsidiaries, associates and joint ventures (IFRS 10, 11 and 12 and IAS 27 and 28 (revised)) and discussed below, the other standards were applied with no significant impact on the reported figures or on the presentation and disclosure of the information, either because they do not involve relevant changes or because they refer to economic events that do not affect the Acciona Group.

As regards the five standards or amendments related to consolidation, IFRS 11 – "Joint Arrangements" is the standard that has superseded IAS 31 and the one that has had the most impact for the Acciona Group. IFRS 11 changes the focus of the analysis of joint arrangements and defines only two types of joint arrangements: joint operations and joint ventures. When we find ourselves with a joint operation it means that the analysis has concluded that the participant has direct rights and obligations for the participant's proportion of assets and liabilities of the arrangement, respectively. But if we find ourselves with a joint venture it means that participating in the arrangement entitles the participant to the net assets of the arrangement. The way in which the joint arrangement is accounted for will depend on the conclusion reached as to its classification.

The main change introduced by IFRS 11 in respect of IAS 31 is the accounting treatment of jointly controlled entities. This type of arrangement is always accounted for using the equity method, whereas IAS 31 provided for the option of choosing between applying the equity method or proportional consolidation. Until 31 December 2013 the Acciona Group, following the choice permitted by IAS 31, consolidated the financial statements of joint ventures by using the proportional consolidation method. Adopting the new standard had a significant impact.

As a result of the application of this new set of consolidation standards retroactively, and in compliance with IAS 1, the interim financial information is presented restated at the beginning of the comparative accounting period, in addition to the balance at the close of the current period and of the comparative period, i.e., three balances are presented. So, the balance sheets at 31 December 2012 and 2013, as included in these condensed consolidated financial statements for the first half of the year, were restated in respect of those formulated in their day, with the following detail:

IFRS 11 effect (in thousands of euros)	**Impact of restatement 31.12.13**	**Impact of restatement 31.12.12**		**Impact of restatement 31.12.13**	**Impact of restatement 31.12.12**
Property, plant & equipment and intangible assets	(926,017)	(1,080,741)	Retained earnings	--	--
Investments (equity method)	367,873	453,365	Translation differences	--	--
Goodwill	(18,102)	(36,366)	Non-controlling interests	(2,797)	(2,970)
Other non-current assets	(181,940)	(139,876)	**Equity**	**(2,797)**	**(2,970)**
Non-current assets	**(758,186)**	**(803,618)**	Non-current debt	(668,259)	(814,537)
Inventories	(27,110)	(40,187)	Other non-current liabilities	(110,121)	(108,373)
Receivables	(72,330)	(135,345)	**Non-current liabilities**	**(778,380)**	**(922,910)**
Financial assets & cash	(119,136)	(116,651)	Current payables	(126,838)	(82,187)
Other current assets	(116,666)	(184,437)	Other current liabilities	(185,413)	(272,171)

Current assets	**(335,242)**	**(476,620)**	**Current liabilities**	**(312,251)**	**(354,358)**
Total Assets	**(1,093,428)**	**(1,280,238)**	**Total Liabilities**	**(1,093,428)**	**(1,280,238)**

Similarly, the income statement for the six-month period ended 30 June 2013, as included in these condensed consolidated financial statements for the first half of the year, was restated in respect of that formulated in its day, with the following detail:

	Impact of restatement June 2013
Revenue	(171,885)
Other income & change in inventories	(4,372)
Depreciation & amortisation	32,116
Other expenses	85,304
Operating profit/(loss)	**(58,837)**
Financial profit/(loss) and result using equity method	58,837
Income tax expense	--
Non-controlling interests	--
Profit/(loss) attributable to the parent	--

Except for what is indicated above, 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 2013.

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.

These six-month condensed consolidated financial statements are presented in thousands of euros (unless otherwise indicated), as the euro is the functional currency in the principal economic area where the Acciona Group operates.

b) Accounting estimates and judgments

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 and goodwill so as to determine any impairment losses thereon. In this respect it is to be noted that in relation to the energy division regulatory framework in Spain, the consolidated financial statements for financial year 2013 explained in detail the regulatory changes occurred in the renewable energy sector since the end of 2012 and, in particular, Royal Decree-Law 9/2013, which came into effect on 14 July 2013 and whose regulatory development was pending approval at the close of 2013, there being a proposed Ministerial Order with the remuneration parameters pursuant to which the Group, at 31 December 2013, estimated and re-measured its income, impairment test and other key data, recording the impairment resulting from the new model and described in notes 4 and 6 to the aforesaid annual financial statements.

Last 6 June 2014 Royal Decree 413 was issued (it was published on 10 June 2014 in the Central Government Gazette). It regulates electric power production based on renewable energy sources, co-generation and waste. In development of said Royal Decree, on 20 June 2014 final IET Order 1045/2014 was issued (it was published on 29 June in the Central Government Gazette). This Order contains the final remuneration parameters applicable to all existing and future renewable facilities. The new resultant model defines the remuneration of assets applicable as of 14 July 2013, as a result of Royal Decree-Law 9/2013. For the Group's facilities, the remuneration model structure and the final values do not differ from the draft documents of last February, which were submitted to *CNMC* [National Markets & Competition Commission] for consultation and were those used by the Group to estimate and re-measure its income and impairment test; therefore, the allocated impairment is considered sufficient.

- Distribution of the cost of business combinations.

- The assumptions used in the actuarial estimate of pension liabilities and obligations and redundancy plans.
- The useful life of property, plant and equipment, investment property and intangible assets. On the basis of an analysis that has relied on internal and external information sources, the Acciona Group made a new estimate of the useful life of its wind farms, which went from 20 to 25 years. This estimate change was made according to the best information available to date, in accordance with the aforesaid sources and it is consistent with the financial forecasts set by the Group in the business plans for those farms. Therefore, the line "Allocated amortisation" on the consolidated income statement includes the impact of this change in estimate since 1 January 2014, which meant less amortisation by 61 million euros. This extension affects all domestic and international wind farms.
- 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.
- Recognition of revenue in the construction activity.
- The expense for corporate tax that, under IAS 34, is recognized in interim periods on the basis of the best estimate of the weighted average tax rate that the Acciona Group anticipates for the annual period.

These estimates were based on the best information available to date about the events analysed, but it so might happen that future events might make it necessary to change these estimates (upwards or downwards) at the close of financial year 2014 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 recognized.

During the six-month period ended 30 June 2014 no significant changes occurred in the estimates made at the close of financial year 2013, except for what was noted above in relation to the extension of the useful life of the Group's wind farms; nor were there changes in accounting criteria or correction of errors.

c) Contingent assets and liabilities

Note 17 to the consolidated financial statements of the Acciona Group for the financial year ended 31 December 2013 provides information on contingent assets and liabilities at said date. No significant changes in the contingent assets and liabilities of the Acciona Group took place in H1 2014.

d) Comparison of information

The information contained in these condensed consolidated financial statements for the first half of financial year 2013 is presented only and exclusively for purposes of comparison with the information on the six-month period ended 30 June 2014.

Following paragraph 39 of IAS 1, these condensed six-month financial statements include, comparatively, a third balance sheet for the annual period ended 31 December 2012, due to the restatement of accounting items because of the backdated application of IFRS 11, as explained in note 2 above.

e) Seasonal nature of the Group's operations

Most activities carried out by the Acciona Group companies are not particularly cyclical or seasonal. Sea and air passenger transportation operated mainly by Acciona Trasmediterránea and by the Group's airport activity [sic], are activities having a seasonal component in terms of their income, which is obtained mainly 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, thermal-solar or hydraulic business. This seasonal component, however, does not affect significantly the comparability of information, so no specific itemization is required in these explanatory notes to the condensed consolidated financial statements for the six-month period ended 30 June 2014.

f) Relative importance

In determining what information to disclose in the notes about the various items on the financial statements, or 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*", transfers of interest paid and received are recognized 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 investing activities and, lastly, the adjustments to the results of companies accounted for using the equity method and, in general, any results that do not generate cash flows.

- 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 and 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 the consolidated financial statements for the financial year ended 31 December 2013 provide relevant information on subsidiaries, jointly-controlled entities and associates of the Acciona Group, which were consolidated at said date under the former regulatory standards. It must be borne in mind that, as discussed in note 2 a), due to entry into force of IFRS 11 – "Joint Arrangements", most of the joint businesses in which the Acciona group invests, which were consolidated by using the proportional method and were included in the aforesaid Appendix II, have come to be consolidated by applying the equity method. The effects of this change in method are detailed in said note 2 a).

No significant additions or increases in investment occurred in the six-month period ended 30 June 2014.

The main removals or decreases occurred in the scope of consolidation in the six-month period ended 30 June 2014 were the following:

Decrease in Interests in Subsidiaries, Joint Businesses and/or Investments in Associates or Other Operations of a similar nature

Company	**Category**	**Effective date of the operation**	**% of voting rights disposed of or written off**	**% of total voting rights in the entity after disposal**	**Profit / (Loss) generated in EBT**
Ehn Deutschland, GMBH	Subsidiary	Jan-14	100%	--	
Volkmarsdorfer	Subsidiary	Jan-14	100%	--	
Acciona Energie Windparks Deutschland GmbH	Subsidiary	Jan-14	100%	--	27,604
Tranvía Metropolitá S,A,	Associate	Jun-14	11.78%	--	2,493
Tranvía Metropolitá del Besos S,A	Associate	Jun-14	12.88%	--	5,141

The main removals in the period related to the three subsidiaries shown on the table above. As indicated in the financial statements at 31 December 2013, last December an agreement was subscribed with the Swisspower Renewables A.G. Group, for transmission of the shareholding it held in said companies, all based in Germany and owners of 18 wind farms located in Low Saxony and Branderburg. At 31 December 2013 these companies were recorded under the headings "non-current assets and liabilities held for sale". Eventually, on 23 January 2014, the sale was made by the Acciona Group and gains were obtained in the amount of 28 million euros.

If these changes had been made in the scope of consolidation at the start of financial year 2014, the changes in the key data on the consolidated income statement and the balance sheet would not have been significant in relation to the six-month condensed consolidated financial statements.

4. - Property, plant and equipment

The changes in H1 2014 and 2013, in cost and accumulated depreciation, are broken down as follows (in thousands of euros):

PPE	Land & buildings	Generating facilities	Other plant & machinery	Advances & PPE under construction	Other PPE	Depreciation & provisions	Total
Six-month period ended 30 June 2013							
Balance at 31.12.2012	**500,389**	**10,342,241**	**1,446,594**	**259,974**	**268,035**	**(3,491,724)**	**9,325,509**
Variations due to changes in scope of consolidation	--	--	497	--	(46)	95	546
Additions / Allocation	4,129	22,807	29,446	70,251	7,752	(322,250)	(187,865)
Reductions	(166)	(919)	(5,733)	(822)	(3,572)	6,666	(4,546)
Transfers	(20,445)	174,371	(17,690)	(92,338)	(18,746)	(16,885)	8,267
Other changes	(3,352)	(53,705)	(9,735)	(3,505)	(3,557)	17,277	(56,577)
Balance at 30.06.2013	**480,555**	**10,484,795**	**1,443,379**	**233,560**	**249,866**	**(3,806,821)**	**9,085,334**
Six-month period ended 30 June 2014							
Balance at 31.12.2013	**485,099**	**10,329,856**	**1,380,366**	**185,374**	**243,170**	**(4,792,585)**	**7,831,280**
Variations due to changes in the scope of consolidation	(7,666)	--	(9,690)	(327)	(9,444)	17,077	(10,050)
Additions / Allocation	915	782	26,422	172,100	4,604	(221,801)	(16,978)
Reductions	(341)	(609)	(64,107)	(689)	(5,593)	47,662	(23,677)
Transfers	--	61,412	396	2,596	(9,943)	4,350	58,811
Other changes	273	44,750	4,326	1,763	411	(13,101)	38,422
Balance at 30.06.2014	**478,280**	**10,436,191**	**1,337,713**	**360,817**	**223,205**	**(4,958,398)**	**7,877,808**

The main change in the first half of financial year 2014 relates to the additions recognized in "Advances and PPE under construction" by the energy division in relation to the performance of projects undertaken, mainly wind projects in South Africa and Chile, and a photovoltaic solar farm in South Africa, which is not operating yet.

"Other changes" includes the positive effect of translation differences in the six-month period ended 30 June 2014, in the amount of €39 million (negative amount of €56 million in the six-month period ended 30 June 2013).

In the first six-months of 2014 no additional significant losses for impairment of property, plant and equipment were appraised that were not covered by the existing provisions at 30 June 2014.

At 30 June 2014, the Group companies had commitments to buy property, plant and equipment for €125 million (€288 million at 31 December 2013).

5. - Investment property

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

The changes in the first half of financial years 2014 and 2013 in the Group's investment property were as follows:

Investment property	Thousands of euros		
	Cost	Depreciation and provisions	Total
Six-month period ended 30 June 2013			
Balance at 31.12.2012	**178,144**	**(56,130)**	**122,014**
Additions	124	(2,062)	(1,938)
Reductions	--	--	--
Transfers	--	--	--
Other changes	(14)	(16)	(30)
Balance at 30.06.2013	**178,254**	**(58,208)**	**120,046**
Six-month period ended 30 June 2014			
Balance at 31.12.2013	**178,399**	**(61,150)**	**117,249**
Additions	2,295	(2,156)	139
Reductions	--	--	--
Transfers	22,722	(2,796)	19,926
Other changes	--	(17)	(17)
Balance at 30.06.2014	**203,416**	**(66,119)**	**137,297**

Based on the analyses made by the Group's Management on the trend of the different markets were the property division operates (essentially, Spain, Poland and Mexico), no impairment was appraised in the first half of 2014; nor were there additional significant losses not covered by the existing provisions at 30 June 2014.

At 30 June 2014 the Group had a portion of its investment property mortgaged for KEUR 86,421, to secure loans granted by banks. This figure includes property classified as held-for-sale assets, for KEUR 39,757.

6. - Goodwill

Breakdown at 30 June 2014 and 2013 of this caption on the accompanying consolidated balance sheet was as follows:

	Balance at 30.06.14	Balance at 31.12.13	Balance at 31.12.12
Acciona Energía Renovables subgroup	--	--	854,287
Interlogística del Frío S.A.	--	--	5,147
Transmediterránea subgroup	--	--	24,878
Acciona Facility Services subgroup	50,962	50,962	78,639
Acciona Agua subgroup	27,976	27,976	27,976
Acciona Windpower subgroup	--	--	18,996
Other	367	367	1,797
Total	**79,305**	**79,305**	**1,011,720**

No significant changes occurred in H1 2014 in "Goodwill" on the balance sheet.

No signs of impairment were identified in H1 2014; nor did significant impairment losses occur in relation to goodwill balances.

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

No inclusions took place in H1 2014.

The policies regarding the impairment analysis applied by the Acciona Group to its intangible assets, PPP and goodwill in particular are described in note 3.2 e) to the consolidated financial statements for financial year ended 31 December 2013.

7. - Other intangible assets

At 30 June 2014 and 2013, the breakdown of "Other Intangible Assets" on the accompanying consolidated balance sheet was as follows:

Other intangible assets	Development	Concessions	Other	Computer software	Advances	Amortisations and provisions	Total
Six-month period ended 30 June 2013							
Balance at 31.12.2012	**87.024**	**815.104**	**1.169**	**59.545**	**29.016**	**(242.240)**	**749.618**
Additions / Allocation	4.118	22.355	112	1.911	13.684	(28.937)	13.243
Reductions	(30)	(5.477)	(480)	(163)	(700)	2.829	(4.021)
Transfers	686	14.074	--	33	(33.723)	(8.522)	(27.452)
Other changes	--	(13.841)	(11)	(426)	(773)	1.407	(13.644)
Balance at 30.06.2013	**91.798**	**832.215**	**790**	**60.900**	**7.504**	**(275.463)**	**717.744**
Six-month period ended 30 June 2014							
Balance at 31.12.2013	**94,122**	**801,591**	**1,063**	**62,509**	**21,958**	**(347,364)**	**633,879**
Changes due to changes in scope	--	--	--	(814)	--	388	(426)
Additions / Allocation	1,419	2,007	--	1,250	30	(24,438)	(19,732)
Reductions	--	(7)	--	(18)	--	119	94
Transfers	51	(46,474)	--	(57)	(16,049)	2,467	(60,062)
Other changes	--	11,337	--	96	(972)	(2,141)	8,320
Balance at 30.06.2014	**95,592**	**768,454**	**1,063**	**62,966**	**4,967**	**(370,969)**	**562,073**

The main item in "Other changes" is the effect of translation differences in the six-month period ended 30 June 2014, in the amount of EUR 9.5 million (negative effect of EUR 13.5 million in the six-month period ended 30 June 2013). "Transfers" relates mainly to the transfer of projects under construction of the energy division to property, plant and equipment.

No impairment was appraised in the first half of 2014 nor were there additional significant losses not covered by the existing provisions at 30 June 2014, in relation to intangible assets.

At 30 June 2014, the Group companies had intangible asset purchase commitments amounting to €101 million (€106 million at 30 June 2013).

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

8.1 Current and non-current financial assets

"Current and non-current financial assets" on the consolidated balance sheets at 30 June 2014 and 31 December 2013 and 2012, disclosed by type and category for measurement purposes, were as follows:

Thousands of Euros 30.06.2014					
Financial Assets: Type / Category	**Available-for-Sale Financial Assets**	**Loans and Receivables**	**Held-to-Maturity Investments**	**Hedging Derivatives**	**Total**
Equity instruments	49,423	--	--	--	49,423
Debt securities	--	--	--	--	--
Derivatives	--	--	--	622	622
Other financial assets	--	156,822	10,286		167,108
Long-term / non-current	**49,423**	**156,822**	**10,286**	**622**	**217,153**
Equity instruments	50	--	--	--	50
Debt securities	--	--	300,677	--	300,677
Derivatives	--	--	--	1,135	1,135
Other financial assets	--	20,110	48,056	--	68,166
Short-term / current	**50**	**20,110**	**348,733**	**1,135**	**370,028**
Total	**49,473**	**176,932**	**359,019**	**1,757**	**587,181**

Thousands of Euros 31.12.2013					
Financial Assets: Type / Category	**Available-for-Sale Financial Assets**	**Loans and receivables**	**Held-to-Maturity Investments**	**Hedging Derivatives**	**Total**
Equity instruments	45,005	--	--	--	45,005
Debt securities	--	--	--	--	--
Derivatives	--	--	--	3,311	3,311
Other financial assets	--	147,290	44,326		191,616
Long-term / non-current	**45,005**	**147,290**	**44,326**	**3,311**	**239,932**
Equity instruments	66	--			66
Debt securities	--	--	294,538	--	294,538
Derivatives	--	--		--	--
Other financial assets	--	11,775	27,514	--	39,289
Short-term / current	**66**	**11,775**	**322,052**		**333,893**
Total	**45,071**	**159,065**	**366,378**	**3,311**	**573,825**

Thousands of Euros 31.12.2012					
Financial Assets: Type / Category	**Available-for-Sale Financial Assets**	**Loans and receivables**	**Held-to-Maturity Investments**	**Hedging Derivatives**	**Total**
Equity instruments	37,353	--	--	--	37,353
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets	--	153,372	13,119	--	166,491
Long-term / non-current	**37,353**	**153,372**	**13,119**	**--**	**203,844**
Equity instruments	28	--	--	--	28
Debt securities	--	--	300,482	--	300,482
Derivatives	--	--	--	--	--
Other financial assets	--	26,919	17,062	--	43,981
Short-term / current	**28**	**26,919**	**317,544**	**--**	**344,491**
Total	**37,381**	**180,291**	**330,663**	**--**	**548,335**

The main changes in "Current and non-current financial assets" in H1 2014 occurred in the category of held-to-maturity investments under "other non-current financial assets". The increase in this account relates mainly to reclassification from long-term of deposits arranged in the previous financial year to guarantee the investment commitment undertaken in two wind and photovoltaic projects of the energy division in South Africa.

In addition, the increase in "non-current available-for sale financial assets" is mainly due to the change in fair value of the investment the group holds in the company Bolsas y Mercados Españoles.

No significant losses for impairment of the current and non-current financial asset balances occurred in the first six months of 2014 or 2013.

8.2 Investments accounted for by applying the equity method

The changes under this caption on the accompanying balance sheet in H1 2013 (in thousands of euros) were as follows:

Direct investment of the parent	**Balance at 31.12.13**	**Share in profit/(loss) before tax**	**Dividend**	**Tax effect & other changes**	**Changes in the year**	**Balance at 30.06.14**
Consorcio Tranvía de Zaragoza	8,302	(281)	--	(757)	--	7,264
Gran Hospital Can Misses	4,871	(322)	--	(1,555)	--	2,994
Novo Hospital de Vigo	14,137	529	--	(1,849)	--	12,817
Acciona Nouvelle Autoroute 30 INC	43,179	4,876	--	(14,604)	--	33,451
Other	--	3	--	(114)	--	(111)
Total direct investment	**70,489**	**4,805**	**--**	**(18,879)**	**--**	**56,415**
Indirect investment of the parent	**Balance at 31.12.13**	**Share in profit/(loss) before tax**	**Dividend**	**Tax effect & other changes**	**Changes in the year**	**Balance at 30.06.14**
Acciona Infraestructuras Subgroup	33,119	3,975	--	(4,562)	1,992	34,524
Acciona Inmobiliaria Subgroup	31,977	(2,690)	--	575	--	29,862
Trasmediterránea Subgroup	175	60	--	(173)	--	62
Acciona Energía Subgroup	148,832	5,420	(29)	1,623	--	155,846
Acciona Facility Services Subgroup	(183)	--	--	183	--	--
Acciona Agua Subgroup	104,319	8,478	(8,866)	(7,078)	2,063	98,916
Ceatesalas Subgroup	83,714	(521)	(922)	127	--	82,398
Other	725	(30)	--	41	--	736
Total indirect investment	**402,678**	**14,692**	**(9,817)**	**(9,264)**	**4,055**	**402,344**
Total investments booked by equity method	**473,167**	**19,497**	**(9,817)**	**(28,143)**	**4,055**	**458,759**

In addition, the line "profit/(loss) of companies accounted for by the equity method" shows the amount of €1.4 million, related to the companies Tranvía Metropolitá, S.A. and Tranvía Metropolitá del Besos, S.A., which from last 31 December 2013 until their sale (see note 3) were classified under "held for sale".

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

The caption "Non-current receivables and other non-current assets" at 30 June 2014, 31 December 2013 and 2012, in thousands of euros, was broken down as follows:

	30.06.2014	31.12.2013	31.12.2012
Non-current operating receivables	98,398	75,272	107,701
Non-current prepayments	5,321	6,368	4,235
Concessions under the non-current account receivable model	302,705	302,890	233,448
Total non-current receivables and other non-current assets	**406,424**	**384,530**	**345,384**

At 30 June 2014 and 31 December 2013 and 2012, "Non-current operating receivables" included mainly customer balances and other trade receivables generated by operating activities maturing over one year and retentions in guarantee as are customary in the construction industry.

At 30 June 2014 and 31 December 2013 and 2012, "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 was an unconditional collection right on the investment made to date. The current portion of this unconditional right was recognized in "Trade and other receivables" on the basis of the collections expected to be made by the grantors of the concessions under the different economic and financial plans. The balance classified as "current" amounted to KEUR 10,688 and KEUR 12,234 at 30 June 2014 and 31 December 2013, respectively.

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

	30.06.2014	31.12.2013	31.12.2012
Infrastructure Division	289,293	288,593	220,503
Water Division	13,412	14,297	12,945
Total	**302,705**	**302,890**	**233,448**

The main concession projects included in the Infrastructure Division relate to hospitals and motorways in Spain and Chile, respectively, and in the Water Division, those related to the integral water cycle. No significant changes took place in H1 2014.

At 30 June 2014 and 31 December 2013 the Group companies had commitments to acquire concession assets under the financial asset model in the amount of €11 million and €37 million, respectively, most of them from concession projects awarded to the Infrastructure Division.

10. - Inventories

At 30 June 2014, the amount of "Inventories" recognized related mainly to procurement from the Energy Division, as well as to the amount of KEUR 556,118 (KEUR 613,458 at 31 December 2013 and KEUR 719,912 at 31 December 2012) related to inventories from the real estate activity, which is disclosed net of a provision amounting to KEUR 462,177 at 30 June 2014 (KEUR 468,399 at 31 December 2013 and KEUR 373,893 at 31 December 2012).

At 30 June 2014 and 31 December 2013, the carrying amount of mortgaged inventories stood at KEUR 141,944 and 158,803 respectively, mostly related to property development.

Property development sales commitments to customers at 30 June 2014 and 31 December 2013 amounted to KEUR 67,637 and 74,406, respectively.

Based on the appraisals performed by the Group's Management of the trends on the different markets where the Property Division operates (basically, Spain, Poland and Mexico), in the first

Based on the appraisals performed by the Group's Management of the trends on the different markets where the Property Division operates (basically, Spain, Poland and Mexico), in the first half of 2014 no impairment was appraised, or additional significant losses not covered with the existing provisions at 30 June 2014.

11.- Equity

a) Registered share capital

The Parent's share capital is represented by 57,259,550 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 table below shows, following the notifications received by the Company, the owners of significant direct and indirect ownership interests in the share capital at 30 June 2014 and 31 December 2013 and 2012:

	30.06.2014	31.12.2013	31.12.2012
Tussen de Grachten, BV	27.80%	27.80%	27.80%
Entreazca, BV	27.43%	27.43%	27.43%
Jelico Netherlands, BV	(*)	(*)	3.503%

(*) On 23 April 2013 Jelico Netherlands, BV notified *CNMV* [Spanish Stock Exchange Commission] of the reduction in its shareholding in Acciona, S.A., declaring that its current shareholding percentage stands at 0.986%.

b) Retained earnings and issue premium

Breakdown of retained earnings at 30 June 2014 and 31 December 2013 was as follows:

	30.06.2014	31.12.2013	31.12.2012
Issue Premium	**170,110**	**170,110**	**170,110**
Legal reserve	11,452	11,452	11,452
Reserve for retired capital	10,453	10,453	10,453
Voluntary reserve	2,620,074	3,730,211	3,695,269
Consolidated reserve	406,006	1,292,912	1,077,056
Subtotal reserves	**3,047,985**	**5,045,028**	**4,794,230**
Result attributable to parent	**68,274**	**(1,972,371)**	**189,401**
Total retained earnings & issue premium	**3,286,369**	**3,242,767**	**5,153,741**

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.

c) Treasury shares

The changes in treasury shares in the six-month periods ended 30 June 2014, 2013 and 2012 were the following:

	30.06.2014		30.06.2013		30.06.2012	
	Number of shares	**Cost**	**Number of shares**	**Cost**	**Number of shares**	**Cost**
Opening balance	**140,440**	**6,461**	**108,781**	**4,107**	**5,598,867**	**411,129**
Additions	2,621	--	145,588	7,704	838,639	45,752
Reductions due to retirement of capital	--	--	--	--	(6,290,450)	(446,548)
Other reductions	(72,209)	(3,339)	(113,929)	(5,350)	(111,223)	(8,466)
End balance	**70,852**	**3,122**	**140,440**	**6,461**	**35,833**	**1,867**

72,209 shares were retired in the six-month period ended 30 June 2014; the profit was KEUR 1,243, recognized in the year's reserves, due to delivery of shares mainly to Senior Management under the Share Grant Plan approved by the General Meeting (see note 21).

d) Translation differences

In the six-month period ended 30 June 2014, the translation differences led to equity increase by KEUR 23,212, due to appreciation of some foreign currencies in which the Group operates, mainly the Australian dollar.

e) Value adjustments

- Cash flow hedges

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

The changes in the balance of cash flow hedges in financial years 2012 and 2013, and in the first half of 2014, were the following:

	30.06.2014	**31.12.2013**	**31.12.2012**
Balance at 1 January	(321,237)	(533,427)	(459,993)
Increases in value in the year	--	116,679	--
Decreases in value in the year	(112,585)	--	(148,866)
Transfer to income for the year	46,640	95,511	75,432
Transfers due to changes in the scope of consolidation	--	--	--
Balance at 31 December	**(387,182)**	**(321,237)**	**(533,427)**

f) Non-controlling interests

Although it does not affect these six-month condensed consolidated financial statements, it must be noted that last 24 June 2014 the Acciona group subsidiary Acciona Energía, S.A. subscribed an agreement with the KKR fund for the future acquisition by a vehicle of its global infrastructure fund of a shareholding representing one-third in the capital of the Acciona Group subsidiary Acciona Energía Internacional, S.A., once a restructuring process takes place whereby renewable assets under operation will be grouped together under that platform (52 wind farms, 2 photovoltaic plants and 1 thermal-solar plant) located in 14 countries, including, inter alia, the United States, Canada, Mexico, Australia, Chile, India, Italy, Portugal, Poland and South Africa.

The close is expected to take place before the end of 2014, once the conditions precedent contemplated on the contract and affecting regulatory issues and competence and third-party authorizations are complied with, and it is subject to certain operations for reorganization of the businesses to be brought together and certain organizational restructuring ("carve-in", "carve-out").

The agreement establishes that Acciona Energía, S.A. will operate the assets of Acciona Energía Internacional, S.A. for an initial term of 20 years and that Acciona Energía Internacional, S.A. will have pre-emptive right over the new renewable projects to be developed by Acciona Energía, S.A. in the countries included in the scope of the transaction.

The price of the transaction (subject to possible adjustments due to price differences between the net debt estimated at the close of 2014 and the actual debt at said date and subject to the assets which are transmitted and finally completed) amounts to €417 million, which can be increased by up to an additional €50 million depending on the outcome of future public offers for sale intended by the members.

12. - Non-current provisions

These provisions cover, according to the best estimate by the Directors of the Parent, 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 2013 describes the main litigation of a tax and legal nature affecting the Group at said date and there were no significant changes in the situation at the date of the accompanying interim financial information.

The total amount of payments derived from litigation and made by the Group in the first six months of 2014 was not significant in relation to these six-month condensed consolidated financial statements. In any event, the main change in the six-month period related to application of provisions allocated in previous financial years after completion of inspection actions and after signature of agreement certificates, basically as regards VAT.

13. - Financial liabilities

Breakdown of financial liabilities of the Acciona Group at 30 June 2014 and at 31 December 2013 and 2012, by nature and category for measurement purposes was as follows:

TRANSLATION

Financial Liabilities: Type / Category	Financial liabilities held for trading	Other financial liabilities at fair value with changes in Income St.	Debits and items payable	Hedge derivatives	Total
	Thousands of euros 30.06.2014				
Bank borrowings	--	--	4,790,971	--	4,790,971
Debentures & other marketable securities	--	--	565,813	--	565,813
Derivatives	--	--	--	384,972	384,972
Other financial liabilities	--	--	--	--	--
Non-current debt / Non-current financial liabilities	**--**	**--**	**5,356,784**	**384,972**	**5,741,756**
Bank borrowings	--	--	1,199,142	--	1,199,142
Debentures & other marketable securities	--	--	438,552	--	438,552
Derivatives	--	--	--	268	268
Other financial liabilities	--	--	--	--	--
Current debt / Current financial liabilities	**--**	**--**	**1,637,694**	**268**	**1,637,962**
Total	**--**	**--**	**6,994,478**	**385,240**	**7,379,718**

Financial Liabilities: Nature / Category	Financial liabilities held for trading	Other financial liabilities at fair value with changes in Income St.	Debits and items payable	Hedge derivatives	Total
	Thousands of euros 31.12.2013				
Bank borrowings	--	--	5,061,788	--	5,061,788
Debentures & other marketable securities	--	--	201,692	--	201,692
Derivatives	--	--	--	308,126	308,126
Other financial liabilities	--	--	--	--	--
Non-current debt / Non-current financial liabilities	**--**	**--**	**5,263,480**	**308,126**	**5,571,606**
Bank borrowings	--	--	1,803,451	--	1,803,451
Debentures & other marketable securities	--	--	161,657	--	161,657
Derivatives	--	--	--	252	252
Other financial liabilities	--	--	--	--	--
Current debt / Current financial liabilities	**--**	**--**	**1,965,108**	**252**	**1,965,360**
Total	**--**	**--**	**7,228,588**	**308,378**	**7,536,966**

Financial Liabilities: Nature / Category	Thousands of euros 31.12.2012 Financial liabilities held for trading	Other financial liabilities at fair value with changes in Income St.	Debits and items payable	Hedge derivatives	Total
Bank borrowings	--	--	5,428,276	--	5,428,276
Debentures & other marketable securities	--	--	212,371	--	212,371
Derivatives	--	--	--	483,597	483,597
Other financial liabilities	--	--	--	--	--
Non-current debt / Non-current financial liabilities	--	--	**5,640,647**	**483,597**	**6,124,244**
Bank borrowings	--	--	2,018,987	--	2,018,987
Debentures & other marketable securities	--	--	6,542	--	6,542
Derivatives	--	--	--	1,095	1,095
Other financial liabilities	--	--	--	--	--
Current debt / Current financial liabilities	--	--	**2,025,529**	**1,095**	**2,026,624**
Total	--	--	**7,666,176**	**484,692**	**8,150,868**

Detail of "Bank borrowings" by type of financing at 30 June 2014 and 31 December 2013 and 2012 was as follows:

Item	30.06.2014 Current	30.06.2014 Non-current	31.12.2013 Current	31.12.2013 Non-current	31.12.2012 Current	31.12.2012 Non-current
Mortgage loans for PPE financing	24,201	107,883	36,283	122,054	87,984	113,722
Mortgage loans for property development	110,607	5,351	123,558	--	134,488	--
Project finance	235,918	4,012,879	259,444	3,938,645	266,739	4,316,464
Unmatured discounted notes and bills	23,025	--	27,455	--	21,814	--
Obligations under finance leases	7,019	8,921	8,353	8,804	11,981	15,783
Other bank loans and credit facilities	795,176	982,204	1,345,496	1,241,258	1,489,569	1,441,587
Other limited recourse debt	3,464	58,705	3,114	59,153	7,507	24,317
Debentures & other marketable securities (note 14)	438,552	565,813	161,657	201,692	6,542	212,371
Total bank borrowings	**1,637,962**	**5,741,756**	**1,965,360**	**5,571,606**	**2,026,624**	**6,124,244**

In H1 2014 and in 2013 and 2012, the Group's euro loans and credit facilities bore market interest rates.

The Acciona Group continues to use "Project Finance" or financing applied to projects as the basic structure for the financing of projects under construction or projects for which, as they have come into operation, financing has ended. This caption includes the increase in the period by €49 million and €38 million due to the closure of financing related to a wind farm in Chile and to the use of financing in this six-month period in a photovoltaic farm in South Africa, respectively.

In the first half of 2014, as a result of diversification from traditional financing sources to financing through issues of trade bills and issue of debentures as described in note 14, there was a significant fall in financing through "other bank loans and credit facilities" with banks.

At 30 June 2014 and 31 December 2013, 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 2014 and 2013 there were no defaults or any other non-payments of principal, interest or repayments in respect of bank borrowings.

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

14. - Information on issues, repurchase or redemption of debt securities.

The table below shows detail at 30 June 2014 and 2013 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 H1 2014 and H1 2013:

	Thousands of euros 30.06.14				
	Balance 31.12.2013	**Issues**	**Repurchases or redemption**	**Adjustments due to exchange rate, change in scope and other**	**Balance 30.06.2014**
Debt securities issued in a EU member state, which required registration of an informative leaflet	159,903	810,212	(169,867)	(661)	799,588
Debt securities issued in a EU member state, which did not require registration of an informative leaflet	--	--	--	--	--
Other debt securities issued outside a EU member state	203,446	--	(850)	2,182	204,777
Total current and non-current	363,349	810,212	(170,717)	1,521	1,004,365

	Thousands of euros 30.06.13				
	Balance 31.12.2012	**Issues**	**Repurchases or redemption**	**Adjustments due to exchange rate, change in scope and other**	**Balance 30.06.2013**
Debt securities issued in a EU member state, which required registration of an informative leaflet	--	77,018	--	--	77,018
Debt securities issued in a EU member state, which did not require registration of an informative leaflet	--	--	--	--	--
Other debt securities issued outside a EU member state	218.913	--	(2.992)	1.908	217.829
Total current and non-current	**218.913**	**77.018**	**(2.992)**	**1.908**	**294.847**

At 30 June 2014, detail of the issues comprising the balance of this caption was as follows:

- Placement of a bond issue rated "BBB" by the rating agencies Standard & Poors and Fitch, performed 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., for an amount totalling USD 298.7 million. The purpose of this financing is to develop, build and operate two 102 MW wind energy projects, the end client being the Mexican Federal Electricity Commission (*Comisión Federal de Electricidad (CFE)*).

The issue was launched on 10 August 2012 and bears annual interest of 7.250%, payable every six months – 30 June and 31 December of each year – until 31 December 2031. The debt began to be repaid on 31 December 2012 and the debt settlement will continue until the debt has been fully repaid on 31 December 2031. At 31 June 2014 balances recorded for this issue in the current and non-current debentures and bonds accounts amounted to €202.5 million and €2.2 million, respectively.

- Euro Commercial Paper (ECP) programme formally joined by Acciona, S.A. on 17 January 2013 and renewed on 29 November 2013 for a further twelve months, for the maximum amount of €500 million. Under this programme, which is registered with the Irish Stock Exchange, commercial paper is issued on the euro market, with maturity ranging from 15 to 364 days. In the first half of 2014 there was a significant increase in subscribed promissory notes, the outstanding balance of which went from €160 million at 31 December 2013 to €431 million at 30 June 2014.

- An issue of bonds convertible into shares in Acciona, S.A., in the amount of €342 million, took place in January 2014 and the maturity date is 30 January 2019. The reference price of the share at the date of issue was €47.563 and the conversion premium, 32.5% over said price. The number of shares to deliver in the event of conversion of all the convertible bonds, the conversion price of the shares (€63.021) and the amount for the issue being taken into consideration, would amount to 5,427 million shares representing approximately 9.48% of the share capital of Acciona, S.A. currently issued and outstanding. Every six months the issue pays a coupon of 3% per year. At 30 June 2014 the balances registered for the convertible bond in the current and non-current accounts of debentures and bonds, net of the transaction costs and with interest accrual considered, amount to €302 million and €4 million, respectively. In addition, the amount of €37 million was recognised in equity; it relates, net of transaction costs, to the equity component (conversion option) that includes the convertible bond. To determine the value of the financial debt and equity component, the measurement model used (based on Black-Scholes), considering the market values related to volatility, the Acciona share price and the credit spread at the date of issue, concludes which part of the convertible bond value relates to "*bond floor*" and which part relates to the bond conversion option.

- Issue by Acciona, S.A., in the month of April 2014, of debentures to the bearer, through private placement, in the amount of €62.7 million and with maturity date in 2024. The nominal value of each debenture is €100,000 and they bear annual coupon of 5.55% payable annually. At 30 June 2014 the balances registered for these debentures in the current and non-current accounts of debentures and bonds, net of the transaction costs and with interest accrual considered, amount de €61.3 million and €0.6 million, respectively.

At 30 June 2014, there were no issues that could be exchanged to shares in addition to the issue discussed in the paragraph above, 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.

15. - Dividends paid by the Parent

The table below shows the dividends paid by the Parent in H1 2014 and H1 2013, which in both cases related to dividends approved in relation to the previous financial year's profit.

	H1 2014			H1 2013		
	% over Nominal	Euros per Share	Amount (Thousands of Euros)	% over Nominal	Euros per Share	Amount (Thousands of Euros)
Ordinary shares	--	--	--	90	0.9	51,534
Other shares (no voting right, redeemable, etc.)	--	--	--	--	--	--
Total dividends paid	**--**	**--**	**--**	**90**	**0.9**	**51,534**
Dividends paid out of profit	--	--	--	90	0.9	51,534
Dividends out of reserves or share premium	--	--	--	--	--	--
Dividends in kind	--	--	--	--	--	--

- H1 2014:

On 12 December 2013 the Board of Directors of Acciona, S.A. decided that no dividend would be distributed out of financial year 2013 profit.

Similarly, the Board of Directors of Acciona, S.A. did not propose distributing dividends to the AGM of Shareholders held on 24 June 2014.

- H1 2013:

On 10 January 2013 the Board of Directors of Acciona, S.A. approved the distribution of EUR 0.9 gross per share as interim dividend to be approved with a charge to financial year 2012 profit at Annual General Meeting. The interim dividend amounted to KEUR 51,534 and it was paid on 21 January 2013.

On 6 June 2013, the AGM of Shareholders of Acciona, S.A. approved the payment of EUR 1.75 per share as additional dividend with a charge to 2012 profit. This additional dividend totalling KEUR 100,204 was paid on 1 July 2013.

This additional dividend, together with the interim dividend paid in January 2013, totalled distributed dividends with a charge to financial year 2012 profit of KEUR 151,738 (€2.65 per share).

16. - 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 amount for the six-month periods ended 30 June 2014 and 2013 was as follows:

	H1 2014	H1 2013
Net profit for the year (thousands of euros)	68,274	47,789
Weighted average number of shares outstanding	57,138,952	57,074,009
Basic earnings per share (euros)	**1.19**	**0.84**

- Diluted:

To estimate diluted earnings per share, the company will adjust 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 January 2014 Acciona S.A. carried out an issue of convertible bonds detailed in note 14. The effect of this issue on the income statement in the first half of this financial year was KEUR 345.

The amount for the six-month period ended 30 June 2014 was as follows:

	H1 2014
Net profit for the year (thousands of euros)	68,619
Diluted weighted average number of shares outstanding	60,437,037
Diluted earnings per share (euros)	**1.14**

17. - Segment reporting

Note 28 to the Acciona Group's consolidated financial statements for financial year ended 2013 details the criteria applied by the Group to define its operating segments.

The table below shows the segment balance sheet by division at 30 June 2014 and 31 December 2013:

TRANSLATION

Balances at 30.06.14	Energy	Infra-structures	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
ASSETS								
PPE, intangible assets & investment property.	7,515,004	385,888	218,421	36,086	470,143	(48,364)	–	8,577,178
Goodwill	–	367	27,976	50,962	–	–	–	79,305
Non-current financial assets	34,163	15,755	7,591	9,577	141,616	8,451	–	217,153
Investments booked by the equity method	238,245	91,099	98,915	687	29,924	(111)	–	458,759
Other assets	609,398	499,997	46,152	1,196	287,874	2,152	–	1,446,769
Non-current assets	**8,396,810**	**993,106**	**399,055**	**98,508**	**929,557**	**(37,872)**	–	**10,779,164**
Inventories	249,600	200,408	21,739	785	600,187	(17,523)	–	1,055,196
Trade and other receivables	726,303	1,072,780	202,356	220,702	264,348	(554,158)	–	1,932,331
Other current financial assets	329,861	30,379	2,506	1,891	5,391	–	–	370,028
Other assets	110,078	84,521	11,940	8,221	38,347	–	35,021	288,128
Cash & equivalents	(1,335,003)	961,852	61,501	(131,657)	1,613,013	(8,451)	–	1,161,255
Non-current assets classif. as held for sale	–	56,427	–	–	140,295	–	–	196,722
Current assets	**80,839**	**2,406,367**	**300,042**	**99,942**	**2,661,581**	**(580,132)**	**35,021**	**5,003,660**
Total assets	**8,477,649**	**3,399,473**	**699,097**	**198,450**	**3,591,138**	**(618,004)**	**35,021**	**15,782,824**
LIABILITIES & EQUITY								
Consolidated equity	**1,092,052**	**650,510**	**205,997**	**17,478**	**1,513,998**	**(46,231)**	**35,021**	**3,468,825**
Bank borrowings & other financial liabilities	4,249,251	514,507	103,641	4,717	869,640	–	–	5,741,756
Other liabilities	1,036,977	347,292	58,015	1,635	358,719	(17,615)	–	1,785,023
Non-current liabilities	**5,286,228**	**861,799**	**161,656**	**6,352**	**1,228,359**	**(17,615)**	–	**7,526,779**
Bank borrowings & other financial liabilities	1,185,673	259,899	74,110	57,343	60,937	–	–	1,637,962
Trade and other payables	698,847	1,338,854	200,176	93,961	251,312	(147,254)	–	2,435,896
Other liabilities	214,849	258,716	57,158	23,316	497,874	(406,904)	–	645,009
Liabilities directly assoc. with non-current assets classif. as held for sale	–	29,695	–	–	38,658	–	–	68,353
Current liabilities	**2,099,369**	**1,887,164**	**331,444**	**174,620**	**848,781**	**(554,158)**	–	**4,787,220**
Total liabilities and equity	**8,477,649**	**3,399,473**	**699,097**	**198,450**	**3,591,138**	**(618,004)**	**35,021**	**15,782,824**

Balances at 31.12.13	Energy	Infra-structures	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
ASSETS								
PPE, intangible assets & investment property.	7,487,979	404,199	222,852	35,358	481,409	(49,389)	–	8,582,408
Goodwill	–	368	27,975	50,962	–	–	–	79,305
Non-current financial assets	70,806	15,463	1,625	9,293	120,237	22,508	–	239,932
Investments booked by the equity method	232,546	103,611	104,320	538	32,152	–	–	473,167
Other assets	553,833	508,127	53,193	1,108	274,065	2,600	–	1,392,926
Non-current assets	**8,345,164**	**1,031,768**	**409,965**	**97,259**	**907,863**	**(24,281)**	–	**10,767,738**
Inventories	183,252	192,403	13,403	695	649,365	(19,083)	–	1,020,035
Trade and other receivables	640,361	1,030,684	186,917	192,410	312,411	(576,061)	–	1,786,722
Other current financial assets	307,430	22,742	2,696	1,742	(701)	(16)	–	333,893

TRANSLATION

Balances at 31.12.13	Energy	Infra-structures	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
Other assets	1,543,867	331,928	6,457	41,714	280,188	--	(1,938,857)	265,297
Cash & equivalents	(1,380,513)	1,020,828	62,410	(123,524)	1606,860	(22,493)	--	1,163,568
Non-current assets classif. as held for sale	144,137	62,996	--	--	145,821	--	--	352,954
Current assets	**1,438,534**	**2,661,581**	**271,883**	**113,037**	**2,993,944**	**(617,653)**	**(1,938,857)**	**4,922,469**
Total assets	**9,783,698**	**3,693,349**	**681,848**	**210,296**	**3,901,807**	**(641,934)**	**(1,938,857)**	**15,690,207**
LIABILITIES & EQUITY								
Consolidated equity	**2,577,534**	**912,982**	**206,281**	**46,815**	**1,639,462**	**(47,931)**	**(1,938,857)**	**3,396,286**
Bank borrowings & other financial liabilities	4,349,634	466,710	86,690	3,688	664,883	--	--	5,571,605
Other liabilities	1,030,509	348,408	60,736	1,419	350,193	(17,940)	--	1,773,325
Non-current liabilities	**5,380,143**	**815,118**	**147,426**	**5,107**	**1,015,076**	**(17,940)**	--	**7,344,930**
Bank borrowings & other financial liabilities	1,184,751	208,358	66,791	51,682	453,778	--	--	1,965,360
Trade and other payables	393,886	1,401,721	195,551	83,522	237,029	(155,597)	--	2,156,112
Other liabilities	142,915	324,072	65,799	23,170	512,068	(420,466)	--	647,558
Liabilities directly assoc. with non-current assets classif. as held for sale	104,469	31,098	--	--	44,394	--	--	179,961
Current liabilities	**1,826,021**	**1,965,249**	**328,141**	**158,374**	**1,247,269**	**(576,063)**	--	**4,948,991**
Total liabilities and equity	**9,783,698**	**3,693,349**	**681,848**	**210,296**	**3,901,807**	**(641,934)**	**(1,938,857)**	**15,690,207**

Balances at 30.06.14	Energy	Infra-structures	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
Total revenue	980,259	1,185,580	213,695	335,436	339,439	(49,477)	--	3,004,932
Revenue	975,560	1,173,614	213,318	307,997	334,443	--	--	3,004,932
Inter-segment revenue	4,699	11,966	377	27,439	4,996	(49,477)	--	--
Other operating income and expenses	(617,081)	(1,140,302)	(202,552)	(326,229)	(297,715)	50,827	--	(2,533,052)
Profit / (loss) from operations	**363,178**	**45,278**	**11,143**	**9,207**	**41,724**	**1,350**	--	**471,880**
Allocations	(192,204)	(30,814)	(7,957)	(5,047)	(20,549)	1,025	--	(255,546)
Impairment & gains / (losses) on disposal of assets	(2,583)	1,955	(75)	(120)	1,562	--	35,238	35,977
Other gains or losses	(290)	(1,126)	(18)	157	2,517	--	--	1,240
Profit / (loss) from operations	**168,101**	**15,293**	**3,093**	**4,197**	**25,254**	**2,375**	**35,238**	**253,551**
Finance income	3,950	19,061	649	300	19,641	(19,449)	--	24,152
Finance costs	(159,132)	(24,810)	(5,450)	(3,968)	(35,287)	19,498	--	(209,149)
Profit / (loss) from changes in value	(131)	--	--	--	--	--	--	(131)
Result of companies booked by equity method	4,899	10,197	8,478	(95)	(2,630)	3	--	20,852
Profit / (loss) before tax	**17,687**	**19,741**	**6,770**	**434**	**6,978**	**2,427**	**35,238**	**89,275**
Corporate Tax	(9,695)	(9,622)	(2,779)	(123)	8,575	(729)	(217)	(14,590)
Consolidated profit / (loss) for the period	**7,992**	**10,119**	**3,991**	**311**	**15,553**	**1,698**	**35,021**	**74,685**
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--	--	--
Profit / (loss) for the year	**7,992**	**10,119**	**3,991**	**311**	**15,553**	**1,698**	**35,021**	**74,685**
Non-controlling interests	(5,187)	(1,186)	--	(82)	340	(296)	--	(6,411)
Profit / (loss) attributable to the Parent	**2,805**	**8,933**	**3,991**	**229**	**15,893**	**1,402**	**35,021**	**68,274**

Balances at 30.06.13	Energy	Infra-structures	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
Total revenue	1,046,527	1,302,961	221,953	288,845	279,035	(56,401)	–	3,082,920
Revenue	1,041,802	1,280,602	221,927	262,156	276,432	–	–	3,082,919
Inter-segment revenue	4,725	22,359	26	26,689	2,603	(56,401)	–	1
Other operating income and expenses	(578,900)	(1,246,850)	(209,614)	(282,094)	(257,794)	56,424	–	(2,518,828)
Profit / (loss) from operations	**467,627**	**56,111**	**12,339**	**6,751**	**21,241**	**23**	–	**564,092**
Allocations	(275,035)	(34,462)	(9,863)	(5,290)	(26,883)	1,018	–	(350,515)
Impairment & gains / (losses) on disposal of assets	(68)	1,366	(138)	15	128	–	–	1,303
Other gains or losses	(133)	267	2	(51)	(479)	–	–	(394)
Profit / (loss) from operations	**192,391**	**23,282**	**2,340**	**1,425**	**(5,993)**	**1,041**	–	**214,486**
Finance income	4,083	14,740	1,079	287	11,290	(13,079)	–	18,400
Finance costs	(176,588)	(26,763)	(2,748)	(3,593)	(25,242)	13,145	–	(221,789)
Profit / (loss) from changes in value	(325)	–	–	–	1,468	–	–	1,143
Result of companies booked by equity method	38,021	(652)	7,623	(46)	(3,052)	–	–	41,894
Profit / (loss) before tax	**57,582**	**10,607**	**8,294**	**(1,927)**	**(21,529)**	**1,107**	–	**54,134**
Corporate Tax	(19,279)	(3,544)	(3,978)	461	11,938	(332)	–	(14,734)
Consolidated profit / (loss) for the period	**38,303**	**7,063**	**4,316**	**(1,466)**	**(9,591)**	**775**	–	**39,400**
Profit / (loss) after tax of discontinued operations	–	–	–	–	–	–	–	–
Profit / (loss) for the year	**38,303**	**7,063**	**4,316**	**(1,466)**	**(9,591)**	**775**	–	**39,400**
Non-controlling interests	(2,869)	6,748	–	(29)	4,909	(370)	–	8,389
Profit / (loss) attributable to the Parent	**35,434**	**13,811**	**4,316**	**(1,495)**	**(4,682)**	**405**	–	**47,789**

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**		
	30.06.2014	**30.06.2013**	**30.06.2014**	**31.12.2013**	**31.12.2012**	**30.06.2014**	**31.12.2013**	**31.12.2012**	**30.06.2014**	**31.12.2013**	**31.12.2012**
Spain	1,756,748	1,817,210	11,949,387	12,290,538	14,427,805	7,124,836	7,222,402	9,216,793	4,824,551	5,068,136	5,211,012
European Union	291,590	368,315	832,179	877,710	978,903	774,798	801,699	870,652	57,381	76,012	108,252
OECD countries	461,503	548,562	2,202,154	2,048,463	2,484,478	2,378,058	2,342,143	2,737,574	(175,904)	(293,680)	(253,096)
Other countries	495,092	348,833	799,104	473,496	647,873	501,472	401,494	342,485	297,633	72,001	305,387
Total	**3,004,932**	**3,082,920**	**15,782,824**	**15,690,207**	**18,539,059**	**10,779,164**	**10,767,738**	**13,167,504**	**5,003,660**	**4,922,469**	**5,371,555**

18. - Average headcount

Personnel:

The average number of the Acciona Group's employees for H1 2014 and H1 2013, by men and women, was as follows:

	Number of Employees	
	30.06.2014	30.06.2013
Men	23,975	23,890
Women	8,364	8,171
Total	**32,339**	**32,061**

19. - Events after the reporting period

- On 20 June the Cabinet received a report from the minister of Public Finances and Public Administrations about four Draft Bills aimed to reform our tax system, which include, amongst other measures, the change of the general tax rate to 28% for financial year 2015 and to 25% for financial year 2016. When these six-month financial statements were prepared, the Bills in question had not been definitely approved, but the Group is in the process of analysing the impact that might arise from the aforesaid reform. Based on preliminary analyses, no relevant potential impact is forecast.

- On 2 July 2014 Acciona, S.A. formalized a fixed-interest securities issue programme - Euro Medium Term Note Programme (EMTN) in the maximum amount of up to €1,000 million. As regards this programme, the company prepared a base leaflet which was approved by the Central Bank of Ireland. The securities issued under this programme may accrue fixed or variable interest, be issued in euros or another currency and at par, under par or with premium and have different maturity dates.

20. - 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 shoes the transactions performed by the Group, in H1 2014 and H1 2013, with its related parties, 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 recognized.

TRANSLATION

Expenses and Income	Thousands of euros 30.06.2014 Significant shareholders	Directors & Executives	Group employees, companies or entities	Other related parties	Total
Expenses:					
Finance costs	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	42	**42**
Purchase of goods (finished or in progress)	--	--	--	183	**183**
Value adjustments due to uncollectible or doubtful debts	--	--	--	--	--
Losses on removal or disposal of assets	--	--	--	--	--
Other expenses	--	--	--	--	--
Income:	--	--	--	--	--
Financial income	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Dividends received	--	--	--	--	--
Leases	--	--	--	--	--
Services provided	--	--	--	12,899	**12,899**
Sale of goods (finished or in progress)	--	--	--	--	--
Gains on removal or disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

Other Transactions	Thousands of euros 30.06.2014 Significant shareholders	Directors & Executives	Group employees, companies or entities	Other related parties	Total
Purchases of PPE, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Finance leases (lessor)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessor)	--	--	--	--	--
Sales of PPE, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Finance leases (lessee)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessee)	--	--	--	--	--
Guarantees provided	--	--	--	--	--
Guarantees received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Obligations/guarantees discharged	--	--	--	--	--
Dividends and other profit distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

Expenses and Income	Thousands of euros 30.06.2013 Significant shareholders	Directors & Executives	Group employees, companies or entities	Other related parties	Total
Expenses:					
Finance costs	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	56	**56**
Purchase of goods (finished or in progress)	--	--	--	--	--
Value adjustments due to uncollectible or doubtful debts	--	--	--	--	--
Losses on removal or disposal of assets	--	--	--	--	--
Other expenses	--	--	--	--	--
Income:	--	--	--	--	--
Financial income	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Dividends received	--	--	--	--	--
Leases	--	--	--	--	--
Services provided	--	--	--	3,989	**3,989**
Sale of goods (finished or in progress)	--	--	--	--	--
Gains on removal or disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

Other Transactions	Thousands of euros 30.06.2013 Significant shareholders	Directors & Executives	Group employees, companies or entities	Other related parties	Total
Purchases of PPE, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Finance leases (lessor)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessor)	--	--	--	--	--
Sales of PPE, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Finance leases (lessee)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessee)	--	--	--	--	--
Guarantees provided	--	--	--	--	--
Guarantees received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Obligations/guarantees discharged	--	--	--	--	--
Dividends and other profit distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

21. - Remuneration and other benefits

Note 35 to the Group's consolidated financial statements for financial year ended 31 December 2013 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 H1 2014 and H1 2013.

	Thousands of euros	
	30.06.2014	**30.06.2013**
Members of the Board of Directors	**4,655**	**5,596**
Type of remuneration:	**4,655**	**5,596**
Fixed remuneration	764	764
Variable remuneration	2,984	3,990
Attendance fees	740	652
Emoluments stipulated in the Articles of Association		--
Share options and/or other financial instruments	167	190
Other		--
Other benefits:	--	--
Advances	--	--
Loans granted	--	--
Pension Funds and Plans: Contributions	--	--
Pension Funds and Plans: Obligations undertaken	--	--
Life insurance premiums	--	--
Guarantees arranged with Directors as beneficiaries	--	--
Executives:		
Total remuneration received by the Executives	**12,611**	**13,639**

The General Shareholders' Meeting of Acciona, S.A., held on 4 June 2009, approved the "2009 – 2011 Share and Option Plan for the Senior Executives of Acciona and its Group", including directors with executive functions.

The General Shareholders' Meetings of Acciona, S.A. held on 9 June 2011, 12 May 2012 and 6 June 2013 approved the extension of the term of validity of the aforesaid Plan, including the Executive Directors, for its application in financial years 2012, 2013 and 2014, increasing the maximum number of shares deliverable, initially fixed at 200,000 shares, to 265,000, 300,000 and 335,000, respectively.

In addition, the General Shareholders' Meeting held on 6 June 2013 resolved to change the benchmark value, establishing the closing price in the last stock market session in the month of March of the year in question as the value of the shares to be delivered to participants, and this closing price will also be the strike price of any options as might have been allocated, and upholding any other terms and conditions under the Plan approved in 2009.

Therefore, the main features of the "2009 – 2014 Share and Option Plan for Senior Executives of Acciona and its Group" are the following:

Plan duration and basic structure: 3 years, with annual delivery of ordinary shares of Acciona, S.A. (Company) in the course of these 3 years (2009 to 2011). The term for application was extended to 2012, 2013 and 2014. The beneficiaries may choose to exchange some of the shares allocated to them for purchase option rights over the Company's ordinary shares.

Beneficiaries: The persons that at the time that the shares are allocated hold the position of Chief Executive Officer, General Manager or Area Manager of the Acciona Group.

Annual share-based bonus: The number of shares comprising the share-based Bonus for each beneficiary will be determined by the Company's Board of Directors at the proposal of the Appointments and Remuneration Committee in the month of March of each year. The share-based Bonus of each beneficiary may not exceed €150,000. The highest share-based Bonus may not exceed in a given year three times the value of the lowest Bonus in that year.

Share/option exchange ratio and partial substitution of shares by options and vice versa: After the share-based Bonus is established each year, the Company's Board of Directors will establish a fixed Share and Option exchange ratio. The Beneficiary may choose to substitute some of the shares allocated, not exceeding fifty per cent (50%), by options.

Shares available for the Plan: The maximum number of shares that can be delivered under the Plan over the three-year period (2009, 2010 and 2011) will be 200,000 shares, including those allocated but substituted by options at the beneficiaries' discretion. For 2012, 2013 and 2014, the maximum number of available shares is increased up to 265,000, 300,000 and 335,000 shares, respectively.

Annual delivery date: The share-based bonus will be delivered to the beneficiaries within the thirty (30) calendar days following the date of the AGM, on the date established by the Board of Directors or its delegated bodies. For beneficiaries who are Company directors, the delivery of the shares (and, if applicable, options) will be subject to the approval of the Company's General Shareholders' Meeting, following section 219 of the reworded text of the [Spanish] Capital Companies Act.

Rights on shares: The shares will entitle the beneficiary to the economic and political rights corresponding to the shares as from the time of delivery.

Restrictions on shares: The beneficiaries may not dispose of, encumber or use, or grant any option right before 31 March of the third year following the year in which the shares in question were delivered to the beneficiary as payment of the share-based bonus.

Grant of purchase option to the Company: The beneficiary grants the Company a purchase option over the shares delivered to the beneficiary before 31 March of the third year following the year of delivery, at the price of 0.01 per share. This option can only be exercised by the Company in the event that the employment, civil or mercantile relationship is interrupted or extinguished under certain conditions.

Option regime: Each option will entitle the beneficiary to receive one of the Company's ordinary shares, against payment of the share price fixed for the exercise of the option or against payment of the price resulting from the cash settlement due to differences between the option value and the share value at the time the option is exercised. The options granted in a given year under the Plan can be exercised, in whole or in part, and on one or several occasions, within the three-year period between (a) 31 March of the third calendar year following the year in which they were allocated and (b) 31 March of the third year subsequent to the beginning of the period (the "Exercise Period").

Share and Option benchmark value: The value of the shares and share options to be delivered to participants each year will be fixed on the basis of the closing price in the last stock market session in the month of March of the calendar year when delivery takes place, and this closing price will also be the strike price of any options as might have been allocated.

Under the Plan described above, in the six-month period ended 30 June 2014 38,192 shares and 8,811 purchase option rights over shares of Acciona, S.A. were delivered to the Group's Management, which includes executive directors, in payment of part of their variable remuneration for 2013, in conformity with the terms approved by the General Shareholders' Meeting held last 24 June 2014.

In addition, the GM resolved to extend the term of validity of the aforesaid Plan, for its application in financial years 2014 to 2020, increasing the maximum number of shares deliverable, by 200,000 shares, and the GM further resolved to authorize the Board of Directors of the Parent to modify, to all the extent required at law and upon proposal by the Appointments and Remuneration Committee, the Plan Regulations, establishing conditions and deadlines for delivery, accrual periods, allocation criteria and limits and any other aspect the Board considers relevant, with the purpose of aligning to a greater extent the long-term interests of the Acciona Group's Executive Directors and executives with those of the shareholders of Acciona, S.A. and enhancing their motivation in the attainment of higher value and long-term stability for the Group as well as consolidating their loyalty and presence in the Group.

(CONSOLIDATED GROUP)
CONSOLIDATED INTERIM DIRECTORS' REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

1. – Analysis of the first half of 2014

The results are presented in accordance with the International Financial Reporting Standards (IFRS).

ACCIONA reports in accordance with its corporate structure, which comprises three divisions:

- Energy comprises commercial and industrial activities that range from the manufacturing of turbines, construction of wind farms to the generation, distribution and marketing of its different energy sources.
- Infrastructure, Water and Service:
  - Infrastructure includes construction and engineering activities as well as mainly transport and hospital concession activities.
  - 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. ACCIONA Agua also operates water concessions across the entire water cycle.
  - Services include the activities of facility services, airport handling, waste management and logistic services amongst others.
- Other activities include the businesses of Trasmediterránea, real estate, Bestinver (funds manager), wineries and other businesses.

Executive Report

Consolidated Income Statement Key Figures

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Change (%)
Revenue	3.083	3.005	-2.5%
EBITDA	564	472	-16.3%
Operating profit (EBIT)	214	254	18.2%
Ordinary profit before tax (EBT)	54	54	-0.2%
Profit before tax (EBT)	54	89	64.9%
Attributable net profit	48	68	42.9%

Balance Sheet Key Figures

(Millions of euros)	31-Dec-13	30-Jun-14	Change (%)
Equity	3,396	3,469	2.1%
Net debt	6,040	5,848	-3.2%

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Change (%)
Ordinary capital expenditure	203	190	-6.4%

Operating Key Figures

	30-Jun-13	30-Jun-14	Change (%)
Infrastructure backlog (Millions of euros)	6,287	5,528	-12.1%
Water backlog (Millions of euros)	10,225	9,756	-12.5%
Total installed wind capacity (MW)	7,159	7,006	-2.1%
Total installed capacity (MW)	8,500	8,370	-1.5%
Total production (GWh) (Jan-Jun)	11,741	11,485	-2.2%
Average workforce	32,061	32,339	0.9%

Key highlights of H1 2014

- **IFRS 11 implementation:** IFRS 11 – Joint Arrangements - came into force on 1 January, replacing IAS 31, which had been effective until that date. IFRS 11 has implications on some ACCIONA Group companies which were formerly consolidated under the proportional method and are now consolidated by the equity method. This new accounting standard requires that the 2013 financial statements are restated on a like-for-like basis in order for the information to be consistent between reporting periods. Therefore, all the references and key figures of 2013 are disclosed under the new method.

- **Accounting useful life of wind assets extended:** Following an analysis based on both internal and external sources, the ACCIONA Group has extended the useful life of its wind assets from 20 to 25 years. As a result, the line "Depreciation and amortization" on the consolidated income statement reflects the impact of this change since 1 January 2014, which has resulted in €61 million lower depreciation charges in the H1 2014. This accounting change affects all wind assets, whether national or international.

- **Strategic alliance with KKR:** On 24 June, ACCIONA announced that the prestigious firm KKR will become the company's partner in the international energy business, in which KKR will have a one-third stake.
  - ACCIONA Energía Internacional encompasses all the group international capacity, which amounts to 2.3GW of wind, photovoltaic and solar thermal installed capacity, located in 14 countries among which the USA, Mexico, Australia, Italy, Portugal, Canada, South Africa, India and Poland stand out.
  - The transaction values the company at €2,563 million, which, together with the €1,313 million net debt at the close of 2014, will bring an estimated net capital inflow of €417 million for ACCIONA, which could increase by €50 million if the potential listing of a YieldCo is completed.
  - In terms of timing, the closing is expected to take place in the last quarter of 2014, when the conditions precedent are met and the required restructuring is completed.

- **Divestments:**
  - The sale of the German renewable portfolio to Swisspower Renewables, agreed in December 2013, was completed in January. The portfolio consisted of 18 wind farms with attributable capacity of 150.3MW and weighted average life of 8 years. The transaction amounted to €157 million including net financial debt of €85 million. The capital gain amounts to €28 million. The debt associated to this asset was deconsolidated in December 2013 (debt of assets held for sale).
  - Additionally, the sale to Globalvía of 11.78% and 12.88% of the shares owned by ACCIONA in the companies which manage the two tram lines which run in the city

of Barcelona, *Tramvia Metropolitá* and *Tramvia Metropolitá del Besós*, was carried out in June. The annual number of passengers on both lines exceeds 24 million. The deal amounted to €16 million and the capital gain was €8 million.

- **First convertible bond issue:** ACCIONA issued on 16 January 2014 a convertible bond for a total amount of €342 million, with a fixed annual coupon of 3%. The bond is convertible into existing or new shares and the conversion price was set at €63.02 per share.
- **Royal Decree 413/2014:** On 10 June 2014, the *BOE* [Central Government Gazette] published Royal Decree 413/2014, which regulates the electricity generation from renewable, cogeneration and waste sources. Subsequently, on 29 June, IET Order 1045/2014 was published. This order contains the new parameters for the remuneration of all renewable facilities, either in existence now or in the future. The new regulatory model defines the remuneration of these assets to be applied as from 9 July 2013, following Royal Decree - Law 9/2013. Neither the remuneration model structure nor the final parameters differ significantly from those contained in the drafts published in February as part of the *CNMC* [National Markets & Competition Commission] public consultation process. Royal Decree - Law 9/2013 came into force in July 2013, and for this reason the results of the energy division for the first half of 2013 were not affected by such regulatory changes.

Consolidated Income Statement

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Revenue	**3,083**	**3,005**	**-78**	**-2.5%**
Other income	156	153	-2	-1.6%
Changes in inventories of finished goods and work in progress	1	-22	-24	n/a
Total Production Value	**3,240**	**3,136**	**-104**	**-3.2%**
Procurement	-666	-753	-87	13.1%
Personnel expenses	-666	-625	41	-6.2%
Other expenses	-1,344	-1,285	58	-4.3%
(EBITDA	**564**	**472**	**-92**	**-16.3%**
Depreciation and amortisation	-351	-256	95	-27.1%
Impairment of asset value	1	-3	-3	n/a
Results of non-current assets	0	39	38	n/a
Other gains or losses	0	1	2	n/a
EBIT	**214**	**254**	**39**	**18.2%**
Net financial result	-202	-192	10	-4.9%
Translation differences (net)	-1	8	9	n/a
Change in financial investment provisions	0	-1	-1	n/a
Income from associates booked by equity method	42	21	-21	-50.2%
Change in fair value of financial instruments	1	0	-1	n/a
Profit before tax – Continuing Activities (EBT)	**54**	**89**	**35**	**64.9%**
Income tax	-15	-15	0	-1.0%
Profit / (loss) from continuing activities	**39**	**75**	**35**	**89.6%**
Non-controlling interests	8	-6	-15	n/a
Attributable net profit	**48**	**68**	**20**	**42.9%**

Revenue

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Energy	**1,047**	**980**	**-67**	**-6.3%**
Infrastructures, Water & Services	**1,814**	**1,735**	**-79**	**-4.4%**
Infrastructures	1,303	1,186	-117	-9.0%
Water	222	214	-8	-3.7%
Services	289	335	46	16.1%
Other activities	**279**	**339**	**60**	**21.6%**
Consolidation adjustments	**-56**	**-49**	**7**	**-12.3%**
TOTAL Revenue	**3,083**	**3,005**	**-78**	**-2.5%**

Consolidated revenue decreased by 2.5% to €3,005 million, mainly due to the combined effect of the following factors:

- Lower revenue in the Energy division (-6.3%) as a result of the regulatory changes in Spain in force since the second half of 2013 (Royal Decree - Law 9/2013).
- Decreasing Infrastructure revenue (-9.0%) due to lower levels in the construction activity.
- Growth in Services revenue (+16.1%) due to the good performance of *Facility Services* and Other Activities (+21.6%).

EBITDA

(Millions of euros)	Jan-Jun 2013	% EBITDA	Jan-Jun 2014	% EBITDA	Chg.	Chg. (%)
Energy	**468**	**83%**	**363**	**77%**	**-105**	**-22.3%**
Infrastructures, Water & Services	**75**	**13%**	**66**	**14%**	**-9**	**-12.7%**
Infrastructures	56	10%	45	*10%*	-11	-19.3%
Water	12	2%	11	*2%*	-1	-9.7%
Services	7	1%	9	*2%*	2	36.4%
Other activities	**21**	**4%**	**42**	**9%**	**21**	**96.4%**
Consolidation adjustments	**0**	n/a	**1**	n/a	**1**	n/a
TOTAL EBITDA	**564**	**100%**	**472**	**100%**	**-92**	**-16.3%**
Margin (%)	***18.3%***		***15.7%***			***-2.6pp***

In H1 2014 EBITDA fell by 16.3% to €472 million mainly due to the performance of the Energy and the Infrastructure divisions.

It is worth noting that the negative impact of Royal Decree - Law 9/2013 on EBITDA was of -€121 million; otherwise, the EBITDA of the group would have increased by 5%.

The EBITDA margin stood at 15.7%, lower that in H1 2013 (18.3%), mainly because of the lower margins in the Energy and Infrastructure divisions.

As regards EBITDA contribution by division, the main contribution came from Energy (77%), followed by Infrastructure (10%). Other Activities contributed 13% of EBITDA.

EBIT

EBIT reached €254 million (vs. €214 million in H1 2013).

This is mainly explained by:

- The lower depreciation charges resulting from the combined effect of the change of criteria for the life of the wind assets - increased from 20 to 25 years - with a positive impact of €61 million, and to the lower asset base subject to depreciation due to allocation for impairment of assets registered in December 2013.
- The results on assets were mainly due to the sale of the renewable assets in Germany and the tram concessions in Barcelona (35 million).

EBT

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Energy	**58**	**18**	**-40**	**-69.3%**
Infrastructures, Water & Services	**17**	**27**	**10**	**58.8%**
Infrastructures	11	20	9	86.1%
Water	8	7	-1	-18.4%
Services	-2	0	2	n/a
Other activities	**-22**	**7**	**29**	n/a
Consolidation adjustments	**1**	**2**	**1**	n/a
Ordinary EBT	**54**	**54**	**0**	**-0.2%**
Extraordinary	**0**	**35**	**35**	n/a
TOTAL EBT	**54**	**89**	**35**	**64.9%**
Margin (%)	***1.8%***	***3.0%***		***+1.2pp***

EBT amounted to €89 million, 64.9% higher than EBT for the same period in 2013.

Attributable Net profit

Attributable net profit amounted to €68 million vs. €48 million in H1 2013.

Consolidated Balance Sheet

(Millions of euros)	31-12-2013	30-06-2014	Chg.	Chg. (%)
Property, plant and equipment & intangible assets	8,589	8,584	-5	-0.1%
Financial assets	713	676	-37	-5.2%
Goodwill	79	79	0	0.0%
Other non-current assets	1,386	1,440	54	4.3%
NON-CURRENT ASSETS	**10,768**	**10,779**	**11**	**0.2%**
Inventories	1,020	1,055	35	3.4%
Accounts receivable	1,787	1,932	145	8.1%
Other current assets	265	288	23	8.6%
Current financial assets	334	370	36	10.8%
Cash and cash equivalents	1,164	1,161	-3	-0.2%
Assets held for sale	353	197	-156	-44.3%

CURRENT ASSETS	**4,922**	**5,004**	**81**	**1.6%**
TOTAL ASSETS	**15,690**	**15,783**	**93**	**0.6%**
Capital	57	57	0	0.0%
Reserves	5,152	3,178	-1,974	-38.3%
Profit attributable to the Parent	-1,972	68	2,040	n/a
Own securities	-6	-3	3	-51.7%
EQUITY ATTRIBUTABLE TO THE PARENT	3,230	3,300	70	2.2%
NON-CONTROLLING INTERESTS	166	169	3	1.4%
EQUITY	**3,396**	**3,469**	**73**	**2.1%**
Interest-bearing borrowings	5,572	5,742	170	3.1%
Other non-current liabilities	1,773	1,785	12	1.0%
NON-CURRENT LIABILITIES	**7,345**	**7,527**	**182**	**2.6%**
Interest-bearing borrowings	1,965	1,638	-327	-16.7%
Trade payables	2,156	2,436	280	13.0%
Other current liabilities	648	645	-3	-0.4%
Liabilities associated to assets held for sale	180	68	-112	-62.0%
CURRENT LIABILITIES	**4,949**	**4,787**	**-162**	**-3.3%**
TOTAL LIABILITIES AND EQUITY	**15,690**	**15,783**	**93**	**0.6%**

Attributable Equity

Equity attributable to ACCIONA at 30 June 2014 stood at €3,300 million, slightly higher than in December 2013.

Net Financial Debt

	31.12.13		**30.06.14**		**Chg.**	**Chg. (%)**
(Millions of euros)	**Amount**	**% Total**	**Amount**	**% Total**		
Interest-bearing borrowings without recourse	4,763	63%	4,780	65%	17	0.4%
Interest-bearing borrowings with recourse	2,774	37%	2,600	35%	-174	-6.3%
Total interest-bearing debt	**7,537**	**100%**	**7,380**	**100%**	**-157**	**-2.1%**
Cash + Current financial assets	**-1,497**		**-1,531**		**-34**	**2.3%**
Net financial debt	**6,040**		**5,848**		**-191**	**-3.2%**

Net financial debt fell from €6,040 million at 31 December 2013 to €5,848 million at 30 June 2014. This decrease was mainly due to cash generation of €318 million from operating activities, which have more than offset the net negative cash flow from capex and financing activities.

Financial gearing has evolved as follows:

(Millions of euros)	**30-Jun-13**	**31-Dec-13**	**30-Jun-14**
Net debt	6,670	6,040	5,848
Gearing (Net Debt / Equity) (%)	123%	178%	169%

In January 2014 ACCIONA announced the first convertible bond issue in the amount of €342 million, with a fixed annual coupon of 3%. The conversion price was set at €63.02 per share and the bonds are convertible into existing or newly issued shares.

Capital Expenditure

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014
Energy	**93**	**188**
Infrastructures, Water & Services	**110**	**21**
Infrastructures	95	10
Water	12	5
Services	4	6
Other activities	**0**	**-18**
Ordinary capital expenditure	**203**	**190**
Extraordinary divestments	0	-83
Net capital expenditure	**203**	**108**

Net ordinary capital expenditure across ACCIONA's divisions amounted to €190 million during the period, slightly lower than it was in H1 2013, as a result of the company's investment reduction plan.

Results by Division

I. Acciona Energy

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Generation	799	645	-154	-19.3%
Industrial, development and other	247	335	88	35.7%
Revenue	**1,047**	**980**	**-66**	**-6.3%**
Generation	543	407	-136	-25.1%
Industrial, development and other	-75	-44	31	-41.9%
EBITDA	**468**	**363**	**-105**	**-22.3%**
Margin (%)	*44.7%*	*37.0%*		
EBT	**58**	**18**	**-40**	**-69.3%**
Margin (%)	*5.5%*	*1.8%*		

ACCIONA Energy revenue dropped by 6.3% to €980 million. The EBITDA margin decreased by 7.7 percentage points to 37.0% vs. 44.7% in H1 2013. EBT amounted to €18 million, 69.3% lower than in the same period last year. The results are mainly driven by the following factors:

- The severe impact of the successive regulatory changes in Spain. In force since 14 July 2013, Royal Legislative Decree 9/2013 has impacted the EBITDA of the division by -€121 million; otherwise, EBITDA would have increased by 5%.
- The net reduction in the wind installed capacity by 151MW due to the combined effect of:
  - The sale of 62MW in Korea in the last quarter of 2013 and 150MW in Germany in Q1 2014.

- The installation of 59MW of new wind capacity (50MW in Costa Rica and 9MW in Chile) and 2MW of photovoltaic solar capacity in South Africa in the last twelve months. Out of these, 42MW correspond to H2 2013.

- Excluding these two impacts, at an operational level, the division presents a performance in line with last year with similar attributable productions (9,325GWh vs. 9,395GWh).
- It is worth noting the significant improvement of "industrial activity, development and other", with a net improvement of €32 million if compared to the same period last year, boosted by the good performance of ACCIONA Windpower which installed 241MW vs. 104MW in H1 2013.

EBITDA from the industrial activity, development and other

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg. (€m)
Biofuels and other	-1	0	+1
Wind power	-27	-5	+23
Development and construction	-18	-17	+2
Consolidation adjustments and other	-29	-22	+6
Total EBITDA Industrial, development and other	**-75**	**-44**	**+32**

The table below summarises the installed capacity and production at 30 June 2014 for each technology developed by Acciona Energía:

	Totals		Attributable	
Installed Capacity & Production by Technology	**MW installed**	**GWh produced**	**MW installed**	**GWh produced**
Wind Spain	4,743	5,734	3,466	3,997
Wind International	2,263	3,516	2,021	3,136
USA	628	1,200	553	1,045
Mexico	557	963	557	963
Australia	305	459	239	374
Canada	181	276	103	162
Italy	156	130	156	130
Portugal	120	173	120	173
India	86	95	86	95
Poland	71	81	71	81
Costa Rica	50	0	50	0
Greece	48	68	48	68
Croatia	30	45	30	45
Hungary	24	26	0	0
Chile	9	0	9	0
Total Wind	**7,006**	**9,250**	**5,486**	**7,133**
Hydro special regime	248	492	248	492
Conventional Hydro	681	1,240	681	1,240
Biomass	61	194	61	194
Solar PV	51	44	6	1
Solar Thermoelectric	314	263	314	263
Cogeneration	9	1	9	1
Total other technologies	**1,364**	**2,235**	**1,318**	**2,192**
Total Energy	**8,370**	**11,485**	**6,804**	**9,325**

TRANSLATION

Total Spain	*5,995*	*7,860*	*4,717*	*6,123*
Total International	*2,375*	*3,625*	*2,087*	*3,202*

Equity Accounting

Installed Capacity & Production by Technology	MW Installed	GWh Produced
Wind Spain	619	842
Wind International	48	63
Australia	33	43
Hungary	11	12
USA	4	8
Solar PV	30	28
Total	**697**	**933**
Total Spain	*619*	*842*
Total International	*78*	*92*

The application of the new accounting standard brings about a change in the consolidation method of 682MW, which are now consolidated under the equity method whereas previously consolidated proportionally. Together with the 15MW that ACCIONA already consolidated by the equity method, the Group now accounts for 697MW by applying the equity method.

II. Infrastructures, Water and Services

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Infrastructures	1,303	1,186	-117	-9.0%
Water	222	214	-8	-3.7%
Services	289	335	46	16.1%
Revenue	**1,814**	**1,735**	**-79**	**-4.4%**
Infrastructures	56	45	-11	-19.3%
Water	12	11	-1	-9.7%
Services	7	9	2	36.4%
EBITDA	**75**	**66**	**-9**	**-12.7%**
Margin (%)	*4.1%*	*3.8%*		
EBT	**17**	**27**	**10**	**58.8%**
Margin (%)	*0.9%*	*1.6%*		

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ACCIONA has brought together its operations of Infrastructure, Water and Services under a single division. This new structure brings the following benefits:

- Common and integrated international structure to support Infrastructure, Water and Service business development.
- A single and more comprehensive global offer of products/services to clients.
- Additional business opportunities from synergies among business units.
- More efficient international organizational structure to support the business.
- Focus on clear accountability and strict risk control through specialization, technical excellence and consistent execution.

A. Infrastructures

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Construction & Engineering	1,255	1,138	-117	-9.3%
Concessions	48	48	0	-0.2%
Revenue	**1,303**	**1,186**	**-117**	**-9.0%**
Construction & Engineering	38	25	-13	-32.8%
Concessions	18	20	2	8.3%
EBITDA	**56**	**45**	**-11**	**-19.3%**
Margin (%)	*4.3%*	*3.8%*		
EBT	**11**	**20**	**9**	**86.1%**
Margin (%)	*0.8%*	*1.7%*		

Revenue amounted to €1,186 million, 9.0% lower than in H1 2013, mainly due to a fall in the levels of activity of the construction business.

EBITDA amounted to €45 million, with a margin of 3.8%. The decrease in EBITDA is mainly due to the fall in the construction activity, both national and international.

As regards the concession business, its revenue remained at similar levels but nevertheless its EBITDA grew by 8.3% to €20 million as the result of a better operating performance of the business.

The sale of the Canadian concession Royal Jubilee Hospital during the third quarter of 2013 has had no effect on the comparability of the quarterly EBITDA results as this concession was accounted by the equity method in 2013 and therefore it did not contribute EBITDA in either of the two comparable years.

Construction Backlog

At 30 June 2014 the construction backlog amounted to €5,528 million, 2.7% lower than in December 2013. The international backlog reached an overall weight of 58% out of the total backlog vs. 54% at the end of 2013.

During H1 2014 new infrastructure works contracted amounted to €989 million, out of which 83% came from international markets. It is worth mentioning two big projects in Mexico, namely the power plant of Baja California V and the General Hospital of Nogales, and the Warreel Creek Nambruca Highway in Australia.

(Millions of euros)	30.06.2013	30.06.2014	Chg. (%)	Weight (%)
Civil Works (Spain)	2.247	1.623	*-28%*	*29%*
Civil Works International	2.581	2.670	*3%*	*48%*
Total Civil Works	**4.828**	**4.293**	***-11%***	***78%***
Non Residential (Spain)	606	418	*-31%*	*8%*
Non Residential (International)	349	320	*-8%*	*6%*
Total Non-Residential	**955**	**738**	***-23%***	***13%***
Residential (Spain)	35	45	*29%*	*1%*
Residential (International)	36	17	*-53%*	*0%*
Total Residential	**71**	**62**	***-13%***	***1%***
ANA Development (Spain)	0	0	*0%*	*0%*
ANA Development (International)	35	12	*-67%*	*0%*
Total ANA Development	**36**	**12**	***-66%***	***0%***
Other*	**397**	**423**	***7%***	***8%***
TOTAL	**6.287**	**5.528**	***-12%***	***100%***
Total Spain	***3.120***	***2.307***	***-26%***	***42%***
Total International	***3.167***	***3.221***	***2%***	***58%***

** "Other" includes: Auxiliary Construction, Engineering and Other*

Concessions

At 30 June ACCIONA held a portfolio of 20 concessions with a book value of €1,776 million (€429 million equity and €1,347[1] million net debt).

The sale to Globalvía of 11.78% and 12.88% of the shares owned by ACCIONA in the companies that manage the two tram lines that run in the city of Barcelona, *Tramvia Metropolitá* and *Tramvia Metropolitá del Besós*, took place in June.

The sale of the Canadian concession Royal Jubilee Hospital was completed in August 2013.

As a result of the new accounting standard, six concessions are now consolidated by applying the equity method.

B. Water

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Revenue	**222**	**214**	**-8**	**-3.7%**
EBITDA	**12**	**11**	**-1.2**	**-9.7%**
Margin (%)	*5.6%*	*5.2%*		
EBT	**8**	**7**	**-2**	**-18.4%**
Margin (%)	*3.7%*	*3.2%*		

The Water business performed negatively in H1 2014, with a fall in revenue of 3.7%, reaching €214 million, in particular due to lower levels of the D&C activity. The division's EBITDA stood at €11 million (9.7% less than in H1 2013).

[1] It includes the debt of the concessions currently held for sale (€21 million) and the debt of the concessions booked by the equity method (€936 million).

Water Backlog

The water backlog at June 2014 stood at €9,756 million, 13% less than six months ago.

(Millions of euros)	30.06.2013	30.06.2014	Chg. (%)
D&C	539	351	-42%
O&M	9,686	9,405	-11%
Total	**10,225**	**9,756**	**-13%**

(Millions of euros)	30.06.2013	30.06.2014	Weight (%)
Spain	8,971	8,882	91%
International	1,254	874	9%
Total	**10,225**	**9,756**	**100%**

C. Services

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Revenue	**289**	**335**	**47**	**16.1%**
EBITDA	**7**	**9**	**2**	**36.4%**
Margin (%)	*2.3%*	*2.7%*		
EBT	**-2**	**0**	**2**	n/a
Margin (%)	*-0.7%*	*0.1%*		

ACCIONA Services comprises the following services: airport handling services, facility services, logistic services, waste management and other services.

The division reported an increase in revenue of 16.1%, reaching €335 million as a result of higher volumes of the facility services activity. The EBITDA level has also reported positive, reaching €9.2 million.

III. Other activities

(Millions of euros)	Jan-Jun 2013	Jan-Jun 2014	Chg.	Chg. (%)
Trasmediterránea	186	185	-1	-0.4%
Real Estate	30	65	35	n/a
Bestinver	46	70	24	51.2%
Winery	14	16	2	16.1%
Corp. and other	3	3	0.2	5.4%
Revenue	**279**	**339**	**60**	**21.6%**
Trasmediterránea	-7	-5	2	-26.6%
Real Estate	0	5	5	n/a
Bestinver	31	44	13	39.4%
Winery	0.2	0.5	0.3	n/a
Corp. and other	-3	-3	0.3	-11.0%

EBITDA	**21**	**42**	**21**	**96.4%**
Margin (%)	*7.6%*	*12.3%*		
EBT	**-22**	**7**	**29**	n/a
Margin (%)	*-7.7%*	*2.1%*		

During H1 2014 this division, which includes Trasmediterránea, real estate, Bestinver, wineries and others, reported revenue of €339 million, 21.6% higher than in 2013. This is mainly due to the good performance of real estate and Bestinver.

Its EBITDA also increased to €42 million, 96.4% above H1 2013 levels, boosted by the improved performance of Bestinver and the real estate business.

Trasmediterránea

Trasmediterránea improved its EBITDA in €2 million.

During H1 2014, the number of passengers and vehicles fell by 13.4% and 17.4% respectively. The lane metres increased by 5.9%.

The increase in EBITDA of €2 million vs. June 2013 is explained by the increase of the average prices reported in passengers and vehicles.

	Jan-Jun 2013	Jan-Jun 2014	Chg. (%)
Passengers served	1,037,598	898,085	-13.4
Cargo handled (lane metres)	2,636,874	2,793,524	5.9
Vehicles	237,710	196,388	-17.4

Real estate

Real estate EBITDA reached €5 million, if compared to the flat contribution recorded in H1 2013, as a result of the international development activity, particularly in Mexico.

	30.06.13	30.06.14	Chg. (%)
Housing stock	843	724	-14.1

The decrease in stock is due mainly to the sale of properties, as well as to the sale of the company Retiro Inmuebles that took place in 2013.

144 out of the 724 units are international units.

Bestinver:

Fund manager Bestinver's assets under management reached €10,198 million at 30 June 2014, an increase of 14.2% if compared to December 2013.

In H1 2014 Bestinver reported revenue of €70 million (+51.2%) and EBITDA of €44 million (+39.4%) vs. H1 2013.

Relevant events in the period

- **16 January 2014: ACCIONA reports the issue of convertible bonds.**

  The Company has approved the definitive terms and conditions of the issue set out below:

  - The initial size of the issue is €325 million, which may be increased up to the maximum amount of €50 million.

  - It will accrue a fixed annual coupon of 3% payable every six months, the first date of payment being 30 July 2014.

  - The initial conversion price has been set at €63.02 per ordinary share, which represents a conversion premium of approximately 32.5% over the average quotation price of the shares during the period between launch and the fixing of the final terms of the issue.

  - The convertible bonds will mature on the fifth anniversary of the Closing Date, when they will be redeemed at par at maturity unless previously converted, redeemed or purchased and cancelled.

- **23 January 2014: ACCIONA reports the closing of the sale of the share capital of ACCIONA Energie Windparks Deutschland GmbH, ACCIONA Energie Deutschland GmbH and Volksmarsdorfer Windparkbetriebs GmbH, owners of 18 operating wind farms located in Lower Saxony and Brandenburg (Germany).**

  - ACCIONA Energía Internacional S.A. has entered into a sale and purchase agreement with two companies of the Swisspower Renewables AG´s Group over the totality of the share capital of ACCIONA Energie Windparks Deutschland GmbH, ACCIONA Energie Deutschland GmbH and Volksmarsdorfer Windarkbetriebs GmnH, owners of 18 operating wind farms located in Lower Saxony and Brandenburg (Germany), with a total attributable capacity of 150.3 MW and a weighted average life of 8 years.

  - The operation amounts to €157 million. The companies hold a net debt with financial institutions of €85 million.

  - The capital gain from the transaction is approximately €27 million.

- **27 January 2014: ACCIONA reports that it has partially exercised the over-allotment option granted to the joint bookrunners, on behalf of the Managers of the Issue, in relation to the Convertible Bonds Issue.**

  - It is reported that the managers of the issue have partially exercised, in the amount of €17 million, the over allotment option granted by the Company to increase the size of the issue by up €50 million.

  - Consequently, the final size of the issue is €342 million.

  - The number of ordinary shares to be delivered in the event of conversion of all the convertible bonds, with the initial conversion price (€63.02) and the final size of the issue (€342 million) being taken into account, would amount to approximately 5,427 million shares, representing approximately 9.48% of the currently issued and outstanding share capital of the Company.

- **7 April 2014: General Meeting of Bondholders announcement call**

  - On 7 April 2014 the company sent *CNMV* [Spanish Stock Exchange Commission] the notice announcing a General Meeting of Bondholders to be held at the Syndicate of Bondholders' address, located in Alcobendas (Madrid), Avenida de Europa, no.18, on 24 April 2014, at 11.00 hours on first call.

- **11 April 2014: Issue of bearer senior unsecured notes, by means of a private placement, for the amount of €75 million.**

- The Company reports the issue of bearer senior unsecured notes, by means of a private placement, for the amount of €75 million due 2024.

- The nominal amount of each note is €100,000 and shall bear a coupon of 5.55% per year payable annually.

- **28 April 2014: Resolutions adopted by the General Meeting of Bondholders held on 24 April 2014.**

  On 28 April 2014 the General Meeting of Bondholders adopted the following resolutions:

  - To approve the management carried out up to today's date by STRUCTURED FINANCE MANAGEMENT (SPAIN), Ltd., in its capacity as Interim Commissioner of the Syndicate of Bondholders.

  - To ratify the position of Commissioner of the Syndicate of Bond-Holders of STRUCTURED FINANCE MANAGEMENT OBLIGATIONS (SPAIN), SL.

  - To endorse the full content of the Regulations governing the Syndicate of Bond-Holders.

- **19 May 2014: Notice of meeting and proposed agreements of the Annual General Meeting of Shareholders.**

  - On 19 May 2014 the company sent *CNMV* [Spanish Stock Market Regulator] the notice of meeting for the Annual General Meeting of Shareholders to be held on 23 June 2014 on first call or on 24 June 2014 on second call, as well as the proposed agreements

- **24 June 2014: Annual General Meeting – Shareholders' Agreements.**

  On 24 June 2014 the Annual General Meeting adopted, *inter alia*, the following agreements:

  - To acknowledge the resignations submitted by Ms. Miriam Gonzalez Durantez and Ms. Consuelo Crespo Bofill as independent external board members.

  - To appoint Mr. Jerónimo Marcos Gerard Rivero, as independent external board member and Ms. Carmen Becerril Martínez, as non- independent external board member.

  - To approve the allotment of shares and of buying option rights in relation to shares of ACCIONA, S.A., and its group, including the executive directors of ACCIONA S.A., and the extension and modification of the current plan to deliver shares up to 2020.

  - To authorize the board of directors for a period of five years to increase the share capital on one or more occasions, through cash contributions and up to the maximum amount of €28,629,775, equivalent to half of the current capital, in the terms and conditions that the board of directors decides in each case, with the further power of excluding, in whole or in part, the pre-emptive right of subscription.

  - To authorize the board of directors for a five-year term to issue bonds and other fixed income securities, either simple and/or convertible or exchangeable for shares of the company or of another company, as well as other instruments carrying the right to acquire newly issued shares of the company or outstanding shares of the company or of another company, with the power of excluding, in whole or in part, the pre-emptive right of subscription where this right legally exists, with the joint limit €3,000 million excluding promissory notes, which will have a separate limit of €1,000 million.

  - To approve the separate annual accounts of ACCIONA and the group consolidated accounts for financial year 2013.

  - To approve the 2013 Sustainability Report.

- **24 June 2014: ACCIONA announces the agreement reached by ACCIONA and KKR for the transmission of one-third of the shares of ACCIONA Energía Internacional.**

  ACCIONA Energía has reached an agreement with KKR whereby KKR buys through its infrastructure global fund a minority stake (one-third) in ACCIONA Energy International.

- The agreement states that ACCIONA Energía will operate the assets of ACCIONA Energía Internacional initially for 20 years ant that ACCIONA Energía Internacional will have the right of first refusal over future renewable energy projects to be developed by ACCIONA Energía in the countries included in the scope of the operation.

- The parties intend to promote a future IPO on certain assets grouped together in a specific investment vehicle ("YieldCo").

- The price of the transaction amounts up to €417 million, which can increase by an additional €50 million, depending on the outcome of the above-mentioned YieldCo's public offering.

- The operation means an implied value of ACCIONA Energy International of €2,563 million, including €1,250 million in equity, excluding the possible additional payment of €50 million and €1,313 million in net debt.

- **2 July 2014: ACCIONA announces the formalization of a fixed interest securities issue programme (EMTN).**

  ACCIONA has formalized a fixed interest issue programme for the maximum amount of €1,000 million.

  The securities issued under the programme will have, *inter alia*, the following characteristics:

  - They may be issued in euros or any other currency to be agreed at the time of issue; they will be issued in series; and they may have different maturity dates, subject to the legal requirements established for issue in different currencies.

  - Securities may be issued at par, under par or at a premium.

  - They may bear interest at a fixed rate, a variable rate or a combination of both, among others.

  - They will be subject to English law and under the jurisdiction of the English courts.

Dividend

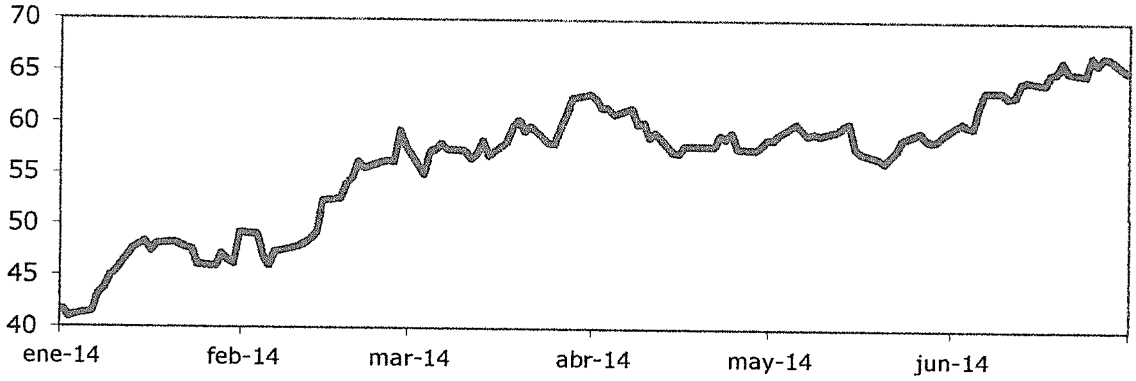
On 12 December 2013 the Board of Directors of ACCIONA resolved not to distribute any amount of interim dividend against 2013 results.

Furthermore, in the Annual General Meeting that took place on 24 June, no final dividend was approved since there was no proposed agreement on the agenda in this respect.

Stock Market Data

	30-jun-14
Price at 30 June 2014 (€/share)	65,32
Price at 1 January 2014 (€/share)	41,77
Low in H1 2014 (02/01/2014)	41,05
High in H1 2014 (24/06/2014)	66,76
Average daily trading (shares)	301.885
Average daily trading (€)	16.440.806
Number of shares	57.259.550
Market capitalization 30 June 2014 (€ million)	3.740

Share Price Trend in H1 2014



Share Capital

At 30 June 2014 the share capital of ACCIONA amounted to €57,259,550, represented by 57,259,550 ordinary shares with a par value of €1 each.

The group's treasury shares at 30 June 2014 amounted to 70,852 shares, which represent 0.12% of the share capital.

2. – Main risks and uncertainties in H2 2014.

An element that mitigates the risk in the ACCIONA Group is its geographical and sectorial diversification, but this diversification can influence the evolution of its operations and its economic results.

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 government regulations and any changes thereto might affect both activities and economic results.

The subsidiaries part of ACCIONA Energía and engaged in electricity production are highly exposed to regulatory changes to tariffs and other aspects of their activities, in Spain and in each of the countries where they operate. New legislation or regulations, or amendments to legislation or regulations in force, may have an impact on the activities and outcome of operations.

As regards the latest regulatory amendments in Spain, both the remuneration model structure and the final values do not differ significantly from the drafts of last February referred to

CNMC for consultation and used by the Group to estimate and re-measure its income and impairment test.

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.

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 include 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 project 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, it is exposed to the 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.

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 organizations 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 customers.

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 customers are 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 minimize 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.

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) (see Note 19).

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

Aiming at prevention, ACCIONA identifies and analyses any environmental aspects that can be affected during the development of the Company's activities in any of their stages: design, construction, operation and maintenance.

In addition, ACCIONA works to identify any risks arising from its activities which may produce an accident causing environmental damage, with the purpose of improving its capacity to prevent and mitigate those risks. Risk analysis acts as a tool to pre-empt potential environmental impacts through the implementation of prevention, control and correction measures, which can then be included in the management of projects and production centres.

Furthermore, ACCIONA manages risks associated with the climate change, so as to consider the necessary measures that guarantee adaptation of its businesses to the forecast changes. The main climate change risks and opportunities considered include both regulatory risks and those related to changes in physical and reputational parameters.

ACCIONA has a Crisis Management System that sets up the guidelines for action should an environmental crisis occur. By way of supplementing the *Corporate Crisis Management Standard*, ACCIONA has included environmental specifications for Emergency and Environmental Crisis Management, and it has a specific Environmental Assessment Team that provides support to the *Corporate Crisis Assessment Committee* where an environmental crisis situation is detected.

In addition, ACCIONA has a worldwide cover Environmental Civil Liability policy, whereby all the Group companies are insured. Some of the main covers are:

- Personal and material damages.
- Pollution from goods transport.
- Prevention costs.
- Damage to natural resources.

Procurement risk

The ACCIONA Group is exposed to the risk of fluctuation in the price of supplies, mainly fuel in its sea transport business, mostly performed in international markets, so there is the associated foreign currency exchange risk.

As for international construction activities, 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.

The fuel price fluctuation risk is managed basically in the short term: six months or a year, a period of time considered representative for the implementation of adequate commercial policies. This management is conducted through specific hedging operations, usually with derivatives.

Other external factors affecting activities

The development of the Group's activities sometimes requires permits, licences, government authorizations, 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.

CERTIFICATION: Ms. M. Teresa de la Cuesta Bernaldez, Sworn English Interpreter, certifies that the foregoing is a truthful and complete translation into English of a document written in Spanish. Madrid, 27 August 2014.

CERTIFICACION: Dña. M. Teresa de la Cuesta Bernaldez, intérprete jurado de inglés, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español. En Madrid, a 27 de agosto, 2014.

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