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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 balance sheet as at 30 June 2016, and the condensed consolidated statement of profit or loss, 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 preparing 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 persons responsible for financial and accounting matters, and applying certain 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 consolidated financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2016 have not been 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, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

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Emphasis of Matter

We draw attention to Note 2.a to the accompanying interim condensed consolidated 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 2015. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2016 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under 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 2016. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Acciona, S.A. and Subsidiaries.

Other Matters

This report was prepared at the request of the directors of Acciona, S.A. in relation to the publication of the half-yearly financial report required by Article 119 of the Consolidated Text of the Spanish Securities Market, approved by Royal Legislative Decree 4/2015, of 23 October and implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

Raquel Martínez

Raquel Martínez Armendáriz

28 July 2016

ACCIONA, S.A.

AND

SUBSIDIARIES
(Consolidated Group)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM DIRECTORS' REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2016 AND AT 31 DECEMBER 2015 (Thousand euros)

ASSETS	Note	30.06.2016 Unaudited	31.12.2015
Property, plant and equipment	4	7,779,305	7,664,187
Investment property	5	673,097	675,215
Goodwill	6	79,282	79,296
Other intangible assets	7	1,503,539	508,484
Non-current financial assets	8	168,751	160,045
Investments accounted for using the equity method	8	1,118,741	409,114
Biological assets		--	6,839
Deferred tax assets		913,972	926,764
Non-current receivables and other non-current assets	9	477,370	455,002
NON-CURRENT ASSETS		**12,714,057**	**10,884,946**
Biological assets		--	--
Inventories	10	735,872	740,102
Trade and other receivables		1,696,275	1,612,418
Other current financial assets	8	531,765	412,863
Current income tax assets		112,419	68,298
Other current assets		167,568	167,756
Cash and cash equivalents		1,374,625	1,460,173
Non-current assets classified as held for sale and discontinued operations	18	--	431,061
CURRENT ASSETS		**4,618,524**	**4,892,671**
TOTAL ASSETS		**17,332,581**	**15,777,617**

EQUITY AND LIABILITIES	Note	30.06.2016 Unaudited	31.12.2015
Share capital		57,260	57,260
Retained earnings and issue premium	11	4,004,977	3,544,231
Treasury shares		(14,147)	(20,238)
Translation differences		(86,263)	(87,968)
Interim dividend		--	--
Equity attributable to equity holders of the Parent	**11**	**3,961,827**	**3,493,285**
Non-controlling interests		281,773	260,860
EQUITY		**4,243,600**	**3,754,145**
Debt instruments and other marketable securities	13	798,980	802,078
Interest bearing borrowings	13	4,997,756	5,092,945
Deferred tax liabilities		708,338	739,686
Provisions	12	473,493	420,245
Other non-current liabilities	14	1,571,418	848,247
NON-CURRENT LIABILITIES		**8,549,985**	**7,903,201**
Debt instruments and other marketable securities	13	352,305	373,801
Interest bearing borrowings	13	1,208,927	763,340
Trade and other payables		2,240,196	2,024,533
Provisions		153,386	157,154
Current income tax liabilities		50,172	25,784
Other current liabilities	14	534,010	355,593
Liabilities held for sale and discontinued activities	18	--	420,066
CURRENT LIABILITIES		**4,538,996**	**4,120,271**
TOTAL EQUITY AND LIABILITIES		**17,332,581**	**15,777,617**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2016

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016 AND 2015
(Thousand euros)

	Note	30.06.2016 Unaudited	30.06.2015 Unaudited
Revenue	17	2,763,870	3,303,607
Other income		333,358	126,026
Changes in inventories of finished goods and work in progress		(14,127)	(3,253)
Procurement		(810,874)	(956,413)
Staff costs		(634,506)	(626,658)
Other operating expenses		(1,113,141)	(1,270,651)
Depreciation and amortisation charge and change in provisions	4, 5 & 7	(340,150)	(267,352)
Impairment and gains or losses on disposal of assets	19	641,430	9,643
Other gains or losses		41,904	(1,866)
PROFIT FROM OPERATIONS		**867,764**	**313,083**
Financial income		24,333	21,452
Finance costs	13	(351,912)	(221,254)
Translation differences		14,673	8,712
Profit/(loss) from changes in value of financial instruments at fair value		129	547
Profit/(loss) from changes in value of non-financial assets at fair value		4,752	--
Profit/(loss) of companies accounted for using the equity method	8	27,045	30,516
PROFIT BEFORE TAX, FROM CONTINUING OPERATIONS		**586,784**	**153,056**
Income tax expense		18,161	(38,264)
PROFIT IN THE PERIOD FROM CONTINUING OPERATIONS		**604,945**	**114,792**
Profit/(loss) after tax, from discontinued operations		**--**	**--**
PROFIT IN THE PERIOD		**604,945**	**114,792**
Non-controlling interests		(8,784)	(11,996)
PROFIT ATTRIBUTABLE TO THE PARENT		**596,161**	**102,796**
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	**16**	**10.52**	**1.81**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPS, (euros)	**16**	**9.69**	**1.77**
BASIC EARNINGS PER SHARE (euros)	**16**	**10.52**	**1.81**
DILUTED EARNINGS PER SHARE (euros)	**16**	**9.69**	**1.77**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2016

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2016 and 2015 (Thousand euros)

(unaudited)	2016	2015
A) CONSOLIDATED PROFIT FOR THE YEAR	**604,945**	**114,792**
1. Profit attributable to the Parent	596,161	102,796
2. Non-controlling interests	8,784	11,996
B) ITEMS THAT WILL NOT 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	**8,452**	**99,895**
Income and expenses recognized directly in equity:	**(80,043)**	**37,573**
1. Revaluation of financial instruments:	191	5
a) Available-for-sale financial assets	191	5
b) Other income / (expenses)		--
2. Cash flow hedges	(107,216)	11,607
3. Translation differences	390	38,487
4. Other income and expenses recognized directly in equity	--	--
5. Tax effect	26,592	(12,526)
Transfers to the income statement:	**88,495**	**62,322**
1. Revaluation of financial instruments:		--
a) Available-for-sale financial assets		--
b) Other income / (expenses)		--
2. Cash flow hedges	125,444	83,096
3. Translation differences	(7,539)	--
4. Other income and expenses recognized directly in equity	--	--
5. Tax effect	(29,410)	(20,774)
TOTAL RECOGNIZED INCOME/(EXPENSES) (A+B+C)	**613,397**	**214,687**
a) Attributed to the Parent	**614,604**	**180,297**
b) Attributed to non-controlling interests	**(1,207)**	**34,390**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2016

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2016

	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 01/01/2016	**57,260**	**3,702,890**	**(20,238)**	**207,324**	**--**	**(453,951)**	**260,860**	**3,754,145**
Adjustments due to changes in accounting criteria	--	--	--	--	--	--	--	--
Adjustments due to errors	--	--	--	--	--	--	--	--
Adjusted opening balance	**57,260**	**3,702,890**	**(20,238)**	**207,324**	**--**	**(453,951)**	**260,860**	**3,754,145**
Total recognized income/(expenses)	--	--	--	596,161	--	18,443	(1,207)	**613,397**
Transactions with shareholders or owners	--	(150,323)	273	--	--	--	24,462	(125,588)
Capital increases/(reductions)	--	--	--	--	--	--	--	--
Equity component in composite financial instruments	--	--	--	--	--	--	--	--
Dividends paid	--	(143,104)	--	--	--	--	(13,560)	(156,664)
Treasury share transactions (net)	--	(731)	273	--	--	--	--	(458)
Increases/(Decreases) due to business combinations	--	--	--	--	--	--	32,009	32,009
Other transactions with shareholders or owners	--	(6,488)		--	--	--	6,013	(475)
Other changes in equity	--	205,493	5,818	(207,324)	--	--	(2,342)	1,645
Share-based payments	--	368	5,818	--	--	--	--	6,186
Transfers between equity items	--	207,324	--	(207,324)	--	--	--	--
Other changes	--	(2,199)	--	--	--	--	(2,342)	(4,541)
End balance at 30/06/2016	**57,260**	**3,758,060**	**(14,147)**	**596,161**	**--**	**(435,508)**	**281,773**	**4,243,600**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2016

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2015

	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 01/01/2015	**57,260**	**3,620,894**	**(28,895)**	**184,949**	**--**	**(454,159)**	**233,438**	**3,613,487**
Adjustments due to changes in accounting criteria	--	--	--	--	--	--	--	--
Adjustments due to errors	--	--	--	--	--	--	--	--
Adjusted opening balance	**57,260**	**3,620,894**	**(28,895)**	**184,949**	**--**	**(454,159)**	**233,438**	**3,613,487**
Total recognized income/(expenses)	--	--	--	102,796	--	77,501	34,390	**214,687**
Transactions with shareholders or owners	--	(92,145)	5,740	--	--	--	(3,941)	(90,346)
Capital increases/(reductions)	--	--	--	--	--	--	--	--
Equity component in composite financial instruments	--	--	--	--	--	--	--	--
Dividends paid	--	(114,483)	--	--	--	--	(3,233)	(117,716)
Treasury share transactions (net)	--	4,063	5,740	--	--	--	--	9,803
Increases/(Decreases) due to business combinations	--	--	--	--	--	--	--	--
Other transactions with shareholders or owners	--	18,275		--	--	--	(708)	17,567
Other changes in equity	--	186,695	2,857	(184,949)	--	--	(1,625)	2,978
Share-based payments	--	909	2,857	--	--	--	--	3,766
Transfers between equity items	--	184,949	--	(184,949)	--	--	--	--
Other changes	--	837	--	--	--	--	(1,625)	(788)
End balance at 30/06/2015	**57,260**	**3,715,444**	**(20,298)**	**102,796**	**--**	**(376,658)**	**262,262**	**3,740,806**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2016

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016 AND 2015 (Thousand euros)

(Unaudited)	30.06.2016	30.06.2015
CASH FLOWS FROM OPERATING ACTIVITIES	**198,099**	**241,998**
Consolidated profit before tax for the period	**586,784**	**153,055**
Adjustments for:	**(106,963)**	**376,724**
Depreciation and amortisation charge and provisions	336,502	269,536
Other adjustments to profit (net)	(443,465)	107,188
Changes in working capital	**(44,932)**	**(125,232)**
Other cash flows from operating activities:	**(236,790)**	**(162,549)**
Interest paid	(205,916)	(221,720)
Interest received	26,781	20,386
Dividends received	9,082	20,040
Income tax recovered / (paid)	(14,625)	6,107
Other amounts received / (paid) relating to operating activities	(52,112)	12,638
CASH FLOWS FROM INVESTMENT ACTIVITIES	**(356,546)**	**(45,989)**
Payments due to investment:	**(436,771)**	**(117,175)**
Group companies, associates and business units	1,906	(18,514)
Property, plant and equipment, intangible assets and investment property	(438,677)	(98,661)
Proceeds from disposal:	**3,437**	**69,065**
Group companies, associates and business units	841	3,370
Property, plant and equipment, intangible assets and investment property	2,596	65,695
Other cash flows from investment activities:	**76,788**	**2,121**
Other amounts received/(paid) relating to investment activities	76,788	2,121
CASH FLOWS FROM FINANCING ACTIVITIES	**78,888**	**19,542**
Proceeds and (payments) relating to equity instruments:	**(458)**	**9,803**
Purchases	(458)	(42,747)
Disposals	--	52,550
Proceeds and (payments) relating to financial liability instruments:	**211,291**	**65,406**
Proceeds from issues	1,955,541	482,956
Repayments and redemptions	(1,744,250)	(417,550)
Dividends and returns on other equity instruments paid	**(13,560)**	**(3,233)**
Other cash flows from financing activities	**(118,385)**	**(52,434)**
Other amounts received/(paid) relating to financing activities	(118,385)	(52,434)
EFFECT OF EXCHANGE RATE FLUCTUATIONS	**(5,989)**	**(3,443)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**(85,548)**	**212,108**
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,460,173	1,326,812
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	1,374,625	1,538,920
BREAKDOWN OF CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and banks	1,218,441	1,129,764
Other financial assets	156,184	409,156
TOTAL CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,374,625**	**1,538,920**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2016.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016 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 Acciona Group (hereinafter, "Acciona" or the "Group"). Acciona, S.A. has its registered office and headquarters in Alcobendas (Madrid), at Av. Europa, 18.

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

- Acciona Energy, 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.

- Acciona Infrastructure Construction, 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.

- Other activities, including businesses relating to fund management and stock market brokerage, wine production and 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 Acciona Group.

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

a) Bases of presentation

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

Acciona Group consolidated financial statements for financial year 2015 were prepared by the Directors of the Company at meeting of the Board of Directors held on 29 February 2016, 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 2015, 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 10 May 2016.

Acciona Group consolidated financial statements for financial year 2015 were prepared on the basis of the accounting records kept by the Parent and by the other Group companies.

These condensed six-month consolidated financial statements are presented in accordance with IAS 34 – Interim Financial Reporting and were prepared by the Directors of the Parent on 28 July 2016, in conformity with article 12 of Royal Decree 1362/2007.

Following IAS 34, interim financial information is prepared only with the purpose of bringing up to date the contents of the most recent annual consolidated financial statements prepared by the Group, highlighting the new activities, events and circumstances that have taken place in the six-month period and not duplicating the information as previously disclosed in the consolidated financial statements for financial year 2015. 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 2015.

In the first half of 2016 the following accounting standards, amendments and interpretations became effective:

Standards, amendments and interpretations:		**Mandatorily applicable in annual periods beginning on or after:**
Approved to be applied in the EU		
Amendment to IAS 19 – Contributions by employees to defined benefit plans (published in November 2013)	The amendment is issued to make it possible to deduct these contributions from the service cost in the period in which they are paid if certain conditions are met.	1 February 2015
Improvements to IFRS cycle 2010-2012 (published in December 2013).	Minor amendments to a number of standards.	1 February 2015
Amendment to IAS 16 and IAS 38 – Acceptable methods of depreciation and amortisation (published in May 2014).	Clarification of the acceptable methods of depreciation and amortisation of property, plant and equipment and intangible assets, which do not include revenue-based methods.	1 January 2016
Amendment to IFRS 11- Accounting of acquisitions of interests in joint operations (published in May 2014).	It addresses the accounting of an interest in a joint operation when the activity of the joint operations constitutes a business.	1 January 2016
Amendment to IAS 16 and IAS 41 – Bearer plants (published in June 2014).	Bearer plants will be accounted for at cost instead of at fair value.	1 January 2016
Improvements to IFRS cycle 2012-2014 (published in September 2014).	Minor amendments to a number of standards.	1 January 2016
Amendment to IAS 27 – Equity method in separate financial statements (published in August 2014)	The equity method in an investor's separate financial statements will be allowed.	1 January 2016
Amendments to IAS 1: Disclosure initiative (December 2014).	Clarifications about disclosures (materiality, aggregation, order of notes…)	1 January 2016
Not approved for application in the EU		

Standards, amendments and interpretations:		Mandatorily applicable in annual periods beginning on or after:
Amendment to IFRS 10, IFRS 12 & IAS 28 – Investment entities (December 2014).	Clarification about the consolidation exception for investment entities	1 January 2016

Application of the amendment to IAS 16 and to IAS 41- Bearer plants indicated on the table above means that the vineyards from the Hijos de Antonio Barceló subgroup, which until the close of financial year 2015 were measured at fair value, are measured after 1 January 2016 at cost and classified under property, plant and equipment. This amendment has no significant effect on the group.

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

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 2015.

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

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

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.

- Distribution of the cost of business combinations.

- Recognition of revenue in the construction activity.

- The assumptions used in the actuarial estimate of pension liabilities and obligations and redundancy plans.

- The useful life of property, plant and equipment, investment property and intangible assets.

- The assumptions used to measure the fair value of financial instruments.

- The probability of occurrence and the amount of liabilities of an undetermined amount or contingent liabilities.

- Future costs for shutting down facilities and the restoration of land.

- The 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 Acciona Group anticipates for the annual period.

- The valuation of the assets and liabilities acquired in the different business segments detailed in Note 3, concerning changes in the scope of consolidation, has been made based on the most reliable information available in the date of preparation of these condensed interim consolidated financial statements. Since the twelve-month period after the date of acquisition has not elapsed, under NIIF 3, obtaining additional information currently not available or more detailed information related to the assets and liabilities, could result in new valuations that would change (upwards or downwards) the valuations stated on these condensed six-month consolidated financial statements.

These estimates were based on the best information available to date about the events analysed, but it so might happen that future events could make it necessary to change these estimates (upwards or downwards) at the close of financial year 2016 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 2016 no significant changes occurred in the estimates made at the close of financial year 2015; nor were there changes in accounting criteria or correction of errors.

c) Contingent assets and liabilities

Note 17 to Acciona Group consolidated financial statements for the financial year ended 31 December 2015 provides information on contingent assets and liabilities at said date. No significant changes in the contingent assets and liabilities of Acciona Group took place in H1 2016, except as indicated in note 12.

d) Comparison of information

The information contained in these condensed consolidated financial statements for the first half of financial year 2015 is presented only and exclusively for purposes of comparison with the information on the six-month period ended 30 June 2016.

e) Seasonal nature of the Group's operations

Most activities carried out by 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 handling activity, 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 2016.

f) Relative importance

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

g) Consolidated statement of cash flows

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

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

- Operating activities: typical activities of the Company, as well as other activities that cannot be classified as investment or financing activities. Based on the profit before tax from continuing operations, in addition to the adjustment for "*Depreciation and Amortisation of Assets*", 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 investment activities and, lastly, the adjustments to the results of companies accounted for using the equity method and, in general, any results that do not generate cash flows.

- Investment activities: acquisition, disposal or use by other means of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and liabilities 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. - Changes in the Group's composition

Appendices I, II and III to the consolidated financial statements for the financial year ended 31 December 2015 provide relevant information on subsidiaries, jointly-controlled entities and associates and joint arrangements of Acciona Group. Following the acquisition method, Acciona Group recognises all the additions to the Group that involve taking control.

During the six-month period ended 30 June 2016 the main additions and removals in investments related to the joining of Nordex, S.E. and the loss of control over Corporación Acciona Windpower, S.L., to the companies holding wind assets located in Greece leaving the scope (within the energy division) and to the change in consolidation method for the company ATLL Concessionaria de la Generalitat de Catalunya, S.A., which now consolidates following the global consolidation method after taking control in 2016, as discussed below.

Last October 2015, as indicated in Note 23 to the annual accounts for financial year 2015, an agreement was subscribed between Acciona, S.A. and the quoted German company Nordex, S.E. whereby Nordex, S.E. was to acquire the entire share capital of Corporación Acciona Windpower, S.L. and as consideration Acciona would receive 16,100,000 newly issued shares representing 16.6% of the share capital of Nordex, referenced to 26 euros per share, which accounts for a total of 418.6 million euros and a cash payment of 366.4 million euros, resulting in a total value of 785 million euros, validated by an independent expert, which would be adjusted on the basis of the existing debt in the Windpower subgroup at 31 December 2015.

Additionally, as indicated in Note 23 to the annual accounts for financial year 2015, an agreement was subscribed between Acciona, S.A. and Momentum-Capital Vermögensverwaltungsgesellschaft GmbH and Ventus Venture Fund Gmbh & Co. Beteiligungs KG (then shareholders of Nordex, S.E.) for the acquisition of 12,897,752 Nordex, S.E. shares currently in circulation and representing 13.3% in the share capital in the amount of 335.34

million euros equivalent to 26 euros per share. The acquisition was subject to the condition precedent that the acquisition of AWP as described in the paragraphs above was formalised and executed in full.

For accounting purposes, the signature of the agreement meant that since 30 September 2015 Acciona Group has classified all the assets and liabilities contributed by Acciona Windpower subgroup to the captions “assets and liabilities held for sale”. Note 18 details the assets and liabilities that at 31 March 2016 left the Group in relation to Acciona Windpower.

At 31 December 2015 the operation was subject to the fulfilment of certain conditions precedent, in particular that the competent Competition authorities would not oppose it. Finally, on 4 April 2016, after the conditions precedent had been fulfilled, the operation was closed in the terms indicated above, so since 1 April 2016 (when Acciona Group lost control of Acciona Windpower) the Group ceased to consolidate its investment in the subsidiary. The gains resulting from the operation amounted to 657 million euros, recognized in “Impairment and profit / (loss) on disposal of assets” on the accompanying income statement.

As a result of the conclusion of the operation described above, since 1 April 2016 Acciona holds 29.9% investment in the Nordex, S.E. Group. The General Shareholders’ Meeting of Nordex, S.E., held last 10 May, decided to appoint two directors of Acciona to the Supervisory Board of the company (Nordex, S.E. governing body is made up of six members). Based on this fact and all the other agreements subscribed, Acciona Group determined that it holds significant influence over Nordex, S.E., so said Group is consolidated following the equity method (see note 8.2).

As regards ATLL Concessionaria de la Generalitat de Catalunya, S.A., last 21 January 2016, upon fulfilment of the conditions precedent, Aigües de Catalunya, Ltd sold shares representing an additional 37.05% of ATLL Concessionaria de la Generalitat de Catalunya, S.A. to Gestio Catalana D´Aigues, S.A., a subsidiary of Acciona Group. According to the provisions of the sale operation described above, both parties agreed to assign to Gestio Catalana D´Aigues, S.A. 95% of the rights and obligations included in the loan for the amount of 55 million euros that the selling shareholder, namely, Aigües de Catalunya, Ltd, as lender, held against ATLL Concessionaria de la Generalitat de Catalunya, S.A., as borrower, and that had been subscribed on 21 December 2012. The price to buy the shares amounted to 19 million euros and produced gains amounting to 30 million euros, recognized in “Other gains and losses” on the accompanying income statement. These gains arise from the recognition of the investment bought and the pre-existing investment at the value of the company’s shareholders’ equity. So, detail of the business combinations is as follows (in thousand euros):

Company	Acquisition cost	Percentage bought	Carrying amount of 100% of the company	Change in value of assets & liabilities on application of market value	Goodwill/DNC
Six-month period ended 30 June 2016					
ATLL Concesionaria de la Generalitat de Catalunya.	19,344	37.05%	133,648	(30,173)	--

At 31 December 2015, the investment of Acciona Group in ATLL Concessionaria de la Generalitat de Catalunya, S.A. amounted to 39%, with the company being consolidated by

application of the equity method. The buy operation described above means Acciona Group took control over the company, with the investment amounting to 76.05% of the share capital and the company being consolidated by application of the global consolidation method (see note 8.2)

The table below shows the balance of the company ATLL at the time control was taken over:

Thousand euros	ATLL
ASSETS	
PPE, intangible assets	976
Deferred tax assets	20
Non-current assets	**996**
Current assets	**150**
Total Assets	**1,146**

Thousand euros	ATLL
LIABILITIES	
Equity	**134**
L/T fixed assets suppliers	755
Non-current provisions	37
Non-current liabilities	**792**
Current liabilities	**220**
Total Liabilities	**1,146**

Each note to these condensed consolidated financial statements details the main assets and liabilities contributed by ATLL. In addition, net turnover of ATLL from the time control was taken over to 30 June 2016 amounted to 77 million euros.

Finally, the last change to the scope for the period relates to the agreement reached by Acciona Group whereby it delivers all the shares in the companies holding the wind assets located in Greece within the energy division in payment for the settlement of litigation with the local developer for renewable energy projects. This change to the scope involves an outflow of net assets in the amount of 21 million euros (see notes 4 and 12).

4. - Property, plant and equipment

The changes in H1 2016 and 2015, in cost and accumulated depreciation, are broken down as follows (in thousand euros):

PPE	Land & buildings	Energy generation facilities	Other plant & machinery	Advances & PPE under construction	Other PPE	Depreciation & provisions	Impairment	Total
	Six-month period ended 30 June 2015							
Balance at 31.12.2014	**469,122**	**10,901,821**	**1,444,573**	**195,980**	**213,437**	**(4,310,649)**	**(901,744)**	**8,012,540**
Variations due to changes in scope of consolidation	--	(33,372)	(4)	--	(4)	8,318	23,000	(2,062)
Additions / Allocation	4,195	6,504	21,014	43,928	5,789	(230,475)	(90)	(149,135)
Removals	(130)	(43)	(131,628)	(28)	(6,417)	85,566	16,001	(36,679)
Transfers	(6,412)	42,232	7,137	(151,853)	158	2,551	--	(106,187)
Other changes	3,390	201,186	(122)	4,985	(152)	(38,204)	(8,639)	162,444
Balance at 30.06.2015	**470,165**	**11,118,328**	**1,340,970**	**93,012**	**212,811**	**(4,482,893)**	**(871,472)**	**7,880,921**
	Six-month period ended 30 June 2016							

PPE	Land & buildings	Energy generation facilities	Other plant & machinery	Advances & PPE under construction	Other PPE	Depreciation & provisions	Impairment	Total
Balance at 31.12.2015	**402,463**	**11,169,263**	**1,215,005**	**125,851**	**206,214**	**(4,581,540)**	**(873,069)**	**7,664,187**
Variations due to changes in scope of consolidation	(80)	(88,878)	(1,376)	(373)	(1,777)	40,571	188	(51,725)
Additions / Allocation	1,691	2,353	69,589	310,308	29,147	(219,072)	(724)	193,292
Removals	(98)	(133)	(11,904)	(684)	(2,651)	13,757	881	(832)
Transfers	--	(3,697)	12,049	(9,599)	3,851	(2,042)	--	562
Other changes	(676)	(37,317)	2,126	(1,190)	1,994	6,661	2,223	(26,179)
Balance at 30.06.2016	**403,300**	**11,041,591**	**1,285,489**	**424,313**	**236,778**	**(4,741,665)**	**(870,501)**	**7,779,305**

The main movement in PPE is found in “Additions” and it refers to the purchase of two ships of Trasmediterránea subgroup for 50 million euros, and to the development of three projects currently in progress, in the energy division, related to power generation facilities in the United States and India and to photovoltaic generation facilities in Chile, and, in addition, projects in the infrastructure division for investment in machinery and other PPE elements for the construction of a tunnel in Norway, a dam in Canada and an underground train line in Quito.

In “Variations for change in scope”, the main movement is represented by the wind assets in Greece leaving the scope, in the energy division (see note 3), as it was agreed to deliver said assets in payment for the settlement of litigation with the local developer for renewable energy projects. Provisions had been earmarked for this litigation, and the difference between the provision and the final amount has been recognized on the income statement (see note 12).

“Other changes” includes the effect of translation differences in the six-month period ended 30 June 2016, for a negative amount of 26 million euros, which came mainly from projects whose functional currency is the US dollar (positive amount of €161 million in the six-month period ended 30 June 2015).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main assets, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests at 31.12.2015, as well as the presence of relevant changes on the markets where the assets operate, for adequate adjustment of impairment provisions during the financial year. At this date, there are no relevant aspects to be noted.

At 30 June 2016, the Group companies had commitments to buy property, plant and equipment for €202 million (€421 million at 31 December 2015).

5. - <u>Investment property</u>

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

The changes in the first half of financial years 2016 and 2015 in the Group’s investment property were as follows:

Investment property	Thousand euros			
	Cost	Depreciation	Impairment	Total
Six-month period ended 30 June 2015				
Balance at 31.12.2014	**268,613**	**(47,497)**	**(40,265)**	**180,851**
Additions	54	(2,861)	--	(2,807)
Removals	--	--	--	--
Transfers	88,657	--	(29,295)	59,362
Other changes	--	(17)	--	(17)
Balance at 30.06.2015	**357,324**	**(50,375)**	**(69,560)**	**237,389**
Six-month period ended 30 June 2016				
Balance at 31.12.2015	**1,019,432**	**(127,203)**	**(217,014)**	**675,215**
Additions	3,488	(5,517)	--	(2,029)
Removals	(110)	21	--	(89)
Transfers	269	--	(269)	--
Other changes	--	--	--	--
Balance at 30.06.2016	**1,023,079**	**(132,699)**	**(217,283)**	**673,097**

There were no significant movements in this first six-month period of 2016.

Based on the analyses made by the Group's Management on the trend of the different markets where the real estate division operates (mainly, Spain, Poland and Mexico), no impairment was appraised in the first half of 2016; nor were there additional significant losses not covered by the existing provisions at 30 June 2016.

At 30 June 2016 the Group had a portion of its investment property mortgaged for 464,818 thousand euros to secure loans granted by banks.

6. - Goodwill

Breakdown at 30 June 2016 and 2015 of this caption on the accompanying consolidated balance sheet was as follows:

	Balance at 30.06.16	Balance at 31.12.15
Acciona Facility Services subgroup	50,962	50,962
Acciona Water subgroup	27,976	27,976
Other	344	358
Total	**79,282**	**79,296**

No significant changes occurred in H1 2016 in "Goodwill" on the balance sheet.

No signs of impairment were identified in H1 2016; nor did significant impairment losses occur in relation to goodwill balances.

Acciona Group policies concerning analysis of impairment of its intangible assets, PPE and particularly its goodwill are described in note 3.2 e) to the consolidated financial statements for financial year ended 31 December 2015.

7. - Other intangible assets

At 30 June 2016 and 2015, the breakdown of "Other Intangible Assets" on the accompanying consolidated balance sheet was as follows:

Other intangible assets	Develop-ment	Concessions	Other	Computer software	Advances	Amortisations	Impairment	Total
Six-month period ended 30 June 2015								
Balance at 31.12.2014	**97,502**	**763,895**	**1,660**	**59,511**	**5,470**	**(332,432)**	**(63,175)**	**532,431**
Variations for changes in scope	--	--	--	(29)	--	29	--	--
Additions / Allocation	1,413	23,165	--	1,418	1,018	(24,491)	--	2,523
Removals	(265)	(62,174)	--	(329)	(32)	12,687	--	(50,113)
Transfers	--	108,328	(634)	15	(2,435)	(2,666)	--	102,608
Other changes	5	6,489	33	115	(178)	1,895	(15,036)	(6,677)
Balance at 30.06.2015	**98,655**	**839,703**	**1,059**	**60,701**	**3,843**	**(344,978)**	**(78,211)**	**580,772**
Six-month period ended 30 June 2016								
Balance at 31.12.2015	**58,040**	**789,846**	**1,341**	**57,823**	**4,982**	**(308,040)**	**(95,508)**	**508,484**
Variations for changes in scope	(8,065)	1,037,753	--	(234)	--	(55,422)	1,608	975,640
Additions / Allocation	180	29,425	119	2,042	798	(31,206)	--	1,358
Removals	--	(96)	--	(150)	(33)	(249)	--	(528)
Transfers	1,444	(594)	--	19	394	(135)	--	1,128
Other changes	24	21,379	(28)	(38)	73	(3,953)	--	17,457
Balance at 30.06.2016	**51,623**	**1,877,713**	**1,432**	**59,462**	**6,214**	**(399,005)**	**(93,900)**	**1,503,539**

The line "Variations for changes in scope" includes the intangible assets from the subsidiary ATLL Concessionaria de la Generalitat de Catalunya, S.A., which, for the reasons discussed in note 3, now consolidates following the global consolidation method; its corporate purpose consists in the performance, for a 50-year period, of the administrative contract for management and provision of public services, under the concession system, for the construction, upgrade, management and operation of the facilities making up the Ter Llobregat supply network system, which comprise water treatment, storage and transport, in accordance with the administrative specifications and technical specifications documents governing the tender competition "Ter Llobregat water mains supply service management" and published by the Catalan Government Department for Land and Sustainability.

The main intangible from this company (registered according to IFRIC 12, intangible assets model, given that the concession carries the demand risk) relates to the current value of the assets assigned by the Catalan Government according to the concession arrangement subscribed between the concessionaire ATLL and the Catalan Government after the award signed on 6 November 2012 and which, at 30 June 2016, amounts to a net value for amortisation of 972 million euros, 774 million of which are pending payment at this date (see note 14), since, according to the conditions established in the tender document, the total fee for 995 million euros had to be paid in the following way:

a) An initial fee amounting to 298.6 million euros, which was paid at the time of signature of the concession contract, on 27 December 2012.

b) Fifty annual amounts to be paid as from 2013 up to financial year 2062, totalling the amount of 2,590 million euros and whose current value, the 4.95% discount rate established in the tender document being considered, amounted to 697 million euros at the initial time.

Additionally, the Company, in accordance with the concession contract, has the obligation of upgrading the tightness and structures of the infrastructure, and of making adjustments of a technical and safety nature in the 10-year period following the signature of the contract for an amount totalling 139 million euros; this is all treated from the accounting point of view as a new concession, with the consideration received having to be booked as intangible asset, in the year when said activities are implemented.

The main items in “Other changes” include the effect of translation differences in the six-month period ended 30 June 2016, in the positive amount of 17 million euros (negative amount of 7 million euros in the six-month period ended 30 June 2015).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main projects, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests at 31.12.2015, as well as the presence of relevant changes on the markets where the assets operate, for adequate recognition of impairment provisions during the financial year. At this date, there are no relevant aspects to be noted.

At 30 June 2016 and 31 December 2015, the Group companies had commitments to buy intangible assets for 137 and 121 million euros respectively, mainly derived from awarded concession projects in the infrastructure division.

The “Concessions” heading includes mainly concession assets for which the risk of recovering the asset is assumed by the operator. In addition, it includes the cost of the administrative concessions, as well as the identifiable intangible assets acquired in business combinations, corresponding to a set of expectant rights and intangible assets, for the development of future wind projects acquired from third parties through the acquisition of equity stakes in the companies holding these rights and the fees paid by Acciona Agua for the concessions related to the integral water cycle.

Breakdown of the “Concessions” heading at 30 June 2016 and 2015 was the following:

Concessions	**2016**				**2015**			
	Cost	**Amortisa-tion**	**Impair-ment**	**Total**	**Cost**	**Amortisa-tion**	**Impair-ment**	**Total**
Administrative concessions	1,397,501	(193,598)	(32,210)	1,171,693	358,843	(124,441)	(33,577)	200,825
Intangible conc. (IFRIC 12)	480,212	(106,509)	(61,655)	312,048	480,860	(83,892)	(43,025)	353,943
Total	**1,877,713**	**(300,107)**	**(93,865)**	**1,483,741**	**839,703**	**(208,333)**	**(76,602)**	**554,768**

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 Group’s consolidated balance sheet at 30 June 2016 and 31 December 2015, disclosed by type and category for measurement purposes, were as follows:

Thousand euros					
30.06.2016					
Financial Assets: Type / Category	**Available-for-Sale Financial Assets**	**Loans and Receivables**	**Held-to-Maturity Investments**	**Hedging Derivatives**	**Total**
Equity instruments	17,446				17,446
Debt securities					0
Derivatives				0	0
Other financial assets		135,957	15,348		151,305
Long-term / non-current	**17,446**	**135,957**	**15,348**	**0**	**168,751**
Equity instruments	20				20
Debt securities			500,783		500,783
Derivatives				1,730	1,730
Other financial assets		15,248	13,984		29,232
Short-term / current	**20**	**15,248**	**514,767**	**1,730**	**531,765**
Total	**17,466**	**151,205**	**530,115**	**1,730**	**700,516**

Thousand euros					
31.12.2015					
Financial Assets: Type / Category	**Available-for-Sale Financial Assets**	**Loans and receivables**	**Held-to-Maturity Investments**	**Hedging Derivatives**	**Total**
Equity instruments	16,089	--	--	--	16,089
Debt securities	--	--	--	--	--
Derivatives	--	--	--	780	780
Other financial assets	--	129,407	13,769		143,176
Long-term / non-current	**16,089**	**129,407**	**13,769**	**780**	**160,045**
Equity instruments	20	--	--	--	20
Debt securities	--	--	376,435		376,435
Derivatives	--	--	--	--	--
Other financial assets	--	21,815	14,593		36,408
Short-term / current	**20**	**21,815**	**391,028**	**0**	**412,863**
Total	**16,109**	**151,222**	**404,797**	**780**	**572,908**

The line “debt securities” records the investments in debt securities or occasional investments in short-term investments or deposits as well as funds allocated by the energy division to the debt service reserve accounts for projects, as required by “Project Financing” clauses in force, which is gradually increased due to new projects.

No significant impairment losses on the current and non-current financial asset balances occurred in the first six months of 2016 and 2015.

8.2 Investments accounted for by applying the equity method

The changes under this caption on the accompanying balance sheet in H1 2016 (in thousand euros) were as follows:

Direct investment of the parent	Balance at 31.12.15	Share in profit/(loss) before tax	Dividend	Tax effect & other changes	Changes in scope	Balance at 30.06.16
Consorcio Tranvía de Zaragoza	5,602	506	--	(1,143)	--	4,965
Gran Hospital Can Misses	1,964	11	--	(1,434)	--	541
Novo Hospital de Vigo	11,975	(235)	--	(893)	229	11,076
NORDEX SE	--	7,525	--	(1,881)	753,942	759,586
Total direct investment	**19,541**	**7,807**	**--**	**(5,351)**	**754,171**	**776,168**
Indirect investment of the parent	**Balance at 31.12.15**	**Share in profit/(loss) before tax**	**Dividend**	**Tax effect & other changes**	**Changes in scope**	**Balance at 30.06.16**
Indirect Acciona Energy Subgroup	142,865	8,220	(1,525)	1,180	1,186	151,926
Indirect Ceatesalas Subgroup	84,939	177	(756)	484	--	84,844
Indirect Acciona Infrastructures Subgroup	22,814	3,250	--	(2,490)	1,058	24,632
Indirect Acciona Concessions Subgroup	12,704	592	(83)	(1,103)	(3,419)	8,691
Indirect Acciona Water Subgroup	107,547	6,110	(1,642)	(4,094)	(52,118)	55,803
Indirect Acciona Property Subgroup	17,800	1,105	(850)	(1,986)	--	16,069
Indirect Trasmediterránea Subgroup	110	22	--	(6)	--	126
Other	794	(238)	1	(12)	(63)	482
Total indirect investment	**389,573**	**19,238**	**(4,855)**	**(8,028)**	**(53,355)**	**342,573**
Total investments booked by equity method	**409,114**	**27,045**	**(4,855)**	**(13,378)**	**700,815**	**1,118,741**

The main movements in the period related to the changes in scope produced by taking control over ATLL, as explained in note 3, and to the acquisition of 29.9% of Nordex, S.E., also explained in note 3.

As regards Nordex, S.E., according to the latest information available, the main equity mass of this investment at the stake percentage held by Acciona (29.9%) means assets in the amount of 1,296 million euros and liabilities for 536 million euros.

Nordex, S.E. is a quoted Company whose stock is quoted on the Frankfurt stock exchange.

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

The caption "Non-current receivables and other non-current assets" at 30 June 2016 and 31 December 2015, in thousand euros, was broken down as follows:

	30.06.2016	31.12.2015
Non-current operating receivables	76,401	70,594
Non-current prepayments	29,182	26,560
Concessions under the non-current account receivable model	371,787	357,848
Total non-current receivables and other non-current assets	**477,370**	**455,002**

At 30 June 2016 and 31 December 2015, the line “Non-current operating receivables” included mainly customer balances and other trade receivables generated by operating activities with due date over one year and retentions in guarantee as are customary in the construction industry.

At 30 June 2016 and 31 December 2015, the line “Concessions under the non-current financial model” included the balance receivable at over one year in the concessions that, under IFRIC 12, were considered financial assets, since there is an unconditional 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 8,754 and 16,203 thousand euros at 30 June 2016 and 31 December 2015, respectively.

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

	30.06.2016	**31.12.2015**
Infrastructures Division	368,227	347,222
Water Division	3,560	10,626
Total	**371,787**	**357,848**

The main concession projects included in the Infrastructures Division relate to hospitals and motorways and, in the Water Division, those related to the integral water cycle. Breakdown of the balance of the main concessions under the financial model at 30 June 2016 and 31 December 2015 was as follows:

	30.06.2016	**31.12.2015**
S.C. Acciona Concesiones Ruta 160	238,803	218,878
S.C. Hospital del Norte, S.A.	88,963	86,592

The main changes in the first six months of 2016 were related, on the one hand, to the increase in the balance of the concessions according to the stage of completion of the works, for concessions under construction basically in Chile, within the infrastructures division, and, on the other hand, to the translation differences produced in the Chilean concession S.C. Acciona Concesiones Ruta 160 A. de C.V., as a result of the appreciation of the Chilean peso.

At 30 June 2016 and 31 December 2015 the Group companies had commitments to acquire concession assets under the financial asset model in the amount of €1 million, most of them from concession projects awarded to the Infrastructure Division.

10. - Inventories

At 30 June 2016, the amount recognized in “Inventories” related mainly to inventories from the real estate activity, for 400,843 thousand euros (418,387 thousand euros at 31 December 2015), which is disclosed net of a provision amounting to 284,099 thousand euros (285,374 thousand euros at 31 December 2015), as well as to procurement from the Construction and Energy Divisions.

At 30 June 2016 and 31 December 2015, the carrying amount of mortgaged inventories stood at 26,549 and 30,699 thousand euros, respectively, mostly related to property development.

Property development sales commitments to customers at 30 June 2016 and 31 December 2015 amounted to 10,598 and 16,502 thousand euros, 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 half of 2016 no relevant changes therein or signs of impairment were estimated, so the Group did not updated the measurements of property inventories made in December 2015, which are still in force.

11. - Equity

a) Subscribed and 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.

On the basis of the information reported to the Company, the table below shows the holders of significant direct and indirect ownership interests in the share capital at 30 June 2016 and 31 December 2015.

	30.06.2016	31.12.2015
Tussen de Grachten, BV	27.80%	27.69%
Wit Europesse Investering, BV (*)	28.23%	28.04%
Capital Research and Management Company (**)	4.07%	4.07%

(*) Formerly, Entreazca, BV
(**) Indirect holder of the ownership interest.

Wit Europesse Investering, BV and Tussen de Grachten, B.V. hold a securities loan to HSBC of up to 3 million shares as a whole, equally divided between them, so that securities loans can be furnished to investors within the framework of the convertible bond issue made by Acciona, S.A. in financial year 2014, which was reported to CNMV [Spanish equivalent to the Stock Exchange Commission] through Material Event registered under no. 198,666.

b) Share premium, reserves and translation differences

Breakdown of retained earnings at 30 June 2016 and 31 December 2015 was as follows:

	30.06.2016	31.12.2015
Issue premium	**170,110**	**170,110**
Revaluation reserves	--	--
Legal reserve	11,452	11,452
Reserve for retired capital	10,454	10,454
Voluntary reserve	2,788,930	2,682,763
Consolidated reserve	786,640	826,847
Reserve due to change in value	(358,771)	(364,719)
Subtotal reserves	**3,238,705**	**3,166,797**
Translation differences	**(86,263)**	**(87,968)**
Result attributable to parent	**596,161**	**207,324**
Total reserves & share premium	**3,918,713**	**3,456,263**

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 2016 and 2015 were the following:

	30.06.2016		30.06.2015	
(Thousand euros)	**Number of shares**	**Cost**	**Number of shares**	**Cost**
Opening balance	**320,460**	**20,238**	**534,499**	**28,895**
Additions	2,845,590	195,977	--	--
Reductions	(2,841,058)	(196,250)	--	--
Liquidity contract movement	**4,532**	**(273)**	**--**	**--**
Additions	--	--	613,218	42,747
Reductions	(91,596)	(5,818)	(819,333)	(51,344)
Other movements	**(91,596)**	**(5,818)**	**(206,115)**	**(8,597)**
End balance	**233,396**	**14,147**	**328,384**	**20,298**

On 3 July 2015 Acciona, S.A. subscribed a liquidity contract with Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. The company's stock operations carried out by Bestinver within the framework of this contract take place on the Spanish stock exchanges and the purpose is to promote the liquidity of transactions as well as a regular quotation. The number of shares earmarked for the securities account associated with this contract amounts to 48,000 shares and the amount earmarked for the cash account is 3,300,000 euros. At 30 June 2016, the shares operating under the liquidity contract resulted in a loss amounting to 731 thousand euros, recognised in reserves.

With regards to other movements, 91,596 shares were retired in the six-month period ended 30 June 2016; the profit was 368 thousand euros, recognised in reserves. The reduction in treasury shares was due to the delivery of shares mainly to the Group's management. This delivery of shares took place under the Share Delivery Plan and the variable remuneration Substitution Plan (see note 23).

d) Translation differences

In the six-month period ended 30 June 2016, the translation differences led to equity increase by 1,705 thousand euros, in respect of December 2015, due to appreciation of some foreign currencies in which the Group operates, mainly the Chilean peso and the Brazilian real.

e) Value adjustments

- Financial assets held for sale

This item under "Retained earnings" on the consolidated balance sheet includes the amount, net of the tax effect, of changes in the fair value of assets classified as available for sale. At 30 June 2016 the reserves for this item increased by 143 thousand euros, the end balance amounting to 292 thousand euros.

- Cash flow hedges

This item 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.

Movements in the balance of cash flow hedges in financial year 2015 and in the first half of 2016 were the following:

	1 January to 30 June 2016	1 January to 31 December 2015
Opening balance	**(364,868)**	**(427,377)**
● Changes in value in the financial year	(72,271)	(51,496)
Gross	(96,362)	(68,661)
Tax effect	24,091	17,165
● Transfer to financial year's profit/(loss)	88,868	114,005
Gross	118,491	152,006
Tax effect	(29,623)	(38,001)
End balance	**(348,271)**	**(364,868)**

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 2015 describes the main litigation of a tax and legal nature affecting the Group at said date. The main changes in the six-month period ended 30 June 2016 related to the reversion in the amount of 12 million euros of the provision for the third and last fine imposed by the National Competition Commission on the Group's subsidiary Compañía Trasmediterránea, S.A., which was favourably resolved by the Supreme Court, as well as the inclusion in the Group's scope of consolidation of the subsidiary ATLL Concessionaria de la Generalitat de Catalunya, S.A., which according to the concession contract must set up a provision for replacement and renewal and a provision for drought. At 30 June 2016 these provisions totalled 41 million euros. In addition, provisions were allocated in the period for several litigation cases for a total of 26 million euros, including one litigation case of a national scope for the development of a logistics platform project.

As mentioned in note 4, in the six-month period ended 30 June 2016, Acciona Group arranged the delivery of the wind assets located in Greece within the energy division as payment for the settlement of litigation with the local developer for renewable energy projects. Provisions had been earmarked for this litigation, and the difference between the provision and the final amount has been recognized on the income statement (21 million euros). Other payments derived from litigation and made by the Group in the first six months of 2016 are not significant in relation to these six-month condensed consolidated financial statements.

As regards the procedural situation related to ATLL Concesionaria de la Generalitat de Catalunya, S.A., it should be noted that no significant changes have taken place in the situation.

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

The fact that the judgment issued by the High Court of Justice of Catalonia says that the defects in the tender procedure are not attributable to the bidders does not have an adverse effect on the compensation the concession company would be entitled to if the tender procedure were declared null and void under a firm judgment and, consequently, the award and the subscribed contract, which would go to a settlement phase and all of it without prejudice to a claim for damages as appropriate.

The judgment issued is not firm and has been appealed against for quashing at the Supreme Court by the Concession Company and the Catalan Government.

In the event that the Supreme Court confirms the judgment referred to above and the award is rendered definitively void, the contract will be void and will go into the settlement phase, with the effects established in the Government Procurement Act. Contractual clause 9.12 to the contract refers to early termination of the concession contract. This clause establishes that in the event of termination of the concession contract before 50 years elapse, regardless of the grounds for termination, the Public Administration must pay the concession company compensation that will cover:

(a) the unamortised portion of the total concession fee. This amortisation is calculated according to what is established in this clause 9.12 on the contract in conformity with clause 22 of the Administrative Specifications Document;
(b) the unamortised portion of the works, installations and other investments, in tangible and intangible assets, as made by the concessionaire to date; and,
(c) related additional costs.

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

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

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

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

Consequently, the Directors consider that the definitive decision concerning the procedures described above will not mean an equity loss in relation to the amounts registered on the balance sheet, which would be recoverable in full, or an outflow of resources, so no provision for risks and expenses arising from this lawsuit was recorded at 30 June 2015.

As for procedures of a fiscal nature, note 22 to the consolidated financial statements for the financial year ended 31 December 2015 describes the years subject to audit by the tax authorities and the inspections in progress that affected the Group at said date. During this period it should be noted that last 23 May 2016 the Supreme Court ratified its judgment, where it confirmed disciplinary proceedings amounting to 1,475 thousand euros in relation to the partial disagreement certificate for the Group's Corporate Tax for 2005. This was the only issue left to be solved in connection to tax inspections on the Fiscal Group's Corporate Tax for the 2003 to 2005 years.

Other tax inspection activities are in progress but no significant event took place in this first half of the year. The Directors of Acciona, S.A. consider that the risk that additional liabilities to those registered should emerge is remote but, should they occur, they would not have a significant impact on these condensed consolidated six-month period financial statements taken as a whole.

13. - Financial liabilities

a) Interest bearing borrowings

At 30 June 2016 and 31 December 2015, breakdown of recourse and non-recourse financial liabilities, non-recourse meaning debt with no corporate guarantee whose recourse is limited to the debtor's cash flows and assets, by type and category, was as follows:

Financial Liabilities: Type / Category	Thousand euros				
	30.06.2016				
	Financial liabilities held for trading	Other financial liabilities at fair value with changes in Income St.	Debits and items payable	Hedge derivatives	Total
Interest bearing borrowings	--	--	4,662,578	--	4,662,578
Debentures & other marketable securities	--	--	798,980	--	798,980
Derivatives	--	--	--	335,178	335,178
Other financial liabilities	--	--	--		--
Non-current debt / Non-current financial liabilities	--	--	**5,461,558**	**335,178**	**5,796,736**
Interest bearing borrowings	--	--	1,207,693	--	1,207,693
Debentures & other marketable securities	--	--	352,305	--	352,305
Derivatives	--	--	--	1,234	1,234
Other financial liabilities	--	--	--	--	--
Current debt / Current financial liabilities	--	--	**1,559,998**	**1,234**	**1,561,232**
Total	--	--	**7,021,556**	**336,412**	**7,357,968**

Financial Liabilities: Nature / Category	Thousands of euros 31.12.2015				
	Financial liabilities held for trading	Other financial liabilities at fair value with changes in Income St.	Debits and items payable	Hedge derivatives	Total
Interest bearing borrowings	--	--	4,725,329	--	4,725,329
Debentures & other marketable securities	--	--	802,078	--	802,078
Derivatives	--	--	--	367,616	367,616
Other financial liabilities	--	--	--	--	--
Non-current debt / Non-current financial liabilities	**--**	**--**	**5,527,407**	**367,616**	**5,895,023**
Interest bearing borrowings	--	--	754,356	--	754,356
Debentures & other marketable securities	--	--	373,801	--	373,801
Derivatives	--	--	--	8,984	8,984
Other financial liabilities	--	--	--	--	--
Current debt / Current financial liabilities	**--**	**--**	**1,128,157**	**8,984**	**1,137,141**
Total	**--**	**--**	**6,655,564**	**376,600**	**7,032,164**

Detail of financial liabilities by type of financing at 30 June 2016 and 31 December 2016, in thousand euros, was as follows:

	30.06.2016		31.12.2015	
Item	**Current**	**Non-current**	**Current**	**Non-current**
Non-recourse interest bearing borrowings	**311,926**	**3,045,227**	**336,649**	**4,039,637**
Mortgage loans for PPE financing	78,088	160,323	32,635	217,871
Mortgage loans for property development	25,072	--	29,196	--
Project finance	204,529	2,877,497	269,978	3,813,229
Obligations under finance leases	2,797	5,825	3,324	6,312
Other limited recourse debt	1,440	1,582	1,516	2,225
Recourse interest bearing borrowings	**897,001**	**1,952,529**	**426,691**	**1,053,308**
Undue discounted notes and bills	1,366	--	3,163	--
Other bank loans and credit facilities	895,635	1,952,529	423,528	1,053,308
Total interest bearing borrowings	**1,208,927**	**4,997,756**	**763,340**	**5,092,945**

In H1 2016 and in financial year 2015 the Group's loans and credit facilities bore market interest rates.

For the six-month period ended 30 June 2016 mention should be made of the cancellation of four financing projects in US dollars for wind farms in operation and two financing projects in euros for thermal solar plants. Five of these six financing arrangements totalled at the close of 2015 908 million euros and were classified in "Project financing" and the sixth financing arrangement, for 107 million euros, was classified in "other bank loans and credits with recourse". These debt cancellations meant a charge of 122 million euros in the finance cost accounts for the transfer to the income statement of the hedge derivatives associated with these financing projects and for the early termination costs and the arrangement fees pending accrual.

In addition, the subsidiary Acciona Financiación Filiales, S.A. subscribed a loan for 550 million US dollars with due date in 2021; it is classified in "other bank loans and credit facilities" and it has been used to finance the cancelled financing arrangements in US dollars referred to in the paragraph above. The other financing arrangements were financed mainly with corporate credit facilities.

To cover the cancellation of the financing arrangements for the two thermal solar plants and not to reduce the Group's available liquidity, on 12 July 2016, as indicated in note 21, the Group increased and extended the syndicated credit that it held with several entities, from 1,800 million euros with due date in 2020, up to 2,200 million euros and with due date in 2021.

In addition, last March 2016, a loan was arranged for 240 million euros with Caixabank, classified in "other bank loans and credit facilities", with due date to 3 years and accruing a market interest rate; its purpose is corporate general investment and cash needs.

In financial year 2016, a syndicated finance contract has been signed, classified in "other bank loans and credit facilities", for 140 million euros. Its purpose is to finance the cancellation of the financing contract granted to the concessionaire ATLL by Banco Santander and Intesa Sanpaolo for 88 million euros and the loan held by ATLL in favour of Gestió Catalana D'Aigues, S.A., a group company, after the credit assignment as described in note 3 for 52 million euros. This syndicated loan is due in April 2019 and it bears market interest rates.

At 30 June 2016 and 31 December 2015, 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 2016 and 2015 there were no defaults or any other non-payments of principal, interest or repayments in respect of interest bearing 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 the due date for some of these liabilities stands at over twelve months.

b) Information on issues or redemption of debt securities

The table below shows detail at 30 June 2016 and 2015 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 2016 and H1 2015:

	Thousand euros				
	30.06.16				
	Balance 31.12.2015	**Issues**	**Repurchases or redemption**	**Adjustments due to exchange rate, change in scope and other**	**Balance 30.06.2016**
Debt securities issued in a EU member state, which required registration of an informative leaflet	922,863	273,133	(298,045)	7,259	905,210
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	253,016	0	(2,013)	(4,928)	246,075
Total current and non-current	**1,175,879**	**273,133**	**(300,058)**	**2,331**	**1,151,285**

	Thousand euros				
	30.06.15				
	Balance 31.12.2014	**Issues**	**Repurchases or redemption**	**Adjustments due to exchange rate, change in scope and other**	**Balance 30.06.2015**
Debt securities issued in a EU member state, which required registration of an informative leaflet	969,721	295,605	(295,154)	7,171	977,343
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	229,488	0	0	18,135	247,623
Total current and non-current	**1,199,209**	**295,605**	**(295,154)**	**25,306**	**1,224,966**

Acciona Group includes the debt classified, according to the table above, in "issued outside a member state" in the debentures, bonds and securities without recourse section, without recourse being understood as debt without corporate guarantees, whose recourse is limited to the debtor's cash flows and assets.

Similarly, the Group includes the debt classified, according to the table above, in "issued by a member state" in the debentures, bonds and securities with recourse section, with recourse being understood as debt with some sort of corporate guarantee.

Note 18 to the consolidated financial statements for the financial year ended 31 December 2015 describes the issues making up the balance for this caption.

For H1 2016, it is worth mentioning the issue last April of fixed-interest securities for 25 million euros and with maturity in April 2017, under the fixed-interest securities issue programme - Euro Medium Term Note Programme (EMNT) for a maximum amount of up to €1,000 million, formally joined in July 2015 by Acciona Group subsidiary Acciona Financiación de Filiales, S.A. and with guarantee from Acciona, S.A. EMTN issues in force accrue interest at rates ranging from 1.20% to 4.625%.

The other issues carried out in the period, in the amount of 248 million euros, relate to promissory notes issued under the Euro Commercial Paper (ECP) programme formally joined by Acciona, S.A. on 17 January 2013 and last renewed on 27 October 2015 for a further twelve months and for the maximum amount of 500 million euros by Acciona Group subsidiary Acciona Financiación de Filiales, S.A. and with guarantee from Acciona, S.A. The period's redemptions shown on the table include 248 million euros related to redemption of promissory notes upon their maturity.

The other debt securities issued outside a EU member state refer to bond issues made in 2012 by the Mexican subsidiaries CE Oaxaca Dos, S. de R.L. de C.V. and CE Oaxaca Cuatro, S. de R.L. de C.V. The main variation in H1 2016 related to the translation differences that took place, as the two issues are in US dollars.

In the first half of 2016 there were no new issues of bonds convertible to shares or that granted privileges or rights that might, should a contingency occur, lead to the issues being exchanged to shares of the Parent or of a Group Company.

14. – Other non-current and current liabilities

Breakdown of other non-current and current liabilities at 30 June 2016 and 31 December 2015 was as follows:

Other liabilities	Non-current		Current	
	2016	2015	2016	2015
Debts for financial leases	16,970	17,457	530	527
Grants	131,184	148,174	--	--
Other revenue to apply in several years	60,700	70,388	--	--
Unpaid remuneration	--	--	96,523	96,453
Debts with non-controlling interests	385,974	410,451	5,130	4,481
Other creditors	976,590	201,777	431,827	254,132
End balance	**1,571,418**	**848,247**	**534,010**	**355,593**

In the six-month period ended 30 June 2016 the main change in "other non-current liabilities" occurred in the "other creditors" account and it related to the unpaid balance of 774 million euros from the subsidiary ATLL Concessionaria de la Generalitat de Catalunya, S.A., for the fee under the conditions established in the tender document, as described in note 7.

The main change in "other current liabilities" occurred in the "other creditors" account and it related to the total amount of the dividend for 143 million euros, which was recognised in this caption at 30 June 2016 and was paid on 1 July 2016 (see notes 15 and 21).

15. - Dividends paid by the Parent

The table below shows the dividends paid by the Parent in H1 2016 and H1 2015, which in both cases related to dividends approved in relation to the previous financial year's profit.

	H1 2016			H1 2015		
	% over Nominal	**Euros per Share**	**Amount (Thousand Euros)**	**% over Nominal**	**Euros per Share**	**Amount (Thousand Euros)**
Ordinary shares	--	--	--	--	--	--
Other shares (no voting right, redeemable, etc.)	--	--	--	--	--	--
Total dividends paid	--	--	--	--	--	--
Dividends paid out of profit	--	--	--	--	--	--
Dividends out of reserves or share premium	--	--	--	--	--	--
Dividends in kind	--	--	--	--	--	--

- H1 2016:

On 10 May 2016 the AGM of Shareholders of Acciona, S.A. approved the payment of a dividend worth 2.5 euros per share against 2015 profit. This dividend totalling 143,149 thousand euros was paid on 1 July 2016.

- H1 2015:

On 11 June 2015 the AGM of Shareholders of Acciona, S.A. approved the payment of a dividend worth 2 euros per share against 2014 profit. This dividend totalling 114,519 thousand euros was paid on 2 July 2015.

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 amounts for the six-month periods ended 30 June 2016 and 2015 were as follows:

	H1 2016	H1 2015
Net profit for the year (thousand euros)	596,161	102,796
Weighted average number of shares outstanding	56,647,639	56,656,057
Basic earnings per share (euros)	**10.52**	**1.81**

- Diluted:

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

In January 2014, Acciona S.A. carried out an issue of convertible bonds. The effect of this issue on the income statement in the first half of this financial year was 7,008 thousand euros, net of the tax effect.

The amounts for the six-month periods ended 30 June 2016 and 2015 were as follows:

	H1 2016	H1 2015
Net profit for the year (thousand euros)	603,169	109,624
Diluted weighted average number of shares outstanding	62,235,144	62,082,906
Diluted earnings per share (euros)	**9.69**	**1.77**

17. - Segment reporting

Note 27 to the consolidated financial statements of Acciona Group for the financial year ended 31 December 2015 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 16 and 31 December 2015 and the segment income statement at 30 June 2016 and 30 June 2015.

Balances at 30.06.16	Energy	Construct-ion	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
ASSETS								
PPE, intangible assets & investment property.	7,372,839	393,598	1,131,400	50,105	1,041,970	(33,971)	--	9,955,941
Goodwill	--	344	27,976	50,962	--	--	--	79,282
Non-current financial assets	35,872	19,190	11,168	14,342	77,103	11,076	--	168,751
Investments booked by the equity method	996,358	50,090	55,805	294	17,377	(1,183)	--	1,118,741
Other assets	465,681	599,094	59,216	4,578	261,508	1,265	--	1,391,342
Non-current assets	**8,870,750**	**1,062,316**	**1,285,565**	**120,281**	**1,397,958**	**(22,813)**	**--**	**12,714,057**
Inventories	99,848	191,078	16,231	1,091	442,526	(14,902)	--	735,872
Trade and other receivables	650,406	922,743	318,596	202,745	183,370	(581,585)	--	1,696,275
Other current financial assets	257,772	22,780	5,416	2,013	243,270	514	--	531,765
Other assets	131,179	166,222	(10,928)	12,189	(569,448)	(1,312)	552,085	279,987
Cash & equivalents	(44,984)	1,074,039	194,143	(36,693)	199,710	(11,590)	--	1,374,625
Non-current assets classif. as held for sale	--	--	--	--	--	--	--	--
Current assets	**1,094,221**	**2,376,862**	**523,458**	**181,345**	**499,428**	**(608,875)**	**552,085**	**4,618,524**
Total assets	**9,964,971**	**3,439,178**	**1,809,023**	**301,626**	**1,897,386**	**(631,688)**	**552,085**	**17,332,581**
EQUITY AND LIABILITIES								
Consolidated equity	**3,421,053**	**434,301**	**268,939**	**123,181**	**(517,105)**	**(38,854)**	**552,085**	**4,243,600**
Interest bearing borrowings & other financial liabilities	3,131,010	361,937	244,980	8,813	2,049,996	--	--	5,796,736
Other liabilities	1,275,103	371,230	860,918	5,117	252,130	(11,249)	--	2,753,249
Non-current liabilities	**4,406,113**	**733,167**	**1,105,898**	**13,930**	**2,302,126**	**(11,249)**	**--**	**8,549,985**
Interest bearing borrowings & other financial liabilities	1,679,228	549,866	24,382	37,443	(729,687)	--	--	1,561,232
Trade and other receivables	359,792	1,459,746	300,469	80,504	175,749	(136,064)	--	2,240,196
Other liabilities	98,785	262,098	109,335	46,568	666,303	(445,521)	--	737,568
Liabilities directly assoc. with non-current assets classif. as held for sale	--	--	--	--	--	--	--	--
Current liabilities	**2,137,805**	**2,271,710**	**434,186**	**164,515**	**112,365**	**(581,585)**	**--**	**4,538,996**
Total equity and liabilities	**9,964,971**	**3,439,178**	**1,809,023**	**301,626**	**1,897,386**	**(631,688)**	**552,085**	**17,332,581**

Balances at 31.12.15	Energy	Construct-ion	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
ASSETS								
PPE, intangible assets & investment property.	7,357,808	315,371	161,842	45,527	1,002,140	(34,802)	--	8,847,886
Goodwill	--	358	27,976	50,962	--	--	--	79,296
Non-current financial assets	37,858	16,901	11,498	11,955	73,382	8,451	--	160,045
Investments booked by the equity method	227,806	55,581	107,549	268	18,845	(935)	--	409,114
Other assets	461,749	579,076	39,798	2,603	304,152	1,227	--	1,388,605
Non-current assets	**8,085,221**	**967,287**	**348,663**	**111,315**	**1,398,519**	**(26,059)**	**--**	**10,884,946**
Inventories	102,383	180,221	14,546	1,064	457,905	(16,017)	--	740,102
Trade and other receivables	780,549	894,468	220,044	179,198	182,436	(644,277)	--	1,612,418

Balances at 31.12.15	Energy	Construct-ion	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
Other current financial assets	364,508	32,885	6,052	1,890	5,028	2,500	--	412,863
Other assets	64,672	145,714	12,937	20,868	3,991	(2,625)	(9,503)	236,054
Cash & equivalents	(1,018,266)	926,527	97,858	(31,419)	1,496,424	(10,951)	--	1,460,173
Non-current assets classif. as held for sale	429,425	--	--	--	1,636	--	--	431,061
Current assets	**723,271**	**2,179,815**	**351,437**	**171,601**	**2,147,420**	**(671,370)**	**(9,503)**	**4,892,671**
Total assets	**8,808,492**	**3,147,102**	**700,100**	**282,916**	**3,545,939**	**(697,429)**	**(9,503)**	**15,777,616**
EQUITY AND LIABILITIES								
Consolidated equity	**1,599,396**	**477,214**	**240,483**	**127,018**	**1,360,977**	**(41,440)**	**(9,503)**	**3,754,145**
Interest bearing borrowings & other financial liabilities	3,718,160	345,201	118,171	5,701	1,707,790	--	--	5,895,023
Other liabilities	1,347,202	347,867	38,786	5,191	280,844	(11,712)	--	2,008,178
Non-current liabilities	**5,065,362**	**693,068**	**156,957**	**10,892**	**1,988,634**	**(11,712)**	**--**	**7,903,201**
Interest bearing borrowings & other financial liabilities	1,327,416	382,650	2,765	25,541	(601,231)	--	--	1,137,141
Trade and other receivables	285,093	1,335,159	245,529	99,700	214,508	(155,456)	--	2,024,533
Other liabilities	112,819	259,011	54,366	19,765	581,391	(488,821)	--	538,531
Liabilities directly assoc. with non-current assets classif. as held for sale	418,406	--	--	--	1,660	--	--	420,066
Current liabilities	**2,143,734**	**1,976,820**	**302,660**	**145,006**	**196,328**	**(644,277)**	**--**	**4,120,270**
Total equity and liabilities	**8,808,492**	**3,147,102**	**700,100**	**282,916**	**3,545,939**	**(697,429)**	**(9,503)**	**15,777,616**

Balances at 30.06.16	Energy	Construc-tion	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
Total revenue	951,759	924,778	331,115	327,201	287,930	(58,913)	--	2,763,870
Revenue	937,659	907,728	331,025	301,952	285,506	--	--	2,763,870
Inter-segment revenue	14,100	17,050	90	25,249	2,424	(58,913)	--	--
Other operating income and expenses	(583,589)	(874,168)	(275,117)	(316,642)	(247,803)	58,029	--	(2,239,290)
Gross profit / (loss) from operations	**368,170**	**50,610**	**55,998**	**10,559**	**40,127**	**(884)**	**--**	**524,580**
Allocations	(196,665)	(28,281)	(19,307)	(6,155)	(22,863)	832	(67,711)	(340,150)
Impairment & gains / (losses) on disposal of assets	118	1,291	--	(132)	(954)	--	641,107	641,430
Other gains or losses	321	(1,493)	245	154	504	--	42,173	41,904
Profit / (loss) from operations	**171,944**	**22,127**	**36,936**	**4,426**	**16,814**	**(52)**	**615,569**	**867,764**
Financial profit / (loss)	(150,169)	(11,180)	(25,070)	(136)	(10,616)	--	(115,735)	(312,906)
Profit / (loss) from changes in value	4,752	--	--	--	129	--	--	4,881
Results of companies booked by equity method	15,921	3,823	6,110	63	1,128	--	--	27,045
Profit / (loss) before tax	**42,448**	**14,770**	**17,976**	**4,353**	**7,455**	**(52)**	**499,834**	**586,784**
Corporate Tax	(10,612)	(3,693)	(4,494)	(1,088)	(1,864)	13	39,899	18,161
Consolidated profit / (loss) for the period	**31,836**	**11,077**	**13,482**	**3,265**	**5,591**	**(39)**	**539,733**	**604,945**
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--	--	--
Profit / (loss) for the year	**31,836**	**11,077**	**13,482**	**3,265**	**5,591**	**(39)**	**539,733**	**604,945**
Non-controlling interests	(15,484)	(4,304)	(535)	(199)	(592)	(22)	12,352	(8,784)

Balances at 30.06.16	Energy	Construc-tion	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
Profit / (loss) attributable to the Parent	**16,352**	**6,773**	**12,947**	**3,066**	**4,999**	**(61)**	**552,085**	**596,161**

Balances at 30.06.15	Energy	Construc-tion	Water	Services	Other businesses	Intra-group transac-tions	Extra-ordinary	Total Group
Total revenue	1,460,031	1,084,252	186,889	351,736	278,024	(57,325)	--	3,303,607
Revenue	1,453,199	1,078,885	186,042	309,700	275,781	--	--	3,303,607
Inter-segment revenue	6,832	5,367	847	42,036	2,243	(57,325)	--	--
Other operating income and expenses	(988,362)	(1,038,518)	(174,270)	(341,145)	(246,129)	57,476	--	(2,730,948)
Gross profit / (loss) from operations	**471,669**	**45,734**	**12,619**	**10,591**	**31,895**	**151**	**--**	**572,659**
Allocations	(207,561)	(30,283)	(2,124)	(6,117)	(22,092)	825	--	(267,352)
Impairment & gains / (losses) on disposal of assets	7,214	3,022	--	77	(670)	--	--	9,643
Other gains or losses	(388)	(1,941)	188	(22)	297	--	--	(1,866)
Profit / (loss) from operations	**270,934**	**16,532**	**10,683**	**4,529**	**9,430**	**976**	**--**	**313,084**
Financial profit / (loss)	(164,464)	(8,323)	(106)	(1,867)	(16,330)	--	--	(191,090)
Profit / (loss) from changes in value	115	--	--	--	432	--	--	547
Results of companies booked by equity method	13,566	6,002	6,794	20	4,132	--	--	30,514
Profit / (loss) before tax	**120,151**	**14,211**	**17,371**	**2,682**	**(2,336)**	**976**	**--**	**153,055**
Corporate Tax	(37,990)	(11,005)	(5,842)	(1,190)	18,009	(246)	--	(38,264)
Consolidated profit / (loss) for the period	**82,161**	**3,206**	**11,529**	**1,492**	**15,673**	**730**	**--**	**114,791**
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--	--	--
Profit / (loss) for the year	**82,161**	**3,206**	**11,529**	**1,492**	**15,673**	**730**	**--**	**114,791**
Non-controlling interests	(12,248)	(1,621)	--	(94)	1,983	(15)	--	(11,995)
Profit / (loss) attributable to the Parent	**69,913**	**1,585**	**11,529**	**1,398**	**17,656**	**715**	**--**	**102,796**

With the purpose of helping the reader understand more clearly the trend of the different businesses and facilitate its comparability between periods, the segment “Extraordinary” reflects the economic effects of the following unusual events:

- Sale of the shares the Group held in Corporación Acciona Windpower, S.A. as part of the agreement signed with the German quoted company Nordex S.E., with gains of 657 million euros (see note 3).

- Gains of 30 million euros from the acquisition formally concluded last 21 January 2016 of 37.05% in ATLL Concessionaria de la Generalitat de Catalunya, S.A. from Aigües de Catalunya, Ltd (see note 3).

- Reversion in the amount of 12 million euros of the provision for the third and last fine imposed by the National Competition Commission on Compañía Trasmediterránea and favourably solved by the Supreme Court (see note 12).

- Acquisition of debt at a discount, with profit of 11 million euros.

- Financing costs derived from the cancellation of the debt associated with certain assets from the energy division, which meant a charge of 122 million euros against the income statement, mainly due to the early cancellation of derivatives (see note 13).

- Loss of 21 million euros related to the settlement of the litigation with a developer of renewable energy projects in Greece (see note 12).

- Provision for the account receivable of a client due to a project in the infrastructure division being stopped in Brazil, for 26 million euros. Its recoverability is doubtful.

- Provision for the anticipated negative results of an onerous contract in Chile, for 16 million euros.

- Provision of 26 million euros for several litigation cases, including one of a national scope for the development of a logistics platform project (see note 12).

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	
	30.06.2016	**30.06.2015**	**30.06.2016**	**31.12.2015**	**30.06.2016**	**31.12.2015**	**30.06.2016**	**31.12.2015**
Spain	1,465,002	1,590,599	10,870,358	10,141,662	7,686,150	6,844,830	3,184,208	3,296,832
European Union	311,557	262,082	1,814,764	1,194,614	1,437,060	751,826	377,704	442,788
OECD countries	608,233	1,017,023	3,715,593	3,597,214	2,953,107	2,718,400	762,486	878,814
Other countries	379,078	433,903	931,866	844,127	637,740	569,890	294,126	274,237
Total	**2,763,870**	**3,303,607**	**17,332,581**	**15,777,617**	**12,714,057**	**10,884,946**	**4,618,524**	**4,892,671**

18. - Non-current assets and liabilities held for sale

In financial year 2015, after the signature of the agreements subscribed with Nordex S.E. and with Momentum-Capital Vermögensverwaltungsgesellschaft GmbH and Ventus Venture Fund Gmbh & Co. Beteiligungs KG (then shareholders of Nordex S.E.), Acciona Group classified all the assets and liabilities contributed by the subgroup Acciona Windpower under the section "assets and liabilities held for sale". Once the operation was closed on last 4 April 2016, as mentioned in note 3, said assets and liabilities were derecognised from that section.

At 31 March 2016, the date when control over the aforesaid subgroup was lost, the breakdown of assets and liabilities in thousand euros was as follows:

ASSETS	Subgroup AWP
PPE	96,304
Other intangible assets	8,445
Other non-current assets	302
Inventories	133,878
Trade and other accounts receivable	75,335
Cash and cash equivalents	26,658
Other assets	96,774
Total Assets	**437,696**

LIABILITIES	Subgroup AWP
Non-current liabilities	68,239

LIABILITIES	Subgroup AWP
Trade and other accounts payable	207,867
Other current liabilities	109,198
Total Liabilities	**385,304**

RESULT	Subgroup AWP
Turnover	129,701
Profit before tax from continuing activities	3,434
Profit before tax	3,434

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

Breakdown of the item "Impairment and profit / (loss) on disposal of assets" on the income statement at 30 June 2016 and 2015 was as follows (in thousand euros):

	30.06.2016	30.06.2015
Profit/(loss) from fixed assets	1,508	8,662
Profit/(loss) from controlling interests	640,994	4,177
Impairment of other assets	(1,072)	(1,141)
Other	0	-2,055
Total	**641,430**	**9,643**

At 30 June 2016, the account "profit/(loss) from controlling interests" included part of the gains registered for the sale of the shares the Group held in Corporación Acciona Windpower, S.A. within the agreement subscribed with the German quoted company Nordex S.E. for the amount of 650.8 million euros. Additionally, the remaining portion of the gains from this sale, mentioned in note 17, in the amount of 6.7 million euros, was registered in the "translation differences" account.

Furthermore, at 30 June 2016, the account "profit / (loss) from controlling interests" recorded the loss of 21 million euros related to the settlement of litigation with a developer of renewable energy projects in Greece (see note 17).

20. - Average headcount

Personnel:

The average number of Acciona Group's employees for H1 2016 and H1 2015, by men and women, was as follows:

	Number of Employees	
	30.06.2016	30.06.2015
Men	22,521	23,114
Women	9,173	8,997
Total	**31,694**	**32,111**

21. - Events after the reporting period

- As indicated in note 15, on 10 May 2016 the AGM of Shareholders of Acciona, S.A. approved the payment of a dividend worth 2.5 euros per share against 2015 profit. This dividend totalling 143,149 thousand euros was registered at 30 June 2016 under "Other current liabilities" on the balance sheet and was paid on 1 July 2016.

- Last 12 July 2016, Acciona, S.A. signed a novation contract of the bank syndicated loan signed on 25 March 2015 originally for the amount of 1,800 million euros. The aspects of the novation were the following:

    - The loan amount was increased by 400 million euros, and the new amount for said tranche came to be 760 million euros. The amount of the loan tranche for 1,440 million euros did not change, so the global amount of the syndicated loan is now 2,200 million euros.
    - The period was extended and now it is 5 years as from signature of the novation, i.e., the new due date is July 2021.
    - The financing margin has been reduced.

22. - Related-party transactions

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

The table below shoes the transactions performed by the Group, in H1 2016 and H1 2015, 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.

	Thousand euros				
	30.06.2016				
Expenses and Income	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	--	--	--	47	**47**
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	--	--	--	--	--
Sale of goods (finished or in progress)	--	--	--	--	--
Gains on removal or disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

	Thousand euros				
	30.06.2016				
Other Transactions	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 and bonds provided	--	--	--	--	--
Guarantees and bonds received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Obligations/guarantees discharged	--	--	--	--	--
Dividends and other profit distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

Expenses and Income	Thousands of euros 30.06.2015 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	--	--	--	116	**116**
Purchase of goods (finished or in progress)	--	--	--	191	**191**
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	--	--	--	14.569	**14.569**
Sale of goods (finished or in progress)	--	--	--	--	--
Gains on removal or disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

Other Transactions	Thousand euros 30.06.2015 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 and bonds provided	--	--	--	--	--
Guarantees and bonds received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Obligations/guarantees discharged	--	--	--	--	--
Dividends and other profit distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

23. - Remuneration and other benefits

Note 34 to the Group's consolidated financial statements for financial year ended 31 December 2015 details the existing agreements about remuneration and other benefits for the members of the Board of Directors of the Company and for Senior Management.

The table below shows the main information on said remuneration and benefits for the six-month periods ended 30 June 2016 and 2015.

	Thousand euros	
	30.06.2016	**30.06.2015**
Members of the Board of Directors:	**6,437**	**4,900**
Number of Directors	11	13
Type of remuneration:	**3,037**	**4,900**
Fixed remuneration	767	766
Variable remuneration	1,605	3,434
Attendance fees	665	700
Emoluments stipulated in the Articles of Association		
Share options and/or other financial instruments	--	--
Other		
Other benefits:	**3,400**	
Advances		--
Loans granted		--
Pension Funds and Plans: Contributions	3,400	--
Pension Funds and Plans: Obligations undertaken		--
Life insurance premiums		--
Guarantees arranged with Directors as beneficiaries		--
Senior Management:		
Number of Executives	35	35
Total remuneration received by Senior Management	**16,670**	**15,595**

Plan for delivery of shares and performance shares

The General Shareholders' Meeting held on 24 June 2014 approved the following agreement:

A) To extend the term of validity of the Shares and Options Delivery Plan to Acciona Group's management, including Executive Directors, as was approved by the General Shareholders' Meeting of Acciona, S.A. on 4 June 2009, for application in financial years 2014 to 2020, and to increase the maximum number of shares available by 200,000 shares.

B) To authorise the Board of Directors of the Company so that it may, to all the extend required by law and upon proposal by the Appointments and Remuneration Committee, amend the Plan Regulation under the terms and conditions that the Board considers convenient, establishing delivery conditions and times, accrual periods, allocation criteria and limits, and any other aspect that the Board considers relevant, in order to align further the long-term interests of the Company's Executive Directors and other executives of Acciona Group with those of the shareholders of Acciona, S.A., and thus, strengthen their motivation in the attainment of higher value and long-term stability for the Group, and consolidate their loyalty and permanence.

Pursuant to this authority, in the first quarter of 2015 the Board of Directors approved, upon proposal by the Appointments and Remuneration Committee, to amend the Plan Regulations, drawing up a new one whose term of validity covers the six-year period from 2014 to 2019, both inclusive; its main characteristics are the following:

A) Purpose of the Plan:

The purpose of the 2014 Plan for Delivery of Shares and "Performance Shares" to Acciona and its group's management (the Plan for Delivery of Shares/Performance Shares) is to remunerate management, including the Executive Directors of Acciona, S.A. ("Acciona") and of the business and company group whose parent is Acciona, S.A. or where Acciona, S.A. holds a significant interest in management ("Acciona Group" or "Acciona and its group") in such a manner as to prompt the attainment of strategic business objectives of Acciona and its group to the benefit of Acciona's shareholders, and the loyalty and permanence of executives.

B) Strategic indicators and objectives to achieve

Achievement of objectives will be based on business strategic indicators, which have been defined by the Board of Directors for financial years ranging from 2014 to 2019.

C) Plan beneficiaries

C.1. – Executive Directors

For Executive Directors, it is contemplated for the first time that they may have "performance shares" annually allocated by the Board of Directors. This does not give them the right to acquire the related shares (except where so provided by the Regulation) but it is an indication by the Board of Directors of the number of shares that the Board forecasts that can be allocated to these Executive Directors at a later date if two conditions are fulfilled: their permanence and the attainment of Acciona Group's long-term strategic goals as established by the Board as a requisite for the Executive Directors to receive shares.

Reference period: The reference period of the business strategic indicators will be the 2014-2019 six-year period, although, for allocation of "performance shares", the whole period from the start of the 2014 Plan application period to the end of the previous financial year will be considered.

"Performance shares" allocation: Upon completion of each financial year, the Board of Directors may assess the extent to which the long-term strategic objectives have been achieved up to that point.

The final allocation of treasury shares to Executive Directors will take place (a) at the end of the whole 2014 Plan period (in 2020) upon consideration of the assessment made for the whole 2014-2019 period and (b) at a midpoint milestone, in 2017, upon completion of the first three 2014-2016 financial years, upon consideration of the assessment made on the first 2014-2016 three-year period.

Permanence condition: Delivery of the shares finally allocated to Executive Directors is dependent on the fact that, up to 31 March of the year when the shares are to be delivered, the Executive Director has not ceased to perform his/her senior management duties in Acciona or its Group for reasons attributable to the Director in question.

In no event may the number of allocated shares thus quantified exceed, together with those allocated under the 2014 Plan, the maximum number available approved by the GM.

Shares delivered in 2017 are subject to an option for Acciona to buy them back: Treasury shares transferred to Executive Directors in 2017 (in relation to financial years 2014, 2015 and 2016) will be subject to Acciona's right to buy them back, a right that can be exercised if the Executive Director acquiring the shares ceases to perform his/her senior management duties in

Acciona or its group before 31 March 2020 for breach of his/her contractual obligations or resignation of his/her own free will.

C.2. – Group's Executives

For the other beneficiaries that are not executive directors, the Board of Directors will approve, upon considering proposal by the Appointments and Remuneration Committee, the amount for separate variable remuneration to be paid through delivery of Acciona's treasury shares allocated for each financial year to each executive that benefits from the 2014 Plan other than Executive Directors.

The allocation may be implemented through a number of treasury shares or in a cash amount. In the latter case, the equivalent number of shares will be based on the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation. In no event will the number of allocated shares thus quantified exceed, together with the other shares allocated under the 2014 Plan, the maximum number approved by the GM.

Treasury shares transferred to these Beneficiaries are subject to Acciona's right to buy them back, a right that can be exercised if the beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary. The Board of Directors may extend to a reduced group of executives the "performance share" and/or shares allocation system established for executive directors, with the changes as can be proposed by the Appointments and Remuneration Committee regarding interim allocation, tax system, objectives, midpoint milestones and delivery times, with the purpose of increasing their motivation in the attainment of higher value and long-term stability for the group, as well as consolidating their loyalty and permanence in the Group.

D) Number of shares available for the Plan

Initially, the maximum number of shares that can be allocated to the Beneficiaries in application of the 2014 Plan will equal 258,035.

The maximum number of shares that can be allocated by the Board of Directors to the Beneficiaries in application of the 2014 Plan can be increased by agreement of the General Shareholders' Meeting. In this respect, the General Shareholders' Meeting held on 11 June 2015 and 10 May 2016 agreed to increase the maximum number of shares available for the 2014-2019 Plan for Delivery of Shares and Performance Shares by 200,000, without affecting later increases if so proposed by the Board of Directors and approved by the GM.

E) Recipients

The annual number of Recipients shall not exceed 100.

Plan to replace variable remuneration for shares

Upon proposal by the Appointments and Remuneration Committee, given the limited number of Beneficiaries of the former Plan, with the purpose of furthering and extending the objectives for building loyalty and retaining the Group's executives, on 26 March the Board of Directors approved the "Plan to Replace Variable Remuneration for Acciona shares, aimed to Acciona and its Group's management" (the Substitution Plan), excluding executive directors; the main characteristics of the plan are the following:

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

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

Specific purpose: *To offer some executives, on a discretionary basis, the option of replacing or swapping, in whole or in part, variable remuneration in cash for Company shares, according to a swap equation to be determined each year. In 2016, the swap equation approved carries an incentive of 25% over the variable remuneration replaced.*

Beneficiaries*: The executives that the Board of Directors determines of its own free will. Executive Directors are excluded from this Plan.*

Restrictions on the shares delivered*: In general terms, the shares delivered cannot be (a) disposed of, encumbered or used under any title (except for mortis causa), and (b) no option right can be set up over them, or any other right limiting ownership or as security, until after 31 March of the third year following the year in which the shares in question were delivered to the Beneficiary.*

Treasury shares transferred to these Beneficiaries are subject to Acciona's right to buy them back, a right that can be exercised if the Beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary.

Acciona's share price to be taken as benchmark to determine the swap equation will be the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation of the replacement option.

The number of shares delivered to Beneficiaries other than executive directors (45 Beneficiaries), under the ***Plan for Delivery of Shares /Performance Shares***, in financial year 2016, has been 35,131 shares.

As regards Executive Directors, no firm allocation of performance shares or shares has taken place in 2016.

Finally, in application of the ***Substitution Plan***, in financial year 2016 15,297 Company shares have been delivered to 25 executives of Acciona and its Group in payment of part of their variable remuneration in cash for 2015.

Shareholders Plan

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

The Plan, where participation is voluntary, offers all the employees with fiscal residence in Spain and who joined any of Acciona Group's companies before 31 December 2015, the opportunity of sharing in the company's results and thus, becoming a shareholder.

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

The delivery of shares, referenced to the closing price quoted on the stock exchange on 15 April every year, will take place in the second half of the month of April.

Savings Plan

In 2014, the Company implemented a savings plan related to a term life assurance, permanent disability in the degrees of total, absolute and grand invalidity, and death ("Savings Plan") aimed solely and exclusively at the Company's Executive Directors. The basic characteristics of the plan are as follows:

a) It is a social welfare system based on a defined contribution.

b) It is a system endowed externally through the payment by the Company of annual premiums to an insurance company with the Participant as the beneficiary, for the coverage of survival and the risk contingencies, i.e., (i) death and (ii) permanent disability in the degrees established in the Regulations.

c) Should the Participants cease to occupy positions as Executive Directors of Acciona for any reason, the Company shall cease to pay the premiums to the Savings Plan on the date on which they unquestionably cease to hold their position, without prejudice to any economic rights recognised to Participants.

d) The payment of the Benefit arising out of the Savings Plan will be made directly by the insurance entity to the Participants, net of any corresponding withholdings or payments on account of personal Income Tax that may be applicable in each case and payable by the beneficiary of the Benefit. For the rest of the contingencies, the payment of the Benefit will also be made directly by the insurance entity to any entitled parties.

e) The status of Participant in the Savings Plan will be lost should any of the following circumstances arise: i) occurrence of any of the risk contingencies covered and collection of the Benefit; ii) attainment of the age of 65 years; iii) removal from the position of Executive Director of Acciona for any reason other than those indicated above.

The variable remuneration is settled in cash, either when it is paid or deferred through contribution to the Savings Plan. In 2015 the variable remuneration was settled in cash at the time it was paid. Contributions to the Savings Plan with the Executive Directors as beneficiaries amounted to 3,400 thousand euros in the first half of 2016.

The global remuneration related to rights accumulated by the Directors in this respect amounts to 5,664 thousand euros.

(CONSOLIDATED GROUP)
CONSOLIDATED INTERIM DIRECTORS' REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016

1. – Analysis of the first half of 2016

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

- Energy comprises the electricity business covering from the construction of wind farms to the generation, distribution and marketing of the different energy sources.
- Infrastructures, Water, and Service:
  - Construction includes construction, industrial and engineering activities as well as transport and hospital concessions activities.
  - Water includes the construction of desalination, water treatment and purification plants, as well as integral water services management from bulk water abstraction all the way to discharging treated wastewater to the environment. ACCIONA Agua also operates water concessions across the entire water cycle.
  - Services includes the activities of facility services, airport handling, waste collection and treatment and logistic services amongst others.
- Other activities includes the businesses of Trasmediterránea, real estate, Bestinver (funds manager), wineries, and other businesses.

Last 3 July 2016 the ESMA Guideline on Alternative Performance Measures (APMs) came into force. This requires an explanation in the management report on how financial parameters or performance measures that do not appear directly in the financial statements are calculated. To meet this guideline, the APMs used in this report by ACCIONA Group are listed and defined below including an explanation of why these APMs are used:

EBITDA: It is defined as the operating income before depreciation and amortization, meaning, it shows the operating result of the group. It is calculated by taking the following items of the consolidated income statement: "net revenue", "other revenues", "change in inventories of finished goods and work in progress", "cost of goods sold", "personnel expenses" and "other operating expenses".

Net Debt: It shows the debt owed by the Group, in net terms after deduction of cash and similar financial assets. It is calculated by taking the following items on the consolidated balance sheet: "non-current interest bearing borrowings", "current interest bearing borrowings", less "cash and cash equivalents" and "other current financial assets".

Non-recourse debt: As indicated in note 13 to the condensed interim consolidated financial statements, it refers to debt without corporate guarantees, whose recourse is limited to the debtor's assets and cash flows.

Recourse debt: Debt with corporate guarantee.

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

Backlog: It is defined as production pending, that is to say, contractual amounts or customer orders, without the amounts already recognized as income on the income statement. It is calculated on the basis of orders and contracts awarded to the Group, deducting the completed portion that is accounted for on the “net revenue” account and adding or subtracting “other variations” that refer to forex adjustments, modifications to the initial contracts, and other changes to be made to the awarded backlog.

Net Capex: It is defined as net change in tangible, intangible, financial, and real estate assets in the period, corrected by:

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

When dealing with changes in the scope of consolidation, net capex is defined as the net outflow/inflow of resources used for/obtained in the purchase/sale of net assets.

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

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

Executive Report

Consolidated Income Statement Key Figures

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Change (%)
Revenue	3,304	2,764	-16.3%
EBITDA	573	525	-8.4%
Operating profit (EBIT)	315	868	175.4%
Ordinary profit before tax (EBT)	153	87	-43.2%
Profit before tax (EBT)	153	587	283.4%
Attributable net profit	103	596	478.8%

Balance Sheet Key Figures

(Million euros)	31-Dec-15	30-Jun-16	Change (%)
Equity	3,754	4,244	13.0%
Net debt	5,159	5,452	5.7%

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Change (%)
Ordinary capital expenditure	98	527	435.1%

Operating Key Figures

	30-Jun-15	30-Jun-16	Change (%)
Construction backlog (Million euros)	5,732	7,372	28.6%
Water backlog (Million euros)	9,751	10,709	9.8%
Total installed wind capacity (MW)	7,180	7,167	-0.2%
Total installed capacity (MW)	8,586	8,676	1.1%
Total production (GWh) (Jan-Jun)	11,355	11,535	1.6%
Average workforce	32,111	31,694	-5.8%

Consolidated Income Statement

(Million euros)	**Jan-Jun 2015**	**Jan-Jun 2016**	**Chg.**	**Chg. (%)**
Revenue	**3,304**	**2,764**	**-540**	**-16.3%**
Other income	126	333	207	164.5%
Changes in inventories of finished goods and work in progress	-3	-14	-11	n.a.
Total Production Value	**3,426**	**3,083**	**-343**	**-10.0%**
Procurement	-956	-811	146	-15.2%
Personnel expenses	-627	-635	-8	1.3%
Other operating expenses	-1,271	-1,113	158	-12.4%
Gross operating profit / (loss) (EBITDA)	**573**	**525**	**-48**	**-8.4%**
Depreciation and amortisation	-258	-259	-1	0.4%
Provisions	-10	-81	-72	n.a.
Impairment of asset value	-1	-1	0	-6.1%
Results of non-current assets	13	643	630	n.a.
Other gains or losses	-2	42	44	n.a.
Operating profit / (loss) (EBIT)	**315**	**868**	**553**	**175.4%**
Net financial result	-200	-327	-127	63.5%
Translation differences (net)	9	15	6	68.4%
Change in financial investment provisions	-2	0	1	-89.9%.
Income from associates booked by equity method	31	27	-3	-11.4%
Change in fair value of financial instruments	1	5	4	n.a.
Profit before tax – Continuing Activities (EBT)	**153**	**587**	**434**	**283.4%**
Income tax	-38	18	56	-147.5%
Profit / (loss) from continuing activities	**115**	**605**	**490**	**427.0%**
Non-controlling interests	-12	-9	3	-26.8%
Attributable net profit	**103**	**596**	**493**	**479.9%**

Revenue

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Chg.	Var. (%)
Energy	**1,460**	**952**	**-508**	**-34.8%**
Infrastructures	**1,610**	**1,568**	**-43**	**-2.7%**
Construction	1,085	925	-161	-14.8%
Water	187	331	144	77.2%
Services	352	327	-25	-7.0%
Consolidation adjustments	-14	-15	-2	13.6%
Other activities	**278**	**288**	**10**	**3.6%**
Consolidation adjustments	**-45**	**-44**	**1**	**-2.9%**
TOTAL Revenue	**3,304**	**2,764**	**-540**	**-16.3%**

Consolidated revenue dropped by 16.3% to €2.764 million, mainly due to the combined effect of the following factors:

- Fall in the Energy revenue (-34.8%) mainly due to AWP leaving the scope of consolidation as from 1 April 2016.
- Fall in the Construction revenue (-14.8%), mainly due to less domestic activity.
- Increase in Water revenue (+77.2%) due to consolidation following the global consolidation method of the concession ATLL after 1 January 2016.

Other Activities revenue increased by 3.6% thanks to the good performance of Trasmediterránea.

EBITDA

(Million euros)	Jan-Jun 2015	% EBITDA	Jan-Jun 2016	% EBITDA	Chg.	Chg. (%)
Energy	**472**	**82%**	**368**	**70%**	**-103**	**-21.9%**
Infrastructures	**69**	**12%**	**117**	**22%**	**48**	**69.9%**
Construction	46	*8%*	51	10%	5	10.7%
Water	13	*2%*	56	11%	43	343.7%
Services	11	*2%*	11	2%	0	-0.3%
Consolidation adjustments	0	*n.a.*	0	0%	0	n.a.
Other activities	**32**	**6%**	**40**	**8%**	**8**	**25.8%**
Consolidation adjustments	**0**	**n.a.**	**-1**	**n.a.**	**-1**	**n.a.**
TOTAL EBITDA	**573**	**100%**	**525**	**100%**	**-48**	**-8.4%**
Margin (%)	***17.3%***		***19%***			***+1.6pp***

Note: EBITDA contributions calculated before consolidation adjustments.

EBITDA decreased by 8.4% to €525 million mainly due to the significantly lower contribution of the Energy business (-21.9%) as a result of the above mentioned factors as well as from a fall of the pool in Spain by 36%.

EBITDA margin stood at 19.0%, 1.6 percentage points higher than in H1 2015.

As for contribution by division, the main contribution to EBITDA came from the Energy division (70%), followed by Infrastructures (22%). The rest of the businesses contributed 8%.

EBIT

EBIT reached €868 million, 175.4% higher than in H1 2015, mainly due to the accounting for extraordinary income in the amount of €616 million, mostly due to the capital gain from AWP.

EBT

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Chg.	Chg. (%)
Energy	**120**	**42**	**-78**	**-64.7%**
Infrastructures	**34**	**37**	**3**	**8.3%**
Construction	14	15	1	3.9%
Water	17	18	1	3.5%
Services	3	4	2	n.a.
Other activities	**-2**	**7**	**10**	**-419.1%**
Consolidation adjustments	**1**	**0**	**-1**	**n.a.**
Ordinary EBT	**153**	**87**	**-66**	**-43.2%**
Extraordinary	**0**	**500**	**500**	**n.a.**
TOTAL EBT	**153**	**587**	**434**	**283.4%**
Margin (%)	***4.6%***	***21.2%***		***+16.6pp***

Ordinary EBT decreased by 43.2% to €87 million mainly due to the lower Energy business EBT contribution, which fell by 64.7%. Both Construction and Other Activities improved their EBT.

Nevertheless, total EBT increased by 3.8 times. Such increase is mainly explained by the €500 million extraordinary results registered in H1 2016, which include the following items:

- Capital gain associated with the AWP-Nordex operation: €657 million
- Capital gain from the acquisition of a 37% stake in ATLL from BTG Pactual: €30 million
- Reversion of a provision due to the favourable resolution regarding the fine imposed by CNMC to Trasmediterránea: €12 million
- Acquisition of a debt at a discount: €11 million
- Financial costs related to the cancelation of the debt associated to certain assets of the Energy division, which meant a cost of €122 million on the income statement, mainly due to the unwinding of financial derivatives.
- Loss related to the resolution of litigation with a renewable energy developer in Greece: -€21 million
- Provision for the account receivable with a client due to the suspension of a work project in Brazil: -€26m
- Provision for losses to incur from a contract for a consideration in Chile: -€16 million
- Provision for litigation: -€26 million

Attributable Net Profit

Attributable net profit amounted to €596 million, 5.8 times higher if compared to H1 2015.

Consolidated Balance Sheet

(Million euros)	31-12-2015	30-06-2016	Chg.	Chg. (%)
Property, plant and equipment & intangible assets	8,855	9,956	1,101	12.4%
Financial assets	569	1,287	718	126.2%
Goodwill	79	79	0	0.0%
Other non-current assets	1,382	1,391	10	0.7%
NON-CURRENT ASSETS	**10,885**	**12,714**	**1,829**	**16.8%**
Inventories	740	736	-4	-0.6%
Accounts receivable	1,612	1,696	84	5.2%
Other current assets	236	280	44	18.6%
Current financial assets	413	532	119	28.8%
Cash and cash equivalents	1,460	1,375	-86	-5.9%
Assets held for sale	431	0	-431	100%
CURRENT ASSETS	**4,893**	**4,619**	**-274**	**-5.6%**
TOTAL ASSETS	**15,778**	**17,333**	**1.555**	**9.9%**
Capital	57	57	0	0.0%
Reserves	3,249	3,323	74	2.3%
Profit / (loss) attributable to the Parent	207	596	389	187.6%
Own securities	-20	-14	6	-30.1%
EQUITY ATTRIBUTABLE TO THE PARENT	3,493	3,962	469	13.4%
NON-CONTROLLING INTERESTS	261	282	21	8%
EQUITY	**3,754**	**4,244**	**489**	**13.0%**
Interest-bearing borrowings	5,895	5,797	-98	-1.7%
Other non-current liabilities	2,008	2,753	723	36.0%
NON-CURRENT LIABILITIES	**7,903**	**8,550**	**625**	**7.9%**
Interest-bearing borrowings	1,137	1,561	424	37.3%
Trade payables	2,025	2,240	200	9.9%
Other current liabilities	539	738	237	44.0%
Liabilities associated to assets held for sale	420	0	-420	-100.0%
CURRENT LIABILITIES	**4,120**	**4,539**	**441**	**10.7%**
TOTAL LIABILITIES AND EQUITY	**15,778**	**17,333**	**1.555**	**9.9%**

Attributable Equity

Equity attributable to ACCIONA at 30 June 2016 stood at €3,962 million, 13.4% higher than in December 2015, due to the net income obtained in H1 2016.

Net Financial Debt

	31.12.15		30.06.16		Chg.	Chg. (%)
(Million euros)	**Amount**	**% Total**	**Amount**	**% Total**		
Non-recourse interest-bearing borrowings	4,629	66%	3,603	49%	-1,026	-22.2%
Recourse interest-bearing borrowings	2,403	34%	3,755	51%	1,352	56.3%
Total interest-bearing debt	**7,032**	**100%**	**7,358**	**100%**	**326**	**4.6%**
Cash + Current financial assets	**-1,873**		**-1,906**		**-33**	**1.8%**
Net financial debt	**5,159**		**5,452**		**293**	**5.7%**

Net financial debt in June 2016 amounted to €5,452 million, 5.7% higher than at 31 December 2015, mainly due to the following factors:

- Capital expenditure during the H1
- Some of the finance costs associated to the above-mentioned debt cancellations carried out in H1
- Mark to market of derivatives

Financial gearing evolved as follows:

(Million euros)	**30-Jun-15**	**31-Dec-15**	**30-Jun-16**
Net debt	5,153	5,159	5,452
Gearing (Net Debt / Equity) (%)	138%	137%	129%

Capital Expenditure

(Million euros)	**Jan-Jun 2015**	**Jan-Jun 2016**
Energy	**65**	**284**
Infrastructures	**30**	**183**
Construction	11	82
Water	13	87
Services	6	14
Other activities	**3**	**60**
Ordinary capital expenditure	**99**	**527**
Extraordinary divestments	-51	0
Net capital expenditure	**47**	**527**

Net ordinary capital expenditure across ACCIONA's divisions in H1 2016 amounted to €527million.

Energy represents the greatest share of the investment effort with €284 million followed by Water with €87 million, out of which €74 million are linked to the acquisition of a 37% stake of ATLL from BTG Pactual.

Additionally, it is worth mentioning the acquisition of two vessels by Trasmediterránea in H1 2016.

Results by Division

I. Acciona Energy

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Chg.	Chg. (%)
Generation	687	628	-59	-8.6%
National	434	376	-59	-13.5%
International	252	252	0	-0.1%
Non-generation	894	382	-512	-57.2%
Consolidation adjustments and other	-121	-58	62	-51.7%
Turnover	**1,460**	**952**	**-508**	**-34.8%**
Generation	445	379	-66	-14.9%
National	251	189	-62	-24.7%
International	194	190	-4	-2.2%
Non-generation	48	15	-33	-68.5%
Consolidation adjustments and other	**-21**	**-26**	**-5**	**22.3%**
EBITDA	**472**	**368**	**-103**	**-21.9%**
Margin (%)	*32.3%*	38.7%		
EBT	**120**	**42**	**-78**	**-64.7%.**
Margin (%)	*8.2%*	*4.5%*		

ACCIONA Energy turnover fell by 34.8% to €952 million. EBITDA fell by 21.9% to €368 million. EBT amounted to €42 million vs. €120 million in H1 2015.

These results were mainly driven by the following factors:

- The 14.9% decrease of the generation EBITDA to €379 million affected by lower generation EBITDA in Spain, which fell by 24.7% due to the combination of the following factors:
    - The significant drop in electricity prices, which fell to €30.1MWh, 36% lower than in H1 2015.
    - This effect was partially mitigated by the recognition of a regulatory receivable during H1 2016, derived from the banding mechanism established in Royal Decree 413/2014 and Ministerial Order IET 1045/2014, in the amount of €21 million.
    - Production increased by 2.6% thanks to higher wind and hydro load factors. However, this was not sufficient to compensate for the decline in power prices.
- Non-Generation EBITDA in H1 2016 dropped by €33 million mainly due to the deconsolidation of AWP.
- In the last twelve months, consolidated installed capacity increased by 92MW, thanks to installation of 37MW wind (30MW in Poland, 4MW in Spain and 3MW in the USA) and 103MW solar PV. Furthermore, the 48MW located in Greece were derecognised.

At an operational level, consolidated production amounted to 9,497GWh, 1.9% higher than in H1 2015 due to the higher hydraulic activity and the contribution of the new international installed capacity in the past year, which compensated the lower international wind load factor and lower solar production.

Breakdown of installed capacity and production by technology

	Totals		Consolidated		Net	
30-Jun-2016	**MW installed**	**GWh produced**	**MW installed**	**GWh produced**	**MW installed**	**GWh produced**
Spain	**5,950**	**7,592**	**4,673**	**5,928**	**5,248**	**6,699**
Wind	**4,747**	**5,846**	**3,470**	**4,182**	**4,079**	**4,981**
Hydro	**888**	**1,420**	**888**	**1,420**	**888**	**1,420**
Solar Thermoelectric	**250**	**180**	**250**	**180**	**220**	**159**
Solar PV	**3**	**2**	**3**	**2**	**3**	**1**
Biomass	**61**	**144**	**61**	**144**	**59**	**138**
International	**2,726**	**3,943**	**2,440**	**3,570**	**1,628**	**2,326**
Wind	**2,419**	**3,741**	**2,179**	**3,411**	**1,431**	**2,233**
Mexico	557	968	557	968	361	629
USA	631	1,059	556	927	377	624
Australia	303	459	239	383	180	281
Italy	156	155	156	155	104	103
South Africa	138	182	138	182	47	62
Portugal	120	173	120	173	75	107
Canada	181	236	103	139	69	93
Poland	101	103	101	103	67	68
India	86	94	86	94	57	63
Costa Rica	50	143	50	143	32	93
Chile	45	37	45	37	30	25
Croatia	30	48	30	48	20	32
Greece	0	59	0	59	0	42
Hungary	24	26	0	0	12	13
Solar PV	**243**	**140**	**197**	**97**	**155**	**52**
Chile	103	0	103	0	103	0
South Africa	94	97	94	97	32	33
Portugal	46	43	0	0	20	19
Solar Thermoelectric (USA)	**64**	**62**	**64**	**62**	**43**	**41**
Total Wind	**7,167**	**9,588**	**5,649**	**7,592**	**5,509**	**7,214**
Total other technologies	**1,509**	**1,948**	**1,464**	**1,905**	**1,367**	**1,811**
Total Energy	**8,676**	**11,535**	**7,113**	**9,497**	**6,877**	**9,025**

Annex 2 shows greater detail on MWs and production.

II. Infrastructures

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Chg.	Chg. (%)
Construction	1,085	925	-161	-14.8%
Water	187	331	144	77.2%
Services	352	327	-25	-7.0%
Consolidation adjustments	-14	-15	-2	13.6%
Turnover	**1,610**	**1,568**	**-43**	**-2.7%**
Construction	46	51	5	11.3%
Water	13	56	43	343.7%
Services	11	11	0	-0.3%
EBITDA	**69**	**117**	**48**	**70.3%**
Margin (%)	4.3%	7.5%		
EBT	**34**	**37**	**3**	**8.3%**
Margin (%)	2.1%	2.4%		

ACCIONA structures the Construction, Water and Services segments under a single division. This structure brings the following benefits:

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

A. Construction

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Chg.	Chg. (%)
Construction, Industrial & Engineering	1,035	873	-162	-15.6%
Concessions	51	52	1	2.7%
Turnover	**1,085**	**925**	**-161**	**-14.8%**
Construction, Industrial & Engineering	24	27	3	11.7%
Concessions	22	24	2	9.5%
EBITDA	**46**	**51**	**5**	**10.7%**
Margin (%)	4.2%	5.5%		
EBT	**14**	**15**	**1**	**3.9%**
Margin (%)	1.3%	1.6%		

Turnover amounted to €925 million, 14.8% lower than in H1 2015 mainly due to the fall of the construction activity in Spain.

EBITDA increased by 10.7% up to €51 million.

The concession business EBITDA grew by 9.5% if compared to the same period in 2015.

Construction Backlog

At 30 June 2016, the backlog amounted to €6,967 million, 21.5% higher than in June 2015. The International backlog reached an overall weight of 77% of total vs. 68% a year ago.

New awards during H1 2016 amounted to €1,336 million meaning €1,523 million, which in net terms at 30 June was €1,523 million[1] (93% international). Mention should be made of the contract award for the extension of the subway in Dubai.

(Million euros)	30.06.2015	30.06.2016	Chg. (%)	Weight (%)
Total National	**1,809**	**1,637**	**-10%**	**22%**
Total International	**3,924**	**5,735**	**46%**	**78%**
Latam	1,345	2,063	53%	28%
EMEA	1,632	2,075	27%	28%
Australia	755	989	31%	13%
Canada	45	516	1049%	7%
RdM	146	93	-36%	1%
TOTAL	**5,732**	**7,372**	**29%**	**100%**

Concessions

At 30 June ACCIONA held a portfolio of 23 concessions with a book value of €1,406 million (€466 million "equity" and €940[2] million net debt).
Annex 3 contains the details on the concessions portfolio at 30 June 2016.

Water

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Chg.	Chg. (%)
Revenue	**187**	**331**	**144**	**77.2%**
EBITDA	**13**	**56**	**43**	**343.7%**
Margin (%)	6.8%	16.9%		
EBT	**17**	**18**	**1**	**3.5%**
Margin (%)	9.3%	5.4%		

The Water division increased its turnover by 77.2% and its EBITDA increased by more than 4 times, mainly due to the full consolidation of ATLL, the water mains concession in Barcelona.

Excluding this effect, revenues increased by 37.9% while EBITDA increased by 20.9%, mainly thanks to the growth achieved by the design and construction activity in international markets, mainly linked to two desalination plants which ACCIONA Agua is building in Qatar.

Water Backlog

The Water backlog at June 2016 amounted to €10,709 million, 9.8% higher than twelve months ago, which is mainly explained by the full consolidation of the subsidiary ATLL.

[1] Mainly adjusted by exchange rates
[2] It includes the percentage of debt of concessions booked by the equity method (608 million euros).

(Million euros)	30.06.2015	30.06.2016	Chg. (%)
D&C	602	507	-16%
O&M	3,020	2,180	-28%
ATLL	6,129	8,023	31%
Total	**9,751**	**10,709**	**10%**

(Million euros)	30.06.2015	30.06.2016	Weight (%)
Spain	8,341	9,449	88%
International	1,410	1,260	12%
Total	**9,751**	**10,709**	**100%**

B. Services

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Chg.	Chg. (%)
Revenue	**352**	**327**	**-25**	**-7.0%**
EBITDA	**11**	**11**	**0**	**0.3%**
Margin (%)	3.0%	3.2%		
EBT	**3**	**4**	**2**	**62.2%**
Margin (%)	0.8%	1.3%		

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

The division reported a decrease in revenues of 7.0% to €327 million. However, EBITDA remained in line with H1 2015, standing at €11 million.

It is to be noted that during H1 2016 ACCIONA Airport Services was awarded a 7-year handling licence for Düsseldorf Airport as from last 1 April 2016.

III. Other activities

(Million euros)	Jan-Jun 2015	Jan-Jun 2016	Chg.	Chg. (%)
Trasmediterránea	187	194	7	3.6%
Real Estate	24	34	10	41.4%
Bestinver	46	39	-7	-15.0%
Winery	16	17	0	1.0%
Corp. and other	4	3	0	-1.6%
Revenue	**278**	**288**	**10**	**3.6%**
Trasmediterránea	2	14	12	n.a.
Real Estate	0	0	0	n.a.
Bestinver	31	29	-3	-8.1%
Winery	1	1	0	n.a.
Corp. and other	-2	-4	-2	n.a.

EBITDA	**32**	**40**	**8**	**25.8%**
Margin (%)	11.5%	13.9%		
EBT	**-2**	**7**	**10**	**-419.1%**
Margin (%)	-0.8%	2.6%		

During H1 2016 the Other Activities division, which includes Trasmediterránea, Real Estate, Bestinver, Wineries and others, reported revenues of €288 million, 3.6% higher than in H1 2015.

EBITDA increased by 25.8% to €40 million, due to better performance by Trasmediterránea.

Trasmediterránea:

Trasmediterránea improved its EBITDA by €12 million, thanks to higher revenues, improved operational efficiency and lower fuel costs.

During this period, the number of passengers, vehicles and lane metres increased by 3.6%, 4.7% and 0.8%, respectively.

	Jan-Jun 2015	**Jan-Jun 2016**	**Chg. (%)**
Passengers served	879,107	910,789	3.6%
Cargo handled (lane metres)	2,978,687	3,003,740	0.8%
Vehicles	183,153	191,833	4.7%

Real estate

Turnover increased by 41.4% due to the sale of 96 housing units in H1 2016 (vs 14 in H1 2015) and EBIDA remained in line with the same period in 2015.

	30.06.15	**30.06.16**	**Chg. (%)**
Housing stock	330	240	-27.4%

24 out of the 240 units are located in Poland and Portugal.

Bestinver:
Bestinver's assets under management stood at €4,857 million at 30 June 2016. It reported EBITDA of €29 million, an 8.1% lower than in H1 2015.

Relevant events in the period

- **17 March 2016: ACCIONA reports new Board of Directors**
  - ACCIONA reports the composition of the new Board of Directors following recent changes in the management of the group.
  - The Board of Directors is formed by the following Executive Directors: Mr. José Manuel Entrecanales Domecq and Mr. Juan Ignacio Entrecanales Franco and the following Executives: Mr. Carlos Arilla de Juana, Ms. Arantxa Ezpeleta Puras, Mr. Pio Cabanillas Alonso, Mr. Alfonso Callejo Martínez, Ms. Macarena Carrión López de la Garma, Mr. Luis Castilla Cámara, Mr. Rafael Mateo Alcalá, Mr. Joaquín Mollinedo Chocano, Mr. Juan Muro-Lara Girod and Mr. Jorge Vega-Penichet López.
- **4 April 2016: ACCIONA reports the closing of the transaction with Nordex for the transfer of ACCIONA Windpower**
  - ACCIONA announces the transfer to Nordex SE of all the share capital of Corporación ACCIONA Windpower SL (“AWP”) has been concluded, resulting in an Enterprise Value totalling €785 million. The estimated equity value of AWP based on the 31 December 2015 debt adjustment amounts to €742.8 million. ACCIONA has received as consideration:

    (i) 16,100,000 newly issued shares representing 16.6% in Nordex SE share capital, each share valued at €26, which totals €418.6 million.

    (ii) A cash payment of €324.2 million.
- **7 April 2016: Notice of Meeting and proposed agreements for the Annual General Meeting**
  - On 7 April 2016, the company informed CNMV [Spanish Stock Market Regulator] of the Annual General Meeting announcement for 9 May 2016 on first call, or 10 May 2016 on second call, as well as of the proposed agreements.
- **11 April 2016: ACCIONA reports the closing of the transaction for the acquisition of 13.3% of the share capital of Nordex**
  - ACCIONA announces the closing of the acquisition from Momentum-Capital Vermögensverwaltungsgesellschaft GmbH and Ventus Venture Fund Gmbh & Co. Beteiligungs KG of 12,897,752 Nordex shares representing 13.3% of its share capital. ACCIONA currently holds a 29.9% stake in the share capital of Nordex SE.
- **28 April 2016: ACCIONA reports the approval of a Shareholders Plan aimed at those employees who are Spanish tax residents**
  - ACCIONA has approved a “shareholders plan” which allows re-distributing part of the cash remuneration with a limit of €12,000 per year to those employees who are Spanish tax residents. This plan gives the employees, excluding the executive directors, the opportunity to become shareholders. Shares will be delivered considering the closing stock price at 15 April of each year.
- **10 May 2016: Annual General Meeting of Shareholders –Agreements**

  On 10 May 2016 the Annual General Meeting approved, *inter alia*, the following agreements:

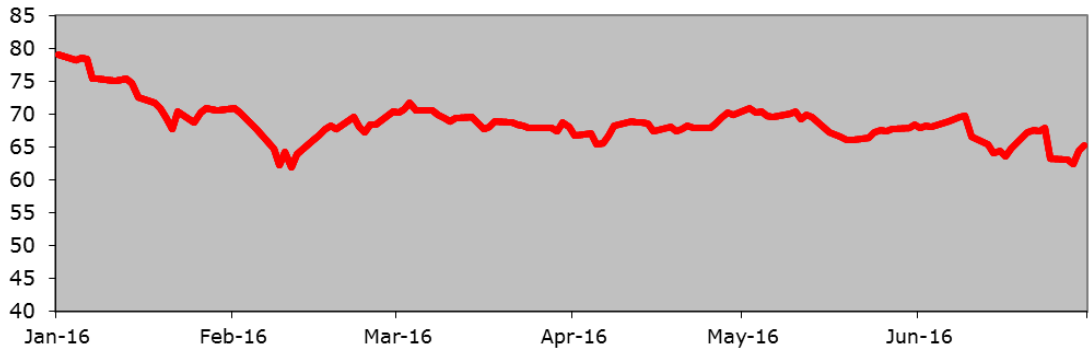
  - To approve a €2.50 gross dividend per share (or higher amount fixed by the Board of Directors or its members with delegated powers in case of treasury shares existence) to be paid on 1 July 2016.

- To amend the bylaws and regulations of the General Shareholders' Meeting to adapt them to the amendments introduced by the Capital Companies Act in relation to corporate governance.
- To authorize the Board of Directors for a period of five years to increase the share capital on one or more occasions, up to the maximum amount of €28,629,775, equivalent to half of the current share capital, with further authority to exclude the preferential right of subscription up to 20% of the share capital.
- 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, as well as warrants and other instruments entitling the right to acquire shares or outstanding shares of the company, with the limit of €3bn, and with further authority to exclude the preferential right of subscription up to 20% of the share capital.
- To acknowledge the Shares Delivery Plan and Performance Shares 2014-2019 and the Substitution Plan and the Shareholders Plan, as well as the number of shares delivered under the Shares Delivery Plan and Performance Shares, in accordance with the report by the Board of Directors, and endorse the plans to the extent necessary. To increase the maximum number of available shares for the Shares Delivery Plan and Performance Shares 2014-2019 by 100,000 shares, without prejudice to subsequent increases, if proposed by the Board of Directors and approved by the General Shareholders' Meeting.
- To acknowledge the amendments to the Board of Directors Regulations in accordance with the Board of Directors.
- To approve the Directors' Remuneration Report for the year 2015.
- To approve the Sustainability Report 2015.

Dividend

On 10 May 2016 the Board of Directors of ACCIONA approved the payment of a dividend against financial year 2015 results, in the amount of €2.5 per share. The dividend was paid on 1 July 2016.

Share Price Trend in H1 2016



Stock Market Data

	30-jun-16
Price at 30 June 2016 (€/share)	65.23
Price at 1 January 2016 (€/share)	79.08
Low in H1 2016 (11/02/2016)	61.99
High in H1 2016 (01/01/2016)	79.08
Average daily trading (shares)	277,185
Average daily trading (shares)	18,984,196
Number of shares (€)	57,259,550
Market capitalization 30 June 2016 (€ million)	3,735

Share Capital

At 30 June 2016 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 2016 amounted to 233,396 shares, which account for 0.41% of the share capital.

2. – Main risks and uncertainties in H1 2016.

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.

A significant portion of the Group's electricity generation activities in Spain is subject to the regulatory framework established in Royal Legislative Decree 9/2013 and the legislation and regulations developed from this Decree. The remuneration model established seeks to provide stable income for the plants that apply it and mitigates their exposure to market price fluctuations through review of the remuneration parameters every 3 years (regulatory semi-period). Furthermore, the regulation provides for a more in-depth review of the parameters that determine the future remuneration for the plants every 6 years (regulatory period), and if this regulation were amended this could impact the results of the operations subject thereto.

In 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 are framed within the principles related to exchange rate risk, interest rate risk, procurement, credit risk, use of derivative and non-derivative financial instruments, and surplus investment policies.

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

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

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

Foreign currency risk: ACCIONA develops its activity in a large number of countries; therefore, 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 clients.

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

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.

Compliance risks
On 23 December 2010 amendment to Organic Law 5/2010 of 22 June came into force, and later on Organic Law 01/2015 of 30 March was amended. Under Organic Law 1/2015 legal persons are subject to Criminal Law and can commit crimes, regardless of the natural persons that form them, and therefore can be given real sentences. The introduction of criminal liability of legal

persons on the basis of the principle of due control carries the obligation of due control by legal representatives, an obligation that up to now was unknown to legal persons in such a serious criminal context, in view of the fundamental fact that a company can actually commit more than thirty different crimes and be given hard sentences on those grounds. A company can prevent being sentenced only by implementing a proper crime prevention system.

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

Corruption in international trade operations: Those that by offering, promising or granting any improper benefit, pecuniary or otherwise, corrupt or seek to corrupt, by themselves or through a third person, foreign civil servants or officials of international organisations, to their benefit or that of a third party, or meet requests in this respect, so that they act or refrain from acting in relation to the performance of public duties so as to secure or keep an irregular contract or improper benefit in the development of international economic activities.

Public tendering and auction price rigging: Those soliciting gifts or promises so as not to participate in public tendering or auctions; those trying to keep away bidders through threats, gifts, promises or any other sly trick; those reaching a mutual agreement to alter the closing bid price, or those that break up or abandon the auction by fraudulent means, having secured the award.

Bribery: The individual that offers or gives a gift or remuneration of any kind to authority, public official or person that performs public duties so that this authority, public official or person that performs public duties will behave contrary to the duties attached to its office or an act pertaining to its office, so that it does not do or delays the act it should do, or in consideration to its office or duty.

Bribery of private individuals: those that by themselves or through a third party promise, offer or grant an unjustified benefit or advantage of any kind to executives, directors, employees or collaborators of a trading company or undertaking, partnership, foundation or organisation so that they or a third party are favoured instead of others, in breach of their duties in connection to the acquisition or sale of goods or the contractual engagement of professional services.

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.