Acciona, S.A. and Subsidiaries

Condensed Consolidated Interim Financial Statements

30 June 2018

Consolidated Interim Directors' Report

2018

(With Limited Review Report thereon)

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

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

Limited Review Report on the Condensed Consolidated Interim Financial Statements

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

To the Shareholders of

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

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have conducted a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Acciona, S.A. (the "Company") and subsidiaries (the "Group"), which comprise the balance sheet at 30 June 2018, the income statement, the statement of recognised income and expense, the statement of changes in equity, the statement of cash flows, and the explanatory notes, all condensed and consolidated, for the six-month period then ended. The Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

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

Conclusion

Based on our limited review, which under no circumstances can be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2018 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 2 (a), which states that these accompanying interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2017. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2018 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2018. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Acciona, S.A. and subsidiaries.

Paragraph on Other Matters

This report has been prepared at the request of the Directors of Acciona, S.A. in relation to the publication of the six-monthly financial report required by article 119 of the Revised Securities Market Law, enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Borja Guinea López

26 July 2018

ACCIONA, S.A.

AND

SUBSIDIARIES
(Consolidated Group)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM DIRECTORS' REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10039

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 June 2018 AND AT 31 December 2017 (Thousand euros)

ASSETS	Note	30.06.2018 (Unaudited)	31.12.2017 (*)
Property, plant and equipment	4	6,591,885	6,640,329
Investment property	5	179,015	176,757
Goodwill	6	201,416	185,650
Other intangible assets	7	1,523,542	1,576,022
Other non-current financial assets	8	245,561	131,923
Investments accounted for using the equity method	8	1,376,159	1,391,331
Deferred tax assets	2	935,015	805,369
Non-current receivables and other non-current assets	9	281,533	277,250
NON-CURRENT ASSETS		**11,334,126**	**11,184,631**
Inventories	10	872,088	820,965
Trade and other accounts receivable		1,547,885	1,891,893
Current financial assets	8	218,924	246,988
Current income tax assets		139,430	146,403
Other current assets		187,997	151,576
Cash and cash equivalents		1,336,907	1,272,781
Non-current assets held for sale	18	--	1,432,121
CURRENT ASSETS		**4,303,231**	**5,962,727**
TOTAL ASSETS		**15,637,357**	**17,147,358**

EQUITY AND LIABILITIES	Note	30.06.2018 (Unaudited)	31.12.2017 (*)
Share capital		57,260	57,260
Retained earnings and issue premium	11	3,480,182	3,943,324
Own securities	11	(130,235)	(3,146)
Translation differences	11	(227,301)	(237,211)
Interim dividend		--	--
Equity attributable to equity holders of the Parent	**11**	**3,179,906**	**3,760,227**
Non-controlling interests		198,677	203,041
EQUITY		**3,378,583**	**3,963,268**
Preference shares, debt instruments and other marketable securities	13	928,230	864,938
Interest bearing borrowings	13	3,911,702	4,406,936
Deferred tax liabilities		507,189	490,506
Provisions	12	539,925	528,607
Other non-current liabilities	14	1,696,017	1,786,271
NON-CURRENT LIABILITIES		**7,583,063**	**8,077,258**
Preference shares, debt instruments and other marketable securities	13	714,865	641,148
Interest bearing borrowings	13	612,741	831,142
Trade and other accounts payable		2,217,471	2,199,217
Provisions		120,718	139,810
Current income tax liabilities		125,128	77,385
Other current liabilities	14	884,788	744,590
Liabilities held for sale	18	--	473,540
CURRENT LIABILITIES		**4,675,711**	**5,106,832**
TOTAL LIABILITIES AND EQUITY		**15,637,357**	**17,147,358**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2018.
(*) The condensed consolidated balance sheet at 31 December 2017 is presented for comparative purposes only.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 June 2018 AND 2017
(Thousand euros)

	Note	30.06.2018 Unaudited	30.06.2017 Unaudited (*)
Revenue	17	3,525,279	3,387,982
Other income		241,124	238,650
Changes in inventories of finished goods and work in progress		44,955	(413)
Procurement		(981,718)	(847,419)
Staff costs		(741,584)	(724,747)
Other operating expenses		(1,470,134)	(1,475,014)
Depreciation and amortisation charge and change in provisions	4, 5 & 7	(319,669)	(310,423)
Impairment and gains or losses on disposal of assets	19	104,609	1,808
Other gains or losses		(3,096)	(91)
PROFIT FROM OPERATIONS		**399,766**	**270,333**
Financial income		31,832	23,609
Finance costs	13	(182,370)	(188,691)
Foreign exchange translation differences		2,034	(7,243)
Profit/(loss) from changes in value of financial instruments at fair value		(1,873)	(4)
Profit/(loss) from changes in value of non-financial assets at fair value		--	8,342
Profit/(loss) of companies accounted for using the equity method	8	11,404	41,333
PROFIT BEFORE TAX, FROM CONTINUING OPERATIONS		**260,793**	**147,679**
Income tax expense		(56,063)	(39,958)
PROFIT IN THE PERIOD FROM CONTINUING OPERATIONS		**204,730**	**107,721**
Profit/(loss) after tax, from discontinued operations		--	--
PROFIT IN THE PERIOD		**204,730**	**107,721**
Non-controlling interests		(19,096)	(27,736)
PROFIT ATTRIBUTABLE TO THE PARENT		**185,634**	**79,985**
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	**16**	**3.28**	**1.40**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPS, (euros)	**16**	**3.28**	**1.38**
BASIC EARNINGS PER SHARE (euros)	**16**	**3.28**	**1.40**
DILUTED EARNINGS PER SHARE (euros)	**16**	**3.28**	**1.38**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2018.
(*) The condensed consolidated income statement at 30 June 2017 is presented for comparative purposes only.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES FOR THE SIX-MONTH PERIODS ENDED 30 June 2018 and 2017 (Thousand euros)

(unaudited)	**2018**	**2017 (*)**
A) CONSOLIDATED PROFIT FOR THE YEAR	**204,730**	**107,721**
1. Profit attributable to the Parent	185,634	79,985
2. Non-controlling interests	19,096	27,736
B) ITEMS THAT WILL NOT BE RECOGNISED IN THE INCOME STATEMENT	**--**	**--**
1. Revaluation / (reversal of the revaluation) of PPE and intangible assets	--	--
2. Actuarial gains and losses and other adjustments	--	--
3. Tax effect	--	--
C) ITEMS THAT CAN BE RECOGNISED IN THE INCOME STATEMENT	**39,038**	**(71,630)**
Income and expenses recognised directly in equity:	**19,280**	**(91,375)**
1. Revaluation of financial instruments:	135	(87)
a) Available-for-sale financial assets	135	(87)
b) Other income / (expenses)	--	--
2. Cash flow hedges	10,506	(5,005)
3. Foreign exchange translation differences	11,300	(116,742)
4. Other income and expenses recognised directly in equity	--	--
5. Tax effect	(2,661)	30,459
Transfers to the income statement:	**19,758**	**19,745**
1. Revaluation of financial instruments:	--	--
a) Available-for-sale financial assets	--	--
b) Other income / (expenses)	--	--
2. Cash flow hedges	26,680	26,327
3. Foreign exchange translation differences	(252)	--
4. Other income and expenses recognised directly in equity	--	--
5. Tax effect	(6,670)	(6,582)
TOTAL RECOGNISED INCOME/(EXPENSES) (A+B+C)	**243,768**	**36,091**
a) Attributed to the Parent	214,739	32,893
b) Attributed to non-controlling interests	29,029	3,198

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2018

(*) The condensed consolidated statement of recognised income and expenses at 30 June 2017 is presented for comparative purposes only.

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ACCIONA, S.A. AND SUBSIDIARIES

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

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

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2018.

ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED COMPREHENSIVE STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2017 (*)

	Equity attributable to the parent							
	Shareholders' Equity							
(unaudited)	**Share capital**	**Share Premium, reserves & interim dividend**	**Treasury shares**	**Year's profit attributable to the Parent**	**Other equity instruments**	**Value & Foreign exc. transl. differences adjust-ments**	**Non-controlling interests**	**Total equity**
Opening balance at 01/01/2017	**57,260**	**3,712,946**	**(14,403)**	**351,981**	**--**	**(276,308)**	**265,870**	**4,097,346**
Adjustments due to changes in accounting criteria	--	--	--	--	--	--	--	--
Adjustments due to errors	--	--	--	--	--	--	--	--
Adjusted opening balance	**57,260**	**3,712,946**	**(14,403)**	**351,981**	**--**	**(276,308)**	**265,870**	**4,097,346**
Total recognised income/(expenses)	--	--	--	79,985	--	(47,092)	3,198	**36,091**
Transactions with shareholders or owners	--	(202,164)	3,722	--	--	--	(19,146)	(217,588)
Capital increases/(reductions)	--	--	--	--	--	--	--	--
Conversion of financial liabilities to equity	--	--	--	--	--	--	--	--
Dividends paid	--	(164,621)	--	--	--	--	(9,565)	(174,186)
Treasury share transactions (net)	--	(35,831)	3,722	--	--	--	--	(32,109)
Increases/(Decreases) due to business combinations	--	--	--	--	--	--	3,513	3,513
Other transactions with shareholders or owners	--	(1,712)	--	--	--	--	(13,094)	(14,806)
Other changes in equity	--	354,083	6,275	(351,981)	--	--	(1,730)	6,647
Share-based payments	--	1,259	6,275	--	--	--	--	7,534
Transfers between equity items	--	351,981	--	(351,981)	--	--	--	--
Other changes	--	843	--	--	--	--	(1,730)	(887)
End balance at 30/06/2017	**57,260**	**3,864,865**	**(4,406)**	**79,985**	**--**	**(323,400)**	**248,192**	**3,922,496**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2018
(*) The comprehensive statement of changes in equity at 30 June 2017 is presented for comparative purposes only.

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ACCIONA, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017 AND 2017 (Thousand euros)

(Unaudited)	30.06.2018	30.06.2017 (*)
CASH FLOWS FROM OPERATING ACTIVITIES	**108,941**	**(24,969)**
Consolidated profit before tax for the period	260,794	**147,679**
Adjustments for:	**318,072**	**393,362**
Depreciation and amortisation charge and provisions	321,955	303,823
Other adjustments to profit (net)	(3,883)	89,539
Changes in working capital	**(374,765)**	**(387,150)**
Other cash flows from operating activities:	**(95,160)**	**(178,860)**
Interest paid	(143,746)	(151,599)
Interest received	32,714	15,620
Dividends received	18,321	2,156
Income tax recovered / (paid)	(1,346)	(56,944)
Other amounts received / (paid) relating to operating activities	(1,103)	11,907
CASH FLOWS FROM INVESTMENT ACTIVITIES	**654,365**	**(491,628)**
Payments due to investment:	**(272,916)**	**(505,312)**
Group companies, associates and business units	(29,085)	(128,724)
Property, plant and equipment, intangible assets and investment property	(243,831)	(376,588)
Proceeds from disposal:	**1,003,921**	**43,458**
Group companies, associates and business units	981,377	--
Property, plant and equipment, intangible assets and investment property	22,544	43,458
Other cash flows from investment activities:	**(76,640)**	**(29,774)**
Other amounts received/(paid) relating to investment activities	(76,640)	(29,774)
CASH FLOWS FROM FINANCING ACTIVITIES	**(687,088)**	**307,333**
Proceeds and (payments) relating to equity instruments:	**(124,680)**	**591**
Purchases	(124,680)	--
Disposals	--	591
Proceeds and (payments) relating to financial liability instruments:	**(540,040)**	**324,662**
Proceeds from issues	1,669,970	1,074,970
Repayments and redemptions	(2,210,010)	(750,308)
Dividends and returns on other equity instruments paid	(19,089)	(9,565)
Other cash flows from financing activities	**(3,279)**	**(8,355)**
Other amounts received/(paid) relating to financing activities	(3,279)	(8,355)
EFFECT OF EXCHANGE RATE FLUCTUATIONS	**(12,092)**	**(15,170)**
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	**64,126**	**(224,434)**
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,272,781	1,428,319
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	1,336,907	1,203,885
BREAKDOWN OF CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and banks	1,048,626	903,884
Other financial assets	288,281	300,001
TOTAL CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,336,907**	**1,203,885**

Notes 1 to 23 are an integral part of the six-month condensed consolidated financial statements at 30 June 2018
(*) The condensed consolidated statement of cash flows at 30 June 2017 is presented for comparative purposes only.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018 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: comprises the electricity business covering the development of renewable power generation plants, its construction, operation and maintenance and the sale of the energy produced. All the electricity generated by Acciona Energy comes from renewable 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 waste water treatment and return of treated water 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.

The explanatory notes to the accompanying consolidated financial statements include Note 17 "Segment Reporting", which includes detailed information on the assets, liabilities and operations carried out in each of the business activities developed by Acciona Group. Acciona, S.A. shares are listed on the Madrid Stock Exchange.

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 2017 were prepared by the Directors of the Company at the Board of Directors meeting held on 26 February 2018, 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 2017, and of the consolidated results of its operations, of the changes in the recognised consolidated income statement and of the consolidated cash flows for the financial year then ended. Said consolidated financial statements were approved by the General Shareholders' Meeting held on 30 May 2018.

Acciona Group consolidated financial statements for financial year 2017 were prepared on the basis of the accounting records kept by the Parent and by the other Group companies.

These condensed six-month consolidated financial statements are presented in accordance with IAS 34 – Interim Financial Reporting and circular 1/2008, 5/2015 and 3/2018 of the Spanish National Markets and Competition Commission (CNMC), and were prepared by the Directors of the Parent on 26 July 2018, 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 2017. 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 2017.

In the first half of 2018 the following accounting standards, amendments and interpretations became effective:

Standards, amendments and interpretations:		**Of mandatory application in annual periods beginning on or after:**
Approved for application in the EU		
IFRS 15 - Revenue from contracts with customers	New revenue recognition standard which will replace IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.	01 January 2018
IFRS 9 - Financial Instruments.	This new standard replaces any requirements set by the NIC 39 regarding classification, measurement, recognition and sale of financial assets, liabilities, coverage and impairment.	01 January 2018
Amendments to IFRS 4 - Insurance Contracts	Allows any companies that fall within the IFRS 4 scope to apply the IFRS 9 ("Overlay approach"), or to be temporarily exempted from it.	01 January 2018
Not approved for application in the EU		

Amendments to IFRS 2: Classification and measurement of share-based payment transactions	These are limited amendments which further clarify specific issues, such as the effects of accrual conditions for any cash payments coming from stock sales, share-based payment transactions classifications affected by net settlements resolutions, as well as certain types of amendments related to form of payment for share-based payment transactions.	01 January 2018
Amendments to IAS 40: Transfers of investment property	This amendment specifies that an investment reclassification from or to investment property, will only be allowed if there is evidence that the use of the property has changed.	01 January 2018
Improvements to the IFRS for the period 2014 - 2016	Minor amendments to a series of standards	01 January 2018
IFRIC 22 - Foreign currency transactions and advance consideration	This interpretation defines the "transaction date" to be used when defining the applicable exchange rate for a transaction involving advance considerations in a foreign currency.	01 January 2018

IFRS 15 - Revenue from contracts with customers and IFRS 9 - Financial Instruments coming into force are expected to lead to significant amendments to the Group's accounting policies which will be explained later on. The majority of the remaining standards are pending approval for use in the European Union, and they are not expected to have significant impacts, as either they do not pose significant changes, or they refer to economic events that do not affect the Acciona Group.

The accounting policies and criteria used in the preparation of these condensed consolidated financial statements for the first half of the year are consistent with those applied to the consolidated financial statements for financial year 2017, with the exception of the amendments introduced in accounting policies associated with IFRS 15 and 9.

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

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

The amendments to accounting policies associated with revenue recognition (IFRS 15) and financial instruments (IFRS 9) are described below:

- IFRS 9 - Financial Instruments:

As of the start of the financial period that began on the 1st of January 2018, the IFRS 9 standard has replaced the IAS 39, and it applies to financial assets and liabilities alike. The effects of its first application were recorded on the 1st of January 2018, against reserves, without re-calculating the figures from the 2017 period, as per the option adopted by the Group and in line with the

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TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
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standard. As explained below, there are some differences between this standard and IAS 39, which are grouped in three main areas: (i) classification and measurement, (ii) impairment valuation and (ii) hedge accounting. The Group has been affected mainly by the new impairment value criteria defined in the new standards for financial assets.

An itemised breakdown of all variations experienced following the implementation of IFRS 9, organised by balance sheet sections is set out below:

Impact of the first application of IFRS 9	
(In thousand euro)	**Adjustments for IFRS 9**
Other intangible assets	(2,997)
Non-current financial assets	(2,100)
Deferred tax assets	5,122
NON-CURRENT ASSETS	**25**
Trade and other accounts receivable	(49,750)
Customers and debtors	(49,750)
CURRENT ASSETS	**(49,750)**
TOTAL ASSETS	**(49,725)**
Equity attributable to equity holders of the Parent	**(42,541)**
Non-controlling interests	-
EQUITY	**(42,541)**
Interest bearing borrowings	(9,579)
Deferred tax liabilities	2,395
NON-CURRENT LIABILITIES	**(7,184)**
TOTAL LIABILITIES AND EQUITY	**(49,725)**

- Classification and measurement:

Classification of financial assets: the new scope for asset classification is based on the contractual specifications of asset cash flow and the company's business model to manage such assets. IFRS 9 provides three categories for financial assets: (i) amortised cost, (ii) fair value with changes in equity and (iii) fair value with changes in the consolidated income statement. In addition, companies may choose to present specific equity instruments as part of the fair value with changes in equity category, without later recycling this in the consolidated income statement.

Based on the analysis carried out, transitioning to these categories has caused some changes in terminology which have not impacted the valuation of the affected financial assets. The amortised cost category is the one that practically collects all of the Group's financial assets, which were previously classified under the IAS 39 as "loans and receivables". This new category does not present any significant valuation differences when compared to the categories used by IAS 39. In section 8.1 of these six-month condensed consolidated financial statements, a breakdown of all financial assets as of the 30th of June 2018 and 31st of December 2017 has been included, using the terminology specified by IFRS 9 and IAS 39, respectively.

Refinancing liabilities: as established by IAS 39, contractual amendments of any liabilities are not listed as losses in the consolidated income statement because they are considered unsubstantial amendments. The new standards indicate that these ought to be accounted for as changes in the estimated contractual flow for the liability, under the original effective interest rate and adjusting the book value on the modification date, recording the difference as either income or an expense in the income statement on the refinancing date.

Acciona Group, during their last financial years, has carried out a series of debt refinancing operations. As of the 1st of January 2018 (first application date) the impact has amounted to a decrease in the book value of financial liabilities and retained earnings of 7 million euros.

- Impairment in value

As established by IFRS 9, the Group has established a new impairment model based on the expected losses to replace the previous model based on incurred losses. The new model requires any potential losses arising from defaulting payments during the next 12 months or throughout the entire lifespan of the financial instrument to be recognised, depending on the nature of the financial asset and the evolution of its associated credit risk from the initial recognition date.

The standard also provide a simplified model for trade receivables, accounts receivable related to financial leases, and any assets included under IFRS 15, which calculates the total expected losses for the lifespan of these assets. It is in this trade receivables section that the expected loss calculations have had the biggest impact on the Group.

In order to calculate expected losses, Acciona Group has developed a model that allows, firstly, any pending receivables according to be segmented by business division and type of client (public entities, large clients, etc.) and subsequently, analyses past credit losses over the last five years. In these cases, past credit loss experiences are then adjusted in order to reflect the differences between the economic conditions of the period during which the historical data was gathered and the current economic conditions.

Following this analysis, a negative impact of 50 million euros after taxes has been estimated, which was recorded against the retained earnings at the 1st of January 2018, according to the standard.

- Hedge accounting:

IFRS 9 seeks to align hedge accounting with the Group's risk management policies, and therefore it makes them more flexible and expands the requirements to designate hedged items and hedging items. The Group has determined that any associated hedges currently listed as "effective hedges" can still be classified as hedges according to IFRS 9. IFRS 9 does not change any of the general hedge accounting principles, and therefore the Group has been largely unaffected by the implementation of this standard.

- IFRS 15 Revenue from contracts with customers

From the 1st of January 2018, the Acciona Group recognises most of its revenue as coming from sales and services rendered under the criteria set by IFRS 15. The main differences when compared to the previous standard are related to assessing revenue recognition methods and the level of customer acceptance in relation to the work carried out, and the identification of different obligations in long term contracts. These adjustments were recorded against reserves, calculated retroactively under the provisions set by paragraph C3 b) of IFRS 15 for any outstanding contracts (mainly falling under the infrastructure division) on the date the standard was first applied (1st of January 2018), according to the Group's choices when implementing the new standard. Therefore, any amounts listed for comparison purposes with 2017 have not been recalculated and are still presented according to IAS 11 and IAS 18.

A breakdown of the variations experienced following the initial application of IFRS 15 is detailed below:

Impact of the first application of IFRS 15	
(In thousands of euro)	**Adjustments for IFRS 15**
Other intangible assets	(1,274)
Investments accounted for using the equity method	(59,477)
Deferred tax assets	123,329
NON-CURRENT ASSETS	**62,578**
Inventories	(1,761)
Trade and other accounts receivable	(514,795)
Customers and debtors	(19,284)
Works pending certification	(495,511)
CURRENT ASSETS	**(516,555)**
TOTAL ASSETS	**(453,977)**
Equity attributable to equity holders of the Parent	**(453,445)**
Non-controlling interests	(532)
EQUITY	**(453,977)**
TOTAL LIABILITIES AND EQUITY	**(453,977)**

The main differences brought by the adoption of this standard over Acciona Group's revenue recognition policies correspond to:

- An increase in the level of customer acceptance required to recognize revenue coming from *modifications over the original contract*. When it comes to those contracts where negotiations are still taking place and customer acceptance is still pending, it is now required for their completion status to be advanced enough to reasonably ensure that it is highly likely that the revenues recorded will not be reverted once negotiations are finalised. Furthermore, in such cases revenue recognition will be recorded under the limitations corresponding to variable compensation, as set out by paragraph 19 of IFRS 15 standard. The negative impact after taxes recorded in reserves, as of the 1st of January 2018, amounted to 411.7 million euros.

- On the other hand, the new standard requires the different *performance obligations* to be identified at the beginning, in a way that allows revenue recognition for each obligation to be done separately. The negative impact after taxes recorded in reserves, as of the 1st of January 2018, amounted to 1.9 million euros.

- Recognition of the *costs for obtaining* construction projects has also been revised, and it is now necessary for any expenses listed under this item to correspond to incremental costs, that is, to costs incurred after the project is awarded. The negative impact after taxes recorded in reserves, as of the 1st of January 2018, amounted to 3.8 million euros.

- The change in revenue recognition methods implemented by Nordex subgroup, which is accounted for by the Acciona Group using the equity method, replace the incurred costs - percentage completion method for the completed milestones method. The negative impact after taxes recorded in reserves, as of the 1st of January 2018, amounted to approximately 36.6 million euros.

It should be noted that the effects of the first application of both IFRS 9 and IFRS 15 have temporarily created a negative difference between "current assets" and "current liabilities", although this has had no impact on the management of the Group's working capital. This is a transient situation and will progressively correct itself as the different related revenue recording conditions are met – mainly after reaching the required customer acceptance levels for works in progress, and when accounts receivables that were derecognised after the initial application of the accounts standards are re-established.

With regard to the most significant Standards approved by the IASB that are pending adoption by the European Union, the following should be noted:

- IFRS 16 - Leases.

IFRS 16 – Leases, will replace the IAS 17 – Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC 15 Operating leases - Incentives and SIC 27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease, for reporting periods starting on the 1st of January 2019. This new standard proposes a single lease model for the lessee in which a liability will be recorded for any payments due for the lease, including any reasonable extensions, and an asset that represents the right to use the underlying asset for the duration period of the lease. Lessees will also be responsible for re-evaluating any liabilities on the lease, usually by adjusting the recorded asset for right of use, whenever certain events require it - such as changes to the duration period of the lease, changes in the future payment schedule caused by updating any clauses included in the lease agreement, changes to any future rents, etc. The Standard includes two exceptions to lease recognition on behalf of lessees: small value leases and leases lasting under 12 months. Likewise, lessors must also list their amortised liability expenses as separate from the amortised value for right of use. The dual model based on the current IAS 17 is maintained for the lessor and the leases will be financial or operational.

Most of the situations in which Acciona Group acts as a lessee relate to operational leases, and the Group is still evaluating the full impact of this standard. This assessment will take into account the following procedures:

- Inventory of any lease agreement in force as of the 30th of June 2018 that are expected to remain valid by the 1st of January 2019.
- Analysis of each lease agreement in order to determine their effective periods, based on the likely extensions that will be executed, and whether any of these fall within the scope of IFRS 16.
- Reviewing any payment plans included within lease agreements in order to separate, whenever possible, which payments portion respond to services rendered and therefore do not meet the definition of a lease.
- Estimating the discount rates that will be applied to each lease agreement.
- Implementing a management tool that facilitate future control and calculations for the new standard.

Acciona Group has chosen not to adopt IFRS 16 in advance, and it is currently evaluating the best method to be applied during the transition: a modified retroactive transition method, a simplified modified retroactive transition method, or a mixed model depending on the characteristics of any in force agreements.

To date the Group is yet to complete the analysis on the effects of this standard. The real impact of implementing IFRS 16 on the financial statements for the first application period will depend on future economic conditions, including the Group's debt rate as of the 1st of January 2019. This will be one of the variables used to estimate any discount rates, the composition of the Group's leasing portfolio, the final Group evaluation regarding any potential renewal options that may or may not be executed, and the way in which the Group opts to use any exemptions for the recognition of small or short-term leases. Therefore, the Group does not yet have a final figure for the full impact of the first application of the new standard.

b) Accounting estimates and judgements

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

- The measurement of assets and goodwill so as to determine any impairment losses thereon.
- Allocation of the cost of business combinations.

- Revenue recognition in the construction activity.
- The assumptions used in the actuarial estimate of pension liabilities and obligations.
- The useful life of property, plant and equipment, investment property and intangible assets.
- The assumptions used to measure the fair value of financial instruments.
- The probability of occurrence and the amount of liabilities of an undetermined amount or contingent liabilities.
- Future costs for dismantling facilities and land restoration.
- The expense for corporate tax that, under IAS 34, is recognised in interim periods on the basis of the best estimate of the weighted average tax rate that Acciona Group anticipates for the annual period.

These estimates were based on the best information available to date about the events analysed, but it so might happen that future events could make it necessary to change these estimates (upwards or downwards) at the close of financial year 2018 or in subsequent financial years. If this were the case, it would be done, under IAS 8, prospectively, and the effects of change in estimates on the consolidated income statement of the years affected would be recognised.

During the six-month period ended 30 June 2018, no significant changes occurred in the estimates made at the close of financial year 2017; nor were there changes in accounting criteria or correction of errors, with the exception of accounting policies related to revenue recognition and the measurement of impairment in value of financial instrument associated with IFRS 15 and IFRS 9 coming into force, respectively (see Note 2.a).

c) Contingent assets and liabilities

Note 17 to Acciona Group consolidated financial statements for the financial year ended 31 December 2017 provides information on contingent assets and liabilities at said date. No significant changes in the contingent assets and liabilities of Acciona Group took place in the first semester of 2018, 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 2017 and for the year ended 31 December 2017 is presented only and exclusively for purposes of comparison with the information on the six-month period ended 30 June 2018.

e) Seasonal nature of the Group's operations

Most activities carried out by Acciona Group companies are not particularly cyclical or seasonal. Sea passenger transportation operated mainly by Acciona Trasmediterránea and 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 itemisation is required in these explanatory notes to the condensed consolidated financial statements for the six-month period ended 30 June 2018.

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 recognised under "*Other Adjustments to Profit (Net)*" although on a separate basis, as well as the transfer of the gains or losses on disposal of assets included under investment activities and, lastly, the adjustments to the results of companies accounted for using the equity method and, in general, any results that do not generate cash flows.

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

- Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not operating activities.

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

3.- Changes in the Group's composition

Appendices I, II and III to the consolidated financial statements for the financial year ended 31 December 2017 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 months period ended 30 June 2018, the main change in scope corresponds with the sales contract for 100% of the shares that the Group held in Acciona Termosolar, S.L. (the owner of 5 thermal power plants in Spain) to Contourglobal Mirror 2 S.Á.R.L. being formalised, after fulfilling the final condition precedent regarding the clearance from the Spanish National Markets and Competition Commission on 10 May 2018; the sale amounted to 1,093 million euros (including debt), and capital gains of 53 million euros were recognised under "impairment and gains or losses on disposal of assets" for this operation.

The sale of the totality of the shares held by the company in Compañía Trasmediterránea, S.A. (92.71% of the share capital) to Grupo Naviera Armas was formalised on 6 June 2018 after fulfilling the final condition precedent regarding the clearance from the Spanish National Markets and Competition Commission. The sale amounted to 387.7 million euros (including debt), which covers the repayment of the debt that Trasmediterránea had with Group companies amounting to 127.3 million euros, and a deferred payment of 30.4 million euros. Capital gains amounting to 44.8 million euros are recognised in the condensed consolidated income statement under "impairment and gains or losses on disposal of assets" for this operation.

A sales agreement for 100% of the shares that the Latam Airlines Group held in the Chilean company "Andes Airport Services S.A." was finalised on 4 October 2017 for an amount of 24,300 million CLP (32,781 million euros). On 7 May 2018, after all the conditions precedent contained in the contract relating to administrative clearance from the corresponding Chilean competitions board, and to Latam effective contribution of certain assets detailed in the contract to the purchased company, the Group acquired control and it starts to be fully consolidated. Detail of the business combinations is as follows (in thousand euros):

Company	Acquisition cost	Percentage bought	Fair value of company assets and liabilities	Goodwill
Andes Airport Services, S.A.	32,781	100%	17,219	15,562

The table below details the fair value of the Andes Airport Services, S.A. assets and liabilities at the time control was taken over:

Thousand euros	**07/05/2018**	**Thousand euros**	**07/05/2018**
ASSETS		LIABILITIES	
Other intangible assets	50	Equity	17,219
PPE	11,912		
Deferred tax assets	426		
Non-current assets	12,388		
Current assets	9,341	Current liabilities	4,510
Total Assets	**21,729**	**Total Liabilities**	**21,729**

At the time is was acquired, as indicated by IFRS 3, the Group carried out a valuation analysis that allowed the fair value of the assets and liabilities of the acquired Subgroup to be determined ("Purchase Price Allocation" or PPA). No assets or liabilities other than those recorded in the acquired company's financial statements were identified or recognised in this analysis.

As a result of the aforementioned process and due to the difference between the fair value of net assets acquired and the acquisition cost, goodwill of 15,562 thousand euros has been recorded corresponding to the position in the Santiago de Chile airport handling market, which results in a competitive advantage to obtain contracts with local airlines and to a large extent allows the expected market growth following the current Santiago de Chile airport expansion to be exploited.

According to applicable accounting regulations, once a period of 12 months has passed from the date of purchase, the allocation of assets and liabilities identified shall be deemed final.

The main assets and liabilities contributed by the company Andes Airport Services, S.A. are detailed in the notes to these condensed consolidated financial statements.

The net revenue and the after-tax result provided by the company Andes Airport Services, S.A. from the effective acquisition date until 30 June 2018 amounted to 5,632 thousand euros and 261 thousand euros, respectively. If the effective acquisition date of the aforementioned company had been 1 January 2018, the net revenue and the after-tax result provided would have amounted to 18,520 thousand euros and 2,511 thousand euros, respectively.

The functional currency of the Andes Airport Services, S.A. company is the Chilean Peso (CLP).

4.- Property, plant and equipment

The changes in first six-month period 2018 and 2017, 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 2016				

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PPE	Land & buildings	Energy generation facilities	Other plant & machinery	Advances & PPE under construction	Other PPE	Depreciation & provisions	Impairment	Total
Balance at 31.12.2016	**408,616**	**11,421,752**	**1,465,229**	**414,012**	**225,690**	**(5,013,181)**	**(956,245)**	**7,965,873**
Variations due to changes in scope of consolidation	(11)	--	23,042	--	5,775	(14,335)	--	14,471
Additions / Allocation	4,024	17,049	101,712	165,424	37,721	(258,602)	(269)	67,059
Reductions	(542)	(9,767)	(17,564)	(1,728)	(2,784)	22,896	--	(9,489)
Transfers	(8,950)	353,630	5,666	(347,104)	4,264	1,246	3,320	12,072
Other changes	(86)	(208,733)	(12,777)	(25,597)	(3,052)	58,039	9,537	(182,669)
Balance at 30.06.2017	**403,051**	**11,573,931**	**1,565,308**	**205,008**	**267,614**	**(5,203,937)**	**(943,656)**	**7,867,319**
	Six-month period ended 30 June 2018							
Balance at 31.12.2017	**356,310**	**10,302,821**	**817,069**	**430,350**	**222,646**	**(4,712,122)**	**(776,746)**	**6,640,328**
Variations due to changes in scope of consolidation	4,276	--	310	8,524	176	(4,337)	2,213	11,162
Additions / Allocation	1,207	2,541	13,597	136,863	16,049	(240,772)	139	(70,376)
Reductions	(814)	(39,359)	(33,135)	(6,125)	(3,883)	62,400	5,494	(15,422)
Transfers	176	10,937	13,005	(11,874)	(445)	(1,466)	(896)	9,437
Other changes	413	18,611	10,357	962	(725)	(10,595)	(2,267)	16,756
Balance at 30.06.2018	**361,568**	**10,295,551**	**821,203**	**558,700**	**233,818**	**(4,906,892)**	**(772,063)**	**6,591,885**

The most significant movement in PPE corresponds with "Additions" in the six month period ended 30 June 2018, specifically under "PPE under construction" for the energy division corresponding to power generation facilities for wind projects in Mexico, Australia and Chile, amounting to approximately 132 million euros.

The reclassification of expected rights from "other intangible assets" related to the wind farm in South Africa amounting to 11 million euros should be noted.

The most notable reduction in the six month period ended 30 June 2018 corresponding to dismantling the "El Cabrito" wind park located in Cadiz (Spain). This project is currently being repowered and hence the old wind turbines with a fully amortised cost of 38 million euros are being replaced for more modern and efficient turbines.

In "Variations due to changes in scope of consolidation" entries of land, construction and PPE under construction within the services division scope should be noted on having acquired control over the Chilean company "Andes Airport Services, S.A." (see note 3).

“Other changes” includes the effect of translation differences in the six-month period ended 30 June 2018, for a positive amount of 16 million euros, which came mainly from energy projects whose functional currency is the US dollar (negative amount of 183 million euros in the six-month period ended 30 June 2017).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main assets, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests at 31 December 2017, as well as the presence of relevant changes on the markets where the assets operate relating to regulatory, economical or technological aspects, for adequate adjustment of impairment provisions during the financial year. There are no relevant aspects to be noted for the first half of 2018.

At 30 June 2018, the Group companies had commitments to buy property, plant and equipment for 724 million euros mainly in the energy division for the wind power facilities currently under construction in Chile, USA and Mexico (546 million euros at 31 December 2017).

5. - Investment property

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

The changes in the first half of financial years 2018 and 2017 in the Group’s investment property were as follows:

	Thousand euros			
Investment property	**Cost**	**Deprecia-tion**	**Impair-ment**	**Total**
Six-month period ended 30 June 2017				
Balance at 31.12.2016	**745,382**	**(112,513)**	**(121,275)**	**511,594**
Additions	220	(4,554)	--	(4,334)
Reductions	(10,153)	162	6,257	(3,734)
Transfers	(479,363)	70,834	52,603	(355,926)
Other changes	--	--	--	--
Balance at 30.06.2017	**256,086**	**(46,071)**	**(62,415)**	**147,600**
Six-month period ended 30 June 2018				
Balance at 31.12.2017	**276,804**	**(47,810)**	**(52,237)**	**176,757**
Additions	7,004	(1,931)	0	5,073
Reductions	(4,400)	134	1,451	(2,815)
Transfers	--	--	--	--
Other changes	--	--	--	--
Balance at 30.06.2018	**279,408**	**(49,607)**	**(50,786)**	**179,015**

The most significant changes in this first six-month period of 2018 correspond to:

- increases amounting to 7 million euros from the rehabilitation works on an office building located in Madrid

- sales of residential rental real estate located in various parts of Spain for a net amount of 2.8 million euros.

Based on the analyses made by the Group's Management on the trend of the real estate market in Spain, where the Group operates, no impairment was appraised in the first half of 2018; nor were there additional significant losses not covered by the existing provisions at 30 June 2018.

At 30 June 2018 the Group had a portion of its investment property mortgaged for 46,291 thousand euros net book value to secure loans granted by banks.

6.- Goodwill

Breakdown at 30 June 2018 and 31 December 2017 of this caption on the accompanying condensed consolidated balance sheet was as follows:

	Balance at 30/06/2018	Balance at 31/12/2017
Geotech Holding subgroup	106,728	106,347
Acciona Facility Services subgroup	50,962	50,962
Acciona Water subgroup	27,976	27,976
Andes Airport Service, S.A.	15,401	--
Other	349	366
Total	**201,416**	**185,650**

The recognition of 15,562 thousand euros of goodwill in the services division is noted, following the acquisition of the Chilean airport handling company "Andes Airport Services, S.A." in May 2018 (see note 3).

On the other hand, the goodwill associated with the Australia subgroup Geotech Holding acquired in the previous year has increased by approximately 4 million euros after decreasing the initial valuation of certain net tax assets and because of the intangible asset identified associated with the confirmed project backlog.

At 30 June 2018 negative translation differences in the caption have been recorded for approximately 3.5 million euros (11 million euros at 31 December 2017), mainly due to changes in the Australian dollar exchange rate.

In the first half-year period for 2018 no circumstances have been identified indicating that an impairment test to 30 June 2018 needs to be done. Similarly, at 31 December 2017 no impairment was identified in the tests carried out.

Acciona Group policies concerning impairment analysis of its intangible assets, PPE and particularly its goodwill are described in note 4.2 e) to the consolidated financial statements for financial year ended 31 December 2017.

7.- Other intangible assets

At 30 June 2018 and 2017, 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	Deprecia-tion	Impair-ment	Total
Six-month period ended 30 June 2017								
Balance at 31.12.2016	**54,464**	**1,929,606**	**1,451**	**63,467**	**6,019**	**(432,245)**	**(125,804)**	**1,496,958**
Variations due to changes in scope of consolidation	146	--	13,826	136	--	(133)	--	13,975
Additions / Allocation	774	7,945	15,252	2,393	530	(33,481)	--	(6,587)
Reductions	--	(224)	--	(1,062)	--	530	--	(756)
Transfers	(2,623)	(26,957)	--	1	--	(64)	--	(29,643)
Other changes	97	(24,388)	(836)	43	--	4,236	1,043	(19,805)
Balance at 30.06.2017	**52,858**	**1,885,982**	**29,693**	**64,978**	**6,549**	**(461,157)**	**(124,761)**	**1,454,142**
Six-month period ended 30 June 2018								
Balance at 31.12.2017	53,309	2,092,622	45,347	53,580	14,439	(562,388)	(120,887)	1,576,022
Variations due to changes in scope of consolidation	--	--	64	(1)	--	(15)	--	48
Additions / Allocation	173	7,974	1,500	2,121	3,465	(42,576)	--	(27,343)
Reductions	(206)	(4,817)	(2,962)	(77)	--	1,319	--	(6,743)
Transfers	(1)	(11,037)	--	2	--	1,627	--	(9,409)
Other changes	(52)	(13,166)	(147)	(273)	--	4,247	358	(9,033)
Balance at 30.06.2018	**53,223**	**2,071,576**	**43,802**	**55,352**	**17,904**	**(597,786)**	**(120,529)**	**1,523,542**

The reclassification of expected rights to the PPE caption related to the wind farm in South Africa amounting to 11 million euros should be noted.

Among other reductions in the period, the most notable adjustment made was to decrease the initial valuation of intangible assets associated with the confirmed project backlog identified during the acquisition of the Australian subgroup "Geotech Holding" in the previous year, amounting to 2.5 million euros under "other assets".

The main items in "Other changes" include the effect of translation differences in the six-month period ended 30 June 2018, for a negative amount of 9 million euros (positive amount of 20 million euros in the six-month period ended 30 June 2017).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main projects, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests at 31 December 2017, 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 2018 and 31 December 2017, the Group companies had commitments to buy intangible assets for 154 and 126 million euros respectively, mainly derived from concession projects in the infrastructure construction (highways) and water divisions.

The breakdown of the "Concessions" heading at 30 June 2018 and 2017 was the following:

Concessions	2018				2017			
	Cost	Deprecia-tion & provisions	Impairment	Total	Cost	Depreciation & provisions	Impairment	Total
Administrative concessions	282,349	(111,823)	(15,875)	154,651	351,797	(134,912)	(33,106)	183,779
Intangible conc. (IFRIC 12)	738,530	(255,505)	(104,655)	378,370	483,833	(127,766)	(91,655)	264,412
ATLL Concesionaria de la Generalitat de Catalunya, S.A. (IFRIC12)	1,050,698	(114,193)	--	936,505	1,050,352	(93,150)	--	957,202
Total	2,071,577	(481,521)	(120,530)	1,469,526	1,885,982	(355,828)	(124,761)	1,405,393

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

8.1 Other current and non-current financial assets

Breakdown of this chapter from the Group's consolidated balance sheet at 30 June 2018 and 31 December 2017, disclosed by type and category for measurement purposes, were as follows:

Financial Assets: Type / Category	Thousand euros 30.06.2018 (classification under IFRS 9) Financial Assets designated at fair value with changes in profit or loss	Financial assets at fair value with changes in the recognised consolidated income statement	Financial assets carried at amortised cost	Hedging Derivatives	Total
Equity instruments	10,848	5,135	--	--	15,983
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets	--		229,578	--	229,578
Long-term / non-current	**10,848**	**5,135**	**229,578**	**--**	**245,561**
Equity instruments	--	--	--	--	
Other credits	--	--	152,231	--	152,231
Derivatives	--	--	--	480	480
Other financial assets	--	--	66,213	--	66,213
Short-term / current	**--**	**--**	**218,444**	**480**	**218,924**
Total	**10,848**	**5,135**	**448,022**	**480**	**464,485**

Financial Assets: Type / Category	Thousand euros 31.12.2017 (classification under IAS 39) Available-for-Sale Financial Assets	Loans and Receivables	Held-to-Maturity Investments	Hedging Derivatives	Total
Equity instruments	13,372	--	--	--	13,372
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets	--	118,551	--	--	118,551
Long-term / non-current	**13,372**	**118,551**	**--**	**--**	**131,923**
Equity instruments	--	--	--	--	--
Other credits	--	166,499		--	166,499
Derivatives	--	--	--	8,225	8,225
Other financial assets	--	72,263		--	72,263
Short-term / current	**--**	**238,762**	**--**	**8,225**	**246,987**
Total	**13,372**	**357,313**	**--**	**8,225**	**378,910**

The increase in "other non-current financial assets" is mainly explained by the subrogation of Naviera del Roque, S.L.U. to a previous credit that an Acciona Group subsidiary held with Compañía Trasmediterránea, S.A., related to the sale of the Trasmediterránea subgroup (see Note 3).

The line "other credits" records the investments in debt securities or occasional investments in short-term investments or deposits as well as funds allocated by the energy division to the debt service reserve accounts for projects, as required by "Project Financing" clauses in force, which is decreased in the period due to foreign currency exchange effects produced mainly in projects done in US dollars.

No significant impairment losses on the current and non-current financial asset balances occurred in the first six months of 2018 and 2017.

8.2 Investments accounted for by applying the equity method

The changes under this caption on the accompanying balance sheet in the first semester 2017 and 2018 (in thousand euros) were as follows:

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

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

The changes in scope mainly correspond to greater contributions in the companies and refunds on the share premium in which the Group already had an investment, without the percentage share being changed.

Significant movements in the period include the first application of IFRS 15, which has resulted in a reduction of investments booked by the equity method against reserves of 60 million euros.

After signs of impairment on Acciona Group's investment in Nordex, S.E. were identified in 2017, an impairment test was carried out in which the value in use was determined to be lower than the book value, recognising for this purpose a value impairment that came to 145 million euros. With regards to this impairment, it should be noted that the main assumptions and estimates used in the impairment test from 31 December 2017 were reviewed with the latest information published by Nordex in May 2018 and with market estimates which are on the whole consistent; therefore, the Acciona Group does not consider that a new impairment test at 30 June 2018 is required.

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

The caption "Non-current receivables and other non-current assets" at 30 June 2018 and 31 December 2017, in thousand euros, was broken down as follows:

	30.06.2018	31.12.2017
Non-current operating receivables	139,074	132,283
Non-current prepayments	30,334	32,375
Concessions under the non-current account receivable model	112,125	112,592
Total non-current receivables and other non-current assets	**281,533**	**277,250**

At 30 June 2018 and 31 December 2017, 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. It also includes an amount of 69,626 thousand euros (66,614 thousand euros at 31 December 2017) corresponding to the fair value of a non-financial derivative taken out by a Chilean subsidiary of the Energy Division for the supply of energy to a customer from 2017 at an inflated fixed price for 13 and a half years. "Non-current prepayments" includes an amount of 14,365 thousand euros (14,571 thousand euros at 31 December 2017) corresponding to the initial value of an energy contract formalised in December 2015 by a subsidiary in the United States to supply a specific quantity of energy over a period of 13 years.

At 30 June 2018 and 31 December 2017, 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 recognised 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 13,156 and 14,573 thousand euros at 30 June 2018 and 31 December 2017, respectively.

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

	30.06.2018	31.12.2017
Construction Division	110,889	112,211
Water Division	1,235	381
Total	**112,124**	**112,592**

The main concession projects included in the Infrastructures Division relate to two hospitals located in Spain and Mexico, and in the Water Division, those related to the integral water cycle. The breakdown of the balance of the main concessions under the financial model at 30 June 2018 and 31 December 2017 was as follows:

	30.06.2018	31.12.2017
S.C. Hospital del Norte, S.A.	78,057	79,301
Hospital de León Bajío, S.A. de C.V.	32,832	32,910

There are no significant variations during the first half of 2018. Also note that the Group companies at 30 June 2018 and 31 December 2017 did not have commitments to acquire concession assets under the financial asset model for a significant amount.

10.- Inventories

At 30 June 2018, the amount recognised in this caption related mainly to real estate inventories, for a net carrying amount of 510,483 thousand euros (452,196 thousand euros at 31 December 2017), which is disclosed net of a provision amounting to 440,596 thousand euros (444,859 thousand euros at 31 December 2017), as well as to procurement from the Construction and Energy Divisions.

At 30 June 2018 and 31 December 2017, the net carrying amount of mortgaged inventories stood at 4,298 and 6,367 thousand euros, respectively, mostly related to property development.

Property development sales commitments to customers at 30 June 2018 and 31 December 2017 amounted to 152,665 and 100,613 thousand euros, respectively.

Based on the appraisals performed by the Group's Management of the trends on the different markets where the Real Estate Division operates (basically Spain, Poland and Mexico), in the first half of 2018 no relevant changes therein or signs of additional impairment were estimated, so the Group did not update the measurements of property inventories made in December 2017.

At 30 June 2018 there is a firm commitment to purchase a plot for residential use in Mexico amounting to 10,671 thousand euros.

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 2018 and 31 December 2017.

	30.06.2018	31.12.2017
Tussen de Grachten, BV	27.08%	27.80%
Wit Europesse Investering, BV	25.01%	28.39%
La Verdosa S.L.	5.54%	--

b) Share premium, reserves and translation differences

Breakdown of retained earnings at 30 June 2018 and 31 December 2017 was as follows:

	30.06.2018	31.12.2017
Issue premium	**170,110**	**170,110**
Legal reserve	11,452	11,452
Reserve for retired capital	15,121	10,454

Voluntary reserve	3,236,162	3,204,081
Consolidated reserve (*)	(138,297)	327,097
Subtotal reserves	**3,124,438**	**3,553,083**
Translation differences	**(227,301)**	**(237,211)**
Total reserves & share premium	**3,067,247**	**3,485,982**

(*) This section includes the impact of the first application of IFRS 15 and 9 at 1 January 2018 for a negative amount of 496 million euros (see note 2.a)).

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 2018 and 2017 were the following:

	30.06.2018		**30.06.2017**	
(Thousand euros)	**Number of shares**	**Cost**	**Number of shares**	**Cost**
Opening balance	**45,702**	**3,146**	**233,898**	**14,403**
Additions	523,375	35,684	2,183,647	167,065
Reductions	(510,982)	(35,226)	(2,190,451)	(167,152)
Liquidity contract movement	**12,393**	**457**	**(6,804)**	**(87)**
Additions	2,010,852	134,348	221,357	16,569
Reductions	(119,418)	(7,716)	(383,494)	(26,479)
Other movements	**1,891,434**	**126,632**	**(162,137)**	**(9,910)**
End balance	**1,949,529**	**130,235**	**64,957**	**4,406**

On 3 July 2015 Acciona, S.A. subscribed a liquidity contract with the Group company Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. This contract was cancelled and replaced on 10 July 2017 by another contract with the same company, to which 44,318 shares were assigned as well as an amount of 3,340,000 euros in the cash account. The company's stock operations carried out by Bestinver within the framework of this contract take place on the Spanish stock exchanges and the purpose is to promote the liquidity of transactions as well as a regular quotation.

On 27 March 2018, Acciona, S.A. implemented a time-scheduled buy-back programme, and therefore temporarily suspended the Liquidity Contract. At this moment, the shares operating under the liquidity contract resulted in a loss amounting to 444 thousand euros, recognised in reserves.

With regards to other movements, 119,418 shares were retired in the six-month period ended 30 June 2018, which correspond to the delivery of shares to the Group Management. This delivery of shares took place under the Share Delivery Plan and the variable remuneration Substitution Plan (see note 23). The loss reflected in reserves for these operations amounted to 231 thousand euros.

As noted above, on 27 March 2018 the Company's Board of Directors agreed to carry out a time-scheduled buy-back programme which would affect a maximum of 2,862,978 shares, representing 5% of the share capital, the monetary amount of which shall amount to a maximum of 233,332,707 euros. The purpose of this time-scheduled buy-back programme over its own shares is mainly the reduction in capital through the amortisation of shares, and to a lesser extent, to comply with Acciona, S.A.'s obligations with the Share Delivery Plan for directors and executives. At 30 June 2018, a total of 1,860,852 shares have been acquired under this programme, representing 3.25% of share capital, for a total amount of 124,482 thousand euros.

d) Translation differences

In the six-month period ended 30 June 2018, the translation differences led to an equity increase by 9,910 thousand euros, in respect of December 2017, due to appreciation of some foreign currencies in which the Group operates, mainly the US dollar and the Mexican peso.

e) Value adjustments

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

This item under "Retained earnings" on the consolidated balance sheet includes the amount, net of the tax effect, of changes in the fair value of assets classified as financial assets at fair value with changes in the recognised consolidated income statement (previously classified as Financial assets held for sale under IAS 39). At 30 June 2018 the reserves for this item increased by 102 thousand euros, the end balance amounting to 215 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 2017 and in the six-month period ended 30 June 2018 were the following:

	Movements. 1 January to 30 June 2018	Movements. 1 January to 30 June 2017
Opening balance	**(135,723)**	**(213,372)**
• Changes in value in the period	956	46,540
Gross	1,276	62,054
Tax effect	(320)	(15,514)
• Transfer to profit/(loss) for the period	18,137	31,109
Gross	24,182	41,478
Tax effect	(6,045)	(10,369)

	Movements. 1 January to 30 June 2018	Movements. 1 January to 30 June 2017
End balance	**(116,630)**	**(135,723)**

12.- Non-current provisions

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

Note 17 to the consolidated financial statements for financial year ended 31 December 2017 describes the main litigation affecting the Group at said date. There have been no significant variations to the Group's non-current provisions during the six-month period ended 30 June 2018.

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

The Generalitat de Catalunya has informed the Court of Justice of Catalonia that the judgement has been executed with the contract entering into liquidation.

On 19 July 2018, Decree Law 4/2018 was published in the Official Journal of the Generalitat de Catalunya, the purpose of which is to assume the direct management of the Ter-Llobregat water supply service and to create the Ter-Llobregat water supply entity which is expected to be operational before 1 January 2019 and to which the Decree shall assign the required assets and rights in order to provide the service. However, according to the Third Additional Provision of the Decree, this shall only take effect when the aforementioned Entity is able to take over possession of the required assets and rights according to application regulations.

ATLL Concesionaria de la Generalitat de Catalunya, S.A. will request that the Generalitat de Catalunya pay the compensation set out in the Contract for the early termination of the contract for any reason, as well as compensation for all the damages caused by the judicial annulment of the contract award for reasons attributable to the Generalitat de Catalunya.

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

As for procedures of a fiscal nature, note 22 to the consolidated financial statements for the financial year ended 31 December 2017 describes the years subject to audit by the tax authorities and the inspections in progress that affected the Group at said date. The most significant variations during the six month period ended 30 June 2018 correspond to:

- Corporate tax inspection activities relating to the years 2007-2009 that ended on 12 June 2014 with the signing of the 2007-2009 Corporate Tax conformity certificate without any fees to be paid, the VAT settlement certificates and without penalty, the procedure relating to the non-conformities regarding personal income tax retentions for severance pay (years 2008 to 2011) remains open for a total amount for the Group entities of 8,351 thousand euros, of which 2,448 thousand euros corresponds to penalties. An administrative appeal was filed on 3 December 2015 before the National Court. On 3 April 2018, the National Court notified that the appeal related to the debts settled by Acciona Construcción, S.A. (previously Acciona Infraestructuras, S.A.) had been dismissed, but that disciplinary proceedings for an amount of 2,360 thousand euros had been annulled. A notice of a cassation appeal was submitted to the Supreme Court on 5 July 2018. The risk that these settled amount are eventually confirmed by the High Court is considered to be possible, for which provisions have been made.

- With regards to the latest Corporate Tax inspection activities for the years 2010-2012, these were concluded with the signing of the Corporate Tax conformity certificate for the Tax Group (years 2010-2012), and the signing of the VAT settlement certificate without penalty, under the terms agreed in previous proceedings.

The remaining limited inspection proceedings for the corrected statements submitted by the Tax Group relating to years 2013-2015 are ongoing and no significant events took place in the first half of 2018. The Directors of Acciona, S.A. consider that the risk that additional liabilities to those registered should emerge is remote but, should they occur, they would not have a significant impact on these condensed consolidated six-month period financial statements taken as a whole.

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

a) Interest bearing borrowings

Detail of financial liabilities by type of financing at 30 June 2018 and 31 December 2017, in thousand euros, was as follows:

Financial Liabilities: Type / Category	Thousand euros 30.06.2018 (classification under IFRS 9)		
	Debits and items payable	Hedging Derivatives	Total
Interest bearing borrowings	3,814,561	--	3,814,561
Debt instruments and other marketable securities	928,230	--	928,230
Derivatives	--	97,141	97,141
Other financial liabilities	--	--	--
Non-current debt / Non-current financial liabilities	**4,742,791**	**97,141**	**4,839,932**
Interest bearing borrowings	610,240	--	610,240
Debt instruments and other marketable securities	714,865	--	714,865
Derivatives	--	2,501	2,501
Other financial liabilities	--	--	--
Current debt / Current financial liabilities	**1,325,105**	**2,501**	**1,327,606**
Total	**6,067,896**	**99,642**	**6,167,538**

Financial Liabilities: Type / Category	Thousand euros 31.12.2017 (classification under IAS 39) Financial liabilities held for trading	Other financial liabilities at fair value with changes in Income St.	Debits and items payable	Hedging Derivatives	Total
Interest bearing borrowings	--	--	4,304,874	--	4,304,874
Debt instruments and other marketable securities	--	--	864,938	--	864,938
Derivatives	--	--	--	102,062	102,062
Other financial liabilities	--	--	--	--	--
Non-current debt / Non-current financial liabilities	**--**	**--**	**5,169,812**	**102,062**	**5,271,874**
Interest bearing borrowings	--	--	827,740	--	827,740
Debt instruments and other marketable securities	--	--	641,148	--	641,148
Derivatives	--	--	--	3,402	3,402
Other financial liabilities	--	--	--	--	--
Current debt / Current financial liabilities	**--**	**--**	**1,468,888**	**3,280**	**1,672,290**
Total	**--**	**--**	**6,638,700**	**105,464**	**6,944,164**

At 30 June 2018 and 31 December 2017, the breakdown of recourse and non-recourse financial liabilities, non-recourse meaning debt with no corporate guarantee whose recourse is limited to the debtor's cash flows and assets, by type and category, was as follows:

	30.06.2018		31.12.2017	
Concept	**Current**	**Non-current**	**Current**	**Non-current**
Non-recourse interest bearing borrowings	**164,745**	**1,257,001**	**181,874**	**1,443,526**
Mortgage loans for PPE financing	12,467	10,409	13,127	11,206
Mortgage loans for property development	4,250	0	6,514	--
Project finance	137,161	1,219,545	149,990	1,407,316
Obligations under financial leases	9,955	27,047	10,991	25,004
Other limited recourse debt	912	0	1,252	--
Recourse interest bearing borrowings	**447,996**	**2,654,701**	**649,268**	**2,963,410**
Undue discounted notes and bills	1,067	0	522	--
Other bank loans and credit facilities	446,929	2,654,701	648,746	2,963,410
Total interest bearing borrowings	**612,741**	**3,911,702**	**831,142**	**4,406,936**

In the first half of 2018 and in financial year 2017 the Group's loans and credit facilities bore market interest rates.

At 30 June 2018 and 31 December 2017, 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 2018 and 2017 there were no defaults or any other non-payments of principal, interest or repayments in respect of interest bearing borrowings.

During the first half of 2018 the most significant variations occur in the line "other current and non-current bank loans and credit facilities" which recorded a net decrease of 511 million euros mainly due to payment received from the sale of shares that the Acciona Group had in the Trasmediterránea and Acciona Termosolar subgroups (see Note 3).

The decreases that occur under the line "current and non-current project financing" mainly correspond to the amortisations of this type of loan, the exchange differences of the period, mainly those from the projects done in South African rand, and the cancellation of bank debt in two wind projects in Spain which are now financed through recourse debt.

In addition, Acciona Financiación Filiales, S.A. arranged a syndicated loan last April 2018 for 1,300 million euros, classified in "other bank loans and credit facilities", with due date to 5 years and accruing a market interest rate. Several bilateral loans maturing in 2018-2020 and part of the previous syndicated loan are cancelled through this operation, and the average life of the debt is extended. The debt cancellations have a related financial expense of 14 million euros from transferring the arrangement fees and other pending costs incurred to the condensed consolidated income statement.

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

At 30 June 2018 the Group companies had been granted additional financing of 2,058 million euros that had not been drawn down, relating to credit lines to finance working capital.

b) Information on issues or redemption of debt securities

The table below shows detail at 30 June 2018 and 2017 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 first six-month period of 2018 and 2017:

	Thousand euros 30/06/2018				
	Balance 31.12.2017	**Issues**	**Repurchases or redemption**	**Adjustments due to exchange rate, change in scope and other**	**Balance 30.06.2018**
Debt securities issued in a EU member state, which required registration of an informative leaflet	1,285,367	626,068	(495,816)	3,606	1,419,225
Other debt securities issued outside a EU member state	220,719	0	(3,191)	6,342	223,870
Total current and non-current	**1,506,086**	**284,389**	**(157,328)**	**9,948**	**1,643,095**

	Thousand euros				
	30/06/2017				
	Balance 31.12.2016	**Issues**	**Repurchases or redemption**	**Adjustments due to exchange rate, change in scope and other**	**Balance 30.06.2017**
Debt securities issued in a EU member state, which required registration of an informative leaflet	857,716	547,755	(245,749)	1,312	1,161,034
Other debt securities issued outside a EU member state	256,893	--	--	(22,157)	234,736
Total current and non-current	**1,114,609**	**547,755**	**(245,749)**	**(20,845)**	**1,395,770**

Note 18 to the consolidated financial statements for the financial year ended 31 December 2017 describes the issues making up the balance for this caption.

During the first half of 2018 the Acciona Group through its subsidiary Acciona Financiación de Filiales, S.A. and with guarantee from Acciona, S.A., has issued promissory notes amounting to 522 million euros. These promissory notes are issued under the Euro Commercial Paper (ECP) programme initially formalized in 2013 and renewed in May 2018 for a further twelve months and for the maximum amount of 750 million euros

Likewise, Acciona Financiación de Filiales, S.A. has continued to issue fixed-income securities for the total amount of 99 million euros and with different due dates between 2018 and 2031 under the Euro Medium Term Note (EMTN) fixed-income securities issuing programme for a maximum amount of up to 2,000 million euros arranged initially in 2015 and renewed in April 2018. The current EMTN accrue interest rates ranging from 1.15% to 4.625%.

The period's redemptions shown in the table include 453 million euros related to redemption of EMTN and promissory notes upon their maturity, and the remaining 42 million euros related to the removal of the creditor position that the subsidiary Autovía de los Viñedos, S.A. had from bonds issued in October 2004 for an initial amount of 64,100 thousand euros, with the debtor position of the subsidiary Acciona Financiación Filiales, S.A which now holds all these obligations after acquiring them in the first half of 2018.

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 first six-month period of 2018 related to the translation differences that took place, as the two issues are in US dollars.

In the first half of 2018 there were no new issues of bonds convertible to shares or that granted privileges or rights that might, should a contingency occur, lead to the issues being exchanged to shares of the Parent or of a Group Company.

14. – Other non-current and current liabilities

The breakdown of other non-current and current liabilities at 30 June 2018 and 31 December 2017 was as follows:

Other liabilities	Non-current		Current	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Grants	110,098	110,685	--	--
Other revenue to apply in several years	79,012	83,273	--	--
Debts for financial leases	14,581	15,334	529	538
Unpaid remuneration	--	--	108,277	129,023
Debt with non-controlling interests	337,392	350,668	3,752	5,870
Other creditors	1,154,934	1,226,311	772,230	609,159
End balance	**1,696,017**	**1,786,271**	**884,788**	**744,590**

In the "other non-current creditors" caption the main entry at 30 June 2018 relates to the unpaid balance of 819 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.

The main change in "other current liabilities" occurred in the "other creditors" account and is corresponds to the unpaid dividend for an amount of 172 million euros recorded at 30 June 2018 and which has been paid on 2 July 2018 (see notes 15 and 21).

15.- Dividends paid by the Parent

The table below shows the dividends paid by the Parent in the first six-month period of 2018 and 2017, which in both cases related to dividends approved in relation to the previous financial year's profit.

- First semester 2018:

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

- First semester 2017:

On 18 May 2017 the AGM of Shareholders of Acciona, S.A. approved the payment of a dividend worth 2.875 euros per share against 2016 profit. This dividend totalling 164,621 thousand euros was paid on 3 July 2017.

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 2018 and 2017 were as follows:

	First semester 2018	First Semester 2017
Net profit attributable to the Parent (thousand euros)	185,634	79,985
Weighted average number of shares outstanding	56,579,255	57,041,647
Basic earnings per share (euros)	**3.28**	**1.40**

- 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. In the six-month period ended 30 June 2017, the early cancellations and conversions of said financial instrument had been carried out, it being fully cancelled at 31 December 2017. The convertible bonds correspond with the dilution that explains the difference between the weighted average number of shares outstanding considered in the calculation of basic earnings per share and diluted earnings per share in June 2017. The financial expenditure recorded in the income statement net of Corporate Tax for the six month period ended 30 June 2017 is 5,129 thousand euros. At 30 June 2018 no expenses had been accrued for this concept.

The amounts for the six-month periods ended 30 June 2018 and 2017 were as follows:

	First semester 2018	First semester 2017
Net profit attributable to the Parent (thousand euros)	185,634	85,114
Diluted weighted average number of shares outstanding	56,579,255	61,819,514
Diluted earnings per share (euros)	**3.28**	**1.38**

17. - Segment reporting

Note 27 to the consolidated financial statements of Acciona Group for the financial year ended 31 December 2017 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 2018 and 31 December 2017 and the segment income statement at 30 June 2018 and 30 June 2017.

Balances at 30/06/2018	Energy	Construct-ion	Water	Services	Other activities	Intra-group transact-ions	Corporate transactions	Total Group
ASSETS								
PPE, intangible assets & investment property.	6,338,015	543,642	1,116,908	72,931	225,495	(2,549)	--	8,294,442
Goodwill	--	107,077	27,977	66,362	--	--	--	201,416
Non-current financial assets	33,118	58,402	18,336	6,752	130,280	(1,327)	--	245,561
Investments booked by the equity method	892,202	77,207	71,968	1,044	333,738	--	--	1,376,159
Other assets	465,175	438,544	61,144	6,799	244,776	110	--	1,216,548

Balances at 30/06/2018	Energy	Construct-ion	Water	Services	Other activities	Intra-group transact-ions	Corporate transactions	Total Group
Non-current assets	7,728,510	1,224,872	1,296,333	153,888	934,289	(3,766)	--	11,334,126
Inventories	106,644	201,625	19,412	3,490	557,656	(16,739)	--	872,088
Trade and other receivables	542,120	973,736	251,261	214,905	113,334	(547,471)	--	1,547,885
Current financial assets	165,382	43,947	4,049	4,088	954	504	--	218,924
Other assets	80,530	114,259	24,744	8,351	31,668	(17,292)	85,167	327,427
Cash & equivalents	(65,912)	1,549,806	250,173	14,473	(408,106)	(3,527)	--	1,336,907
Non-current assets classif. as held for sale	--	--	--	--	--	--	--	--
Current assets	828,764	2,883,373	549,639	245,307	295,506	(584,525)	85,167	4,303,231
Total assets	8,557,274	4,108,245	1,845,972	399,195	1,229,795	(588,291)	85,167	15,637,357
EQUITY AND LIABILITIES								
Consolidated equity	3,276,504	429,357	271,415	153,862	(801,616)	(36,106)	85,167	3,378,583
Interest bearing borrowings & other financial liabilities	3,227,030	1,292,648	247,992	91,772	(19,510)	--	--	4,839,932
Other liabilities	1,221,278	432,810	934,014	5,532	154,209	(4,712)	--	2,743,131
Non-current liabilities	4,448,308	1,725,458	1,182,006	97,304	134,699	(4,712)	--	7,583,063
Interest bearing borrowings & other financial liabilities	118,089	45,149	16,684	2,732	1,144,952	--	--	1,327,606
Trade and other receivables	330,513	1,565,952	250,865	97,210	130,734	(157,803)	--	2,217,471
Other liabilities	383,860	342,329	125,002	48,087	621,026	(389,670)	--	1,130,634
Liabilities directly assoc. with non-current assets classif. as held for sale	--	--	--	--	--	--	--	--
Current liabilities	832,462	1,953,430	392,551	148,029	1,896,712	(547,473)	--	4,675,711
Total equity and liabilities	8,557,274	4,108,245	1,845,972	399,195	1,229,795	(588,291)	85,167	15,637,357

Balances at 31/12/2017	Energy	Construct-ion	Water	Services	Other activities	Intra-group transact-ions	Corporate transactions	Total Group
ASSETS								
PPE, intangible assets & investment property	6,374,296	618,778	1,122,447	65,963	222,641	(11,017)	--	8,393,108
Goodwill	--	106,712	27,976	50,962	--	--	--	185,650
Non-current financial assets	20,440	39,648	17,956	7,586	43,270	3,023	--	131,923
Investments booked by the equity method	903,423	74,140	75,537	809	337,422	--	--	1,391,331
Other assets	465,679	302,573	53,647	1,100	258,753	867	--	1,082,619
Non-current assets	7,763,838	1,141,851	1,297,563	126,420	862,086	(7,127)	--	11,184,631
Inventories	119,922	192,190	24,236	1,784	499,960	(17,127)	--	820,965
Trade and other receivables	702,096	1,270,657	271,864	211,597	121,516	(685,837)	--	1,891,893
Current financial assets	163,131	66,653	4,451	3,465	8,775	513	--	246,988
Other assets	195,665	89,470	21,091	6,295	1,139	(2,625)	(13,056)	297,979
Cash & equivalents	(97,482)	1,210,201	219,678	18,018	(74,098)	(3,536)	--	1,272,781
Non-current assets classif. as held for sale	979,987	--	--	--	466,168	(14,034)	--	1,432,121
Current assets	2,063,319	2,829,171	541,320	241,159	1,023,460	(722,646)	(13,056)	5,962,727

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Balances at 31/12/2017	Energy	Construct-ion	Water	Services	Other activities	Intra-group transact-ions	Corporate transactions	Total Group
Total assets	9,827,157	3,971,022	1,838,883	367,579	1,885,546	(729,773)	(13,056)	17,147,358
EQUITY AND LIABILITIES								
Consolidated equity	3,346,376	370,547	312,722	168,136	(183,690)	(37,767)	(13,056)	3,963,268
Interest bearing borrowings & other financial liabilities	4,140,666	1,132,922	220,901	42,057	(264,672)	--	--	5,271,874
Other liabilities	1,248,982	507,408	898,632	4,171	152,360	(6,169)	--	2,805,384
Non-current liabilities	5,389,648	1,640,330	1,119,533	46,228	(112,312)	(6,169)	--	8,077,258
Interest bearing borrowings & other financial liabilities	145,216	51,485	17,072	3,504	1,255,013	--	--	1,472,290
Trade and other receivables	271,923	1,551,854	266,174	105,881	146,025	(142,640)	--	2,199,217
Other liabilities	380,382	356,806	123,382	43,830	600,582	(543,197)	--	961,785
Liabilities directly assoc. with non-current assets classif. as held for sale	293,612	--	--	--	179,928	--	--	473,540
Current liabilities	1,091,133	1,960,145	406,628	153,215	2,181,548	(685,837)	--	5,106,832
Total equity and liabilities	9,827,157	3,971,022	1,838,883	367,579	1,885,546	(729,773)	(13,056)	17,147,358

Balances at 30/06/2018	Energy	Construct-ion	Water	Services	Other activities	Intra-group transact-ions	Corporate transactions	Total Group
Total revenue	1,022,887	1,680,457	304,272	359,082	244,312	(85,731)	--	3,525,279
Revenue	1,005,934	1,645,822	304,272	326,595	242,656	--	--	3,525,279
Inter-segment revenue	16,953	34,635	--	32,487	1,656	(85,731)	--	--
Other operating income and expenses	(631,198)	(1,550,247)	(248,497)	(348,085)	(213,699)	84,369	--	(2,907,357)
Gross profit / (loss) from operations	**391,689**	**130,210**	**55,775**	**10,997**	**30,613**	**(1,362)**	**--**	**617,922**
Allocations	(192,333)	(78,648)	(25,195)	(7,727)	(15,869)	103	--	(319,669)
Impairment & gains / (losses) on disposal of assets	134	963	(155)	225	5,694	--	97,748	104,609
Other gains or losses	277	(2,845)	(295)	(239)	6	--	--	(3,096)
Profit / (loss) from operations	**199,767**	**49,680**	**30,130**	**3,256**	**20,444**	**(1,259)**	**97,748**	**399,766**
Financial profit / (loss)	(117,937)	(16,933)	(25,098)	(1,596)	13,060	--	--	(148,504)
Profit / (loss) from changes in value	(1,334)	--	--	--	(539)	--	--	(1,873)
Results of companies booked by equity method	2,728	6,806	5,136	271	(3,537)	--	--	11,404
Profit / (loss) before tax	**83,224**	**39,553**	**10,168**	**1,931**	**29,428**	**(1,259)**	**97,748**	**260,793**
Corporate Tax	(22,195)	(10,548)	(2,712)	(515)	(7,848)	336	(12,581)	(56,063)
Consolidated profit / (loss) for the period	**61,029**	**29,005**	**7,456**	**1,416**	**21,580**	**(923)**	**85,167**	**204,730**
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--	--	--
Profit / (loss) for the year	**61,029**	**29,005**	**7,456**	**1,416**	**21,580**	**(923)**	**85,167**	**204,730**
Non-controlling interests	(14,838)	(2,478)	(1,673)	(141)	456	(422)	--	(19,096)
Profit / (loss) attributable to the Parent	**46,191**	**26,527**	**5,783**	**1,275**	**22,036**	**(1,345)**	**85,167**	**185,634**

Balances at 30/06/2017	Energy	Construct-ion	Water	Services	Other activities	Intra-group transact-ions	Corporate transactions	Total Group
Total revenue	870,070	1,614,851	337,251	357,446	280,366	(72,002)	--	3,387,982
Revenue	854,492	1,587,768	337,247	330,203	278,273	(1)	--	3,387,982
Inter-segment revenue	15,578	27,083	4	27,243	2,093	(72,001)	--	--
Other operating income and expenses	(503,039)	(1,504,806)	(276,600)	(346,285)	(249,578)	71,365	--	(2,808,943)
Gross profit / (loss) from operations	**367,031**	**110,045**	**60,651**	**11,161**	**30,788**	**(637)**	**--**	**579,039**
Allocations	(198,324)	(65,211)	(18,657)	(6,904)	(22,093)	766	--	(310,423)
Impairment & gains / (losses) on disposal of assets	(756)	1,898	(115)	6	775	--	--	1,808
Other gains or losses	655	(1,270)	632	(11)	(97)	--	--	(91)
Profit / (loss) from operations	**168,606**	**45,462**	**42,511**	**4,252**	**9,373**	**129**	**--**	**270,333**
Financial profit / (loss)	(133,573)	(20,798)	(33,325)	(1,945)	17,316	--	--	(172,325)
Profit / (loss) from changes in value	8,342	--	--	--	(4)	--	--	8,338
Results of companies booked by equity method	29,549	3,379	8,400	343	(338)	--	--	41,333
Profit / (loss) before tax	**72,924**	**28,043**	**17,586**	**2,650**	**26,347**	**129**	**--**	**147,679**
Corporate Tax	(19,731)	(7,588)	(4,758)	(717)	(7,129)	(35)	--	(39,958)
Consolidated profit / (loss) for the period	**53,193**	**20,455**	**12,828**	**1,933**	**19,218**	**94**	**--**	**107,721**
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--	--	--
Profit / (loss) for the year	**53,193**	**20,455**	**12,828**	**1,933**	**19,218**	**94**	**--**	**107,721**
Non-controlling interests	(12,948)	(14,248)	(1,750)	(42)	1,266	(14)	--	(27,736)
Profit / (loss) attributable to the Parent	**40,245**	**6,207**	**11,078**	**1,891**	**20,484**	**80**	**--**	**79,985**

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	
	30.06.2018	30.06.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Spain	1,583,006	1,524,089	8,801,841	10,284,816	5,997,842	5,955,110	2,803,999	4,329,706
European Union	257,258	275,676	1,497,392	1,525,381	1,133,209	1,203,241	364,183	322,140
OECD countries	1,013,813	992,134	4,022,665	4,042,225	3,516,240	3,274,307	506,425	767,918
Other countries	671,202	596,083	1,315,459	1,294,936	686,835	751,973	628,624	542,963
Total	**3,525,279**	**3,387,982**	**15,637,357**	**17,147,358**	**11,334,126**	**11,184,631**	**4,303,231**	**5,962,727**

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

In financial year 2017 Acciona Group classified all assets and liabilities associated with the Trasmediterránea Subgroup (Other Activities division) and with the Acciona Termosolar Subgroup (Energy division) under "non-current assets and liabilities held for sale". The sale of both subgroups has been effectively formalised at 30 June 2018.

The sale of the totality of the shares held by Acciona Group in Compañía Trasmediterránea, S.A. (92.71% of the share capital) to Naviera Armas Group was formalised in June 2018 after fulfilling all the conditions precedent. Capital gains amounting to 44.8 million euros were recognised for this operation under "impairment and gains or losses on disposal of assets" in the income statement at 30 June 2018 (see Note 3).

The final condition precedent of the sales contract for 100% of the shares in Acciona Termosolar, S.L. to Contourglobal Mirror 2 S.Á.R.L. was fulfilled in May 2018, for which capital gains of 53 million euros were recognised under "impairment and gains or losses on disposal of assets" (see Note 3).

The breakdown of income and accrued expenses directly recognised in equity associated with assets classified as held for sale and recycled to the income statement at the time such assets were disposed is detailed below:

	Energy division	Other Activities division
Translation differences	--	(252)
Adjustments for changes in value	17,837	(2,309)
Total recognised income / (expenses)	**17,837**	**(2,561)**

At 30 June 2018 there are no assets classified as held for sale.

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 2018 and 2017 was as follows (in thousand euros):

	30.06.2018	30.06.2017
Results of non-current assets	5,717	3,194
Profit/(loss) from controlling interests	98,941	--
Impairment of other assets	(49)	(1,386)
Total	**104,609**	**1,808**

The gains obtained mainly from the disposals of Trasmediterránea Subgroup and Termosolar Subgroup which were formalised during first six-month period of 2018 and amount to 44.8 million euros and 53 million euros respectively are recorded under "profit/(loss) from controlling interests" (see Note 3).

20.- Average headcount

Personnel:

The average number of Acciona Group's employees for the first six-month period of 2018 and 2017, by men and women, was as follows:

	Number of Employees	
	30.06.2018	30.06.2017

Men	27,976	25,862
Women	10,055	9,248
Total	**38,031**	**35,110**

21. - Events after the reporting period

- As indicated in note 15, on 30 May 2018 the AGM of Shareholders of Acciona, S.A. approved the payment of a dividend worth 3 euros per share against 2017 profit. This dividend totalling 171,779 thousand euros was registered at 30 June 2018 under "Other current liabilities" caption from the balance sheet and was paid on 2 July 2018.

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 the first six-month period of 2018 and 2017, 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 recognised.

	Thousand euros				
	30.06.2018				
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	--	--	--	51	51
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	--	--	--	137	137
Sale of goods (finished or in progress)	--	--	--	--	--
Gains on removal or disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

	Thousand euros				
	30.06.2018				
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	--	--	--	--	--

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	Thousand euros				
	30.06.2017				
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	--	--	--	44	44
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	--	--	--	131	**131**
Sale of goods (finished or in progress)	--	--	--	--	--
Gains on removal or disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

	Thousand euros				
	30.06.2017				
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	--	--	--	--	--

23. - Remuneration and other benefits

Note 34 to the Group's consolidated financial statements for financial year ended 31 December 2017 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 2018 and 2017.

	Thousand euros	
	30.06.2018	30.06.2017
Members of the Board of Directors:	**6,725**	**6,870**
Number of Directors	13	12
Type of remuneration:	**3,825**	**2,870**
Fixed remuneration	1,057	750
Variable remuneration	2,107	1,007
Attendance fees	661	665
Emoluments stipulated in the Articles of Association		
Share options and/or other financial instruments		296
Other		152
Other benefits:	**2,900**	**4,000**
Advances	--	--
Loans granted	--	--
Pension Funds and Plans: Contributions	2,900	4,000
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	**16,789**	**16,926**

Plan for delivery of shares and performance shares

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

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

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

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

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

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

A) Purpose of the Plan:

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

B) Strategic indicators and objectives to achieve

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

C) Plan beneficiaries

C.1. – Executive Directors

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

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

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

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

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

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

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

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

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

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

C.2. – Group's Executives

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

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

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

D) Number of shares available for the Plan

The maximum number of shares that can be allocated to the Beneficiaries in application of the 2014 Plan will equal 258,035.This maximum number of shares that can be allocated by the Board of Directors to the Beneficiaries in application of the 2014 Plan can be increased by agreement of the General Shareholders' Meeting. In this respect, the General Shareholders' Meeting held on 11 June 2015, 10 May 2016, 18 May 2017 and 30 May 2018 agreed to increase the maximum number of shares available for the 2014-2019 Plan for Delivery of Shares and Performance Shares by 400,000, without affecting later increases if so proposed by the Board of Directors and approved by the General Meeting. After the increase in 100,000 shares agreed in the last General Meeting on 30 May 2018, the maximum number of shares available is 414,498 shares.

E) Recipients

The annual number of Recipients shall not exceed 100.

Plan to replace variable remuneration for shares

Upon proposal by the Appointments and Remuneration Committee, given the limited number of Beneficiaries of the former Plan, with the purpose of furthering and extending the objectives for building loyalty and retaining the Group's executives, on 26 March 2015 the Board of Directors approved the "Plan to Replace Variable Remuneration for Acciona shares, aimed to Acciona and its Group's management" (the Substitution Plan), excluding executive directors; the main characteristics of the plan are the following:

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

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 2017, the swap equation approved carries an incentive of 25% over the variable remuneration replaced.*

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

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

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

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

The number of shares delivered to Beneficiaries other than executive directors (44 Beneficiaries), under the ***Plan for Delivery of Shares /Performance Shares***, in the first half of 2018, has been 38,742 shares.

With regards to executive directors, during the first half of 2018 there has been no firm allocation of performance shares or of shares under the 2014 ***Plan for Delivery of Shares /Performance Shares.***

Finally, in application of the ***Substitution Plan***, in the first half of 2018 27,112 Company shares have been delivered to 36 executives of Acciona and its Group in payment of part of their variable remuneration in cash for 2017.

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 2017, the opportunity of sharing in the company’s results and thus, becoming a shareholder.

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

The delivery of shares, referenced to the closing price quoted on the stock exchange on 29 March 2018, will take place in the second half of the month of April.

Savings Plan

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

- **a)** It is a social welfare system based on a defined contribution.
- **b)** It is a system endowed externally through the payment by the Company of annual premiums to an insurance company with the Participant as the beneficiary, for the coverage of survival and the risk contingencies, i.e.: (i) death and (ii) permanent disability in the degrees established in the Regulations.
- **c)** Should the Participants cease to occupy positions as Executive Directors of Acciona for any reason, the Company shall cease to pay the premiums to the Savings Plan on the date on

which they unquestionably cease to hold their position, without prejudice to any economic rights recognised to Participants.

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

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

The variable remuneration is settled in cash, either when it is paid or deferred through contribution to the Savings Plan. Contributions deferred through contributions to the Savings Plan with the Executive Directors as beneficiaries amounted to 2,900 thousand euros in the first half of 2018.

The global remuneration related to rights accumulated by the Directors in this respect amounts to 15,741 thousand euros.

(CONSOLIDATED GROUP)
CONSOLIDATED INTERIM DIRECTORS' REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

Part I – Analysis of the first half of 2018

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

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

- Infrastructures:
  - Includes Construction, Industrial and Concessions activities, mainly transport and hospitals.
  - Water includes the construction of desalination, water treatment and purification plants, as well as integral water services management from bulk water abstraction all the way to discharging treated wastewater to the environment. ACCIONA Agua also operates water concessions across the entire water cycle.
  - Services includes the activities of facility services, airport handling, waste collection and treatment and logistic services amongst others.
- Other activities include the businesses of Trasmediterránea, real estate, Bestinver (funds manager), wineries, and other businesses.

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

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

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

Net Debt: It shows the Group's debt, in net terms, deducting cash and cash equivalents. The detailed reconciliation is broken down in the Cash flow and Net Financial Debt Variation section of the Directors' Report. It is calculated by taking the following items from the consolidated balance sheet: "non-current interest bearing borrowings and debt instruments", "current interest bearing borrowings and debt instruments", less "cash and cash equivalents" and "other current financial assets".

Non-recourse debt: As indicated in note 13.a) to the interim financial statements, it corresponds to debt that does not have corporate guarantees, and therefore its recourse is limited to the debtor's assets and cash flows.

Recourse debt: Debt with a corporate guarantee.

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

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

Net Capex: it is defined as the net change in the balance of property, plant & equipment, intangible, financial and real estate assets during the period, corrected by:

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

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

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

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

Net Investment Cashflow: is calculated as net Capex +/- change in Real Estate inventories +/- change in payables to Capex providers.

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.

1. Executive Report

Major milestones for the period

- ACCIONA generated revenues of €3,525 million on the first half of 2018. This represents an increase of 4.1% vs. H1 2017.
- EBITDA reached €618 million during H1 2018, 6.7% higher than in H1 2017. The period is characterized by a higher contribution from both the Energy (+6.7%) and Infrastructure (+8.3%) divisions, while Other Activities remained at similar levels (-0.6%).
- Energy: the Spanish Generation business grew its EBITDA by 8.9% mostly due to higher production (+13%) and despite the deconsolidation of the CSP business as of 30th of April following its sale. At the International Generation level, EBITDA grew by 4.8% due to higher production (+14%) and prices.
- Infrastructure: EBITDA for the Infrastructure division increased by 8.3% mainly due to the growth in Construction (+31.5%), which maintained high production levels owing to the simultaneous execution of large International projects. The remaining business lines contributed less for different reasons that include the sale of Ruta 160 concession.
- Other Activities: the increased EBITDA contribution of Bestinver (+3.4%) is a particular highlight. The Real Estate business generated negative EBITDA due to deconsolidation of residential rental assets contributed in September 2017 to Testa Residencial, as well as the real estate development activity, currently deep in the investment phase.
- In terms of Gross Capital Expenditure, the Group invested €254 million during the first semester of 2018. Additionally, the Group allocated a total of €125 million to the temporary Share Buy-back Programme, and invested as well €58 million in residential development inventories.
- Regarding divestments, it is worth highlighting that both the thermal business in Spain disposal and Trasmediterránea company disposal closed in the second quarter of the year, resulting in an additional net debt reduction of €981 million (over and above the net debt that was accounted as held-for-sale and is now deconsolidated).
- Net debt amounted to €4,612 million relative to €5,224 million in FY2017. Financial expenses fell by 12.4% notwithstanding the accounting effect of the refinancing that took place during the second quarter of the year, following the signing of a syndicated loan for an amount of €1,300 million. This transaction reduces financing costs and increases the average debt maturity as well as the weight of fixed-interest Group debt.
- Attributable net profit increased to €186 million (+132.1%), including the capital gains resulting from the divestments which amount to €85 million. Excluding those capital gains, net profit grows by 25.6% reaching €100 million.

Consolidated Income Statement Data

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Change (%)
Revenues	3,525	3,388	4.1%
EBITDA	618	579	6.7%
Operating profit (EBIT)	400	270	47.9%
Earnings before tax (EBT)	261	148	76.6%
EBT - excluding corporate transactions	163	148	10.4%
Attributable net profit	186	80	132.1%
Attributable net profit - excluding corporate transactions	100	80	25.6%

Balance Sheet and Capital Expenditure Data

(Million euros)	30-Jun-18	31-Dec-17	Change (%)
Equity	3,379	3,963	-14.8%
Net debt	4,612	5,224	-11.7%

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Change (%)
Gross Capex	254	484	-47.6%
Net Capex:	(727)	472	n.a.
Net Investment Cashflow	(592)	528	n.a.

Operating Data

	30-Jun-18	31-Dec-17	Change (%)
Infrastructure backlog (Million euros)	18,205	18,831	-3.3%
Average workforce	38,031	37,403	1.7%

	30-Jun-18	30-Jun-17	Change (%)
Total installed wind capacity (MW)	7,613	7,329	3.9%
Total installed capacity (MW)	9,004	8,982	0.2%
Total production (GWh) (Jan-Jun)	11,806	10,528	12.1%
Assets under Bestinver management (Million euros)	6,348	5,792	9.6%

2. Consolidated Income Statement

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg.	Chg. (%)
Revenues	**3,525**	**3,388**	**137**	**4.1%**
Other revenues	241	238	2	1.0%
Changes in inventories of finished goods and work in progress	45	--	45	n.a.
Total Production Value	**3,811**	**3,626**	**185**	**5.1%**
Procurement	(982)	(847)	(134)	-15.8%

Personnel expenses	(742)	(725)	(17)	-2.3%
Other expenses	(1,470)	(1,475)	5	0.3%
EBITDA	**618**	**579**	**39**	**6.7%**
Depreciation and amortisation	(309)	(303)	(6)	-1.8%
Provisions	(11)	(7)	(4)	-51.2%
Impairment of asset value	--	(1)	1	96.5%
Results on non-current assets	105	3	101	n.a.
Other gains or losses	(3)	--	(3)	n.a.
EBIT	**400**	**270**	**129**	**47.9%**
Net financial result	(150)	(165)	15	8.8%
Exchange differences (net)	2	(7)	9	n.a.
Change in financial investment provisions	--	--	--	3.7%
Income from associates booked by equity method	11	41	(30)	-72.4%
Change in fair value of financial instruments	(2)	8	(10)	n.a.
Profit from Continuing Activities	**261**	**148**	**113**	**76.6%**
Income tax expense	(56)	(40)	(16)	-40.3%
Profit / (loss) from Continuing Activities	**205**	**108**	**97**	**90.1%**
Non-controlling interests	(19)	(28)	9	31.2%
Attributable Net Profit	**186**	**80**	**106**	**132.1%**

In order to facilitate the analysis of the financial results for this period, a simplified Profit & Loss account, separating the results from corporate transactions from the total, is provided below:

(Million euros)	Jan-Jun 18			Jan-Jun 17			Change excl. corporate transact-ions %
	Profit/loss excl. corporate transactions	Corporate transactions	Total	Profit/loss excl. corporate transactions	Corporate transactions	Total	
Revenue	**3,525**	**--**	**3,525**	**3,388**	**--**	**3,388**	**4.1%**
Procurement, expenses and other income	(2,907)	--	(2,907)	(2,809)	--	(2,809)	3.5%
EBITDA	**618**	**--**	**618**	**579**	**--**	**579**	**6.7%**
Depreciation and amortisation	(309)	--	(309)	(303)	--	(303)	1.8%
Provisions, impairments and other	(7)	98	91	(5)	--	(5)	29.8%
EBIT	**302**	**98**	**400**	**270**	**--**	**270**	**11.7%**
Net financial result	(150)	--	(150)	(165)	--	(165)	-8.8%
Income from associates booked by equity method	11	--	11	41	--	41	-72.4%
Other financial results	--	--	--	1	--	1	n.a.
Profit from Continuing Activities	**163**	**98**	**261**	**148**	**--**	**148**	**10.4%**
Income tax expense	(43)	(13)	(56)	(40)	--	(40)	8.8%
Profit / (loss) from Continuing Activities	**120**	**85**	**205**	**108**	**--**	**108**	**11.0%**
Non-controlling interests	(19)	--	(19)	(28)	--	(28)	-31.2%
Attributable Net Profit	**100**	**85**	**186**	**80**	**--**	**80**	**25.6%**

Revenue

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Energy	1,023	870	153	17.6%
Infrastructures	2,329	2,289	40	1.8%
Other activities	244	280	(36)	-12.9%
Consolidation adjustments	(71)	(51)	(20)	-37.9%
TOTAL Revenue	**3,525**	**3,388**	**137**	**4.1%**

Revenues increased by 4.1% to €3,525 million, mainly due to the combined effect of the following factors:

- The increase in Energy revenues (+17.6%) as a result of the growth in the Spanish Generation business (+9.5%) as well as International Generation (+11.3%).
- The moderate increase in revenues in the Infrastructure business (+1.8%), mainly in Construction (+3.8%).
- The decrease in revenues from Other Activities (-12.9%), mainly due to the deconsolidation of Trasmediterránea as from 31st of May (-15.6%) and a lower income from Real Estate (-44.3%).

EBITDA

(Million euros)	Jan-Jun 2018	% EBITDA	Jan-Jun 2017	% EBITDA	Chg.	Chg. (%)
Energy	392	63%	367	63%	25	6.7%
Infrastructures	197	32%	182	31%	15	8.3%
Other activities	31	5%	31	5%	--	-0.6%
Consolidation adjustments	(1)	n.a.	(1)	n.a.	(1)	n.a.
TOTAL EBITDA	**618**	**100%**	**579**	**100%**	**39**	**6.7%**
Margin (%)	***17.5%***		***17.1%***			***+0.4pp***

Note: EBITDA contributions calculated before consolidation adjustments.

EBITDA grew by 6.7% up to €618 million given the higher contribution of Energy (+6.7%) and Infrastructure (+8.3%), while Other Activities remained broadly stable (-0.6%).

EBIT

EBIT, including capital gains derived from divestments, amounted to €400 million, 47.9% higher than in H1 2017.

Earnings Before Tax (EBT)

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Energy	83	73	10	14.1%
Infrastructures	52	48	3	7.0%
Other activities	29	26	3	11.7%
Consolidation adjustments	(1)	--	(1)	n.a.
EBT excluding corporate transactions	**163**	**148**	**15**	**10.4%**
Adjustments	98	--	98	n.a.
TOTAL EBT	**261**	**148**	**113**	**76.6%**
Margin (%)	***7.4%***	***4.4%***		***+3.0pp***

EBT increased by 76.6% up to €261 million, which includes €98 million of capital gains derived from divestments. Excluding those capital gains, EBT would have grown by +10.4%.

Attributable Net Profit

Attributable net profit reached €186 million vs. H1 2017 (€80 million). Excluding the effect of capital gains (€85 million), the result has grown by 25.6%, reaching €100 million.

3. Consolidated Balance Sheet and Cashflow:

(Million euros)	30-Jun-2018	31-Dec-2017	Chg. €m	Chg. (%)
Property, plant and equipment & intangible assets	8,294	8,393	(99)	-1.2%
Financial assets	1,622	1,523	98	6.5%
Goodwill	201	186	16	8.5%
Other non-current assets	1,217	1,083	134	12.4%
NON-CURRENT ASSETS	**11,334**	**11,184**	**149**	**1.3%**
Inventories	872	821	51	6.2%
Accounts receivable	1,548	1,892	(344)	-18.2%
Other current assets	327	298	29	9.9%
Current financial assets	219	247	(28)	-11.4%
Cash and cash equivalents	1,337	1,273	64	5.0%
Assets held for sale	--	1,432	(1,432)	n.a.
CURRENT ASSETS	**4,303**	**5,963**	**(1,659)**	**-27.8%**
TOTAL ASSETS	**15,637**	**17,147**	**(1,510)**	**-8.8%**
Share capital	57	57	--	0.0%
Reserves	3,067	3,486	(419)	-12.0%
Profit / (loss) attributable to the Parent	186	220	(34)	-15.7%
Own securities	(130)	(3)	(127)	n.a.
EQUITY ATTRIBUTABLE TO THE PARENT	3,180	3,760	(580)	-15.4%
NON-CONTROLLING INTERESTS	199	203	(4)	-2.1%
EQUITY	**3,379**	**3,963**	**(585)**	**-14.8%**
Interest-bearing borrowings	4,840	5,272	(432)	-8.2%
Other non-current liabilities	2,743	2,805	(62)	-2.2%
NON-CURRENT LIABILITIES	**7,583**	**8,077**	**(494)**	**-6.1%**
Interest-bearing borrowings	1,328	1,472	(145)	-9.8%
Trade payables	2,217	2,199	18	0.8%
Other current liabilities	1,131	962	169	17.6%
Liabilities associated to assets held for sale	--	474	(474)	n.a.
CURRENT LIABILITIES	**4,676**	**5,107**	**(431)**	**-8.4%**
TOTAL LIABILITIES AND EQUITY	**15,637**	**17,147**	**(1,510)**	**-8.8%**

(Million euros)	Jan-Jun 18	Jan-Jun 17	Chg.	Chg. (%)
EBITDA	618	579	39	6.7%
Financial results	(113)	(129)	16	12.4%
Working capital	(317)	(360)	43	18.2%
Other operating cashflow	(51)	(101)	50	49.5%
Operating cashflow	**137**	**(11)**	**148**	**n.a.**
Gross ordinary Capex	(254)	(484)	230	47.5%
Divestments	981	13	968	n.a.
Real Estate inventories	(58)	(27)	(31)	n.a.
Other investment cashflow	(77)	(30)	(47)	n.a.
Net Investment Cashflow	**592**	**(528)**	**1,120**	**n.a.**
Treasury shares	(125)	1	(126)	n.a.
Debt derivatives	5	13	(8)	59.3%
Forex	19	71	(52)	73.3%
Dividend	--	--	--	n.a.
Changes in scope and others incl. convertible bonds	(17)	14	(31)	n.a.
Financing/others cashflow	**(118)**	**99**	**217**	**n.a.**
Change in net debt decrease / increase	**613**	**(440)**	**1,053**	**n.a.**

(Million euros)	Jan-Jun 18	Jan-Jun 17	Chg.	Chg. (%)
Treasury shares	*(125)*	*1*	*(126)*	*n.a.*
Pro-forma Net Investment Cashflow(*)	***468***	***(528)***	***996***	***n.a.***

(*) Due to the share buy-back programme initiated in 2018, pro-forma net investment cashflow is detailed which includes investments in treasury stock during the period.

Attributable Equity

ACCIONA's attributable equity as of 30th of June 2018 stood at €3,180 million, 15.4% lower than as of year-end 2017. This variation is mainly due to the effect of the first application of IFRS 15 and IFRS 9, as notified in the Consolidated Annual Accounts of the Group for 2017, along with the increase in Treasury stock resulting from the Buy-back Programme announced on 27th of March.

Net Financial Debt

	30-Jun-18		31-Dec-17		Chg.	Chg. (%)
(Million euros)	Amount	% Total	Amount	% Total		
Non-recourse interest-bearing borrowings	1,646	27%	1,889	28%	(243)	-12.9%
Recourse interest-bearing borrowings	4,522	73%	4,855	72%	(334)	-6.9%
Interest bearing borrowings & other financial liabilities	**6,168**	**100%**	**6,744**	**100%**	(577)	**-8.5%**

Cash + Current financial assets	**(1,556)**	**(1,520)**	**36**	**2.4%**
Net financial debt	**4,612**	**5,224**	**(613)**	**-11.7%**

Net financial debt as of 30th of June 2018 totalled €4,612 million, €613 million less than in December 2017. This variation in net debt results from the combination of the following factors:

- Operating cashflow amounting to +€137 million vs. the negative operating cashflow in the first half of 2017. This figure results from:
    - The improvement in EBITDA
    - Lower investment in working capital
    - The reduction in financial charges
- A positive net investment cashflow of +€468 million, given that disinvestments have exceeded by far investments during this period.
- The financing cashflow and others of +€8 million.

Financial gearing evolved as follows:

(Million euros)	**30-Jun-18**	**31-Dec-17**
Gearing (Net Debt / Equity) (%)	136%	132%

Capital Expenditure

(Million euros)	**Jan-Jun 2018**	**Jan-Jun 2017**	**Chg.**	**Chg. (%)**
Energy	**169**	**156**	**12**	**8.0%**
Infrastructures	**79**	**263**	**(184)**	**-70.0%**
Construction & Industrial	16	240	(224)	-93.4%
Concessions	5	6	(1)	-11.2%
Water	18	12	6	48.7%
Services	40	5	35	n.a.
Other activities	**6**	**65**	**(59)**	**-90.3%**
Gross Capex	**254**	**484**	**(230)**	**-47.6%**
Divestments	(981)	(13)	(969)	n.a.
Net capital expenditure	**(727)**	**472**	**(1,199)**	**n.a.**

The Gross Capex across ACCIONA's divisions in H1 2018 amounted to €254 million, 47.6% lower than in H1 2017, since last year's figures included the investment in Geotech (€139m).

The largest share of the investment effort is concentrated in the Energy division, which invested €169 million (66.5% of the total amount) as a result of the construction of new wind power capacity in Mexico, Australia and Chile, as well as Solar PV in Mexico and Egypt. The

Infrastructure division invested €79 million, with the payment for the Andes Airport Services business acquisition being a particular large item.

Gross Capex in Other Activities does not include the investment in Real Estate inventories which amounts to €58 million.

In terms of divestments, the Spanish thermal generation business (CSP) transaction and the sale of Trasmediterránea closed during Q2 2018.

4. Results by Division

4.1 Acciona Energy

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Generation	736	668	68	10.1%
National	465	424	40	9.5%
International	272	244	28	11.3%
Non-generation	378	304	74	24.3%
Consolidation adjustments and other	(92)	(103)	11	10.7%
Revenue	**1,023**	**870**	**153**	**17.6%**
Generation	434	405	29	7.1%
National	254	234	21	8.9%
International	180	172	8	4.8%
Non-generation	(21)	(16)	(4)	-24.6%
Consolidation adjustments and other	(22)	(22)	--	-1.1%
EBITDA	**392**	**367**	**25**	**6.7%**
Margin (%)	38.3%	42.2%		
EBT	**83**	**73**	**10**	**14.1%**
Margin (%)	*8.1%*	*8.4%*		

ACCIONA Energy revenues increased by 17.6% to €1,023 million and EBITDA also grew to €392 million (+6.7%) relative to H1 2017.

Generation EBITDA improved by 7.1% to €434 million.

The Spanish Generation business grew by 8.9% mainly due to higher production (+13%), despite a slight decline in wholesale prices (€50.1/MWh vs €51.3/MWh in H1 2017) and the effect of the regulatory banding mechanism which amounted to -€10 million during the H1 period.

International Generation EBITDA increased by 4.8% owing to higher production and price.

EBT amounted to €83 million, an increase of 14.1% vs. H1 2017.

Over the last 12 months, consolidated installed capacity increased by 60MW as a result of the increase in the International portfolio (359MW) and despite the reduction of 37MW in wind in

Spain (related to the repowering of a wind facility), 12MW hydro in Spain (end of the concession) and the CSP transaction (250MW). With respect to the International portfolio, 359MW of wind were added: 183MW in Mexico, 6MW in India, 132MW in Australia and 38MW in Canada.

At operational level, consolidated production amounted to 9,788GWh, 12.3% higher than in H1 2017. This was mainly due to the increase in wind power production in Spain and despite consolidating only four months of the CSP national business. Outside of Spain, it is worth noting the increase in the wind power production in the United States.

Breakdown of Installed Capacity and Production by Technology

	Totals		Consolidated		Net	
30-Jun-2018	**MW installed**	**GWh produced**	**MW installed**	**GWh produced**	**MW installed**	**GWh produced**
Spain	**5,651**	**7,615**	**4,373**	**5,935**	**4,979**	**6,730**
Wind	4,710	5,685	3,433	4,004	4,042	4,808
Hydraulic	876	1,649	876	1,649	876	1,649
Solar Thermoelectric	--	80	--	80	--	80
Solar PV	3	2	3	2	3	2
Biomass	61	199	61	199	59	191
International	**3,353**	**4,190**	**3,105**	**3,853**	**2,286**	**2,659**
Wind	**2,902**	**3,829**	**2,700**	**3,532**	**1,942**	**2,401**
Mexico	740	874	740	874	544	567
USA	721	1,259	646	1,118	467	816
Australia	435	459	371	382	312	281
India	164	147	164	147	135	119
Italy	156	123	156	123	104	82
Canada	181	257	141	200	94	134
South Africa	138	189	138	189	51	69
Portugal	120	138	120	138	75	84
Poland	101	118	101	118	67	79
Costa Rica	50	147	50	147	32	96
Chile	45	52	45	52	30	35
Croatia	30	43	30	43	20	29
Hungary	24	22	--	--	12	11
Solar PV	**386**	**300**	**341**	**259**	**301**	**216**
Chile	246	163	246	163	246	163
South Africa	94	96	94	96	35	35
Portugal	46	41	--	--	20	18
Solar Thermoelectric (USA)	**64**	**61**	**64**	**61**	**43**	**41**
Total Wind	**7,613**	**9,514**	**6,133**	**7,537**	**5,984**	**7,210**
Total other technologies	**1,391**	**2,292**	**1,345**	**2,251**	**1,281**	**2,179**
Total Energy	**9,004**	**11,806**	**7,478**	**9,788**	**7,265**	**9,389**

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4.2. Infrastructures

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Construction	1,487	1,432	55	3.8%
Industrial	138	116	23	19.6%
Concessions	56	67	(12)	-17.4%
Water	304	337	(33)	-9.8%
Services	359	357	2	0.5%
Consolidation adjustments	(15)	(20)	6	28.7%
Revenue	**2,329**	**2,289**	**40**	**1.8%**
Construction	103	78	25	31.5%
Industrial	3	5	(1)	-33.0%
Concessions	24	27	(3)	-10.9%
Water	56	61	(5)	-8.0%
Services	11	11	--	-1.5%
EBITDA	**197**	**182**	**15**	**8.3%**
Margin (%)	8.5%	7.9%		
EBT	**52**	**48**	**3**	**7.0%**
Margin (%)	2.2%	2.1%		

ACCIONA Infrastructure revenues amounted to €2,329 million, a moderate increase relative to H1 2017 (+1.8%). EBITDA grew by 8.3% to €197 million.

EBITDA and EBT margins reached 8.5% and 2.2%, respectively, in line with the same period last year.

Infrastructure Backlog

(Million euros)	30-Jun-18	30-Jun-17	Chg. (%)	Weight (%)
Construction	5,383	6,287	-14.4%	30%
Industrial	597	481	24.2%	3%
Water	11,266	11,165	0.9%	62%
Concessions	959	898	6.8%	5%
TOTAL	**18,205**	**18,831**	**-3.3%**	**100%**

A. Construction

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Revenue	**1,487**	**1,432**	**55**	**3.8%**
EBITDA	**103**	**78**	**25**	**31.5%**
Margin (%)	*6.9%*	*5.5%*		
EBT	**29**	**26**	**3**	**11.9%**
Margin (%)	*1.9%*	*1.8%*		

Revenues increased by +3.8% to €1,487 million.

EBITDA stood at €103 million supported by the growth of large International projects, especially Quito Metro. Margins grew at both the EBITDA and EBT level.

Construction Backlog

As of 30th of June 2018, Construction backlog stood at €5,383 million, 14.4% lower than in December 2017.

The reason for this decline was the high volume of work executed, mainly in Australia, Ecuador and Emirates. This effect has been partially mitigated by new construction works awarded in markets such as Australia (Southern Program Alliance), Poland (Mail Zielona Góra Shopping Centre and the Zbiorniki Gdansk Fuel Tanks) and several projects in Spain.

(Million euros)	30-Jun 2018	30-Jun 2017	Chg. (%)	Weight (%)
Total Spain	**1,304**	**1,439**	**6.2%**	**24%**
Total International	**4,079**	**5,847**	**-19.4%**	**76%**
Latam	1,269	2,414	-36.9%	24%
EMEA (not inc. Spain)	1,294	1,991	-10.1%	24%
Australia & South East Asia	971	943	-3.1%	18%
North America[1]	545	499	-10.1%	10%
TOTAL	**5,383**	**7,286**	**-14.4%**	**100%**

[1] Mexico included in Latam

B. Industrial

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Revenue	**138**	**116**	**23**	**19.6%**
EBITDA	**3**	**5**	**(1)**	**-33.0%**
Margin (%)	*2.2%*	*3.9%*		
EBT	**3**	**--**	**3**	**n.a.**
Margin (%)	*2.2%*	*-0.2%*		

Industrial continues raising its revenues and EBT, despite lower EBITDA.

Industrial Backlog

Industrial backlog has increased, largely owing to the award of the construction of a CSP plant in Atacama (Chile) as well as a biomass plant in Cubillos del Sil (Spain).

(Million euros)	30-Jun 2018	30-Jun 2017	Chg. (%)	Weight (%)
Spain	135	19	n.a.	23%
International	462	462	0.0%	77%

TOTAL	**597**	**481**	**24.2%**	**100%**

C. Concessions

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Revenue	**56**	**67**	**(12)**	**-17.4%**
EBITDA	**24**	**27**	**(3)**	**-10.9%**
Margin (%)	*43.9%*	*40.7%*		
EBT	**8**	**3**	**5**	**n.a.**
Margin (%)	*14.2%*	*4.0%*		

Concessions revenues and EBITDA fell to €56 million and to €24 million, respectively; mainly resulting from the sale of Ruta 160 at the end of last year.

The Book Value of concessions stood at €1,227 million (€361 million in equity and €866[1] million in net debt) with a total of 20 concessions in the portfolio.

Annex 4 shows the detail of the concessions portfolio as of 30th of June 2018.

[1] This figure includes the proportional part of the net debt from those concessions accounted by the equity method (€590m)

D. Water

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg.	Chg. (%)
Revenue	**304**	**337**	**(33)**	**-9.8%**
EBITDA	**56**	**61**	**(5)**	**-8.0%**
Margin (%)	18.3%	18.0%		
EBT	**10**	**18**	**(7)**	**-42.2%**
Margin (%)	3.3%	5.2%		

The Water division revenues fell by 9.8% and its EBITDA decreased by 8.0% to €56 million, largely because of the completion of the construction of two desalination plants in Qatar.

Water Backlog

Water Backlog as of June 2018 stood at €11,266 million, 0.9% higher than that in FY2017. The new South Dhahran (Saudi Arabia) and Jebel Ali (Emirates) desalination plants awarded should be highlighted.

(Million euros)	30-Jun-18	31-Dec-17	Chg. (%)	Weight (%)
D&C	743	537	38.3%	7%
O&M	2,746	2,769	-0.8%	24%
ATLL	7,777	7,858	-1.0%	69%
Total	**11,266**	**11,165**	**0.9%**	**100%**

(Million euros)	30-Jun-18	31-Dec-17	Chg. (%)	Weight (%)
Spain	9,116	9,164	-0.9%	81%

International	2,150	1,970	9.1%	19%
Total	**11,266**	**11,165**	**0.9%**	**100%**

E. Services

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Revenue	**359**	**357**	**2**	**0.5%**
EBITDA	**11**	**11**	**--**	**-1.5%**
Margin (%)	3.1%	3.1%		
EBT	**2**	**3**	**(1)**	**-27.1%**
Margin (%)	0.5%	0.7%		

The division reported flat revenues and a marginal decline in EBITDA (-1.5%), compared to H1 2017.

Services Backlog

In terms of new contracts, the award of the internal logistics contract for a Nissan plant in Spain should be highlighted.

(Million euros)	30-Jun 2018	30-Jun 2017	Chg. (%)	Weight (%)
Spain	770	746	3.2%	80%
International	189	152	24.3%	20%
TOTAL	**959**	**898**	**6.8%**	**100%**

4.3 Other Activities

(Million euros)	Jan-Jun 2018	Jan-Jun 2017	Chg. €m	Chg. (%)
Trasmediterránea	160	190	(30)	-15.6%
Real Estate	15	26	(12)	-44.3%
Bestinver	52	46	6	13.1%
Corp. and other	18	19	(1)	-4.7%
Revenue	**244**	**280**	**(36)**	**-12.9%**
Trasmediterránea	4	2	2	n.a.
Real Estate	(4)	--	(4)	n.a.
Bestinver	34	33	1	3.4%
Corp. and other	(3)	(4)	--	12.4%
EBITDA	**31**	**30**	**--**	**-0.6%**
Margin (%)	12.5%	11.0%		
EBT	**29**	**26**	**3**	**11.7%**
Margin (%)	12.0%	9.3%		

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During H1 2018, the Other Activities division reported revenues of €244 million, 12.9% lower vs. H1 2017. EBITDA remains almost flat at €31 million.

Trasmediterránea:

As a result of the final closing of the Trasmediterránea sale, its revenues only contributed up to the 31st of May. While revenues decreased by 15.6%, its EBITDA increased to €4 million.

	Jan-Jun 2018	Jan-Jun 2017	Chg. (%)
Passengers served	720,315	908,154	-20.7%
Cargo handled (lane metres)	2,624,619	3,057,479	-14.2%
Vehicles	171,679	200,826	-14.5%

**Transmeditarránea data for Jan-Jun 18 only relate to Jan-May 18, as it was no longer consolidated in June.*

Real estate:

Real Estate turnover and EBITDA fell as a result of the deconsolidation of the residential rental asset portfolio contributed to Testa Residencial in September 2017 in exchange for a 20% stake (consolidated by the equity method), as well as the residential development activity, which is deep in the investment phase.

Bestinver:

Bestinver grew its EBITDA slightly to €34 million (+3.4%) due to higher average funds under management and the profitability of the portfolio.

Bestinver's AUMs reached €6,348 million as of 30th of June 2018.

5. Relevant events in the period

- **26 January 2018: The Company communicates the internal reorganisation carried out by one of the reference shareholders and the subsistence of the "Pacto Parasocial de Estabilidad Accionarial" (Para-corporate agreement on shareholding stability)**

  - The family Group of Mr. José María Entrecanales de Azcarate, in order to rationalise the management of its participation, updating and simplifying its corporate governance, has implemented an internal reorganisation resulting in La Verdosa, S.L. directly owning 5.31% of ACCIONA.

  - The terms of the aforementioned Pacto Parasocial de Estabilidad Accionarial, to which La Verdosa, S.L. adheres, have not been modified, with each of its signatories retaining full freedom to vote. Therefore, there is no agreement on ACCIONA's management.

- **09 February 2018: ACCIONA reports on the news published in the newspaper "El Economista" regarding certain energy assets.**

- In relation to the news published in the newspaper "El Economista", ACCIONA informs that it is holding negotiations with ContourGlobal to carry out a corporate operation related to energy assets, but neither the perimeter, nor the valuations, nor the other terms and conditions mentioned in the article reflect the reality of it.

- **22 February 2018: ACCIONA reports on the news published by the media regarding the Alta Ter-Llobregat (ATLL) water management contract.**

  - Regarding the news published by the media in relation to the Supreme Court ruling dismissing the "Generalitat de Catalunya" and "Sociedad General de Aguas de Barcelona, S.A." contentious-administrative appeal against the ruling of the High Court of Justice of Catalonia dated 22nd of June 2015, confirming the annulment of the award of the Alta Ter-Llobregat water management agreement that had already been decreed by the High Court of Justice of Catalonia, ACCIONA informs that its appeal, based on different grounds than those portrayed on these appeals, has not yet been resolved. Therefore, no Sentence has been notified regarding this matter.

  - Once the Sentence is notified, ACCIONA will analyse the grounds for its decision and determine the appropriate legal and/or judicial actions.

  - In any case, it should be recalled that, in accordance to Art. 56 related to the public tender and decision of the Regional Departments of Economy & Knowledge and Territory and Sustainability of the "Generalitat de Catalunya" dated 5th of July 2013, "ATLL Concesionaria de la Generalitat de Catalunya" is obliged to continue providing service until the compensation set on the terms of reference and on the Consolidated Text of the Public Contract Law is paid and until the minutes in relation to the return of the assets and rights linked to the public service are signed.

- **27 February 2018: ACCIONA announces the disposal of five thermosolar plants in Spain.**

  - ACCIONA ENERGÍA, S.A. has reached an agreement with Contourglobal Mirror 2, S.À.R.L., a subsidiary of ContourGlobal plc, for the sale of its 100% stake in ACCIONA TERMOSOLAR S.L., owner of five thermosolar plants in Spain, including its evacuation assets, with a total installed capacity of 249.8MW.

  - The agreement implies an enterprise value for 100% of ACCIONA TERMOSOLAR, S.L. of €1,093m. Additionally, the parties have agreed an earn-out of up to €27m.

  - The transaction is subject to the fulfilment of two conditions precedent including (i) approval from the Spanish Competition Authorities (ii) and approval in AGM from ContourGlobal plc.

- **28 February 2018: ACCIONA informs about the sentence related to the Ter-Llobregat water supply service management agreement.**

  - The Supreme Court's judgment has rejected the contentious-administrative appeals made by "ATLL Concesionaria de la Generalitat de Catalunya" and ACCIONA Agua against the Judgment rendered by the Superior Justice Court of Catalonia as of 22nd June 2015, thus confirming the annulment of the assignment of the Ter-Llobregat water supply service management agreement sentenced by the Superior Justice Court of Catalonia.

- "ATLL Concesionaria de la Generalitat de Catalunya" and ACCIONA Agua are reviewing the Grounds of this Ruling to determine the legal and/or judicial actions to be adopted.

- "ATLL Concesionaria de la Generalitat de Catalunya" shall continue rendering the service until the compensation amount provided for in the "Pliego de Condiciones de la licitación" and the "Texto Refundido de la Ley de Contratos del Sector Público" is duly paid and the deed returning the rights and goods attached to the service public is signed.

- **01 March 2018: ACCIONA announces the temporary suspension of the Liquidity Contract.**

- ACCIONA reports of the temporary suspension of the Liquidity Contract subscribed with date on 10th of July 2017 with Bestinver Sociedad de Valores, S.A., for the management of its treasury stock, to enable the purchase in the market by ACCIONA, S.A. of up to 150,000 shares of ACCIONA, S.A., representing 0.262% of the share capital during a period of approximately 10 trading days.

The acquired shares will be used to execute the Share Delivery Plan for managers and employees.

- **07 March 2018: ACCIONA announces the resumption of the Liquidity Contract.**

- ACCIONA has acquired, through discretionary transaction with own shares, a total of 150,000 company shares, representing a 0.262% of the share capital at an average unit price of €65.76.

- Likewise, once the reported operation has been completed, the Company reports the resumption of operations under the Liquidity Contract subscribed on 10th of July 2017 with Bestinver Sociedad de Valores, S.A,. for the management of its treasury stock.

- **27 March 2018: ACCIONA reports the implementation of a time-scheduled buy-back programme, and the temporary suspension of the Liquidity Contract.**

- The Board of Directors of the Company has agreed to implement a time-scheduled buy-back programme over its own shares.

- The Buy-back Programme will cover a maximum of 2,862,978 shares, representing, approximately, 5% of the Company's share capital and its maximum monetary amount is €233,332,707.

- ACCIONA confirms that the main purpose of the time-scheduled Buy-back Programme over its own shares is the reduction of capital through the amortisation of shares.

ACCIONA has reported the following relevant events after 31 March 2018:

- **9 April, 17 April, 25 April and 4 May: ACCIONA informs about the operations done over its own shares under the Buy-Back Programme.**

- As a result of the Material Information published on 27th of March 2018 in which ACCIONA informs of the establishment of a temporary share Buy-back Program, the Group reports on a weekly basis on the treasury share transactions carried out within the framework of the Buy-back Programme.

- **20 April 2018: ACCIONA officially announces and submits the proposal of the Annual General Meeting.**

  - ACCIONA S.A.'s Board of Directors has convened the Annual General Shareholders Meeting for next 29th of May 2018 in first call and 30th of May 2018 in second call (expecting that it will be held in second call).

- **24 May 2018: ACCIONA reports the fulfilment of the suspensive clause for the sale of its participation in Compañía Transmediterránea, S.A.**

  - ACCIONA reports the fulfilment of the condition precedent regarding the clearance from the Spanish National Markets and Competition Commission for the sale to Grupo Naviera Armas of the totality of its participation (92.71% of the share capital) in Compañía Trasmediterránea, S.A.

- **30 May 2018: Annual General Meeting – Approval of Agreements.**

At the Ordinary General Shareholders' Meeting held, on second call, on the 30th of May 2018, the following agreements, among others, were adopted:

1) To approve the individualised annual accounts of ACCIONA, S.A. for 2017, as well as the consolidated annual accounts of the corporate for the same period.

2) To approve the management of the Board of Directors, managers and attorneys of the Company during 2017, as well as the management reports presented by the Board of Directors.

3) To approve the allocation of the results of the 2017 financial year set out in the approved annual accounts. The payment of dividends for a gross amount of €3.00 per share will be paid on the 2nd of July 2018.

4) To re-elect Mr. José Manuel Entrecanales Domecq and Mr. Juan Ignacio Entrecanales Franco as Executive Directors; Mr. Javier Entrecanales Franco and Mr. Daniel Entrecanales Domecq as Proprietary External Directors; and Ms. Ana Sainz de Vicuña Bemberg as Independent External Director. To appoint Mr. Javier Sendagorta Gómez del Campillo and Mr. José María Pacheco Guardiola as Independent External Directors. (All for the statutory mandate period).

5) To increase the maximum number of shares available under the 2014 Share and Performance Share Delivery Plan by 100,000 shares, notwithstanding subsequent increases if so proposed by the Board of Directors and approved by the General Meeting of Shareholders.

6)

a) To reduce the share capital of ACCIONA, S.A. by the amount resulting from the sum of the aggregate nominal value, with the maximum of 2,862,978 euro (the "Maximum Limit"), of own shares, each with a face value of one euro, that are acquired for redemption via the Buy-back Programme of up to 2,862,978 own shares that will be in force until 27th of March 2019 at the latest, approved by the Board of Directors on 26th of February 2018. As a result, the maximum figure of the capital reduction will be 2,862,978 euro, by means of the redemption of a maximum of 2,862,978 own shares, each with a face value of one euro, representing a maximum of 5% of the share capital at the time of adoption of the resolution. The definitive figure of the capital reduction will be set by the Board of Directors of the Company depending on the final number of shares acquired under the Buy-back Programme, provided that it does not exceed the above-mentioned Maximum Limit and excluding the shares that are aimed at covering the delivery plans for executive directors, managers and employees of the Group. The capital reduction will not entail the refund of contributions to shareholders provided that it will be charged against unrestricted reserves and that the Company will be the owner of the redeemed shares at the moment of the execution.

b) To delegate to the Board of Directors, with the express power of sub-delegation or substitution, so that, within a term of no more than one month as of termination of the Buy-back Programme and, in any case, within the year following the date of adoption of this agreement it can execute this resolution, determining those aspects that have not been expressly established in this resolution or that are a result of the same, and adopt the resolutions, take the action and execute the public or private documents necessary or appropriate for the fullest execution of this resolution, in particular, but not limited to, delegating the following powers to the Board of Directors, with the express power of sub-delegation or substitution:

   (i) Set the final figure of the Capital Reduction in accordance with the terms of this resolution and establish any circumstances necessary in this regard, all in accordance with the conditions indicated above.

   (ii) Declare the Capital Reduction closed and executed setting, in this regard, the final number of shares to be redeemed and, as such, the amount by which the share capital of the Company should be reduced according to the rules established in this resolution.

   (iii) Draft a new wording for the article of the by-laws that sets the share capital so that it reflects the capital figure and number of shares in circulation due to the execution of the Capital Reduction.

   (iv) Perform the formalities and actions necessary and present any documents required by the competent bodies so that, once the Company shares have been redeemed and the corresponding Capital Reduction deed has been executed and recorded at the Commercial Registry, the redeemed shares are delisted from the Spanish Securities markets, via the Securities Market Interconnection System (Continuous Market) and the cancellation of the corresponding book entries by IBERCLEAR.

   (v) Publish those announcements that are legally required and make any applications and communications as appropriate and take any steps necessary or appropriate to execute and formalise the Capital Reduction before any public or private entities and bodies, Spanish or foreign, including for the declaration, supplementation or remedy of defects or omissions that could prevent or hinder the full effect of the above resolutions.

7) To approve the amendment of article 21 (Venue and time for holding the General Meeting. Extension of meetings) and 18 (Location of the General Meeting) in the terms of the proposed resolution placed at the disposal of the shareholders.

8) To approve, on a consultative basis, the Annual Report on Directors' Remuneration for the 2017 financial year.

9) To approve the 2017 Sustainability Report.

10) To authorise the announcement of Extraordinary General Meetings of the Company with a minimum of fifteen days' notice, pursuant to article 515 of the Spanish Companies Act.

11) To delegate to the Board of Directors the broadest powers of implementation, interpretation, remedy and execution of the resolutions adopted by this General Meeting, with the express authorisation for the powers to be exercised by the Directors or the Secretary designated by the Board of Directors.

Thus, among other actions, such persons are empowered to that any of them, acting jointly and severally, can:

- Restate the current texts of the By-laws and the Regulations of the General Meeting.
- Remedy any defects in the formalisation of the resolutions adopted by the General Meeting in the sense indicated by the verbal or written classification from the Commercial Registry.

- **30 May 2018: ACCIONA informs about the Dividend Payment.**

- ACCIONA reports on the distribution of a €3/share gross dividend to be paid on the 2nd of July 2018. The pertinent tax withholding, in its case, shall be deducted form said amount.

- **30 May 2018: ACCIONA informs about the composition of the Company's Board of Directors and Committees.**

- ACCIONA informs about the composition of the Company's Board of Directors and of its different Committees:

- Chairman: Mr. José Manuel Entrecanales Domecq, Executive Director
- Vice Chairman: Mr. Juan Ignacio Entrecanales Franco, Executive Director
- Coordinating Director: Mr. Juan Carlos Garay Ibargaray, Independent Director
- Member: Mr. Daniel Entrecanales Domecq, Proprietary External Director
- Member: Mr. Daniel Entrecanales Franco, Proprietary External Director
- Member: Ms. Belén Villalonga Morenes, Independent Director
- Member: Mr. Jerónimo Marcos Gerard Rivero, Independent Director

- Member: Ms. Ana Sainz de Vicuña Bemberg, Independent Director
- Member: Ms. Karen Christina Figueres Olsen, External Director
- Member: Mr. Javier Sendagorta Gómez del Campillo, Independent Director
- Member: Mr. José María Pacheco Guardiola, Independent Director

- In addition, the Board of Directors has adopted the following resolutions:

1) To delegate to the re-elected directors, Mr. José Manuel Entrecanales Domecq, Chairman of the Board and Mr. Juan Ignacio Entrecanales Franco, Vice Chairman of the Board, all the legal and statutorily delegable powers, which will be exercise individually as Managing Directors, except those that cannot be delegated by law.

2) To establish the Board's Committees to be made up of three members.

3) During the last five years, the annual agenda of the Board of Directors has permitted it to implement all of its functions, without having to convene and meet its Executive Committee, who has not met since July 2013 and, thus, considers unnecessary to renew the Board´s Executive Committee.

4) To renew the remaining Board's Committees which are set up as follows:

- Audit Committee:
  - Mr. Juan Carlos Garay Ibargaray: Chairman
  - Ms. Ana Sainz de Vicuña Bemberg: Member
  - Ms. Karen Christina Figueres Olsen: Member

- Appointments and Remuneration Committee:
  - Mr. Juan Carlos Garay Ibargaray: Chairman
  - Mr. Javier Sendagorta Gómez del Campillo: Member
  - Mr. Jerónimo Marcos Gerard Rivero: Member

- Sustainability Committee:
  - Mr. Daniel Entrecanales Domecq: Chairman
  - Mr. Javier Entrecanales Franco: Member
  - Mr. José María Pacheco Guardiola: Member

- **12 June 2018: ACCIONA informs about the composition of other management and control organs.**

- ACCIONA informs about the composition of the Board's Executive Committee after the changes in the group's management.

- The Board's Executive Committee is made up of:

- Executive Directors:
  - Mr. José Manuel Entrecanales Domecq: Chairman.
  - Mr. Juan Ignacio Entrecanales Franco: Vice Chairman.

- and the following Directors:
  - Mr. Alfonso Callejo Martínez,
  - Ms. Macarena Carrión López de la Garma,
  - Mr. Luís Castilla Cámara,
  - Ms. Arantza Ezpeleta Puras,
  - Mr. Rafael Mateo Alcala,
  - Mr. Joaquín Mollinedo Chocano,
  - Mr. Juan Muro-Lara Girod,
  - Mr. José Ángel Tejero Santos,
  - Mr. Jorge Vega-Penichet López.

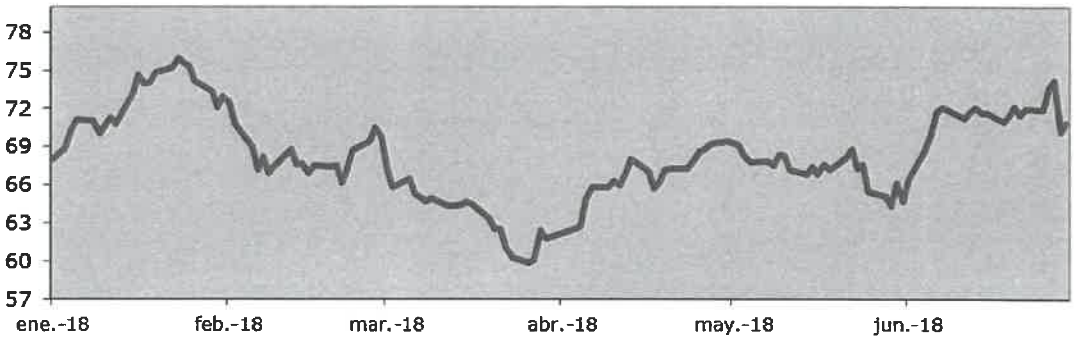
- **On several dates from 9 April to 11 July: ACCIONA informs about the operations done over its own shares under the Buy-Back Programme.**

  - As a result of the Material Information published on 27th of March 2018 in which ACCIONA informs of the establishment of a temporary share Buy-back Program, the Group reports on a weekly basis on the treasury share transactions carried out within the framework of the Buy-back Programme.

6. Dividend

On the 26th of February 2018 the Board of Directors of ACCIONA proposed the distribution of a dividend of €171.8m (€3.00 per share) against results of 2017 fiscal year.

7. Share Price Trend in H1 2018



8. Key Share Data

	30-Jun-18
Price at 30 June 2018 (€/share)	62.54
Price at 29 December 2017 (€/share)	68.04
Low in H1 2018 (26/03/2018)	59.82
High in H1 2018 (23/01/2018)	76.00

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Average daily trading (shares)	193,952
Average daily trading (€)	13,162,073
Number of shares	57,259,550
Market capitalisation 29 June 2018 (€ million)	3,581

9. Share Capital

As of 30th of June 2018 the share capital of ACCIONA amounted to €57,259,550 divided into 57,259,550 shares of €1 of nominal value each.

The group's treasury shares as of 30th of June 2018 amounted to 1,949,529 shares, which represent a 3.4% of the share capital.

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Part II – Main risks and uncertainties for the first semester of 2018.

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

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

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

Regulatory risks

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

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

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

Bills receivable and customers' accounts cover a large number of customers from different industries and geographical areas. The credit relations held with customers and their solvency are appraised on an on-going basis, and credit guarantee insurance is engaged where it is considered necessary. As regards the non-payment risk and essentially in the main business areas, public and private clients are assessed before any contract is made. This process includes a solvency report and going over contractual requirements from the economic and legal standpoints, and the correct debt evolution is permanently monitored during the development of the work, and the related value adjustments according to economic criteria.

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

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

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

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

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

Environmental risks

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 specifically associated with climate change and water resources, 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, which is mainly related to international construction activities, where there is the risk of delay in the supply of materials such as concrete or steel, due to the vulnerability of the supply chain in some countries where we develop our business.

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

Compliance risks

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

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

Other external factors affecting activities:

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

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

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

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

Formal note added to state for the record that the Directors of ACCIONA, S.A. are aware of the entire contents of the condensed consolidated financial statements for the six-month period ended 30 June 2018 of Acciona, S.A. and its subsidiaries (Consolidated Group), as submitted to the Board of Directors and duly prepared by the Board at the meeting held on 26 July 2018, printed on 83 sheets, all of them signed by the Secretary and with the corporate seal affixed and numbered as follows:

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

Mr. José Manuel Entrecanales Domecq
Chairman

Mr. Juan Ignacio Entrecanales Franco
Vice-Chairman

Mr. Javier Entrecanales Franco
Member

Mr. Juan Carlos Garay Ibargaray
Member

Mr. Daniel Entrecanales Domecq
Member

Ms. Karen Christiana Figueres Olsen
Member

Mr. Javier Sendagorta Gómez del Campillo
Member

Ms. Belén Villalonga Morenés
Member

Mr. José María Pacheco Guardiola
Member

Ms. Ana Sainz de Vicuña Bemberg
Member

Mr. Jerónimo Marcos Gerard Rivero
Member

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

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

En Madrid, a 5 de octubre de 2018

Firmado.

CLARA LOIS LOZANO

Nº 10009

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

Madrid, on the 5th day of October 2018

Signed.