

ANNUAL REPORT **2015**



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ACCIONA 2015

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- e. Bestinver
- f. Bodegas Hijos de Antonio Barceló
- g. Innovation

ACCIONA IN NUMBERS

2015 was a year of sound financial results

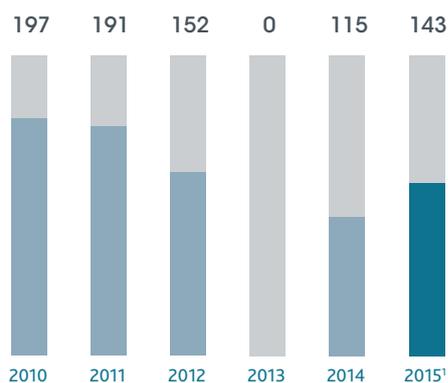
2015 was a year of stability and a return to normality as management focused on enhancing business operations, laying the foundations for future growth and strengthening the balance sheet.

Share performance

	2014	2015
Starting price (€)	41.8	56.2
Final price (€)	56.2	79.1
Appreciation (%)	34.6%	40.7%
Low (€)	41.1	54.2
High (€)	67.4	80.2
Market capitalisation at 31 December (€M)	3,218	4,528

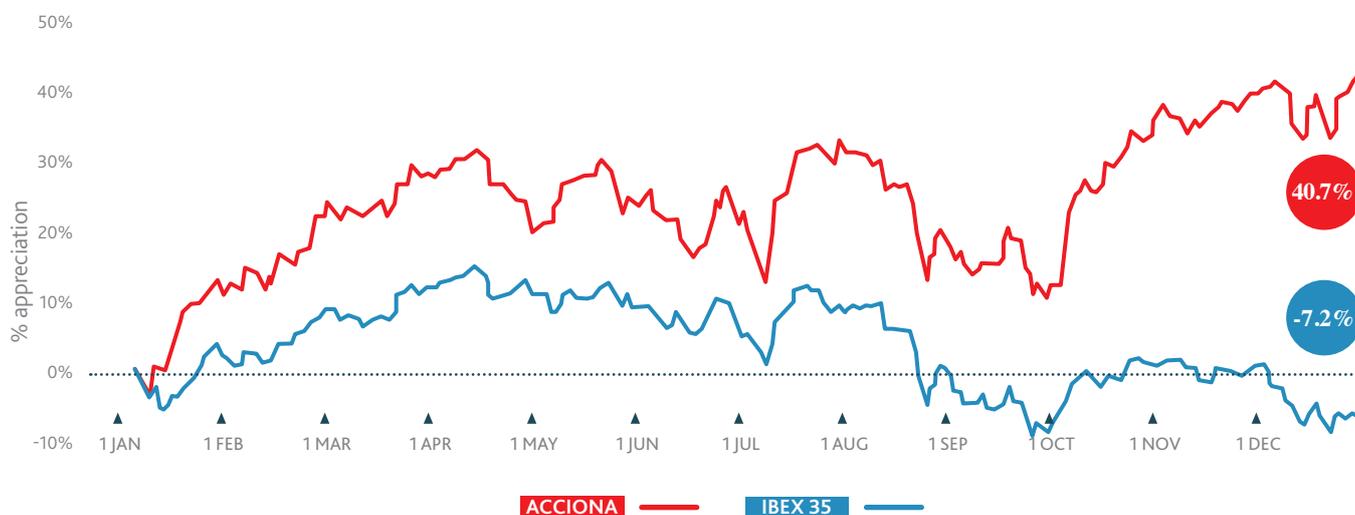
→ Dividends

(millions of euros)



(1) Pending approval by the Shareholders' Meeting.

→ ACCIONA share performance vs. IBEX 35 in 2015



Turnover

(millions of euros)

	2014	2015	Chg. (%)
Energy	2,200	2,719	23.6%
Infrastructure	3,727	3,336	-10.5%
Construction	2,626	2,170	-17.4%
Water	409	451	10.0%
Service	691	716	3.5%
Other activities	692	613	-11.4%
Consolidation adjustments	-120	-125	3.5%
TOTAL Turnover	6,499	6,544	0.7%

EBITDA

(millions of euros)

	2014	2015	Chg. (%)
Energy	788	897	13.8%
Infrastructure	173	167	-3.5%
Construction	118	102	-13.8%
Water	35	35	0.2%
Service	21	31	49.9%
Other activities	126	113	-10.2%
Consolidation adjustments	0	-3	n/a
TOTAL EBITDA	1,087	1,174	8.0%

EBT

(millions of euros)

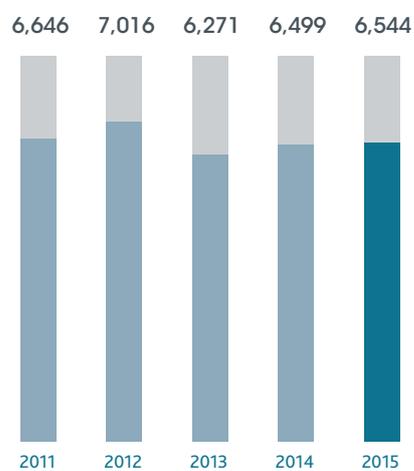
	2014	2015	Chg. (%)
Energy	86	198	129.5%
Infrastructure	90	90	-0.1%
Construction	55	33	-39.5%
Water	28	41	47.3%
Service	7	16	117.0%
Other activities	55	43	-21.5%
Consolidation adjustments	2	-1	-154.3%
TOTAL Ordinary EBT	233	330	41.5%
Extraordinary items	44	-11	n/a
TOTAL EBT	277	319	15.0%

Group **EBITDA** increased by **8%** and ordinary **EBT** by **42%**

The Group reported **solid financial results** in 2015 as a result of a good operating performance by **strategic and non-core businesses alike**

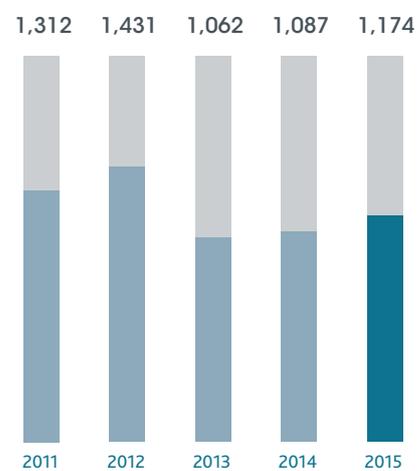
→ **Turnover**

(millions of euros)



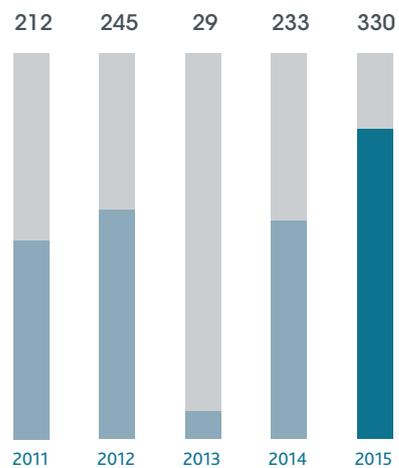
→ **EBITDA**

(millions of euros)



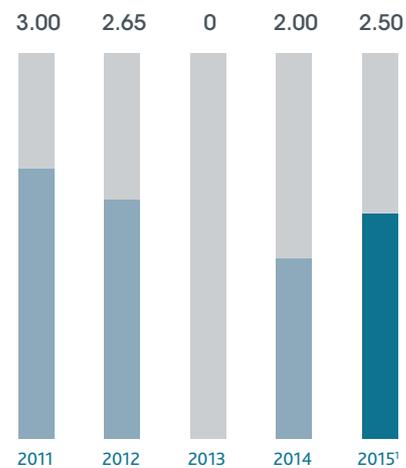
→ **Ordinary EBT**

(millions of euros)



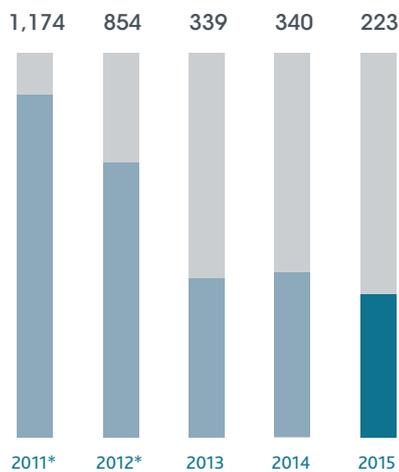
→ **Dividend per share**

(euros)



(1) Pending approval by the Shareholders' Meeting.

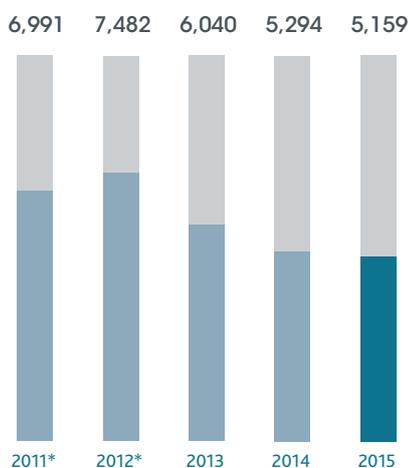
→ **Ordinary net capital expenditure**
(millions of euros)



(*) Amounts in 2011-2012 have not been re-stated, in accordance with the new IFRS in force since 1/1/2014.

The **net financial debt/ EBITDA ratio was reduced sharply** in 2015, from 4.9x at 2014 year-end to 4.5x in December 2015. Additional **progress** was made in **transforming and strengthening the parent company's debt structure and liquidity**

→ **Net financial debt**
(millions of euros)



(*) Amounts in 2011-2012 have not been re-stated, in accordance with the new IFRS in force since 1/1/2014.

2015 was a transition year in terms of capital expenditure, which reached a record low while the Group **locked in a sizeable order book for 2016**

MESSAGE FROM THE CHAIRMAN

JOSÉ MANUEL ENTRECANALES
Chairman of ACCIONA



Dear shareholder,

After several years in which the company had to face a series of difficulties—major changes in the regulatory framework for renewables in Spain, a freeze in the infrastructure business in Spain and other key international markets, severe restrictions on sources of funding, and the consequent deterioration in our image of solvency—we can say that 2015 marked a turning point for ACCIONA, when it became clear that the measures adopted during the crisis had borne fruit. In short, 2015 ratified the Group's solid position with a view to the future.

About four years ago, those difficulties led us to implement a strict Action Plan whose main objective was to reduce the group's debt significantly while focusing strategy more tightly on key businesses and preserving the Company's capacity for growth.

Those goals have been achieved and we can say that, following a lengthy storm, our ship—ACCIONA—has emerged stronger, having shown its resilience and robustness, learned valuable lessons on weathering adversity, and with a clearer picture of what is the best course going forward. The year 2015 brought calmer seas and favourable winds that enabled us to leverage our expertise while applying the prudence that comes from experiencing the unpredictable violence of the seas.

Operational improvements and intense commercial activity resulted in an 8% increase in EBITDA to 1,174 million euros, while ordinary profit before taxes increased by 42% to 330 million euros.

Determined efforts to improve the Group's credit profile were successful in 2015, as net interest-bearing debt was reduced and, more importantly, the leverage ratio was located within our target range; this reduced interest expenses and increased the Group's financial flexibility and funding sources.

As regards capital expenditure, 2015 was a transition year between an Action Plan that sharply curtailed investment and the new phase of growth that the Company is now entering, which will enable us to regain levels of investment more in line with the opportunities available in the market. This is particularly so with regard to global demand for investment in renewable energy and urban development, and the Group's renewed capacity and solvency.

It was also an intense year for M&A, as the merger of ACCIONA Windpower, our wind turbine manufacturing business, with German company Nordex is a milestone for the Group and the industry as a whole. This deal maintains our presence in a vital link in the supply chain while also attaining greater scale and diversifying risks.

Without seeking to divine the potential outcome of legal issues that might affect this concession's future, we increased our stake in ATLL to 76%, which substantially altered the size and profile of ACCIONA Agua.

As I mentioned earlier, the Group's good position in general enabled us also to focus on strategic decisions that strengthened our status as a leading player in two of the principal global transformations that are taking place at present: urban development and energy.

The first of these—urban development—is generating demand for appropriate infrastructure in the areas of transportation, sanitation, waste management and, in particular, water supply.

In this line, last September, the United Nations approved the 17 sustainable development goals that will guide the investment agenda for governments, multilateral funds and private investors towards emerging economies in order to outfit them with infrastructure that contributes to their development.

In this context, the integration of our construction, service and water businesses into a single Infrastructure division and the steps taken to enhance the selection of business opportunities, as well as risk and contract management, have begun to produce results, since order intake increased by 22% and our backlog by 13% in 2015.

2015 marked a **turning point** for ACCIONA, vindicating the measures adopted during the crisis

New projects worldwide, such as the Peace River hydroelectric plant in Canada, Quito Metro in Ecuador, the new railway tunnels in Norway and the desalination and drinking water plants in Qatar, are just some of the milestones in 2015 that entail recognition of ACCIONA's technical expertise and our world-leading position in technology in these fields.

It was also a very significant year for the second of the two main thrusts of ACCIONA's strategy—energy. In addition to a sizeable 14% increase in EBITDA in our energy business, mainly as a result of operational enhancements, the COP21 Paris Agreement to reduce greenhouse gas emissions represents a major source of support for renewable energy.

The Agreement marks a qualitative change going forward. For the first time, practically all emitting countries reached a consensus about the need to reduce greenhouse gas emissions. The United Nations has begun to receive the national commitments that must make this goal possible; a common factor is a sizeable increase in renewable generation. Overall, this will entail investments totalling more

than 400 billion dollars per year over the next 15 years.

We at ACCIONA have over 8,000 MW of installed capacity, almost 40% of it outside Spain. Within this range of international opportunities, in 2015 we commissioned plants in Poland and South Africa, and commenced new projects in Chile, India and the United States.

This global presence and geographical diversification are what place us in a privileged position to take advantage of the worldwide boom of investment in renewable energy that commenced in 2015, when around 300 billion dollars were invested in the sector worldwide.

Our priorities remain unchanged. We maintain our aim to play a leading role in transforming the planet's infrastructure and in sustainable energy, while focusing on having a strong balance sheet, remunerating our shareholders appropriately, and constantly seeking growth opportunities.

Looking to the short term, we are moderately optimistic about 2016 in spite of the headwinds posed by falling fossil fuel prices, which we expect to offset with growth and operational improvements in other businesses. This will be an intense year in terms of investment projects already under way that represent a notable increase in the Group's activity, as well as energy auctions in countries, such as Chile and Mexico, which are strategic priorities for ACCIONA in 2016.

Last year, we completed our Sustainability Plan 2015, which structured the sustainable approach of all the Company's activities; we exceeded all the targets set in the plan, and have begun a new Sustainability Plan 2016-2020 whose main commitments are CO₂ neutrality and progress by the countries where we operate.

To summarise, ACCIONA is in a strong position, having overcome a number of particularly adverse years with the support of its shareholders and all its people. The Group is experiencing a new phase of growth in which it

expects not only to create value for all its stakeholders—particularly its shareholders—but also to contribute to addressing the major challenges and transformations facing the society that it serves.

The year 2016 and subsequent years will undoubtedly bring their own challenges and business opportunities. We are moving forward from a solid strategic position, backed by a sound balance sheet, which has enabled the Board of Directors to propose a 25% increase in the dividend with the goal of setting a new baseline from which to offer moderate sustainable increases in the future.

I would like to reiterate my gratitude for your support and loyalty to our project during these difficult times, and my unconditional commitment to the Company's values and principles: the economic, social and environmental progress of the societies that we serve, as a pre-requisite for the profitability, growth, solvency and, in the final instance, success of our Company in the long term.

MISSION, VISION AND VALUES

Honesty in leadership

To be leaders in the creation, development and management of Infrastructure, Water, Services and Renewable Energies with the goal of being able to meet the challenge of sustainable growth

Our **MISSION**

Our MISSION is to be a leader in the creation, development and management of Infrastructure, Water, Services and Renewable Energy, contributing actively to social well-being, sustainable development and the creation of value for our stakeholders

Our **VISION**

Our VISION is to be capable of addressing the challenge of achieving sustainable development in all of our business areas so that the generations of today and tomorrow will have a better life.

Our VALUES

- **HONESTY:** we strive for transparency, dialogue and participation in all of our actions.
- **LEADERSHIP:** we believe that innovation and foresight will allow us to be pioneers and leaders in future trends in all aspects of our business activity.
- **EXCELLENCE:** ACCIONA aims to set the benchmark in the markets where it operates.
- **CONCERN FOR THE ENVIRONMENT:** ACCIONA sees the fight against climate change, sustainable use of natural resources and protection of biodiversity as the main principles of its environmental strategy.
- **SOCIAL RESPONSIBILITY:** our commitment to the community is evidenced in the progressive implementation of Social Impact Management in all our operations.
- **LONG-TERM VIEW:** our pledge to sustainability confirms our commitment to finding forward-looking solutions and business models.
- **FINANCIAL STRENGTH:** we guarantee profitability and reliability, not only for our shareholders but also for society in general.
- **CUSTOMER FOCUS:** customer satisfaction is one of the fundamental principles of our bid for excellence.
- **INNOVATION:** we view innovation as one of ACCIONA's strategic pillars.
- **CARE FOR PEOPLE:** we aim to provide a safe and healthy work environment that promotes professional development, equal opportunity and respect for employees' personal lives.

2015 MILESTONES

ACCIONA focused its efforts on improving operational performance, expanding its businesses and reducing financial risk.

In 2015, having overcome the challenges posed by the regulatory reform and the crisis, ACCIONA was able to focus on enhancing operational performance, laying the groundwork for growth in the coming years and continuing to advance with the process of reducing financial risk.

The Group was able to take advantage of greater economic stability and incipient recovery to gain momentum, having completed the 2013-2014 Action Plan.

This is evident in the good results achieved in 2015: an 8% increase in EBITDA to 1,174 million euros and a 12% increase in net profit to 207 million euros. The good performance

by the Energy division — including an increase in the contribution by ACCIONA Windpower and the entry into operation of new generation assets — and improved performance by Trasmediterranea and ACCIONA Service are primarily responsible for the Group's very satisfactory results.

ACCIONA also made major strides last year in its credit enhancement strategy, not just through a very significant reduction in leverage (net interest-bearing debt/EBITDA) to within the target range of 4.0-4.5, but also by changing its funding approach towards one of greater flexibility, diversity in terms of markets, and cost-effectiveness.

CREDIT RATIOS

The year 2015 was a turning point in terms of capital expenditure after several years in which capex was cut in order to improve leverage. Ordinary net capital expenditure amounted to 223 million euros in 2015, 34.5% less than in 2014. The bulk of investment was focused in the Energy division, mainly the startup of the Gostyn II wind project in Poland, which was built during the year, and the conclusion of the investment phase and commissioning of the Gouda wind farm in South Africa. The reduction in capital expenditure contributed to achieving the Group's targeted improvement in its credit ratios while enabling it to leverage new investment opportunities that ACCIONA generated in 2015, such as

Nordex

- In October, **ACCIONA** reached an agreement to sell ACCIONA Windpower to German wind turbine manufacturer **Nordex** for a combination of cash and stock.
- The transaction price is **785 million euros**.
- ACCIONA will use the cash proceeds to purchase additional shares of Nordex, with the

result that it will become a **core shareholder**, with a 29.9% stake.

- The merger will create a **global leader** with the capacity and potential to be among the world's top five manufacturers of onshore wind turbine generators.
- The success of the tie-up lies in the fact that the two companies are complementary in both

their geographical footprint and technology. The combination will generate **sizeable synergies**, estimated at 95 million euros in 2019.

- It will be effective for accounting purposes as of **1 January 2016**.

the new energy assets in Chile, India and the United States, construction of which commenced recently.

The Group's sound financial position also gives ACCIONA the strength to take the opportunities for managing value in its portfolio without pressure and in line with its long-term vision. In this context, during 2015 the Group ruled out or shelved some transactions that did not appear optimal. In contrast, the agreement to sell ACCIONA Windpower to Nordex, in which ACCIONA will become a core shareholder, is a milestone in the Group's history and evidences ACCIONA's capacity to combine the pursuit of a more focused business with value creation.

Syndicated credit line

- A **1.8-billion-euro syndicated deal**, the first of its kind for the Group, was sealed in March.
- The deal made it possible to **simplify the corporate debt structure** by reducing the number and optimising the size of the bilateral credit lines used for liquidity purposes.
- It also **reduces the cost** of ACCIONA's commission expenses over the next five years and significantly **extends debt duration**.
- This operation covers all the Group's corporate debt maturities until 2019 and, although ACCIONA will continue to seek opportunities to improve both flexibility and cost, it marks the end of an **in-depth process to change the corporate funding model** that commenced two years earlier.

A sounder company

- In a year in which the **changes** at ACCIONA **were consolidated**, the Group took advantage of the better economic situation to gain in strength.
- The difficulties of the preceding years also served to reinforce the **Company's sound finances**, with a robust capital structure, a global position and a long-term vision.
- The Company enters **2016 with optimism** and the objective of growth in the two strategic divisions.

Bestinver

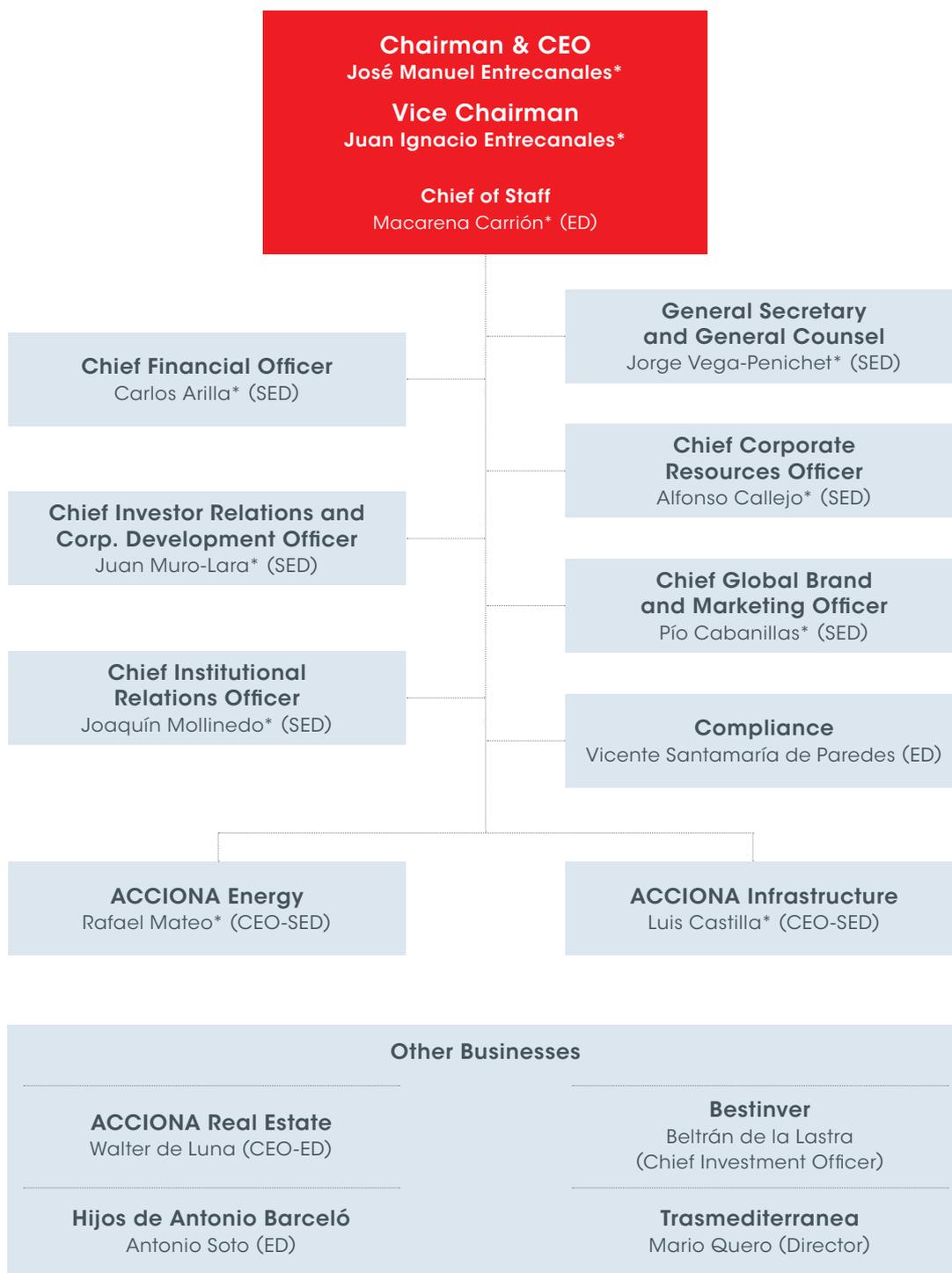
- It was Bestinver's first full year under the **new management team**, headed by Beltrán de la Lastra.
- Bestifond and Bestinver Internacional performed well, achieving **returns of 12.91% and 13.36%**, respectively, beating their benchmark, the MSCI Europe index, which achieved a return of 10.56%.
- The team was strengthened by hiring analysts with an extensive track record in key sectors. The new team organised

conferences in many cities in Spain and other countries in order to discuss results, portfolio positioning and the financial markets, so as to build a **closer relationship with investors** and to respond to their questions and concerns.

- The company maintains its **value investing** approach, defined as the search for returns by investing in undervalued companies based on fundamental analysis, appropriate risk management, and a long-term vision.

- Bestinver's contribution to Group results amounted to 91 million euros in revenues and 67 million euros in EBITDA in 2015. It also has over 50,000 clients and **manages over 5 billion** euros.

ORGANIZATIONAL CHART



* Member of the Executive Committee

SED: Senior Executive Director

ED: Executive Director

ACCIONA AROUND THE WORLD



-  Construction
-  Industrial
-  Water
-  Service
-  Energy
-  Real Estate



ACCIONA ENERGY

Excellent results in sales
to customers and power generation revenues

ACCIONA Windpower and international business contributed to growth of 23.6% in turnover and 13.8% in EBITDA.

Strong business performance by ACCIONA Windpower coupled with the turnkey construction of plants for customers by ACCIONA Energy and good power generation, particularly outside of Spain, contributed to excellent results by ACCIONA's Energy division in 2015.

2,719 MILLION IN TURNOVER

Turnover amounted to 2,719 million euros, 519 million more than in 2014, i.e. an increase of 23.6%.

Power generation provided 49% of turnover: 1,329 million euros. Turnover in Spain under this heading amounted to 845 million, 13 million less than in 2014, while other countries contributed 484 million,

102 million more (+26.8%). International turnover expanded due to the addition of new capacity in 2015 and to the positive exchange rate effect, particularly because of the dollar's appreciation.

ACCIONA Windpower (AWP) and other businesses together provided 1,390 million in turnover (51% of the total), an increase of 430 million (44.8%) with respect to 2014. AWP contributed 950 million under this heading, 245 million more than in 2014 (+34.7%). ACCIONA Energy (AE) also made a notable contribution due to EPC contracts that were executed during the year.

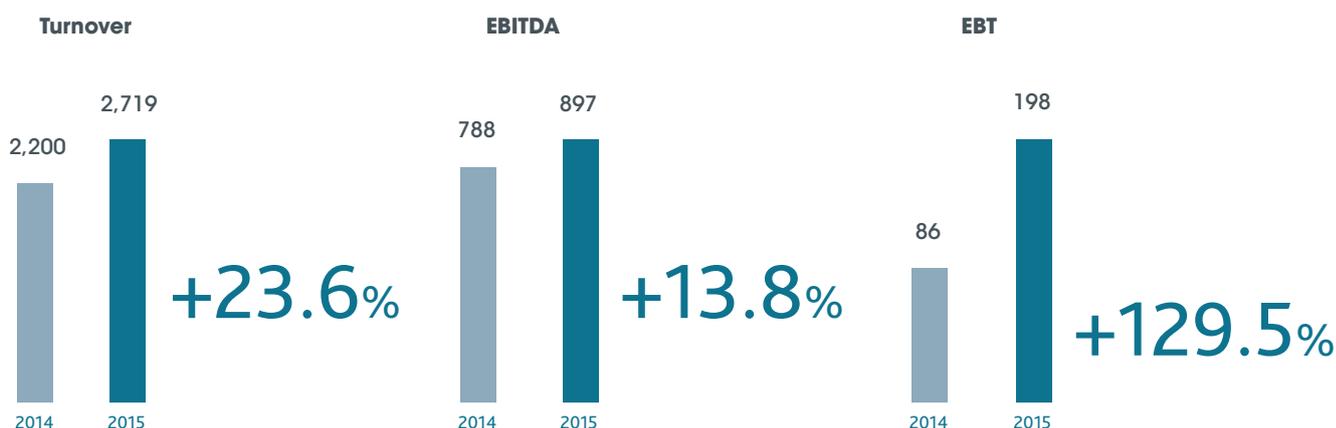
897 MILLION IN EBITDA

The Energy Division achieved 897 million in EBITDA, 109 million (13.8%) more than in 2014.

Power generation contributed 848 million, 94.5% of the total, an increase of 23 million. Spain contributed 489 million (6.7% less), while other countries contributed 359 million, a 19.5% increase year-on-year.

→ ACCIONA Energy — key financials

(millions of euros)



The ACCIONA Windpower business, development, construction and others contributed 49 million euros to EBITDA, against 36 million euros in 2014. In particular, AWP achieved 84 million euros in EBITDA, an increase of 46 million, while development and construction achieved 9 million against negative EBITDA of 28 million euros in 2014. Consolidation and other adjustments reduced this business's numbers by 44 million.

ACCIONA Energy contributed 76% of the ACCIONA Group's EBITDA.

EBT amounted to 198 million euros, 112 million euros more than in 2014 (an increase of 129.5%).

INVESTMENTS

The division's net ordinary capital expenditure amounted to 130 million euros, 53.9% less than in 2014.

Capital expenditure is expected to more than triple in 2016 due to the construction of new wind and photovoltaic facilities. During the year, capex will be tailored to business performance so as to ensure a solid balance sheet and a sound debt/EBITDA ratio at Group level.

CAPACITY AND OUTPUT

In 2015, ACCIONA installed 128 MW in three wind farms and attained 8,619 MW of total installed capacity (7,055 MW in consolidated terms).

The company's total output, 20,875 GWh, declined slightly (-2.7%) compared with 2014, mainly due to the lower hydroelectric load factor in Spain. Consolidated output amounted to 17,202 GWh.

FOR CUSTOMERS

During the year, ACCIONA Energy was actively involved with EPC contracts to install or commission 403.5 MW of wind capacity and 7.2 MWp of photovoltaic capacity for customers.

ACCIONA Windpower significantly increased its activity by installing close to 1,200 MW in the field, commissioning 1,320 MW, and signing new orders for 969 MW. By year-end, the company had accumulated 7,170 MW of sales.

AWP-NORDEX INTEGRATION

On 1 October, it was announced that ACCIONA Windpower and Nordex, a German wind turbine manufacturer, are to join forces to create a world leader in the wind industry.

The agreement between ACCIONA and Nordex is based on two transactions, whereby Nordex acquires ACCIONA Windpower for 785 million euros and ACCIONA becomes the resulting company's largest shareholder with a 29.9% stake.

**ACCIONA Energy's
EBT in 2015
amounted to
198 million euros,
an increase of 129%
year-on-year**

ACCIONA-OWNED FACILITIES

8,619 MW OF RENEWABLE CAPACITY

ACCIONA Energy installed 127.5 MW of renewable capacity in the year: 93 MW in the Gouda 138 MW wind farm in South Africa, which was commissioned in 2015; 30 MW in Poniec II in Poland, the Company's third wind farm in that country; and 4.5 MW at the Monreal wind farm in Spain.

In contrast, ACCIONA Energy discontinued its cogeneration business, which was marginal (9 MW), and retired a 2 MW machine in a wind farm in Australia.

As a result, capacity increased by 116.5 MW at year-end to 8,619 MW total accumulated Company-owned capacity, comprising five technologies located in 15 countries.

In consolidated terms (i.e. eliminating assets in which the Company owns 50% or less and does not have control), the Company had 7,055 MW of renewable capacity, and another 697 MW that is equity-accounted.

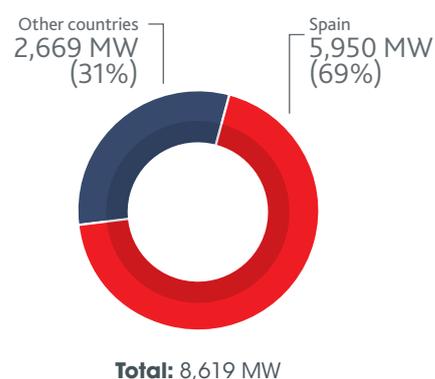
In net terms, i.e. counting ACCIONA Energy's actual stake in the companies that own the power generation assets, the Company had 6,806 MW of capacity. That figure is net of KKR's 33.3% stake in most of the international assets, and of local partner stakes.

OVER 83% WIND

A total of 69% of accumulated capacity owned by ACCIONA Energy at year-end, i.e. 5,950 MW, was located in Spain and 31% in another 14 countries, including notably the US (8%) and Mexico (6.5%).

Wind farms account for 83.7% of that capacity and hydroelectric plants for 10.3%. Solar thermal plants account for 3.6%, photovoltaic for 1.7%, and biomass for 0.7%.

→ Total installed capacity at 2015-year-end

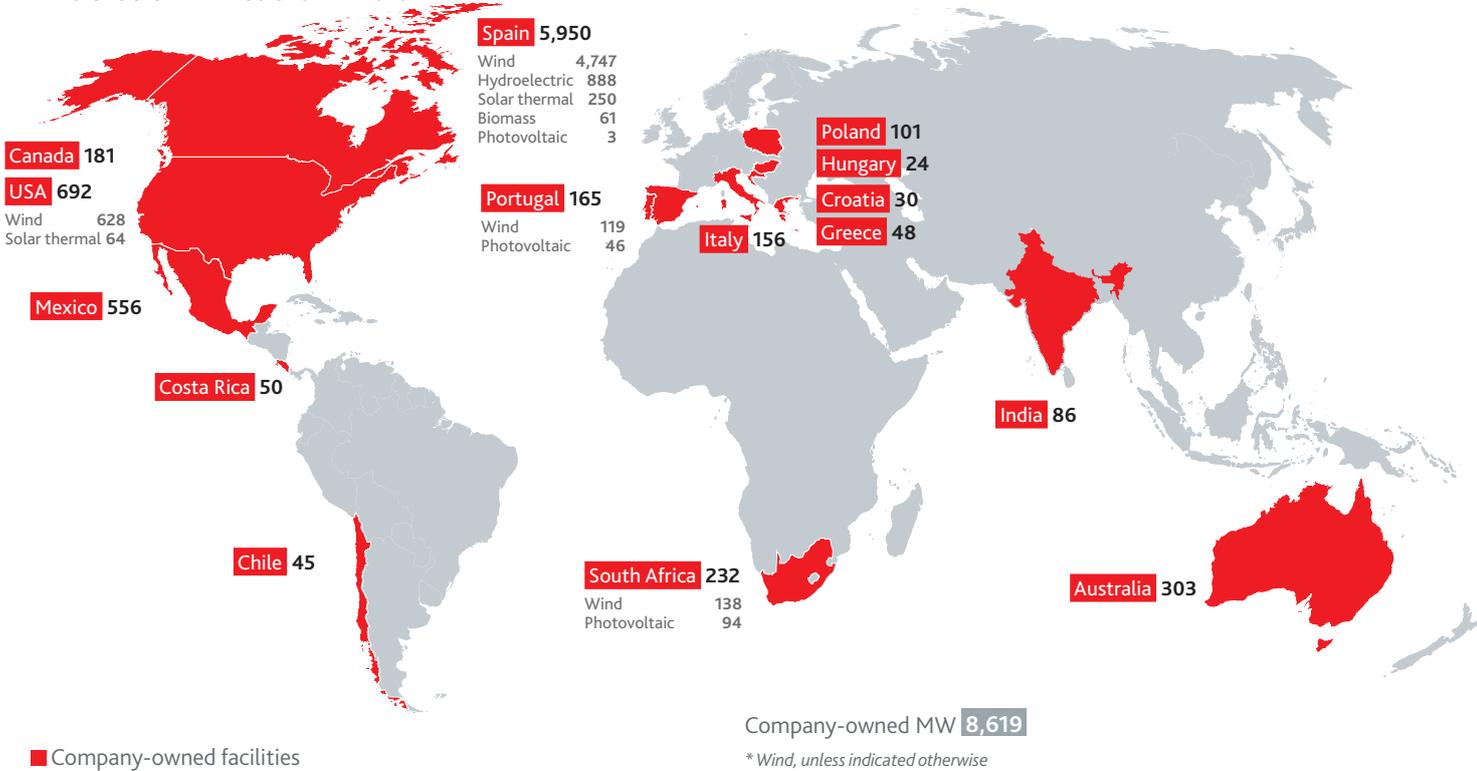


Accumulated installed capacity at 2015 year-end, by technology (MW)

Technology	Total	Consolidated	Net
Wind	7,212	5,695	5,541
Hydroelectric	888	888	888
Biomass	61	61	59
Solar thermal	314	314	263
Photovoltaic	143	97	55
TOTAL GENERAL	8,619	7,055	6,806

→ ACCIONA Energy footprint worldwide

Total data in MW as of 31.12.2015



SLIGHT DECLINE IN PRODUCTION

The Company's electricity output declined slightly in 2015 by 2.7% to 20,875 GWh, or 2.1% in consolidated terms to 17,202 GWh.

The decline in total production (575 GWh) was due to lower hydroelectric generation as the plants in Spain generated 736 GWh less than in 2014 as a result of lower rainfall during the year. In contrast, photovoltaic output increase notably (by 194 GWh). Wind output was stable.

The facilities in Spain generated 13,195 GWh, compared with 14,119 GWh the previous year, i.e. a decline of almost 1,000 GWh attributable to the lower contribution by hydroelectric (-25%) and wind (-2.2%).

BETTER PERFORMANCE OUTSIDE SPAIN

In contrast, facilities in other countries generated 4.8% more than the previous year, i.e. a total of 7,680 GWh, due principally to the incorporation of new production facilities for the full year—wind farms in Costa Rica, Chile and Poland, and a photovoltaic plant in South Africa—and the contribution of a wind farm in South Africa for part of the year.

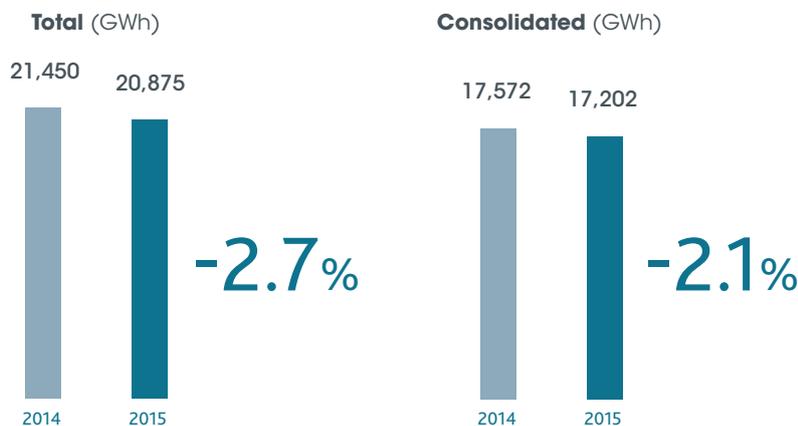
Production increased in Mexico and Australia, but declined in the USA (-10.8%), Canada (-7.5%), other European countries and India.

Spain accounted for 63.2% of total production—2.6 points less than the previous year; Mexico accounted for 10.8% and the US for 9.7%, followed by Australia (4.6%), Canada (2.3%) and Portugal (1.8%).

South Africa and Costa Rica ranked seventh and eighth (the latter despite having only one operational installation).

Lower output in 2015 was due primarily to the sharp decline in output by hydroelectric plants, 25% less than the previous year

→ ACCIONA Energy output

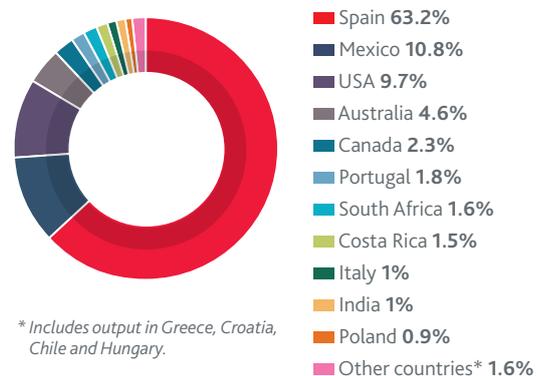


Wind power accounted for 83.4% of ACCIONA's power output, followed by hydroelectric (10.5%), solar thermal (2.6%), biomass (2%) and photovoltaic (1.5%)

Renewable output by country (GWh)

Countries	Total	Consolidated	Net
Spain	13,195	10,262	11,589
Mexico	2,255	2,255	1,465
USA	2,032	1,795	1,210
Australia	959	792	584
Canada	477	283	189
Portugal	379	286	217
South Africa	326	326	110
Costa Rica	303	303	197
Italy	218	218	146
India	209	209	139
Poland	185	185	123
Chile	111	111	74
Greece	104	104	75
Croatia	74	74	49
Hungary	48	0	24
TOTAL GENERAL	20,875	17,202	16,191

→ 2015 output, by country (% of total output)

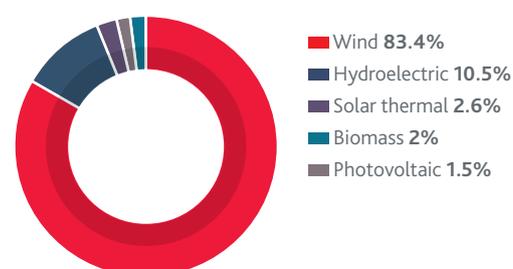


In terms of technology, wind accounted for 83.4% of ACCIONA's power generation (2 points more), and hydroelectric for 10.5% (3.2 points less). They were followed, at a distance, by solar thermal (2.5% of output), biomass (1.9%) and photovoltaic (1.5%).

Output, by technology
(GWh)

Technology	Total	Consolidated	Net
Wind	17,421	13,841	13,032
Hydroelectric	2,197	2,197	2,197
Biomass	408	408	391
Solar thermal	542	542	455
Photovoltaic	307	214	115
TOTAL GENERAL	20,875	17,202	16,191

→ **2015 output, by technology**
(% of total output)



5% OF ELECTRICITY DEMAND IN SPAIN

Power generation from ACCIONA Energy-owned facilities in Spain (13,195 GWh) accounted for 5% of total domestic demand (163,094 GWh), according to REE's Preliminary 2015 Report on the Spanish Electricity System.

In terms of net power generation in Spain (268,057 GWh), ACCIONA's share of production was 4.9%.

Total wind output by the facilities in which ACCIONA has a stake in Spain (10,153 GWh) accounted for 21% of total domestic wind energy production (48,380 GWh).

The Company's solar thermal plants produced 433 GWh, i.e. 8.4% of Spain's total, and its biomass plants generated 408 GWh, i.e. 8.2% of Spain's total biomass-fired output.

15.7 MILLION TONS OF CO₂ AVOIDED

Considering the emission factor in all the countries where ACCIONA generated electricity in 2015—which varies as a function of each country's energy mix—the company avoided 15.7 million tons of CO₂ emissions.

That figure, which was slightly lower than in 2014 because of lower renewable output, is the equivalent, in terms of the impact on the atmosphere, of 785 million trees performing photosynthesis.

Combining ACCIONA's electricity production and that of ACCIONA Windpower turbines sold to third parties, a total of 17.2 million tons of CO₂ were avoided.

→ **CO₂ emissions avoided by power production**
(million tons)



Wind

TWO NEW FACILITIES

ACCIONA Energy commissioned two company-owned wind farms in 2015.

The first is the 138 MW Gouda farm in Western Cape, South Africa, of which 93 MW were installed in 2015 (the rest in 2014).

In Poland, ACCIONA installed and commissioned the 30 MW Poniec II wind farm, its third in that country, where it has a total of 101 MW of installed capacity.

Both farms were built with ACCIONA Windpower 3 MW wind turbines.

ACCIONA also installed the Monreal wind farm (three 1.5 MW turbines) and retired a 2 MW turbine from a wind farm in Australia.

As a result, wind capacity increased by 125.5 MW to 7,212 MW at year-end. Wind capacity totals 5,695 MW in consolidated terms and 5,541 MW in net terms.

ACCIONA has 220 wind farms in 15 countries. Spain represents 66% of its total installed capacity.

STABLE OUTPUT

Wind energy production was stable at 17,421 GWh, a 0.3% (61 GWh) decline with respect to 2014.

Wind farms in Spain produced 10,153 GWh (down 2.2%) and those in other countries produced 7,268 GWh (up 2.3%).

Wind output in Spain accounted for 58.3% of the total. Mexico registered a 12.9% increase year-on-year, while output in the US shrank by a notable 11%.

In consolidated terms, ACCIONA wind farms generated 13,841 GWh (1.1% more than in 2014). Consolidated wind output in Spain amounted to 7,219 GWh (52.2% of the total) and production in other countries amounted to 6,622 GWh (47.8%).

With just 49.5 MW of installed capacity, Costa Rica produced 303 GWh and ranked sixth in its contribution to the Company's output.

NEW PROJECTS

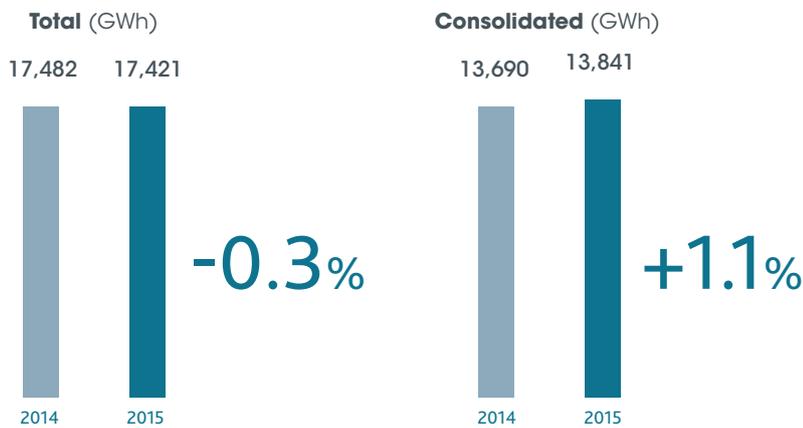
At year-end, ACCIONA was building two company-owned wind farms totalling 171 MW using AW 3 MW turbines.

The first is the 93 MW San Roman wind farm in Texas, which will be operational in late 2016. This project represents a resumption of investments in the US.

In the state of Karnataka, India, the Company is building the 78 MW Bannur wind farm, which will begin commercial operations in the first quarter of 2017. This is the start of the Company's investment strategy in India, which will continue to expand in the coming years.

ACCIONA Energy is planning additional wind developments in several countries, including strategic countries such as Mexico and Chile.

→ Wind output

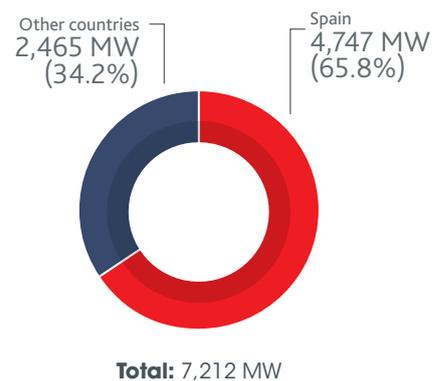


Spain accounted for 58.3% of ACCIONA's total wind output in 2015

Total wind output by country (GWh)

Countries	2014 (GWh)	2015 (GWh)	Difference (%)
Spain	10,378	10,153	-2.2%
Mexico	2,174	2,255	+3.7%
USA	2,160	1,923	-11%
Australia	932	959	+2.9%
Canada	516	477	-7.6%
Costa Rica	127	303	+138.6%
Portugal	308	286	-7.1%
Italy	239	218	-8.8%
India	226	209	-7.5%
Poland	148	185	+25%
South Africa		116	
Chile	28	111	+296%
Greece	119	104	-12.6%
Croatia	79	74	-6.3%
Hungary	47	48	+2.1%
TOTAL GENERAL	17,482	17,421	-0.3%

→ Total wind capacity at 2015 year-end



Hydroelectric

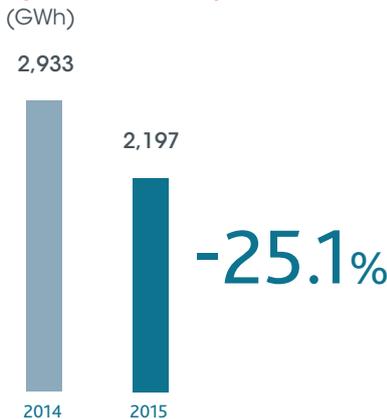
OUTPUT DOWN 25%

ACCIONA has 888 MW of Company-owned hydroelectric capacity in 79 plants in Spain. Of those, 640 MW are conventional power generation assets, and output is sold in the electricity pool, while another 248 MW are non-conventional.

Lower rainfall in 2015 resulted in hydroelectric output of 2,197 GWh, 25.1% less than in 2014 (2,933 GWh). A total of 67% of output (1,469 GWh) was from conventional plants and 33% (728 GWh) from non-conventional plants.

Hydroelectric output accounted for 10.5% of ACCIONA's total output and 12.8% of its consolidated output.

→ Hydroelectric output



Photovoltaic

FASTEST GROWTH

Total output by photovoltaic facilities in which ACCIONA has a stake (143.3 MWp) increased by 172%, from 113 GWh to 307 GWh, due to the fact that the Sishen plant in South Africa was operational for the full year.

Sishen, with a capacity of 94 MWp (74 MW rated), is Africa's largest photovoltaic plant and generated 211 GWh in 2015 (68.7% of ACCIONA's total photovoltaic output).

The Amareleja 45.8 MWp plant in Portugal produced 93 GWh in 2015, 30.3% of the total.

Since these facilities are not wholly owned by ACCIONA (it owns 51% of Sishen and 65.6% of Amareleja), consolidated output was 214 GWh and net output 115 GWh.

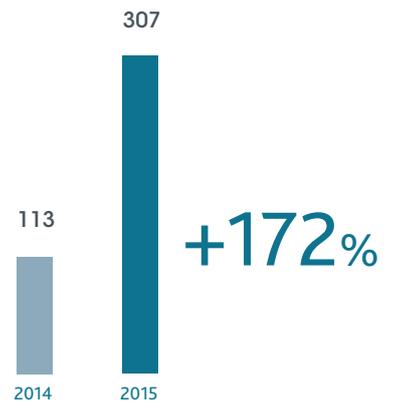
KEY PROJECT

ACCIONA Energy will focus on developing photovoltaic technology in addition to wind in the coming years. In October 2015, it commenced construction of the El Romero Solar plant in Chile. This 247 MWp (196 MW) plant in the Atacama desert will begin feeding power to the grid in 2016 and will be completed in 2017.

It will be a major contribution to expanding ACCIONA's photovoltaic portfolio. The Company is also working on a number of photovoltaic projects in other countries.

Photovoltaic output increased by 172% in 2015 as the Sishen plant in South Africa was operational for the full year

→ Photovoltaic output (Total output in GWh)



Solar thermal

HIGHER OUTPUT IN SPAIN

ACCIONA Energy owns 314 MW of operational solar thermal capacity. Of this, 250 MW are distributed in five plants in Spain, each with 50 MW (three in Extremadura and two in Andalucía); a sixth plant, in the US (Nevada desert), has 64 MW capacity. Four of the plants in Spain are owned 15% by Mitsubishi Corp.

ACCIONA's solar thermal output amounted to 542 GWh in 2015, 5% more than the previous year. The plants in Spain generated 433 GWh (8.7% more than in 2014) and the plant in Nevada produced 109 GWh (-7.7%).

Solar thermal energy accounted for almost 2.6% of ACCIONA's total output and 3.2% of its consolidated output.

Biomass

IN LINE WITH 2014

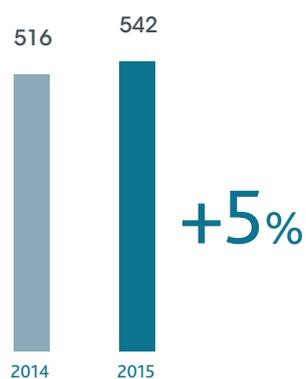
ACCIONA has three operational biomass-fired power plants in Spain: Sangüesa (31 MW) in Navarra, Briviesca (15 MW) in Castilla y León, and Miajadas (15 MW) in Extremadura. The first two burn cereal straw, and the third plant burns a mix of agricultural and wood waste. They are owned 100% by ACCIONA except for Briviesca (owned 85%).

The combined output of these plants was 408 GWh in 2015, very similar to the 2014 figure (an increase of 0.5%).

Biomass-fired output accounted for 2% of ACCIONA's total production and 2.4% of its consolidated production.

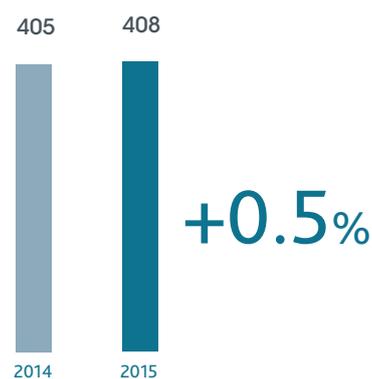
→ Solar thermal output

(Total output in GWh)



→ Biomass output

(Total output in GWh)



WIND GENERATORS

NEARLY 1,000 MW IN ORDER INTAKE

ACCIONA Windpower, the Group's subsidiary specialised in wind turbine manufacture and sales, was very active in 2015. It signed new orders for 969 MW of turbines—all 3 MW—with the result that it has sold 3,057 MW of that turbine to date (7,170 MW, including previous models).

ACCIONA Windpower (AWP) has wind turbines installed or in the pipeline in 19 countries on the five continents. Orders for 3 MW turbines have mainly come from 10 countries to date.

Of the 7,170 MW in sales, the Company assembled nacelles totalling 6,104 MW (85%) and installed 5,820 MW (81%) in the field in 2015.

IN FIVE COUNTRIES

Some 7% of AWP's total capacity contracted in 2015 was for wind farms to be built in Brazil: the Lagoa do Barro complex in Piauí (195 MW), Vila Pará, in Rio Grande do Norte (99 MW), and a project in Bahia (66 MW). Those contracts, amounting to a combined 360 MW, raised AWP's contracted capacity in Brazil to 1,185 MW.

In South Africa, the Company signed two contracts totalling 279 MW towards the end of the year, bringing contracted capacity in that country to 417 MW. It also signed supply agreements in Mexico (143 MW), the USA (123 MW) and India (78 MW).

LARGER ROTORS

All contracts signed in 2015 referred to the AW125/3000 model, with a rotor

diameter of 125 metres. Consequently, this model—the largest that AWP has ever sold—accounts for 55% of the Company's total sales in the 3 MW platform. ACCIONA Windpower now offers a 132-metre rotor.

Most orders (74%) were for 120m and 100m concrete towers, an ideal alternative to steel towers in many markets.

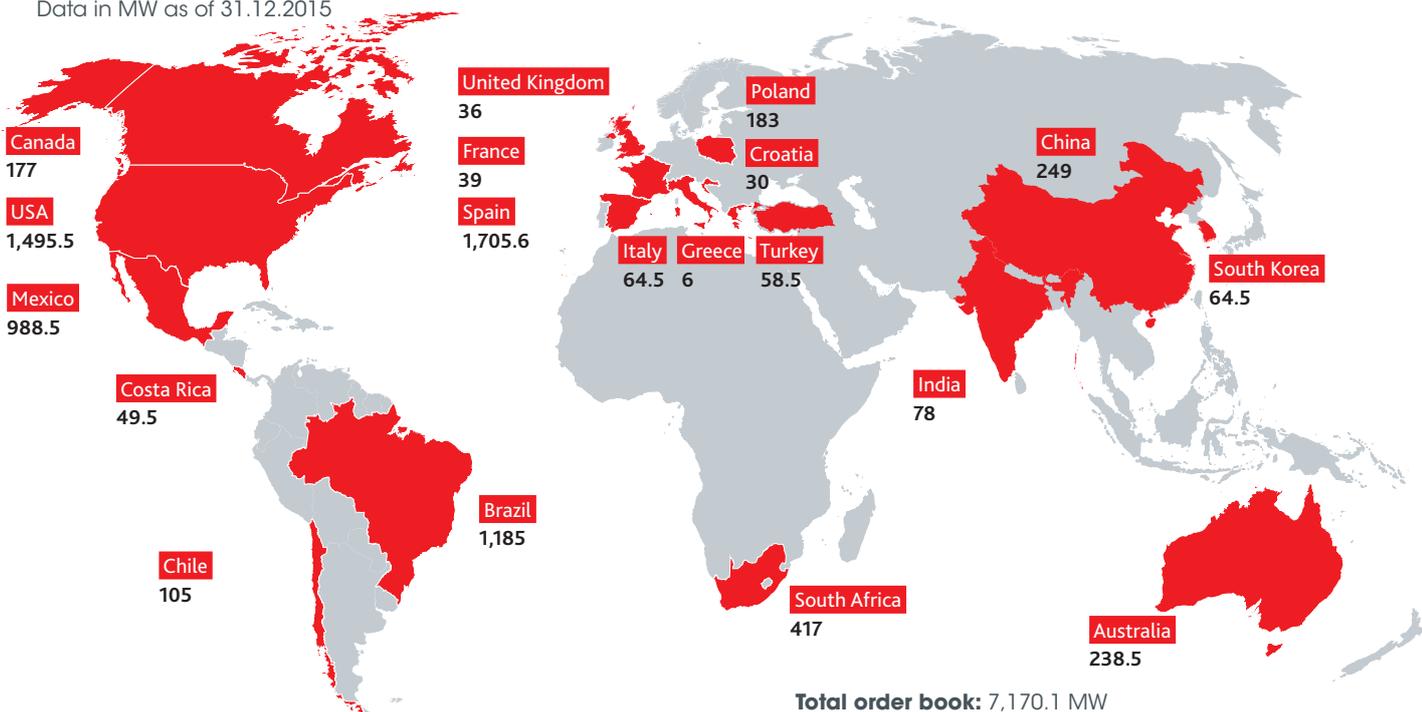
STRONG INDUSTRIAL ACTIVITY

In the industrial area, ACCIONA Windpower's plants assembled 281 3 MW turbines (843 MW) and 34 1.5 MW turbines, i.e. a total of 894 MW assembled in the year.

A total of 426 MW were installed in wind farms (373 MW of the AW 3000

→ Accumulated ACCIONA Windpower turbine sales

Data in MW as of 31.12.2015



platform and 53 of the AW 1500), with a total capacity of 1,195 MW; 471 were commissioned, with a total capacity of 1,320 MW, i.e. significantly exceeding the 2014 figures.

NACELLE PLANT IN BRAZIL

In 2015, ACCIONA Windpower officially inaugurated a wind turbine nacelle assembly plant in Brazil (Bahía state), which commenced operations in late 2014.

During the year, the company started up factories to produce concrete towers for wind turbine generators in Brazil and Mexico.

AGREEMENT WITH NORDEX

On 1 October 2015, Nordex and ACCIONA announced an agreement to create a world leader in the wind industry. Under the agreement, the German company will buy ACCIONA Windpower,

and ACCIONA will become a core shareholder of the resulting company.

Nordex is acquiring ACCIONA Windpower for 785 million euros: 366 million euros in cash and 419 million euros in the form of newly-issued shares of Nordex, equivalent to 16.6% of the resulting company.

At the same time, ACCIONA will pay 335 million euros to buy an additional 13.3% of Nordex from Skion-Momentum, the Quandt family holding company, formerly Nordex's largest shareholder.

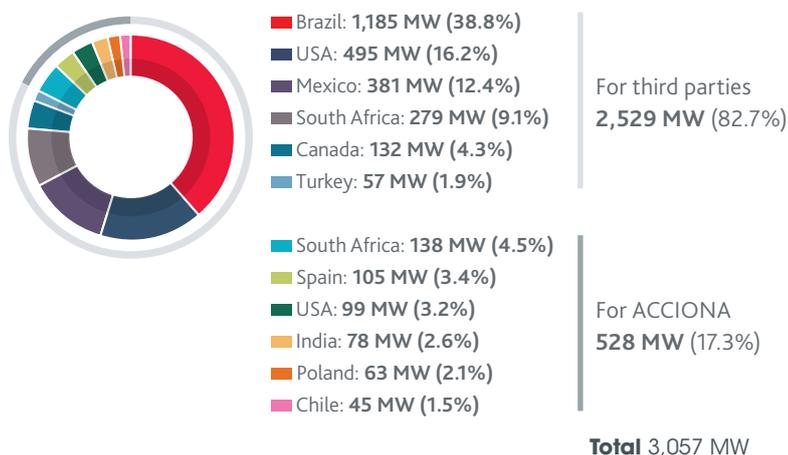
As a result of the two transactions, ACCIONA will become a core shareholder of Nordex with 29.9%, while Skion-Momentum's stake will be reduced to 5.7%.

The Nordex-ACCIONA Windpower merger will create a world leader in the

windpower industry, with the capacity and potential to be among the world's top five manufacturers of onshore wind turbine generators. The two companies are a good fit in terms of international footprint and technologies.

→ AW3000 wind turbine orders

Cumulative data as of 31.12.2015



In October 2015, it was announced that **ACCIONA Windpower and Nordex**, the German wind turbine manufacturer, are to merge to create a world leader in the wind industry.

EPC CONTRACTS FOR CLIENTS

2015 was a particularly important year for ACCIONA Energy in this area. The Company installed 301.5 MW in Mexico (two wind farms) and a 7.2 MWp plant in Chile, and completed and commissioned a 102 MW wind farm in Canada. A total of 410.7 MW.

LEADING WIND COMPLEX IN MEXICO

AE installed the Ventika and Ventika II wind farms (252 MW in total) in the Mexican state of Nuevo León for a consortium comprising Fistera Energy, Cemex and private investors. This is the Company's largest ever wind EPC contract.

ACCIONA handled engineering, construction and supply of wind turbines for the complex and will operate and maintain the installation for 20 years. The construction work on the facility, which was completed ahead of schedule, resulted in the Company being awarded two Cemex Project prizes for excellence and innovation in 2015.

The Ventika complex comprises 84 AW 3 MW wind turbines mounted on concrete towers. It is expected to enter commercial operations in the first quarter of 2016.

Also in Mexico, ACCIONA installed the Ingenio 49.5 MW wind farm in Oaxaca, with

Turnkey facilities

Countries	Technology	Capacity (MW)	Commissioned
Canada	Wind	102*	2015
Mexico	Wind	302	2015/2016
Chile	Photovoltaic	7**	2015/2016
TOTAL GENERAL		411	

(*) 45 MW were installed in 2014 and the remainder in 2015.

(**) MWp.

33 AW 1.5 MW turbines, for a consortium comprising Actis and Comexhidro.

OTHER COUNTRIES

In Canada, the Company commissioned the South Canoe wind farm (102 MW) in Nova Scotia for local partners Oxford Frozen Foods, Minas Basin Pulp and Power and Nova Scotia Power. AE installed 87 MW in this farm during the year in addition to the capacity installed in 2014.

In Chile, the Company completed the first phase of the Pampa Camarones photovoltaic plant (7.2 MWp) in the north of the country under an EPC contract awarded by E-CL (GDF Suez).

FUTURE PROJECTS

ACCIONA is working to secure EPC projects in a number of countries, including Mexico, India, Chile and South Africa.

The Company's experience in developing, building and operating its own wind and photovoltaic facilities is a positive feature of its services offer.

In 2015, ACCIONA Energy set a record in terms of turnkey facilities built for customers, with over 400 MW installed or commissioned at wind farms in Mexico and Canada, plus a photovoltaic installation in northern Chile.

ENERGY SALES

ACCIONA Green Energy Developments, the ACCIONA subsidiary responsible for renewable energy sales, supplied 3.8 TWh of electricity to large clients in Spain in 2015.

ACCIONA sold 100% renewable electricity, certified by Spain's National Commission for Markets and Competition, to companies and other customers such as the Spanish Ministry of Defence (for its facilities in Spain), 18 state-owned museums and exhibition centres, the Thyssen-Bornemisza Museum, the National Library, CLH, Acuamed, 12 hospitals in the Madrid region, and Canal de Isabel II, among others.

ACCIONA Green also manages the sale of energy to Spain's electricity pool from Group-owned and customer-owned facilities, which total 6,600 MW. In 2015, the Company sold 14,353 GWh in the market.

EL ROMERO SOLAR (Chile)

ACCIONA'S LARGEST PHOTOVOLTAIC PLANT

In October 2015, ACCIONA Energy commenced construction of El Romero Solar, a photovoltaic plant which it owns in the Atacama region of Chile. This is the largest energy facility of its type that ACCIONA has ever built. Commissioning of the plant, which is one of the 10 largest ever designed, will begin in the fourth quarter of 2016 and conclude in the first quarter of 2017. Specifications:

- **Capacity:** 247 MWp (196 MW rated)
- **Output:** approximately 500 GWh/year
- **Investment:** 343 million US dollars
- **Photovoltaic modules:** 770,000 units
- **Technology:** polycrystalline silicon
- **Structures:** fixed (111 km)
- **Capture area:** 1.5 million m² (211 football fields)
- **Emissions avoided:** 473,000 tons of CO₂ per year

Part of this plant's output will be allocated to distributors in the Central Chile Interconnected System and the remainder will feed Google's Chilean data centre.

ACCIONA INFRASTRUCTURE

ACCIONA Infrastructure encompasses the Construction, Water, Industrial and Service business lines, which have been successfully integrated while enhancing technical and geographical specialisation. The results are becoming visible in profit margins and synergies.

In the two years during which ACCIONA Infrastructure was being restructured, bidding for new projects was contained and based on a much more selective approach to ensure that projects achieved the division's hurdle rate of profitability and complied with its risk ceiling.

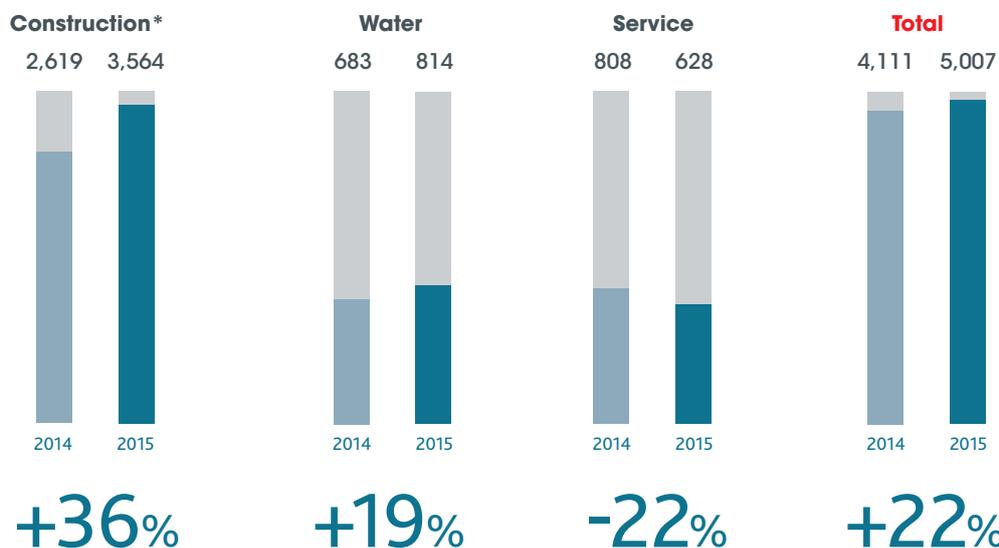
Synergies are beginning to arise between the business areas, resulting in more efficient resource management and a value-added, integrated, highly specialised offer to our clients and society.

ACCIONA Infrastructure (millions of euros)

	Turnover	Backlog
Construction*	2,170	6,722
Water	451	3,536
Service	716	760
Infrastructure total	3,336	11,018

(*) Includes concessions and industrial

→ Order intake (millions of euros)



(*) Includes concessions and industrial



TOOWOOMBA (Australia)

- Toowoomba north bypass road under concession (PPP).
- The contract covers design, construction, financing and operation of a 42-km highway, with 27 structures, including a 850-metre viaduct.
- Awards:
 - Road Deal of the Year at the Project Finance International Awards
 - IJ Global Award for APAC Deal of 2015

Technical specialisation

ACCIONA Construction achieved over 3,500 million euros of new contracts in 2015, beating its own target for the year while improving the quality of its order book and its profitability due to a more selective approach to bidding for new projects and more effective risk management.

International consolidation of the specialised civil engineering units resulted in major international projects to which ACCIONA contributes its added value, such as:

- Sydney Light Rail, a very complex project that will enhance connectivity in Sydney's central district and which was named PPP Deal of the Year, among other awards.
- Two railway tunnels in Norway, which are part of the country's largest infrastructure project to date.
- The first line of Quito Metro (Ecuador). This emblematic project in the city of Quito is the only solution that can alleviate congestion and reduce transit times.
- The Site C dam in Canada, one of the country's largest infrastructure projects.
- The Toowoomba Second Range Crossing PPP project is a bypass road to the north of this Australian city.

ACCIONA Concessions is one of the world's leading private sector infrastructure developers in terms of both the number of projects and turnover. It manages a portfolio of 23* concessions in Spain, Canada, Mexico, Chile, Australia and Brazil in both transport infrastructure (roads, railways, ports and irrigation) and social services infrastructure (hospitals and universities).

ACCIONA Concessions expanded its operations in 2015 in terms of both the number of bids presented and, above all, the number of contracts awarded. ACCIONA Concessions covers the whole world and has increased its degree of penetration in local markets by strengthening teams in key markets (Australia and Latin America) and expanding its presence in Europe, Southeast Asia and the US.

ACCIONA Water is one of the world leaders in end-to-end water management and in the design and construction of water treatment plants. It has also strengthened its position in the Middle East and is now the Spanish company with the largest footprint in that region.

The company currently meets the water needs of over 90 million people.

The Automation and Control unit was established as an independent area in 2015 to support the other business areas and also to operate as a business line in its own right, serving the water market, among others.

Successes in 2015 include:

- The award of two large desalination plants in Qatar, which will be the first large-scale application of reverse osmosis in that country.
- Initiation of commissioning of the Atotonilco (Mexico) sewage treatment plant, the largest in the world.
- Commissioning of the Fujairah desalination plant.



AL FUJAIRAH SEAWATER DESALINATION PLANT (UAE)

- Capacity of 137,000 m³/d, serving water to 500,000 people using reverse osmosis desalination.
- In recent years, the Fujairah coast has suffered several episodes of red tides, causing lengthy water shortages in the area. The plant guarantees sufficient water supplies for the region.

(*) Does not include water concessions.



EMPALME (Mexico)

ACCIONA Industrial strengthened its position in Mexico and South Africa in 2015, focusing on clean energy generation and renewables.

ACCIONA Service is a leader in its sector, with a presence in all areas of industry and the economy and considerable experience in the public and private sector. Its service approach is based on strong internal know-how and its process efficiency and cost-effectiveness are highly appreciated by over 2,000 clients.

In 2015, it created new business areas based on its focus on technical specialisation:

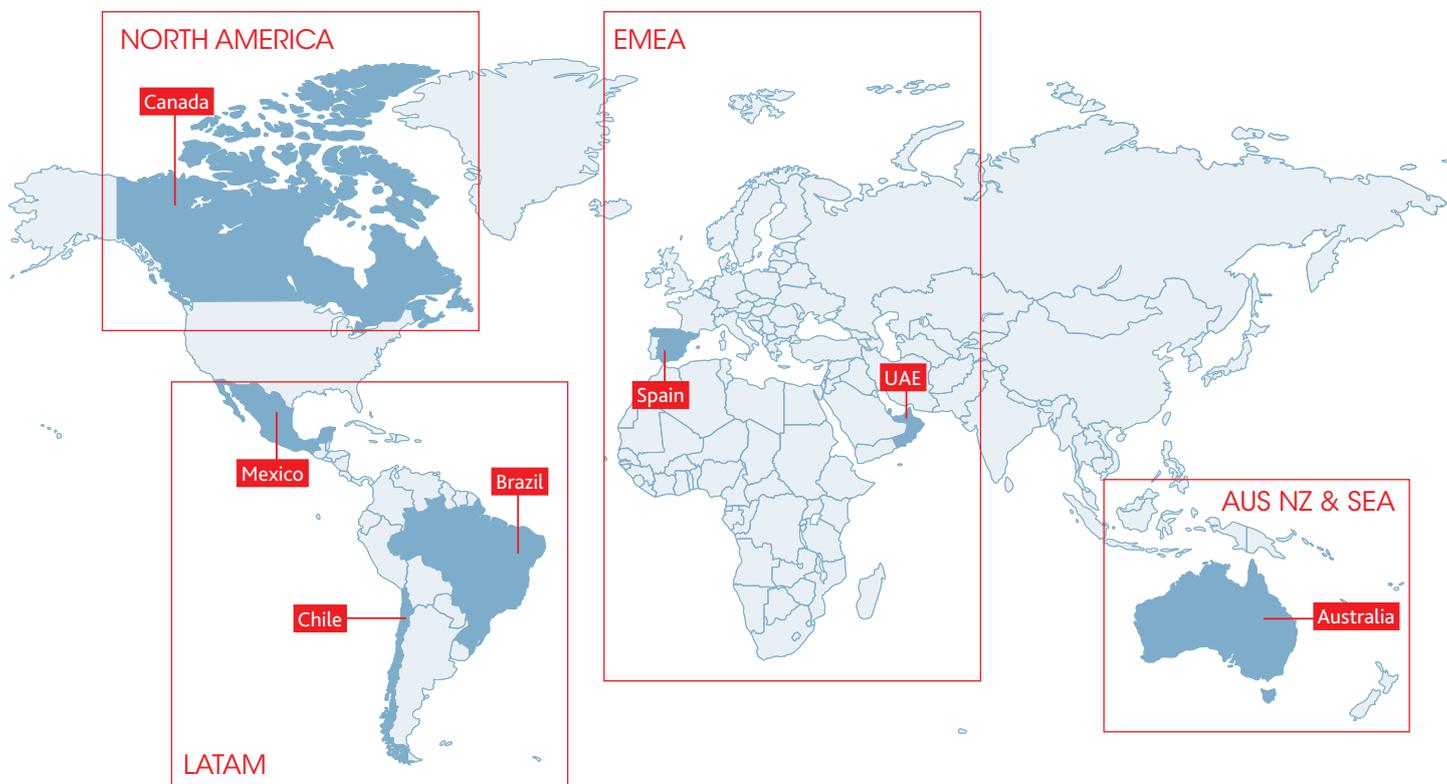
- Large networks and specialised industrial maintenance.
- Social services and healthcare.
- Smart City Services.

- Project to build a transmission line associated with the Empalme II combined cycle plant.
- The project is located in the Mexican states of Sonora and Sinaloa, and serves the Empalme II CCGT plant.
- The project consists of:
 - Three 400 kV transmission lines measuring 117 km in total.
 - Four substations (400 kV and 230 kV). 1,750 MVA, with fourteen 400 kV feeder lines.

Geographical specialisation

The new geographical specialisation approach as a result of the new organisation structure makes it possible to focus efforts on high-potential areas where the company can maximise leverage of its specialised technical capabilities while ensuring appropriate resource assignment to all activities. Each region is supported from platform countries, which coordinate resource management in their areas of influence, ensuring availability, quality and optimal utilisation.

→ Regions and platform countries



NORTH AMERICA

CANADA

Canada remains one of the Company's core markets. It obtained **two major contracts there in 2015**: the construction of the dam for a hydroelectric project (Site C Clean Energy Project) and a new water treatment plant (Saint John Safe Clean Drinking Water Treatment). The company also successfully completed two road works contracts during the year.

The **Herb Gray Parkway** project was completed in November of 2015 and has been very well received. The project diverts heavy truck traffic from the streets of the city of Windsor, greatly improving the quality of life for local residents and expediting the flow of international goods traffic between Canada and the United States.

The service unit successfully renewed its contracts in 2015, confirming its ability to continue to meet client's high expectations.

ACCIONA Infrastructure signed a contract to build the Site C dam, which is part of a 1,100 MW hydroelectric plant in British Columbia for BC Hydro, the provincial power utility. **This is one of the largest infrastructure projects in Canada** and is part of the Site C Clean Energy project. This project is significant on the global stage and allows the Company to continue to demonstrate leadership in the international hydroelectric power sector.

ACCIONA Water was chosen for the **Safe Clean Drinking Water Project (SCDWP)** contract to build a water treatment plant (75 million litres per day) and upgrade the associated reservoir and transmission works for the city of Saint John, New Brunswick. The SCDWP is a public-private partnership with a 30-year concession.

The pipeline of infrastructure projects in Canada remains robust and the **newly elected Federal Government cites infrastructure investment as a central tenet of its economic policy**. The public private partnership (PPP) model remains a well-accepted procurement model in Canada, utilised across a broad and expanding list of asset classes and government agencies. As a result, ACCIONA expects continued opportunities to pursue large-scale projects in transportation, water, and other sectors, and to continue to leverage its fully integrated delivery model in the PPP sector.

In February 2015, ACCIONA Infrastructure renewed the services contract, first signed in 2011, with the Patient Care Center at Royal Jubilee Hospital in Victoria, where it is achieving a high level of quality and efficiency.

LATAM

BRAZIL

Brazil has been experiencing economic and political turmoil since mid-2014. Despite this adverse situation, ACCIONA Infrastructure is progressing with its existing contracts and is expanding through careful selection of new contracts.

- ACCIONA Infrastructure is one of Brazil's leading port infrastructure builders, having completed the landmark Açú Port contract, in which it used the Kugira caisson construction barge.
- The Company signed a contract **to manage all waste-water treatment for Divinópolis**. The project includes the design, construction and commissioning of two waste-water treatment plants, 16 pumping stations and sewer mains, and the operation of the system for 26 years. The contract is structured as a public-private partnership (PPP). The largest of the planned plants, which will attain a capacity of 600 litres/second, will serve 228,600 people.

CHILE

The commodity crisis and slowing growth in China, together with some short-term effects of the labour law and tax reforms under the current government, resulted in a reduction in economic growth projections. To counter this situation, the government is developing alternative sources of economic growth, such as the promotion of public infrastructure concessions and the upgrading and building of new hospitals.

There is also a crisis in water supply for drinking and industrial use in the north of the country and the government is implementing plans to develop desalination plants.

- Chile is a success story in terms of the added value provided by ACCIONA Infrastructure's specialised subsidiaries in the strategic mining industry, which has stringent safety and quality standards. For economic reasons, the industry is transitioning from open-cast to underground mines, a process that offers major business opportunities for ACCIONA Infrastructure. Additionally, completion of the Chuquicamata ventilation shafts on time and to the satisfaction of the customer, CODELCO, was one of the main factors in the award of the contract to undertake a major expansion of those shafts.
- The Company is now a leading name in desalination and water distribution in the country. The desalination and aqueduct project for mining company CAP was completed successfully.
- ACCIONA Infrastructure is bidding for power plants (both renewable and conventional) and natural gas regasification terminals.



QUITO METRO (Ecuador)

PERU

The volume of government tenders in 2015 was considerably less than expected, with the result that ACCIONA Infrastructure presented fewer bids than projected. Nevertheless, it seized growth opportunities in the area of public-private partnerships (PPP), where it is a very active player.

- In August, ACCIONA inaugurated the Escalerilla waste-water treatment plant. With a capacity of 34,800 m³/day, it serves a population equivalent to 150,000. ACCIONA will operate and maintain the plant for three years. By using a biological treatment process, the plant reduces the pollutant load by 90%. It contributes to resolving health and environmental problems in the northern part of the greater Arequipa district (Peru's second-largest city, and the principal city in southern Peru) and to reducing pollution in the Chili river. As a result, the water can be re-used for agriculture.

- The Company was awarded three **water management concessions in Lima**, covering the northern area of the city and serving over 3 million people. With this project, ACCIONA will contribute to the strategic objectives of the Lima Drinking Water Service (Sedapal) for 2013-2017, which are vital for the city's social development and revolve around three main issues: extending access to drinking water and sewers, reducing the volume of unbilled water, and enhancing service quality.
- Since there are presidential elections in 2016, the volume of public tenders is expected to be low. Nevertheless, a number of large infrastructure projects that have been in preparation for the last two years are expected to be put out to tender. They will be implemented under the PPP approach.

- This section comprises a 22-km tunnel and has 15 stations, workshops, depots and other facilities.
- It is expected to carry 400,000 passengers per day in its first year of operation.
- The project will reduce the current travel time by at least 70%, with the consequent economic and social benefits.
- The planned execution period is 36 months for the construction and 6 months for system integration and commissioning.
- This first Metro line is the initial component of a new public transport system for Quito.

ECUADOR

The signature in November of the contract for Phase II of Quito's first Metro line was one of ACCIONA's major success stories in 2015 and a reward for its perseverance in the Latin American market.

This contract has a major social impact since the service is expected to carry 400,000 passengers per day during its first year of operation, reducing current transit times by 70%.

Since this first Metro line is the initial component of Quito's new integrated transit system, the Ecuadorean market is expected to offer many opportunities.

MEXICO

After rapid expansion by all of ACCIONA's businesses in Mexico in 2014, there was a sharp reduction in government tenders in 2015 as the Federal budget was cut in response to the decline in oil prices. Nevertheless, ACCIONA Infrastructure continued to obtain significant projects in nearly all areas.

■ The repowering of the **San Rafael hydroelectric plant** (24 MW) was completed, a good example of cooperation between the Construction and Industrial divisions. The plant qualifies as a clean development mechanism (CDM) under the Kyoto Protocol and the United Nations Framework Convention on Climate Change (UNFCCC). It is estimated that the San Rafael plant will avoid the emission of approximately 71,257 tons of CO₂ to the atmosphere by avoiding fossil fuel combustion.

■ The **Atotonilco wastewater treatment plant** was commissioned in November. This is the largest waste-water treatment plant in the world and is a milestone for the Company. It processes the waste water produced by the equivalent of 10 million people in Mexico City and is equipped with a cogeneration system to produce electricity using biogas, which maximises energy efficiency. It will become operational and serve the state of Hidalgo in April 2016.

■ Three major contracts were obtained in the Industrial area in 2015: **the Empalme II high-tension line**, measuring 114 kms, including four substations; Phase 8 of the contracts to **reduce power distribution losses**; and the **EPC (turnkey) contract for the Puebla 2x30 MW hydroelectric plant**, for Comexhidro. In this way, the Industrial area strengthened its foothold in Mexico.

The economic consequences of falling oil prices and the devaluation of the peso against the dollar are expected to continue to depress infrastructure investment in Mexico during 2016. However, ACCIONA expects to continue expanding its position in the country and to seize opportunities, especially in the industrial sector, where it expects significant growth as a result of the energy reform and the portfolio of public tenders planned mainly by the CFE.

Commissioning of the **Atotonilco (Mexico) waste-water treatment plant**, the largest such plant in the world, commenced in 2015

COLOMBIA

In 2015, ACCIONA was awarded the contract to build the **Los Angelinos drinking-water treatment plant**, which will serve the municipalities of Bucaramanga, Floridablanca and Girón. The plant will have a capacity of 51,840 m³/day and supply drinking water to 350,000 people. This project, located in the vicinity of the city of Bucaramanga, in Santander department, will serve a population of more than 4.5 million people and is yet another major project awarded to ACCIONA in that country, where the division's specialised units are operating successfully.

NICARAGUA

ACCIONA was awarded three water contracts, including notably:

- The upgrade and expansion of the Jalapa drinking-water treatment system. The project is supported by the Cooperation Fund for Water and Sanitation of AECID (Spanish Agency for International Development Cooperation) and the European Union (Latin America Investment Facility—LAIF) and loans from the Central American Bank for Economic Integration (CABEI) and the European Investment Bank (EIB), as well as funding from the Government of Nicaragua.

COSTA RICA

The Los Tajos waste-water treatment plant in San José was inaugurated in September 2015. This is a primary type (physical-chemical) plant with complete sludge treatment for an average throughput of 2.81 m³/s and a maximum throughput of 3.45 m³/s (Phase I).

Los Tajos wastewater treatment plant is the core of the first stage of the San José Environmental Improvement Project, a programme that also includes renovating and extending the network of sewer mains and secondary sewers by more than 360 kilometres. It serves more than one million people, 65% of the estimated population of the capital city's metropolitan area.

EUROPE, MIDDLE EAST & AFRICA (EMEA)

EUROPE

Europe is developing major international communication corridors which involve a large number of crossborder projects, including railway lines through the Alps between Austria and Italy and between France and Italy that are currently at the planning or bidding phase. Additionally, many countries in the region are developing their domestic communication systems through ambitious rail plans. The United Kingdom is planning to spend 7.5 billion pounds on the first phase of a high-speed rail network.

Europe has launched the Juncker plan to boost economic recovery by mobilising substantial funds for investment in projects of particular interest to the European Union. This initiative, which could amount to 315,000 million euros through the European Fund for Strategic Investment (EFSI), provides an exceptional opportunity for the development of projects in areas of infrastructure, R&D&i, ICT and energy, among others, in which the Company is uniquely positioned.

Moreover, several countries are committed to developing road projects under the concession model, with tenders planned for 2016.

SPAIN

The volume of public tenders has declined sharply in Spain. However, the Company has maintained its market position despite the difficulties.

- The Company has expanded in the area of water-treatment plant operation and maintenance, where it ranks as the **third-largest private-sector** player.
- The Company completed major infrastructure projects whose execution time had been extended due to budgetary constraints on the customers' part caused by the economic situation.

At the same time, it managed to reactivate projects that had been put on hold.

In 2015, it completed **Vigo Hospital**, the largest public building constructed in Spain in recent years. The project included the construction, financing, maintenance and operation of the new hospital, which has a floor area of 280,000 m² and a total of 1,465 beds, serving 600,000 people in the Vigo area. The hospital was awarded the **Future Health Project international prize as best European project in the field of health**. It is a standard-setter in terms of environmental commitment since it is the first medical building to obtain the BREEAM Es international certificate, which accredits compliance with the highest standards in sustainability, energy efficiency and respect for the environment.

Also notable was the **lighthouse for Valencia Port**, the first in the world to be made of composite materials, which earned an **award for its design and materials** in the infrastructure category at the **JEC World 2016 Innovation Awards**.

- An agreement was signed to enhance funding conditions for the Gerediaga Highway, and the Autovía de la Plata (A66) concession company was refinanced by Spain's first issue of project bonds without an EIB guarantee. The bonds, amounting to 186 million euros and maturing in 2041, were placed with institutional investors and are listed on the MARF (Mercado Alternativo de Renta Fija). This bond issue obtained two awards: **Partnership Awards 2015** and **IJGlobal Award for European Refinancing 2015**.

Projects obtained in Spain in 2015:

- **Toledo University Hospital:** Design, construction, operation and maintenance of a 760-bed hospital (360,000 m²) for 30 years.
- **Málaga Metro:** The Guadalmedina-Atarazanas section comprises 295 metres underground and a station located so as to afford access to Málaga's historic centre, one of the principal shortcomings in mobility within the city at present.
- **Prolongation of Los Mármoles jetty in the port of Arrecife** (Las Palmas de Gran Canaria). The project's objective is to enhance operations at the port, which is the island's sole entry point for goods and also the most important cruise destination in the Canary Islands. The ideal solution was to provide definitive protection against yearly average waves and prevent storms from reaching the port itself.
- Eight new operation and maintenance projects at water-treatment plants in Asturias, Catalonia, Navarre, Andalusia and the Basque Country. As a result, total water plant capacity under O&M contracts rose to 7.2 million m³ per day, serving a total of 32 million people.
- The contract to operate and maintain the **sewers in the Montsià district is particularly noteworthy**. This contract forms part of the Terres de l'Ebre biosphere reserve since 2013. Much of the treated water is discharged into natural waterways of high ecological value, such as the Ebro Delta. The plant will process a total of 6,531,000 m³/year (equivalent to serving 89,500 people).



BBVA HEADQUARTERS (Madrid)

- Built on a plot of approximately 59,000 m², the complex will comprise one vertical building and 7 horizontal buildings, all interconnected.
- The vertical building —La Vela— has 19 floors and is 93 metres high.
- These new facilities are designed to minimise energy consumption and foster formal and informal interactions, in addition to encouraging contact among employees.
- The complex was built to the most demanding sustainability standards in order to minimise the environmental impact and achieve LEED Gold certification. The smart systems installed in the complex enable energy consumption to be cut by 30% and drinking water consumption to be halved by means of rooftop systems to collect rainwater for use in irrigation and by greywater re-use. All waste is recycled.
- The materials have a low environmental impact. Recycled materials such as steel and aggregate were used, and most of the wood used is FSC certified (Forest Stewardship Council), guaranteeing that it comes from forests that are managed responsibly and sustainably.
- The façade is composed of large slabs of anti-reflective double-glazing protected by 1,800 external louvres that filter solar radiation and reduce the heating effect of incident sunlight. The high performance characteristics of the glass and louvres minimise undesired energy loss or gain through the façade.

- The contract to manage boarding ramps in Las Palmas Airport in Gran Canaria was **renewed by AENA for one year**. The extension came into force in February 2016. The handling contract at **Palma de Mallorca** airport was also renewed.

- ACCIONA Infrastructure's wind farm maintenance unit began supporting 207 MW of wind farms located in Asturias, Ávila, Coruña and Cádiz for EDP Renováveis, the third-largest energy operator in the Iberian Peninsula. It has also started the operation and maintenance of 52 MW of wind farms located in Coruña belonging to ENEL Green Power.

- Within the **Energy Efficiency** area, the company upgraded energy efficiency at 25 Caprabo supermarkets.

- The Company was awarded a cleaning services contract by the CNH Industrial group in its factories in Spain, located in Madrid and Valladolid, where it produces Iveco vehicles. This contract consolidates ACCIONA's position as a key end-to-end services manager in the automotive sector, an area in which it has more than 30 contracts in 10 countries with major automotive companies, most notably Citroën, Ford, General Motors, Nissan, Renault, Seat, Volkswagen and Michelin.

- ACCIONA was awarded the contract to maintain green areas for the city of León for a period of four years, with the possibility of a two-year extension.

POLAND

ACCIONA Infrastructure operates in the Polish market through its subsidiary MOSTOSTAL WARSZAWA S.A., one of the ten largest construction companies in the country in terms of turnover. MOSTOSTAL WARSZAWA is a leading player in Poland in the areas of infrastructure, building, energy, industry and environment.

In 2015, MOSTOSTAL WARSZAWA successfully completed the following projects:

- **Tychy football stadium,**
- **Mazury airport terminal in Szymany**
- **Jordanki concert hall in Torun,** a building of great architectural complexity, which has become an emblem of the city,
- **The Błazowa composite bridge** (the first of its kind in Poland).

New contracts obtained in 2015 include notably the **Opole water treatment plant.**

Looking ahead, Poland is in a privileged position as a market of opportunity due to the investment of European funds allocated for the period 2014-2020, amounting to 87,000 million euros, of which 35% will go to infrastructure and a major proportion to energy and environmental projects. There are also incipient plans to expand existing urban light railways and intercity railways under the PPP formula.

ITALY

The Italian government is investing heavily in infrastructure to meet the needs of its citizens. In this context, ACCIONA expanded its presence in Italy in 2015 by obtaining significant contracts in water and services, placing it in a leading position nationwide.

- It was also a fundamental year for developing and expanding the Service business in Italy. The contract to provide services at **the only Italian factory of food industry leader Campofrío, in Fiorucci**, is fully operational to the client's satisfaction.
- ACCIONA has operation and maintenance contracts for over 250 waste-water treatment plants and 600 pumping stations in Sardinia in the provinces of Oristano, Sassari, Nuoro, Olbia and Iglesias.

ACCIONA Infrastructure was also awarded numerous construction contracts:

- Expansion of the **Florence water treatment plant for Publiacqua**, and expansion of the **Bresso Niguarda sewage treatment plant in Milan**. Both clients are regarded as leading companies in the end-to-end water management industry.
- A 3-year operation and maintenance contract for the **Is Arenas waste-water treatment plant in Cagliari**, one of the largest in southern Italy and the largest in Sardinia, processing close to 2,500 l/s and serving the equivalent of a population of over 550,000. This is the result of many years of providing an efficient and effective service, as acknowledged by the

client and the community. **Sole 24 Ore** and **Legambiente** ranked the Is Arenas wastewater plant as being the **best-managed plant in Italy**.

- In 2015, the company began working with a major new client, **Aquedotto Pugliese**, one of the biggest and best water companies in Italy. Aquedotto Pugliese awarded the company **two major aqueduct maintenance contracts** (Centre-North and Centre-South).
- In 2016 and subsequent years, the water business in Italy will see an increase in the volume of public tenders for the design, construction and operation of desalination plants and sewage treatment plants.

ACCIONA operates in Poland through MOSTOSTAL WARSZAWA, one of Poland's top 10 construction companies and a leader in Poland in infrastructure, building, energy, industry and environmental projects



FOLLO LINE – EPC TBM (Oslo, Norway)

- EPC (turnkey) contract covering the design and construction of, among other components, twin 18 km tunnels with an internal diameter of 8.75 metres, using 4 tunnel-boring machines (TBM).
- These are the largest and second-largest EPC contracts in the Follo Line project, Norway's largest infrastructure project to date.
- The tunnels are designed to carry high-speed trains at 250 km/h. Once completed, they will be the longest rail tunnels in Scandinavia.
- They will connect the cities of Oslo and Ski and form the axis of Oslo's interurban development in a southerly direction.

NORWAY

In 2015, ACCIONA Infrastructure (as part of a consortium) was awarded the largest railway project in Norway by the Norwegian National Rail Administration. The Company's Engineering department is responsible for design of the **Follo Line TBM project in Oslo**. This project is enabling ACCIONA to open the market and to probe major future projects that will be put out to tender in the coming years.

The Norwegian government has increased the budget allocation for the National Transport Plan 2014-2023 to 63,000 million euros in order to accelerate the construction of the necessary infrastructure and, at the same time, boost the sector, offsetting the increase in unemployment created by the decline of the oil industry.

SWEDEN

In 2015, ACCIONA Infrastructure completed the commissioning of the Barkarby bridge and three footbridges for pedestrians and cyclists (Vasavägen, Passadvägen and Kallhäll) as part of the **Mäljarbanan** project (Stockholm), which consists of widening the Tomtebodavägen–Kallhäll line in northern Stockholm from two to four tracks (a total of 20 km). The project included design and construction.

Sweden has an ambitious National Transport Plan for the next 10 years, with a total budget of 50,000 million euros. Over 150 projects have been identified that represent business opportunities in the coming years.

TURKEY

In 2015, ACCIONA was awarded the first two EPC (turnkey) contracts by the Turkish Ministry of Environment and Urban Planning:

- The Kutahya and Aksehir waste-water treatment plants (located in the Aegean region, in western Turkey). The Aksehir plant will be able to process up to 15,000 m³/d in the first stage and more than 18,000 m³/d in the second. The Kutahya plant will be able to process close to 100,000 m³/d in 2030 and more than 120,000 m³/d by 2045.

PORTUGAL

In Portugal, the Company signed a contract for the design, construction and commissioning of the **Companheira waste-water treatment in Portimão**, in the Faro district (Algarve region). The plant will have the capacity to treat 25,278 m³/day on average and will serve a population of close to 140,000.

UK

ACCIONA has signed a 5-year **energy services contract for General Motors factories in the UK**. The project includes totally replacing the lighting at the General Motors factories in the UK (Luton and Liverpool), installing the latest LED technology to achieve savings that allow the investment to be recouped in four to five years.

BELGIUM

The Company completed the design, technical and constructive definition and organisation of the documentation for the **House of European History Museum, an initiative of the European Parliament in Brussels**. It is currently supervising the production and installation of the museum pieces, with innovations such as the ability to provide visitors with information in the 24 official languages of the European Union by means of a tablet that guides them through the museum and offers them additional information.

RUSSIA

ACCIONA carried out the technical development, manufacture, supply and installation of the exhibition contents for the **Boris Yeltsin Presidential Center Museum** in Yekaterinburg, as well as providing advice and technical training to the museum's maintenance crews and the technical and conservation-oriented survey of the **Yeltsin Foundation document collection** for this museum.

MIDDLE EAST

ACCIONA Infrastructure has consolidated its position in the Middle East with a presence in five of the six member countries of the Gulf Cooperation Council (GCC): United Arab Emirates (UAE), Saudi Arabia, Oman, Qatar and Kuwait. During 2015, it strengthened the status of the new offices in Dubai (UAE) as the Company's platform in the GCC for expansion into the Middle East.

- The company is a leading name in the GCC in areas such as reverse osmosis desalination and waste-water treatment plant operation and maintenance. It produces over 700,000 m³/d of desalinated water under contracts worth more than 700 million euros.
 - It successfully completed construction of the **Fujairah desalination plant in the United Arab Emirates**, with a capacity of 137,000 m³/d, and has begun the period of operation and maintenance. When operating at full capacity, it is expected to serve a population of more than 500,000.
 - New contracts obtained in 2015 include the **two largest desalination plants in Qatar**, which are also the largest in the Gulf: **Ras Abu Fontas 3**, with a capacity of 164,000 m³/d and **Umm Al Houf**, 284,000 m³/d, in Doha. They represent a milestone in the history of desalination in Qatar as they are the first large-scale applications of reverse osmosis technology there.
- The company is participating in major tenders in the Gulf and has been prequalified in all the mega-projects for railways, tunnels and roads.
- ACCIONA is beginning to be seen as a go-to company in the services sector after landing major contracts such as facility management at the **Hamad Medical Corp. hospitals** (Qatar) and the **Shafallah Centre for Children with Special Needs** (Qatar), as well as services in the passenger terminal at **Salalah Airport** (Oman). It also has major contracts with schools, hotels and embassies.
- The Company continues to achieve successes in the Middle East with projects in Kuwait, Qatar and Oman. A notable project is the technical development and museographic execution of the **Heritage House Museum in Doha**, Qatar. In Oman, it carried out the technical development, production and installation of the exhibition content for the **Oman National Museum** and worked with the Ministry of Heritage and Culture to catalogue the collection and study, design and manufacture stands for the approximately 5,000 items of great historical value that are on display.
- The engineering area recently won contracts in Lusail (Qatar) and is opening the market for ACCIONA in other Gulf states.

Despite the decline in crude oil prices, the Middle East is still a market of opportunities for ACCIONA, since it has one of the highest rates of population

growth in the world (the population is expected to increase by 30% by 2020). This, coupled with the shortage of natural resources (apart from oil) and high living standards, offers significant business opportunities for the Company.

Infrastructure investment plans for the coming years amount to 10 trillion dollars, mainly in water, energy, hospitals, railways, airports, housing and military facilities.

AFRICA

ACCIONA Infrastructure increased its order intake notably in Africa and strengthened its position in the continent. One of the most significant contracts was the **EPC (turnkey) contract for the 100 MW Kathu Solar Park I solar thermal plant**, for Engie, which seeks to ease energy problems in that area of South Africa. The project will create 1,500 direct jobs during construction and an additional 200 during operation. In line with its commitment to sustainability and development, ACCIONA will hire people from disadvantaged backgrounds in South African society.

The world situation, the drop in oil prices and the slowdown in China are affecting growth in Africa. However, to avoid energy dependence, many countries are beginning to exploit wind and solar resources, which opens up new business opportunities as renewable energy projects are conducive to foreign investment. The most attractive sectors for these investments are energy, water and infrastructure.

AUSTRALIA, NEW ZEALAND AND SOUTHEAST ASIA

AUSTRALIA

The Australian government continues to invest heavily to meet the growing need for infrastructure due to the country's rapid economic and population growth. Since 2007, Australia has invested over 45,000 million Australian dollars in infrastructure.

- The Company is strongly positioned in Australia in areas such as desalination and waste-water treatment plant operation and maintenance.
- In 2015, construction of the the **Legacy Way tunnel in Brisbane** (Queensland) was completed to the client's entire satisfaction, since the project came in on time and within budget. Legacy Way is a 4.6 km tunnel that provides a fast direct connection between expanding residential areas west of Brisbane and the airport to the east of the city. The project, which was awarded in December 2010, includes the operation and maintenance of the tunnel for 10 years. In 2015, it was named **Project of the Year in the Infrastructure Partnerships Australia awards**.

The Australian government has earmarked 50,000 million Australian dollars for investment in land transport routes between 2013-2014 and 2019-2020 and thereafter. That figure is in addition to the amounts spent by state governments and the private sector.

Additionally, the concession approach, which has been in place in Australia for over 25 years, will provide more opportunities for ACCIONA Infrastructure to participate in PPP projects.



SYDNEY LIGHT RAIL (Australia)

- The new Central Business District and South East Light Rail, for Transport for New South Wales Transport, including design, construction finance and operation (PPP).
- The project includes 12 km of track, 19 stops, a bridge over the Eastern Distributor highway, a tunnel under Moore Park, control centre facilities, depots for trains, a maintenance workshop, and substations and other service buildings along the route.
- This project obtained:
 - PPP Deal of the Year at the Project Finance International awards.
 - Best Project Finance Deal by Finance Asia
 - APAC Deal of the Year award from *Infrastructure Investor*.

SOUTHEAST ASIA

With a view to expanding in Southeast Asia, ACCIONA opened an office in Singapore in January 2016 to consider opportunities in transport and water.

With a population of 600 million and a combined GDP of 1.8 trillion euros, Southeast Asia has experienced robust economic growth for the past two decades. According to current estimates, the region will need to invest over 7 trillion euros by 2030.

ACCIONA INMOBILIARIA

Third year of rising investment in property

The decline in interest rates, growth in employment and higher disposable household income are boosting demand and driving a recovery in sales.

The Spanish economy ended 2015 with strong GDP growth. Very strong consumer spending and business investment drove GDP up 3.2% year-on-year, the fastest growth rate since 2007.

The variables that have the greatest impact on the real estate business performed very well in 2015. Interest rates continued to decline, which continued to reduce the cost of borrowing; employment continued to rise, ending the year with more than 17.3 million workers registered with the Social Security, i.e. 656,000 more than at the end of December 2014; and gross disposable household income increased slightly (1%) on the back of a 3.9% increase in wages.

Home sales grew 11.2% in 2015 to over 354,500 units, the second consecutive year of growth, according to the Association of Property Registrars. The recovery in the economy and, in particular, in employment, together with stable financial conditions and renewed confidence continue to drive demand and favour a recovery in sales. Prices increased by 6.65% during the year.

Investment in Spain increased for the third consecutive year and is already above the 10-year average. Direct investment in real estate exceeded 12.8 billion euros, over 30% more than in 2014. Although the tertiary sector is still the segment where most deals are being done, the total volume of land deals approached 1 billion euros.

In this context, ACCIONA Inmobiliaria ended the year with turnover of 51.4 million euros, of which 34% corresponds to property development and 66% to rentals.

In 2015, the Company spun off its rental property development and management business to a newly-created subsidiary, ACCIONA Real Estate, S.A. The business of developing property for sale continues to be conducted by ACCIONA Inmobiliaria. Approximately one-half of the Group's assets (in terms of GAV) were assigned to each business.

**ACCIONA
Inmobiliaria
ended 2015
with turnover
of 51.4 million
euros: 34%
from property
development
and 66% from
rentals**

1. REAL ESTATE DEVELOPMENT

ACCIONA Inmobiliaria sold 85 homes in 2015: 7% in Spain, 10% in Mexico and 83% in Poland.

A total of 71 homes were delivered: 36% in Spain and 64% in other countries.

1a. Real estate development in Spain

In Spain, the Company maintained its discount policy, instituted in 2009, in order to continue disposing of completed housing stock. However, some of the housing stock that had been for sale in previous years was transferred to the rental business, as discussed below in the Property Rentals section.

Land development work focused on zoning the sites with the greatest visibility for immediate development. The Company also tracked cases of zoning and land planning from prior years that are before the courts.

1b. International real estate development

The company was particularly active in the residential property business in Mexico and Poland.

ACCIONA Inmobiliaria continued to strengthen its footprint in Mexico through subsidiary Inmobiliaria Parque Reforma. Parque Reforma Santa Fe, in which Inmobiliaria Parque Reforma has a 70% stake, delivered practically all of phase 2-B

of the Parque Reforma luxury apartment development in Cumbres de Santa Fe, Mexico City, consisting of 64 homes. Parque Reforma Santa Fe continued to commercialise phase 2-C, having sold 57 of the 60 homes in this phase by year-end. Phase 2-C is scheduled for delivery in 2016.

Inmobiliaria Parque Reforma develops and has a 10% stake in the Maranta project in Vistahermosa, Mexico City. This development consists of approximately 220 homes of which the first 70 are under construction and 71% pre-sold. Delivery of this first phase is scheduled to begin early in 2017.

The market in Mexico continues to trend slowly towards apartment blocks, which favours sales in the mid- and high-end residential segments, where amenities and security play an important role. This trend, and a good sales performance, make Mexico a favourable market for continuing our growth strategy.

In Poland, commercialisation and construction of the Atmosfera project, in Wilanow, Warsaw, comprising 100 homes and 13 commercial premises, continued in 2015. At year-end, 71 homes and 9 premises had been sold after just 12 months of commercialisation. This project is expected to be delivered in 2016.

The market in **Mexico** continues to trend slowly towards apartment blocks, which favours sales in the mid- and high-end residential segments, where amenities and security play an important role

In December, ACCIONA Nieruchomosci Wilanow, a subsidiary of ACCIONA Inmobiliaria, sold a 6,613 m² plot of land in the Wilanow area.

ACCIONA Inmobiliaria retains exposure to Brazil through residential land in Penedo (Rio de Janeiro state) and Guarujá (São Paulo state).

2. PROPERTY RENTALS

Real estate rentals provided 33.8 million euros in turnover in 2015.

As regards **home rentals**, ACCIONA Inmobiliaria has a portfolio of 1,382 homes and achieved a 94.1% occupancy rate at year-end. In addition to the 849 homes owned by Compañía Urbanizadora del Coto, S.L., a company owned 97.47% by ACCIONA Inmobiliaria, an additional 366 homes in a number of developments began to be operated under lease as a result of the spin-off.

The Company ended the year with 61,975 m² of office space, mainly in the cities of Madrid, Barcelona, Sabadell and Zaragoza, with an average occupancy rate of 69%.

ACCIONA Inmobiliaria continued to operate **student residences** under its CAMPUS brand, with close to 1,200 beds in Albacete, Murcia, Lleida, Castellón and Cádiz, ending the year with an average occupancy rate of 51%. In the **hotel sector**, Sol Meliá Group continued to manage Hotel Condal Mar in Barcelona under its TRYP brand.

The Company retained ownership and management of Hotel Club Marítimo, in Sotogrande, a 41-room boutique hotel that is among the *Small Luxury Hotels of the World*.

The five-star Hotel Estrella del Mar in Marbella continued to strengthen its market position. Its 4,000 m² beach club with spa, tropical gardens, gym and restaurant with views of the sea make it a leading vacation hotel.

3. ADVANCING IN SUSTAINABILITY, R&D AND INNOVATION

ACCIONA Inmobiliaria remains committed to sustainability, and is aware of its sizeable impact on the surroundings. With a view to preserving and harnessing resources, the Company applies basic guidelines to all of its day-to-day processes.

In the international arena, ACCIONA Inmobiliaria delivered the Cumbres de Santa Fe II B development in Parque Reforma (Mexico City), with a certificate of 'Efficient' (the second-highest of the three existing categories) under Mexico City's Sustainable Certification and Environmental Efficiency Programme, the goal of which is to preserve natural resources and improve living standards.

New homes in the same development are being built with a view to obtaining the highest level of certification ("Excellent") under that same programme.

ACCIONA Inmobiliaria at market prices (million euros)

Appraisals of the gross asset value (GAV) of real estate assets, developments, investment properties and fixed assets by several independent appraisers totalled 1.271 billion euros (2015 prices), broken down as follows:

Inventories	536
Investment property	708
Fixed assets	27
Total	1,271

Cumulative capital gains before taxes on those assets amounted to 76 million euros at year-end.

TRASMEDITERRANEA

Profitable growth and improved customer satisfaction

Trasmediterranea's EBITDA rose by 12 million euros, an increase of 40% year-on-year.

Net debt amounted to 33 million euros, 60% less than in 2014.

Trasmediterranea is Spain's leading passenger and roll-on/roll-off ferry company. Operating in Spain's three main ferry zones—the Balearic Islands, the Straits, and the Canary Islands—the Company seeks to offer an end-to-end shipping service that meets clients' needs efficiently while respecting the environment, remaining true to its principles, and generating value for society and its shareholders.

In 2015, the Company managed a fleet of 14 Company-owned ships and 7 other vessels under charter, providing end-to-end transport services to 2,451,323 passengers and carrying 544,999 vehicles and 5,651,087 linear metres of cargo.

The number of passengers increased by 3.70% and vehicles by 0.44% due to the better fit of the vessels to the lines they covered. Cargo shipments increased 3.38%.

The Cruise Ship Unit handled 175 stopovers in the port of Valencia and provided handling services for 375,209 cruise passengers.

The main thrusts of the Company's strategy are as follows:

- Continuous improvement to increase safety for passengers and goods.
- Vertical integration of services within the transport value chain, enhancing existing lines by expanding connectivity by road, rail and ship.

- Continuous improvement of efficiency and profitability through responsible management of resources so as to optimise operating costs and efficiency indicators per unit of output.

Notable performance by efficiency indicators in 2015 with respect to 2014:

- Fleet idling costs were cut by 44%.
- Average cruising speed increased by 2%.
- Fuel costs per mile sailed were cut by 9% due to improved fuel prices and enhanced fleet operating efficiency.

In financial terms, the Trasmediterranea Group increased EBITDA by 40% in 2015, basically as a result of an approximately 2% increase in net turnover and the



1,112,423
NAUTICAL MILES SAILED



2,451,323
PASSENGERS



544,999
VEHICLES TRANSPORTED



5,651,087
LINEAR METRES OF CARGO
HANDLED

reduction of operating costs by 2.5% with respect to 2014; in particular, fuel costs which fell 10% year-on-year.

KEY EVENTS IN 2015

- Trasmediterranea decided to enhance connections between the port of Almería and Algeria, a country with a high growth rate and a very attractive destination for many Spanish companies in a wide range of industries. To this end, it assigned a vessel with capacity for 1,256 passengers and 300 vehicles.
- In 2015, the Company was awarded the contract to provide maritime shipping services of public interest on the Málaga-Melilla and Almería-Melilla routes between 2015 and 2017.

- To make life easier for travellers, Trasmediterranea worked with other transport operators to enable passengers travelling without a vehicle to use a single ticket to travel to the port of Valencia or back to their point of origin in mainland Spain, or by ship to Formentera via Ibiza.
- For the high season on the Strait of Gibraltar routes, Trasmediterranea increased the number vessels to 10 and offered 25,000 seats per day each way, connecting southern Spain (Algeciras, Almería and Málaga) with Ceuta, Melilla, Morocco and Algeria.

OTHER DEVELOPMENTS

- For the second consecutive year, Trasmediterranea renewed its Shipping Company Service Quality Certificate, based on the Spanish State Ports Quality

To enhance connections between Almería and Algeria, Trasmediterranea assigned a ship with capacity for **1,256 passengers and 300 vehicles**

Standard. Trasmediterranea is also certified to ISO 9001 (since 1999) and ISO 14001, on environmental management (since 2006).

- The Company is also a pioneer in signing Environmental Best Practices Agreements with port authorities as evidence of its commitment to being among the most environmentally-friendly companies in the industry, with a strong focus on sustainability.
- It is also working intensely on an interdepartmental level to consider the use of liquefied natural gas (LNG) as fuel for ships, since this would not only reduce CO₂ emissions by over 20% but also eliminate emissions of sulphur and nitrogen gases.
- It is examining the scope for using fuels with less than 0.1% sulphur content as well as modifications to ship hulls in conjunction with changes in propeller diameters in pursuit of optimal fuel consumption.

- Once again, Trasmediterranea sponsored the Melilla Nautical Week and the Acciona Sailing (Acciona la Vela) programme to offer persons with disability access to the sport of sailing.

- Trasmediterranea retains its lead in intermodality; 2015 was the first year in which combined Bus+Boat tickets were sold through the integrated systems of Trasmediterranea and Movelia, Spain's leading integrated bus ticket vendor. Over 40,000 passengers travelled using a combined ticket in 2015.

A mobility app was developed and implemented to provide online confirmation of **break bulk cargo collection and delivery**

ACCIONA Logistics

ACCIONA Logistics focuses on land transport and goods logistics as an integral part of the multimodal transport and integrated logistics value chain in partnership with Trasmediterranea.

The Company has its own fleet of 278 refrigerated semi-trailers, 70 of which were upgraded in 2015; 169 45' refrigerated containers; 935 container trailers; and 1,144 20', 40' and 45' containers for construction materials.

It also has 11 crossdocking warehouses spanning 36,000 m² and two freezer

warehouses with a total capacity of 423,000 m³, of which 275,000 m³ are temperature controlled.

KEY EVENTS IN THE YEAR:

New business lines were launched in 2015, including:

- Refrigerated shipment of fruit and meat between Spain and Algeria.
- Weekly groupage (less-than-container load—LCL) shipments by land between Barcelona, Seville and Casablanca (Morocco) to supplement the temperature-controlled full container load (FCL) and LCL service to the Canary Islands, Balearic Islands, Ceuta and Melilla.
- Refrigerated FCL shipments from Morocco.
- Transportation by road of construction material, particularly between Spain and North Africa.

■ Additionally, an app was developed and distributed to provide online confirmation of LCL cargo collection and delivery. The app, together with GPS trackers and thermographs in refrigerated semi-trailers and warehouses, provides total traceability of the temperature and location of foodstuffs throughout the logistics chain.

BESTINVER

2015 ended with double-digit returns

Good performance by the Bestinver team resulted not only in strong returns but also in a portfolio that will continue to provide returns in the future.

Bestinver, S.A. is wholly owned by ACCIONA. Through subsidiaries Bestinver Gestión, S.A. and Bestinver Pensiones, S.A., it provides asset management services in the form of mutual funds, pension funds and SICAVs. The company's third subsidiary is Bestinver S.V., S.A., a securities firm with a seat on the Madrid Stock Exchange.

In 2015, the volume of assets under management or advice declined by 21% to 5.106 billion euros at 31 December 2015. This decline was due to a net outflow of managed funds, principally in portfolios under advice, amounting to 1.962 billion euros, partly offset by the positive average return obtained on the portfolios that the Company manages. The average return in the period was 11%, resulting in a 597-million-euro increase in assets under management.

The reduction in assets under management or advice during the year resulted in a 33% year-on-year reduction in revenues to 92 million euros. Excluding the positive 28-million-euro effect of the sale of the stake in Bolsas y Mercados Españoles (BME) in 2014, earnings before taxes fell by 27%, to 66 million euros. Overall, Group net profit in 2015 amounted to 48 million euros, the third-highest figure ever.

The number of investors declined by 2% in 2015, to 59,526.

It was a positive year for the mutual funds managed by the Company. Not only did Bestinver achieve good returns, it also increased the target value of its portfolios, which entails greater appreciation potential for investors in the long term.

To quote Seth Klarman, investors should always keep in mind that the most important metric is not the returns achieved but the returns weighed against the risks incurred. Although equities were attractively priced early in the year and the equity market advanced (too) quickly, things changed in the second quarter. Thereafter, and until the beginning of 2016, investors focused on four big issues: falling oil prices, the commodities crisis after the end of the Chinese supercycle, the divergence between the big central banks' monetary policies, and political risk. These factors created episodes of uncertainty characterised by significant fluctuations in market prices. After years of truly anomalous tranquillity, volatility returned to the markets.

Whereas many investors view this short-term volatility as a threat, Bestinver sees it as an opportunity, enabling the investment team to make the investments required to increase the portfolio's upside potential. We were able to buy into good names at attractive prices. We increased exposure to companies already in the portfolio which had been punished unfairly by the market. We also took profits and reduced exposure

Bestinver in 2015

11%

AVERAGE RETURN IN THE PERIOD

48 M€

GROUP NET PROFIT

to companies whose good performance had reduced their safety margin.

In the first quarter, while equities climbed, the investment team built up a war chest by selling stocks that were approaching their target values. At the same time, the team continued working to identify the best companies, and to observe, analyse and value them. This resulted in a Bestinver 'shopping list' and, when the prices were right, we began to buy.

About 50% of the portfolio was rotated in 2015. As a result of all the changes, Bestinver's portfolios had around 50% upside potential at 2015 year-end. Additionally, our pension funds and plans proved more resilient to the mid-year market decline and ended 2015 in positive territory, having beaten their benchmarks.

Bestinver's model portfolio, which is applied by the Bestinfond mutual fund, obtained a return of 12.49% in 2015, compared with 6.64% by its benchmark (80% MSCI, 14% IGBM, 6% PSI). Since its creation in 1993, this portfolio has generated an annual return of 15.61%, compared with 9.03% by its benchmark.

It was a complex and demanding year, but the skill of Bestinver's investment team made it possible not only to achieve good returns but also to build a portfolio that will continue to generate returns in the future.

Bestinver maintains its commitment in 2016: seek the best for its investors. The Company puts all its energy and capabilities into seeking the best possible long-term returns and it maintains its conviction that equities are still the best way to achieve this. 2016 promises to be challenging, but it will also be replete with opportunities.

In the past 20 years, Bestinver has received a total of 108 awards in recognition of its management performance.

12.49%

YIELD ON BESTINVER'S
MODEL PORTFOLIO
IN 2015

15.60%

ANNUAL RETURN
ACHIEVED BY BESTINFOND,
COMPARED WITH 9.03%
BY ITS BENCHMARK

HIJOS DE ANTONIO BARCELÓ

Export sales and business growth

Internationalisation, with 40% of turnover coming from foreign markets and EBITDA up 4%, shaped a successful year in terms of recognition.

Founded in 1876, Hijos de Antonio Barceló is one of Spain's top 20 wine groups. The company focuses on producing, ageing, bottling and marketing quality wines, and operates in Spain and in other countries.

International business accounts for 40% of turnover, while the Company's exposure to leading Spanish Denominations of Origin provides it with diversification and potential to expand. America accounts for 24% of sales, and Europe for 15%.

THE WINERIES AND THEIR BRANDS

The Company has wineries in five of Spain's most prestigious winegrowing areas, where it operates various business lines:

- Ribera del Duero, Rueda and Toro Denominations of Origin account for 30% of the wine group's total turnover, mainly under the Viña Mayor brand, which covers wines from all three districts.
- Rioja Denomination of Origin: the Glorioso and Cosme Palacio brands are the key assets of Bodegas Palacio. Turnover increased by 11% in 2015 to account for 27% of the total.
- Quality rosé wines by Bodegas Peñascal (Valladolid). Peñascal, Spain's leading rosé wine brand, accounts for 18% of total turnover.

Hijos de Antonio Barceló was ranked 16th in the Top 100 Wineries of the World and 4th among Spanish wineries

- Aperitif and other sweet wines, and wines from Castilla y León, account for the remaining 25% of turnover.

The Company, which combines tradition and innovation in the winemaking process, is certified to the following standards: ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems), and ISO 22000 (Food Safety Management Systems). Moreover, as a reflection of its commitment to the environment, our Ribera del Duero vineyards conform to the EU rules for organic wine. The Company is a member of *Wineries for Climate Protection* and plays an active role in activities to promote sustainability.

Greater focus on our main brands, which expanded sales by 13% in a market that grew by just 2.8%, coupled with process optimisation, resulted in a change in

product mix and improved unit returns. As a result, EBT increased by 15% and EBITDA by 4%. Notable events in 2015:

- Hijos de Antonio Barceló was ranked 16th among the Top 100 Wineries of the World and 4th among Spanish wineries.
- The Company continued to work on enhancing its brands through advertising in the media and at events.
- The Cosme Palacio brand was revitalised and the Cosme Palacio 1894 red 2012 achieved 95 points in the Peñin Guide.
- The Bodegas Palacio winery and surroundings are being refurbished. Work is scheduled to be completed in the first quarter of 2016.
- Optimisation of logistics and operational processes will enable us to be more competitive.

INNOVATION

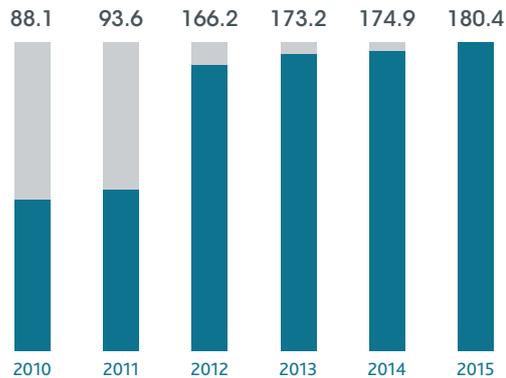
Innovation as a tool for achieving excellence

ACCIONA challenges its innovation capacity with the goal of creating value in products and services.

At ACCIONA, innovation is the primary source of sustainability, competitive advantage and efficiency enhancement in all business units. Innovation at ACCIONA focuses on creating value in products and services through distinctive technology, anticipating customers' needs and requirements.

ACCIONA continues to focus on advanced technologies. In view of the progress being made in such fields as the Internet of Things (IoT), mobility, Big Data, Advanced Analytics and Digitisation, initiatives are being developed in business areas to place ACCIONA in the vanguard in terms of innovation. The company has also renewed and extended strategic alliances with various globally-renowned universities and technology centres.

→ **R&D&i spending**
(millions of euros)



In 2015, ACCIONA stepped up its efforts in the area of innovation, with record expenditure in this area of €180.4M on 141 projects. Projects outside Spain account for 45.8% of the Group's total spending on innovation.

In February 2014, the European Investment Bank (EIB) granted ACCIONA a €120M loan to finance its four-year programme (2013-2016), which will cost €240M. Accelerating innovation at ACCIONA was evidenced in the document support for the first two annual instalments delivered in 2015 to the EIB's satisfaction. They evidence expenditure of €206.4M, amply exceeding the necessary 50% threshold in the two-year period.

ACCIONA maintains its position in the main innovation rankings. ACCIONA

retained 5th place among Spanish companies and ranked 144th in Europe in terms of R&D&i spending, according to the *2015 EU Industrial R&D Investment Scoreboard*, drafted by IRI—*Economics of Industrial Research and Innovation*.

The world innovation ranking drawn up by global consulting firm Strategy&, which selects the 1,000 listed companies with the highest R&D&i spending, ranks ACCIONA in 468th place, and 5th in Spain, due to its extensive innovation efforts, with spending that is several multiples of the average in its industry in Europe.

ACCIONA works with entrepreneurs, start-ups and suppliers to enable their innovations to reach the market thanks to the Group's procurement policy. This initiative, which has been implemented in recent years, received the 2015



€180.4M

ACCIONA'S
LARGEST-EVER INNOVATION
SPENDING



+45.8%

TOTAL INTERNATIONAL
INNOVATION

ACCIONA's innovation policy continues to receive international accolades:

'CEMEX project' award

Granted for industrial engineering, with the Special Award for Process Innovation and Construction Techniques in the Ventika and Ventika II wind farms located in the municipality of General Bravo, Nuevo León, Mexico.

'Infraestructura 360°' award

This prize is granted by the Inter-American Development Bank (IDB) to recognise sustainability in infrastructure projects implemented in Latin America and the Caribbean. It was awarded to the Eurus wind farm (250.5 MW), located in the state of Oaxaca, Mexico.

National recognition in Spain:

XIV 'Fundación Torres Quevedo' award

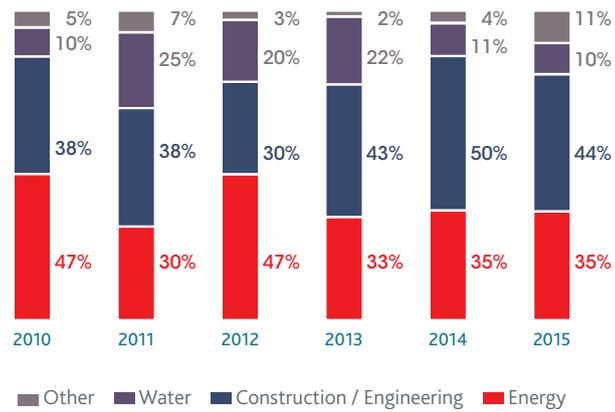
Award for "Business Cooperation" due to the company's links with the University of Cantabria (UC), to which the Foundation is attached. The award is in recognition of ACCIONA's track record of cooperation with UC's research groups.

Compendedor award from Fundación Empresa y Sociedad.

The strategic plans, which were designed in 2014 with input from the business areas, the technology R&D&I centres and senior management, contributed to an increase in business-focused innovation in 2015.

ACCIONA's commitment to innovation and its R&D&I management system successfully passed the maintenance audit by AENOR under the UNE 166 0002 standard, in the updated 2014 version, which required ACCIONA to react and adapt in record time, achieving certification that same year.

→ Innovation spending by business





PUBLISHED BY:

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PRODUCTION:

CRAFT WORLDWIDE S.A

LEGAL DEPOSIT:

M-11233-2016





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