

ACCIONA, S.A.  
and subsidiaries  
(consolidated group)  
Directors' Report  
for financial  
year 2015

## Executive Summary

### Income Statement Data

(Million euro)	Jan-Dec 14	Jan-Dec 15	Chg.( %)
Revenues	6,499	6,544	0.7%
EBITDA	1,087	1,174	8.0%
EBIT	572	627	9.5%
Ordinary EBIT	233	330	41.5%
EBT	277	319	15.0%
Net attributable profit	185	207	12.1%

### Balance Sheet Data and Capital Expenditure

(Million euro)	31-Dec-14	31-Dec-15	Chg.( %)
Equity	3,613	3,754	3.9%
Net debt	5,294	5,159	(2.5%)
Ordinary capital expenditure	340	223	(34.5%)

### Operating Data

(Million euro)	31-Dec-14	31-Dec-15	Chg.( %)
Construction backlog (Million euro)	5,693	6,722	18.1%
Water backlog (Million euro)	9,358	9,630	2.9%
Total wind installed capacity (MW)	7,087	7,212	1.8%
Total installed capacity (MW)	8,502	8,619	1.4%
Total production (GWh) (Jan-Dec)	21,450	20,875	(2.7%)
Average workforce	33,559	32,147	(4.2%)

## CONSOLIDATED INCOME STATEMENT

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
<b>Revenues</b>	<b>6,499</b>	<b>6,544</b>	<b>45</b>	<b>0.7%</b>
Other revenues	363	247	-117	(32.0%)
Changes in inventories of finished goods and work in progress	-7	-3	5	(62.8%)
<b>Total Production Value</b>	<b>6,855</b>	<b>6,788</b>	<b>-67</b>	<b>(1.0%)</b>
Procurement	-1,854	-1,830	23	(1.3%)
Personnel expenses	-1,275	-1,254	21	(1.7%)
Other expenses	-2,639	-2,530	109	(4.1%)
<b>EBITDA</b>	<b>1,087</b>	<b>1,174</b>	<b>86</b>	<b>8.0%</b>
Depreciation and amortization	-494	-510	-16	3.2%
Provisions	-53	-53	0	0.1%
Impairment of assets value	-18	-20	-3	16.7%
Results on non-current assets	50	9	-42	(82.6%)
Other gains or losses	0	27	28	n/a
<b>EBIT</b>	<b>572</b>	<b>627</b>	<b>54</b>	<b>9.5%</b>
Net financial result	-367	-389	-23	6.1%
Exchange differences (net)	5	23	18	335.7%
Var. provisions financial investments	-1	-2	0	n/a
Share in results of associates accounted for by the equity method	46	60	14	29.9%
Variation in fair value of financial instruments	22	0	-21	(97.8%)
<b>EBT</b>	<b>277</b>	<b>319</b>	<b>41</b>	<b>15.0%</b>
Tax on profit	-70	-83	-13	18.5%
<b>Profit/(loss) from Continuing Activities</b>	<b>207</b>	<b>236</b>	<b>28</b>	<b>13.8%</b>
Non-controlling interests	-22	-28	-6	27.8%
<b>Attributable Net Profit</b>	<b>185</b>	<b>207</b>	<b>22</b>	<b>12.1%</b>

## REVENUES

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Energy	2,200	2,719	519	23.6%
Infrastructure	3,727	3,337	(391)	(10.5%)
Construction	2,627	2,170	(456)	(17.4%)
Water	409	451	41	10.0%
Services	691	716	24	3.5%
Other activities	692	613	(79)	(11.4%)
Consolidation Adjustment	(120)	(125)	(4)	3.5%
<b>TOTAL Revenues</b>	<b>6,499</b>	<b>6,543</b>	<b>45</b>	<b>0.7%</b>

Consolidated revenues increased by 0.7% to €6,544 million, mainly due to the combined effect of the following factors:

- Growth in the Energy revenues (+23.6%) mainly as a result of:
  - The strong contribution from AWP which increased its business turnover by 34.7% with reference to FY 2014.
- The good performance of the generation activity mainly due to new capacity additions in international markets carried out during the last twelve months.
- Decrease in the Construction revenues (-17.4%) due to less domestic and international activity.
- Increase in the Water (+10.0%) and Services (+3.5%) revenues.
- Decrease in the Other Activities revenues (-11.4%) due to the revenue decline of Bestinver and Real Estate.

**EBITDA**

(Millions of euros)	Jan-Dec 14	% EBITDA	Jan-Dec 15	% EBITDA	Chg. (€m)	Chg. (%)
Energy	788	72.5%	897	76.2%	109	13.8%
Infrastructure	174	15.9%	168	14.2%	(6)	(3.5%)
Construction	118	10.9%	102	8.7%	(16)	(13.8%)
Water	35	3.2%	35	2.9%	0	0.2%
Services	21	1.9%	31	2.6%	10	49.9%
Other activities	126	11.5%	113	9.6%	(13)	(10.2%)
Consolidation adjustments	(0)	n/a	(3)	n/a	(3)	n/a
<b>TOTAL EBITDA</b>	<b>1,087</b>	<b>100.0%</b>	<b>1,174</b>	<b>100.0%</b>	<b>87</b>	<b>8.0%</b>
<b>Margin (%)</b>	<b>16.7%</b>		<b>17.9%</b>			<b>+1.2pp</b>

Note: EBITDA contributions calculated before consolidation adjustments.

EBITDA increased by 8.0% to €1,174 million mainly due to the strong growth of the Energy business (+13.8%) driven by both the strong contribution from AWP and the growth registered by the generation business in international markets.

EBITDA margin stood at 17.9%, 1.2 percentage points higher than in FY 2014.

With respect to the relative EBITDA contribution of the divisions: Energy contributed the most (76%), followed

by Construction (14%). The rest of the businesses contributed 10% of EBITDA.

**EBIT**

EBIT reached €627 million, a 9.6% higher than in FY 2014.

**EBIT**

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Energy	86	198	112	129.5%
Infrastructure	90	90	1	(0.1%)
Construction	55	33	(22)	(39.5%)
Water	28	41	13	47.3%
Services	7	16	8	117.0%
Other activities	55	43	(12)	(21.5%)
Consolidation adjustments	2	(1)	(3)	(134.6%)
<b>Ordinary EBT</b>	<b>233</b>	<b>330</b>	<b>97</b>	<b>41.6%</b>
Extraordinaries	44	(11)	(55)	n/a
<b>TOTAL EBT</b>	<b>277</b>	<b>319</b>	<b>42</b>	<b>15.1%</b>
<b>Margin (%)</b>	<b>4.3%</b>	<b>4.9%</b>		<b>+0.6pp</b>

Ordinary EBT increased by 41.5% to €330 million vs. €233 million in FY 2014 mainly due to the EBT increase of Energy business which improved by €112 million.

Total EBT grew by 15.0%. This lower growth rate was due to the fact that extraordinary results registered in 2015 were €55 million lower than those of 2014..

**ATTRIBUTABLE NET PROFIT**

Attributable net profit amounted to €207 million, a 12.1% higher than FY 2014.

## Consolidated Balance Sheet

(Millions of euros)	31-Dec-14	31-Dec-15	Chg. (€m)	Chg. (%)
Property, Plant & Equipment and Intangible assets	8,733	8,855	122	1.4%
Financial assets	546	569	23	4.3%
Goodwill	79	79	0	0.0%
Other non-current assets	1,413	1,382	-32	(2.3%)
<b>NON-CURRENT ASSETS</b>	<b>10,771</b>	<b>10,885</b>	<b>113</b>	<b>1.1%</b>
Inventories	1,043	740	-303	(29.0%)
Accounts receivable	1,940	1,612	-328	(16.9%)
Other current assets	281	236	-45	(16.0%)
Current financial assets	369	413	43	11.8%
Cash and Cash equivalents	1,327	1,460	133	10.1%
Assets held for sale	412	431	19	4.6%
<b>CURRENT ASSETS</b>	<b>5,372</b>	<b>4,892</b>	<b>-481</b>	<b>(8.9%)</b>
<b>TOTAL ASSETS</b>	<b>16,143</b>	<b>15,777</b>	<b>-365</b>	<b>(2.3%)</b>
Capital	57	57	0	0.0%
Reserves	3,167	3,249	82	2.6%
Profit attributable to equity holders of the parent	185	207	22	12.1%
Own Securities	-29	-20	9	(30.0%)
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>3,380</b>	<b>3,493</b>	<b>113</b>	<b>3.4%</b>
<b>MINORITY INTERESTS</b>	<b>233</b>	<b>261</b>	<b>27</b>	<b>11.7%</b>
<b>EQUITY</b>	<b>3,613</b>	<b>3,754</b>	<b>141</b>	<b>3.9%</b>
Interest-bearing borrowings	5,918	5,895	-23	(0.4%)
Other non-current liabilities	2,001	2,008	8	0.4%
<b>NON-CURRENT LIABILITIES</b>	<b>7,919</b>	<b>7,903</b>	<b>-15</b>	<b>(0.2%)</b>
Interest-bearing borrowings	1,072	1,137	65	6.1%
Trade payables	2,558	2,025	-534	(20.9%)
Other current liabilities	660	538	-122	(18.4%)
Liabilities associated to assets held for sale	321	420	99	30.7%
<b>CURRENT LIABILITIES</b>	<b>4,611</b>	<b>4,120</b>	<b>-492</b>	<b>(10.7%)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>16,143</b>	<b>15,777</b>	<b>-365</b>	<b>(2.3%)</b>

## Attributable Equity

ACCIONA's attributable equity at 31 December 2015 amounted to €3,493 million, a 3.4% higher than in December 2014.

## Net Financial Debt

(Millions of euros)	31-Dec-14		31-Dec-15		Chg. (€m)	Chg. (%)
	(€m)	% Total	(€m)	% Total		
Interest-bearing borrowings without recourse	4,954	70.9%	4,629	66%	(324)	(6.5%)
Interest-bearing borrowings with recourse	2,036	29.1%	2,403	34%	367	18.0%
<b>Total interest-bearing debt</b>	<b>6,990</b>	<b>100.0%</b>	<b>7,032</b>	<b>100%</b>	<b>42</b>	<b>0.6%</b>
<b>Cash + Cash equivalents</b>	<b>(1,696)</b>		<b>(1,873)</b>		<b>(177)</b>	<b>10.4%</b>
<b>Net financial debt</b>	<b>5,294</b>		<b>5,159</b>		<b>(134)</b>	<b>(2.5%)</b>

\* Including debentures, bonds and negotiable securities.

Net financial debt amounted to €5,159 million 2.5% lower than at 31 December 2014 and the debt ratio DFN/EBITDA fell from 4.87x as of December 2014 to 4.39x in December 2015. Such decrease was mainly due to the cash generation during the year.

Additionally, it is worth highlighting the good performance of working capital (-€36 million) during the year, despite the -€109 million one-off adjustment derived from RD-L9/2013 (in force since 14 July 2013) which implies the reimbursement of premiums received during the period prior to the publication of the final remuneration parameters applicable to renewable installations (published on 10 June 2014).

Excluding this effect, financial debt would have decreased by €254 million vs. December 2014:

Financial gearing has evolved as follows:

(Millions of euros)	31-Dec-14	31-Dec-15
Net debt	5,294	5,159
Gearing (Net Debt/Equity) (%)	147%	137%

## Capital Expenditure

(Millions of euros)	Jan-Dec 14	Jan-Dec 15
Energy	282	130
Infrastructure	70	80
Construction	39	49
Water	9	19
Services	22	12
Other activities	(12)	13
<b>Ordinary Net Investments</b>	<b>340</b>	<b>223</b>
Extraordinary divestment	(629)	(51)
<b>Total Net Investments</b>	<b>(289)</b>	<b>172</b>

Net ordinary capital expenditure across ACCIONA's divisions amounted to €233 million, 34.5% less than in FY 2014. Energy represents the biggest share of the investment effort with €130 million.

## ASSETS AND LIABILITIES ASSOCIATED TO ASSETS HELD FOR SALE

At 31 December 2015 the only assets and liabilities held for sale correspond to ACCIONA Windpower which, as stated in Relevant Information filed on 4 October, will be transferred to Nordex once conditions precedent are met.



## Results by Division

### ENERGY

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Generation	1,240	1,329	89	7.2%
Industrial, development and other	960	1,390	430	44.8%
<b>Revenues</b>	<b>2,200</b>	<b>2,719</b>	<b>519</b>	<b>23.6%</b>
Generation	824	848	25	2.8%
Industrial, development and other	(36)	49	85	n/a
<b>EBITDA</b>	<b>788</b>	<b>897</b>	<b>109</b>	<b>13.8%</b>
Margin (%)	35.8%	33%		
<b>BAI</b>	<b>86</b>	<b>198</b>	<b>112</b>	<b>129.5%</b>
Margin (%)	3.9%	7.3%		

ACCIONA Energy revenues increased by 23.6% to €2,719 million. EBITDA increased by 13.8% to €897 million. EBT amounted to €198 million vs. €86 million last year.

The results are mainly driven by the following factors:

- The increase shown in AWP that reached €84 million EBITDA vs. €39 million in FY 2014.
- Good performance of the generation EBITDA, which grew by 2.8% to €848 million, mainly boosted by a higher international generation EBITDA, which offset the decrease in the domestic generation EBITDA. The increase in international generation EBITDA was due to:
  - A production increase based on the new capacity added in the last twelve months.
  - The positive effect derived from the foreign exchange rates variations mainly related to the appreciation of the USD.

■ The net increase of the consolidated installed capacity by 119MW in the last twelve months due to the combined effect of:

- The installation of 128MW of new wind capacity (30MW in Poland and 93MW in South Africa and 5MW in Spain).
- The reduction of 9MW cogeneration in Q1 2015.

At an operational level, consolidated production amounted to 17,202GWh, 2.1% lower than in FY 2014. This decrease was due to the fact that contribution at new international capacity installed in 2015 was not able to fully compensate the lower hydro factor and, to a lesser extent, the low wind resource in Spain during the months of November and December.

It is worth highlighting the significant improvement of the AWP and others EBITDA (+€85 million relative to the same period last year), boosted by the good performance of the turbine business which installed 931MW vs. 762MW in FY 2014.

### EBITDA FROM INDUSTRIAL ACTIVITY AND DEVELOPMENT

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Var. (€m)
Windpower	39	84	46
Development and construction	(28)	9	36
<b>Total EBITDA Industrial &amp; development</b>	<b>9</b>	<b>93</b>	<b>84</b>

## BREAKDOWN OF INSTALLED CAPACITY AND PRODUCTION BY TECHNOLOGY

31-Dec-15	Total		Consolidated		Net	
	Installed MW	Produced GWh	Installed MW	Produced GWh	Installed MW	Produced GWh
Wind Spain	4,747	10,153	3,470	7,219	4,079	8,614
Wind International	2,465	7,268	2,225	6,622	1,462	4,418
USA	628	1,923	553	1,686	374	1,138
Mexico	557	2,255	557	2,255	361	1,465
Australia	303	959	239	792	180	584
Canada	181	477	103	283	69	189
Italy	156	218	156	218	104	146
Portugal	138	116	138	116	47	39
India	120	286	120	286	75	176
Poland	101	185	101	185	67	123
Costa Rica	86	209	86	209	57	139
Greece	50	303	50	303	32	197
Chile	48	104	48	104	35	75
South Africa	45	111	45	111	30	74
Croatia	30	74	30	74	20	49
Hungary	24	48	0	0	12	24
<b>Total Wind</b>	<b>7,212</b>	<b>17,421</b>	<b>5,695</b>	<b>13,841</b>	<b>5,541</b>	<b>13,032</b>
Hydro special regime	888	2,197	888	2,197	888	2,197
Biomass	61	408	61	408	59	391
Solar PV	143	307	97	214	55	116
Solar Thermoelectric	314	542	314	542	262	455
<b>Total other technologies</b>	<b>1,407</b>	<b>3,454</b>	<b>1,361</b>	<b>3,361</b>	<b>1,265</b>	<b>3,160</b>
<b>Total Energy</b>	<b>8,619</b>	<b>20,875</b>	<b>7,055</b>	<b>17,202</b>	<b>6,806</b>	<b>16,192</b>
<b>Total Spain</b>	<b>5,950</b>	<b>13,195</b>	<b>4,673</b>	<b>10,262</b>	<b>5,248</b>	<b>11,589</b>
<b>Total International</b>	<b>2,669</b>	<b>7,680</b>	<b>2,383</b>	<b>6,941</b>	<b>1,557</b>	<b>4,603</b>

Annex 2 shows greater detail on MWs and productions.

## INFRASTRUCTURE

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Construction	2,627	2,170	(456)	(17.4%)
Water	409	451	41	10.0%
Services	691	716	24	3.5%
<b>Revenues</b>	<b>3,727</b>	<b>3,337</b>	<b>(391)</b>	<b>(10.5%)</b>
Construction	117	102	(16)	(13.8%)
Water	35	35	0	0.2%
Services	21	31	10	49.9%
<b>EBITDA</b>	<b>173</b>	<b>168</b>	<b>(6)</b>	<b>(3.5%)</b>
Margin (%)	4.6%	5.0%		
<b>EBT</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>(0.1%)</b>
Margin (%)	2.4%	2.7%		

ACCIONA Infrastructure division includes the operations of Construction, Water and Services under a single division. This structure brings the following benefits:

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

### A. CONSTRUCTION

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Construction & Engineering	2,517	2,064	(452)	(18.0%)
Concessions	110	106	(4)	(3.5%)
<b>Revenues</b>	<b>2,627</b>	<b>2,170</b>	<b>(456)</b>	<b>(17.4%)</b>
Construction & Engineering	77	52	(25)	(32.7%)
Concessions	40	49	9	22.3%
<b>EBITDA</b>	<b>117</b>	<b>101</b>	<b>-16</b>	<b>(13.8%)</b>
Margin (%)	4.5%	4.7%		
<b>EBT</b>	<b>55</b>	<b>33</b>	<b>(22)</b>	<b>(39.5%)</b>
Margin (%)	2.1%	1.5%		

Revenues amounted to €2,170 million, 17.4% lower than in FY 2014 mainly due to a drop in the levels of the construction and engineering activities in Spain and in the international markets.

EBITDA decreased by 13.8% to €102 million with a margin of 4.7% (vs. 4.5% in FY 2014).

The concession business EBITDA grew by 22.3%.

### Construction Backlog

At 31 December 2015 the construction backlog amounted to €6,722 million, an 18.1% higher than in December 2014. The international backlog reached an overall weight of 73% out of the total backlog vs. 64% a year ago.

Aggregated new works awarded during 2015 amounted to €3.565 million, which in net terms at 31 December amounted to €3,094 million (83% international). It is worth mentioning the awards of:

- Construction of one of the biggest dams in Canada located in British Columbia.
- The design and construction of a 117Km electricity transmission network in Mexico.
- The second phase of Line 1 of the Quito Metro. The contract includes the construction of a 22Km long tunnel and thirteen new stations.
- The design, construction and operation of the 41Km ring motorway in the city of Toowoomba, (Australia).
- A twin railway tunnel in Norway which will join the cities of Oslo and Ski.
- The construction of the Kathu Solar complex (100MW of Solar Thermoelectric) in South Africa.

(Millions of euros)	31-Dec-14	31-Dec-15	Chg. (%)	Weight (%)
Civil Works Spain	1.521	1.327	(13%)	20%
Civil Works International	3.153	4.245	35%	63%
<b>Total Civil Works</b>	<b>4.674</b>	<b>5.571</b>	<b>19%</b>	<b>83%</b>
Non Residential Spain	312	240	(23%)	4%
Non Residential International	265	174	(34%)	3%
<b>Total Non-Residential</b>	<b>577</b>	<b>415</b>	<b>(28%)</b>	<b>6%</b>
Residential Spain	26	12	(54%)	0%
Residential International	34	49	46%	1%
<b>Total Residential</b>	<b>60</b>	<b>62</b>	<b>2%</b>	<b>1%</b>
ANA Development Spain	0	0	0%	0%
ANA Development International	19	5	(72%)	0%
<b>Total ANA Development</b>	<b>19</b>	<b>6</b>	<b>(70%)</b>	<b>0%</b>
<b>Other*</b>	<b>363</b>	<b>669</b>	<b>84%</b>	<b>10%</b>
<b>TOTAL</b>	<b>5.693</b>	<b>6.722</b>	<b>18%</b>	<b>100%</b>
<b>Total Spain</b>	<b>2.062</b>	<b>1.783</b>	<b>(14%)</b>	<b>27%</b>
<b>Total International</b>	<b>3.631</b>	<b>4.939</b>	<b>36%</b>	<b>73%</b>

\* "Other" includes: Auxiliary construction, Engineering and Other.

### Concessions

At 31 December ACCIONA held a portfolio of 23 concessions with a book value of €1,332 million (€444 million "equity" and €888<sup>2</sup> million net debt).

Annex 3 contains the details on the concessions portfolio at 31December 2015.

2. It includes the share percentage of debt of concessions accounted for using the equity method (€570 million)

**B. WATER**

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
<b>Revenues</b>	<b>409</b>	<b>451</b>	<b>41</b>	<b>10.0%</b>
<b>EBITDA</b>	<b>35</b>	<b>35</b>	<b>0</b>	<b>0.2%</b>
Margin (%)	8.40%	7.7%		
<b>EBT</b>	<b>28</b>	<b>41</b>	<b>13</b>	<b>47.3%</b>
Margin (%)	6.8%	9.1%		

The Water division increased its turnover by 10.0% mainly due to the improvement of the design and construction activities and the operation and maintenance at an international level.

The Water division registered EBITDA of €35 million in line with FY2014 results and EBT increased by 47.3% reaching €41 million.

**Water Backlog**

Aggregated new works awarded during 2015 amounted to €814 million, which in net terms at 31 December amounted to €723 million<sup>1</sup> (94% international). It is worth mentioning the awards of:

- The design, construction and later operation and maintenance of a purification plant in Bucaramanga (Colombia).
- The design, construction and later operation and maintenance of two desalination plants in Qatar.

Annex 4 shows detail of water concessions under the SIC 29 at 31 December 2015.

(Millions of euros)	31-Dec-14	31-Dec-15	Chg. (%)
D&C	336	573	71%
O&M	9,022	9,057	0%
<b>TOTAL</b>	<b>9,358</b>	<b>9,630</b>	<b>3%</b>
(Millions of euros)	31-dic-14	31-dic-15	Peso(%)
Spain	8,377	8,241	86%
International	981	1,389	14%
<b>TOTAL</b>	<b>9,358</b>	<b>9,630</b>	<b>100%</b>

Annex 4 details the water concessions portfolio subject to IFRIC 12 at 31 December 2015.

**C. SERVICES**

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
<b>Revenues</b>	<b>691</b>	<b>716</b>	<b>24</b>	<b>3.5%</b>
<b>EBITDA</b>	<b>21</b>	<b>31</b>	<b>10</b>	<b>49.9%</b>
Margin (%)	3.0%	4.3%		
<b>EBT</b>	<b>7</b>	<b>16</b>	<b>8</b>	<b>117.0%</b>
Margin (%)	1.0%	2.2%		

ACCIONA Service encompasses a series of services: airport handling services, facility services, logistic services, waste management and others.

The division reported an increase in revenues of 3.5% reaching €716 million. EBITDA amounted to €31 million, 49.9% higher than in FY 2014 as a result of a

considerable improvement in in the facility services activity margin.

It is to be stressed that subsequent to year-end, ACCIONA Airport Services was granted a 7 year handling licence at Düsseldorf Airport as from 1April 2016.

## OTHER ACTIVITIES

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Trasmediterranea	417	424	7	1.7%
Real estate	94	51	(42)	(45.2%)
Bestinver	135	91	(45)	(33.0%)
Winery	40	40	0	1.2%
Corp. & other	6	7	0	6.4%
<b>Revenues</b>	<b>692</b>	<b>613</b>	<b>(79)</b>	<b>(11.4%)</b>
Trasmediterranea	30	41	11	37.6%
Real estate	3	6	4	144.9%
Bestinver	96	67	(29)	(30.2%)
Winery	5	5	0	4.2%
Corp. & other	(8)	-6	1	(13.0%)
<b>EBITDA</b>	<b>126</b>	<b>113</b>	<b>(13)</b>	<b>(10.2%)</b>
Margin (%)	18.1%	18.4%		
<b>EBT</b>	<b>55</b>	<b>43</b>	<b>(12)</b>	<b>(21.5%)</b>
Margin (%)	7.9%	7.0%		

In FY 2015 this division - which includes Trasmediterranea, Real Estate, Bestinver, Wineries and others - reported revenues of €613 million, 11.4% lower than in FY 2014.

The EBITDA decreased to €113 million, 10.2% less than in FY 2014 levels due to the decrease in Bestinver.

**Trasmediterranea:**

Trasmediterranea improved its EBITDA in €11 million due to higher revenues, the improvement of its operations' efficiency and lower costs for fuel and staff

During this period, the number of passengers, vehicles and lane metres increased by 3.7%, 0.4% and 3.4% respectively

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (%)
Passengers served	2,363,924	2,451,323	3.7%
Cargo handled (lane metres)	5,466,305	5,651,087	3.4%
Vehicles	542,597	544,999	0.4%

**Real Estate:**

The decrease in revenues is mainly due to the change of the consolidation method of a subsidiary which is now accounted using the equity method.

EBITDA increased by €4 million to €6 million. Such improvement derives from the change of strategy towards rental activity which generates lesser revenues with a higher margin than the development of homes for sale.

	31-Dec-14	31-Dec-15	Chg. (%)
Housing stock	535	316	(53.9%)

Out of the 316 units, 104 are international units.

**Bestinver:**

Bestinver's assets under management stood at €5,106 million at 31 December 2015. It reported an EBITDA of €67 million.

## MATERIAL INFORMATION, DIVIDEND AND SHARE DATA

### SIGNIFICANT COMMUNICATIONS TO THE STOCK MARKET

#### ■ 26 February 2015: Annual Report on Directors' Remuneration for the Year 2014

- On 26 February 2015 the company notified the Spanish National Securities Commission of (CNMV) the annual report on directors' remuneration for the year 2014 containing the Shares Delivery Plan and Performance Shares.

#### ■ 25 March 2015: ACCIONA signs a syndicated loan with banks worth €1,800 million

- ACCIONA Financiación Filiales, S.A., signed with a syndicate of banks, integrated by 19 financial institutions (10 Spanish 9 Foreign), a financing agreement totaling €1,800 million.
- The financing was divided in two tranches (Tranche A for a maximum of €360 million and Tranche B for a maximum of €1,440 million) maturing 25 March 2020. The two tranches will be used to refinance part of the group's debt, general corporate and investment expenses as well as the group's liquidity needs.
- The finance contract signed was guaranteed by ACCIONA S.A.

#### ■ 20 April 2015: Substitution plan of variable remuneration for ACCIONA shares

- ACCIONA informs on the approval of a substitution plan to replace variable remuneration for ACCIONA shares, aimed to ACCIONA's management and its group.

#### ■ 7 May 2015: Official announcement and submission of proposal of the Annual General Meeting

- On 7 May 2015, the company informed to the CNMV, of the Annual General Meeting announcement for 10 June 2015 for its first call, or 11 June 2015 for its second one and submitted the proposal of agreements.

#### ■ 11 June 2015: Annual General Meeting – Approval of Agreements

On 11 June 2015, the Annual General Meeting approved, among others, the following agreements:

- To approve a €2 dividend per share (or greater amount fixed by the board and its members with delegated powers in case of treasury shares existence) to be paid as per 2 July 2015.
- To appoint Ms. Ana Sainz de Vicuña Bemberg as independent non-executive Director.

- To consider assessed and reported the Shares Delivery Plan and Performance Shares 2014-2019 and substitution plan according to the report of the Board of Directors, as well as increase the maximum number of available shares for the Shares Delivery Plan and Performance Shares 2014-2019 in 100,000 shares, without prejudice to subsequent increases, if proposed by the Board and approved by the General Meeting.

- To amend the articles of association and regulations of the General Shareholders Meeting and the Board to adapt them to the amendments of the Corporate Enterprises Act relating to corporate governance.

- To approve, for information purposes, the Directors Remuneration Report for the year 2014.

- To approve the 2014 Sustainability Report.

#### ■ 23 June 2015: ACCIONA informs on the Resolution of Catalonia Superior Court of Justice (TSJC) relative to the ATLL Contract

- The TSJC has partially ratified the administrative appeal proceedings filed by the concessionaire ATLL concessionaire of the Generalitat de Catalunya and ACCIONA Agua, annulling the ruling of the Catalan Contractual Administrative

Agency on 2 January, 2013 regarding the exclusion of the bid made by the consortium led by ACCIONA.

- In addition, the Court considers the existence of flaws in the tender procedure not attributable to tenderers, which will lead to its nullity.

- The resolution can be appealed before the Supreme Court.

■ **24 June 2015: ACCIONA informs on the sale of 1.34% of ACCIONA S.A.**

- On behalf of ACCIONA, S.A., Fidentiis conducted a placement, between national and international qualified investors of a package of 768,184 treasury shares, representing 1.34% of its capital at a price of €69.19 per share.

■ **3 July 2015: The Company announces the signing of a liquidity contract**

- ACCIONA signed on 2 July 2015 a liquidity agreement with Bestinver Sociedad de Valores, S.A., to manage its treasury shares. The stock trades performed by Bestinver on ACCIONA's shares under this contract will be in the Spanish stock exchange and the intended purpose will be:

- i. Increase the liquidity of transactions.
- ii. The regularity in the stock market price.

- The liquidity contract will have duration of twelve months, extendable tacitly for an equal period. The number of shares intended for the account associated to the contract is 48,000 and the amount allocated to the cash account is €3,300,000.

■ **28 July 2015: ACCIONA informs that it has commissioned Morgan Stanley the analysis of strategic alternatives of the real estate business**

- ACCIONA commissioned Morgan Stanley the analysis of strategic alternatives for part of the real estate business. Currently the company is still considering alternatives which could conclude on the possible IPO or private placement of a minority stake.

■ **4 October 2015: ACCIONA informs about the agreement reached for the transfer of ACCIONA Windpower to Nordex and for ACCIONA's acquisition of 29.9% of Nordex's shares**

- ACCIONA entered into an agreement with Nordex by virtue of which Nordex shall acquire the totality of the corporate capital of ACCIONA Windpower. ACCIONA shall in turn receive as compensation:

- (i) 16,100,000 new issued shares of Nordex representing 16.6% of its

corporate capital for a per share value of €26 totalling €418.6 million

- (ii) a cash payment of €366.4 million, resulting in an Enterprise Value of €785 million.

- Additionally, ACCIONA S.A. has entered into an agreement with Momentum-Capital Vermögensverwaltungsgesellschaft mbH and Ventus Venture Fund GmbH & Co. Beteiligungs KG for the acquisition of 12,897,752 existing Nordex's shares representing 13.3% of its corporate capital for a total price of €335.34 million which represent €26 per share. Once both transactions have been completed ACCIONA shall hold a 29.9% shareholding in Nordex's corporate capital and become the strategic anchor shareholder of the new company.

- The transaction is subject to certain conditions precedent. The first estimation of the future capital gains would amount to €675m. It is expected that the transaction will be closed in the first four months of 2016.

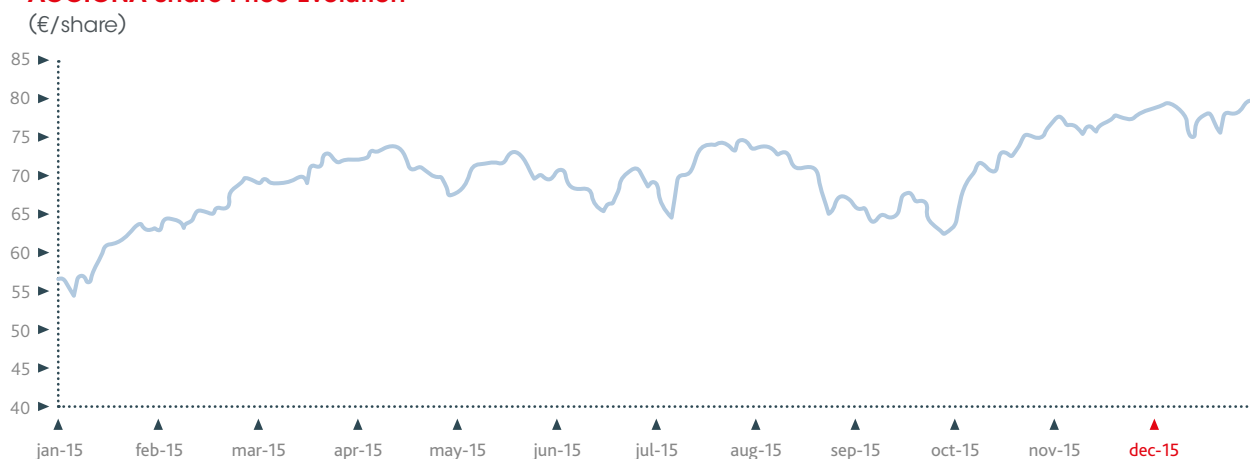
**DIVIDEND**

On 11 June 2015 ACCIONA's AGM approved the payment of a dividend of €2 per share against 2014 results.



## SHARE DATA AND SHARE PRICE PERFORMANCE

### → ACCIONA Share Price Evolution



### KEY SHARE DATA

	31-Dec-15
Price at 31 December 2015 (€/share)	63.30
Price at 1 January 2015 (€/share)	56.20
Low in FY 2015 (02/01/2015)	54.24
High in FY 2015 (03/07/2015)	80.19
Average daily trading (shares)	246,695
Average daily trading (€)	17,294,957
Number of shares	57,259,550
Market capitalisation at 31 December 2015 (€ millions)	4,528

### SHARE CAPITAL INFORMATION

At 31 December 2015 the share capital of ACCIONA amounted to €57,259,550 divided into 57,259,550 shares of €1 of nominal value each.

At 31 December 2015, ACCIONA, S.A. and its subsidiary Finanzas Dos, S.A. held 320,460 treasury shares, equivalent to 0.5595% of the share capital at that date. The acquisition cost of said shares came to 20,238 thousand euros.

Movement in treasury shares in FY 2015 was as follows:

	2015	
	Number of shares	Cost
Opening balance	534,499	28,895
Additions	3,428,656	247,091
Retired	(3,391,297)	(244,121)
Liquidity contract	37,359	2,970
Additions	615,935	42,747
Retired	(867,333)	(54,374)
Other movements	(251,398)	(11,627)
End balance	320,460	20,238

### SUBSEQUENT EVENTS

A Last 21 January 2016, upon fulfilment of the conditions precedent, shares representing an additional 37.05% of ATLL Concessionaria de la Generalitat de Catalunya, S.A., owned by the shareholder Aigües de Catalunya, S.A., were sold to the shareholder Gestio Catalana D'Aigües, S.A., a subsidiary of the ACCIONA Group. According to the provisions of the sale operation described above, both parties agreed to assign to Gestio Catalana D'Aigües, S.A. 95% of the rights and obligations included in the loan that the selling shareholder, namely, Aigües de Catalunya, S.A. as lender, held vis-à-vis ATLL Concessionaria de la Generalitat de Catalunya, S.A., as loanee, and that had been subscribed on 21 December 2012. The price to buy the shares amounted to 19

million euros and the amount of the loan assigned to Gestio Catalana D'Aigues, S.A. amounts to 55 million euros.

At 31 December 2015, the stakeholding of the ACCIONA Group in ATLL Concessionaria de la Generalitat de Catalunya, S.A. amounted to 39%, with the stakeholding being consolidated under the equity method. The stakeholding of the ACCIONA Group after the purchase and sale operation referred to in the paragraph above stands at 76.05% of the share capital.

## Main Risks associated with the ACCIONA Group's business activities

The risk scenarios considered in the ACCIONA Risk Management System have been classified into four groups: financial, strategic, operational and unforeseeable, with the first two groups identified by the Group's executives as those presenting a higher risk profile.

### 1. ECONOMIC AND FINANCIAL RISKS:

These risks are mainly fluctuations in exchange rates, interest rates and financial markets, changes in the prices of raw materials, liquidity, cash flow, late payment or loss of clients.

In order to mitigate the exchange rate risk, ACCIONA engages currency derivatives and exchange-rate hedging instruments to cover significant future transactions and cash flows in line with the tolerated risk thresholds.

Interest rate risk is particularly material with regard to the funding of infrastructure projects, in concession contracts, in the construction of wind farms or solar plants

and other projects maturing in the longer term where the variation in interest rates has a strong impact on their profitability. It is mitigated by hedging transactions involving the contracting of derivatives.

The risk of fluctuations in prices of raw materials, when stockpiling for construction work and particularly fuel for transportation, is fundamentally mitigated in the short term by specific hedging transactions generally involving the contracting of derivatives.

As regards credit and liquidity risks, the Group negotiates operations solely and exclusively with solvent third parties and requires sufficient assurances to mitigate the risk of financial losses in the event of any non-compliance. It also constantly monitors the forecasts and the current levels of cash flows to match these against the maturity profiles for financial assets and liabilities.

### 2. STRATEGIC RISKS:

ACCIONA minimises these risks through its own strategy and business model by applying adequate sectoral and geographic diversification of its businesses;

the performance of exhaustive market research, surveys of competitors and the countries in which its activities are carried out; as well as through the encouragement of Research and Development

### 3. OPERATIONAL RISKS:

In each business area, specific systems are established to cover all the business requirements, to systematise and document processes, and to manage quality, operations, planning and financial control.

In order to mitigate the risks in the procurement process, controls have been established to favour free competition and transparency in the processes and to avoid violating ACCIONA's commitment to ethical behaviour in these processes.

Each year, ACCIONA draws up a map of the risks with its critical suppliers, analysing the main risks in its supply chain from the perspectives of economics, the environment, the prevention of occupational hazards, the activity and the country of origin.

Risks derived from irregular behaviour. ACCIONA has put in place a Code of Conduct establishing the basic principles and commitments that must be respected and complied with by executives and employees of the divisions as well as by suppliers and third parties working with the Company in the exercise of their activities. A whistleblowing channel has been communicated at all levels of the Organization, and enables the reporting, in total confidence, of any irregular conduct related to accounting, control or auditing issues as well as any violation or breach of the ethical behaviour outlined in the Code.

In September 2011, the Board of Directors resolved to subscribe ACCIONA, S.A. to the Code of Good Tax Practices in order to combine and complement the control, prevention and regulatory compliance

systems already in place to reduce the material tax risks and to prevent behaviour capable of generating these issues.

#### 4. UNFORESEEABLE RISKS:

**Environmental risks.** – ACCIONA has its own Corporate System in place for the Management of Environmental Crises. This system includes the measures to be followed and the responsibilities and resources necessary for the proper handling of a crisis situation due to any incident arising at the facilities owned or operated by the Company and entailing an impact on the environment.

ACCIONA consolidated its initiatives regarding environment risk management, focusing its efforts on identifying and implementing measures to mitigate the most relevant risks. In 2015 ACCIONA

prepared a document to deal specifically with those risks for all the group divisions.

**Occupational hazards.** – The management of Employee Health and Risk Prevention is one of the priorities of all the Divisions and lines of business: a large part of our activities are included among those considered by legislation to be high risk (especially the Infrastructure and Energy divisions). Prevention activities are carried out through Management Systems under international premises certified under OHSAS 18001 standard.

## Sustainability

ACCIONA deploys its sustainability strategy through the 2015 Sustainability Master Plan (PDS). PDS 2010-2015 encompasses initiatives and goals in the areas of Innovation, Context, Society, People, Value Circle and Good Governance, as well as commitments about Stakeholders, Dissemination and Leadership, and Accountability.

Some of the challenges set by ACCIONA for 2015 were, among others:

- To achieve a total of 500 million euros in R&D+I for the 2010-2015 period.
- To improve the ratio of CO<sub>2</sub> emissions avoided by 15% in respect of the CO<sub>2</sub> emissions generated (base 2009).

- To reduce the work-accident frequency rate by 20% in respect of 2011.
- To implement the social impact management method for all the classified projects in the strategic divisions.
- To improve the sustainability performance of the supply chain and to encourage and promote responsible procurement through bidding processes that incorporate sustainability criteria.
- To implement gradually good governance enhancement measures.
- To consolidate ACCIONA's position as a benchmark in sustainability.

- To consider the expectations of the Company's main stakeholders in the management of its sustainability practices.
- To report transparently and rigorously to its main stakeholders, in accordance with the highest international standards, on the Company's performance in terms of its sustainability practices.

Since 2009, sustainability-related actions and undertakings are promoted by the Board of Directors' Sustainability Committee, the organ in charge of supervising and approving the goals of the Sustainability Master Plan. The various sustainability committees created in the main divisions are, in turn, the

route for bringing sustainability closer to business areas. Their function is to drive and monitor specific initiatives in these divisions within the PDS framework.

Another route to drive the implementation of the Company's sustainability strategy and the achievement of its targets was, once again, to link part of the executives' and managers' bonuses to the achievement of sustainability targets.

In the course of 2015 ACCIONA gradually defined a new sustainability strategy to cover the period up to 2020. For this, the Company assessed the achievements and challenges experienced in the five years of implementation of the previous PDS; it implemented thorough benchmarking on the most advanced practices affecting the areas thereof; and consulted with a number of external experts in sustainability, energy, infrastructures and water. As a result, the new Plan up to 2020 is structured around strategic and operational targets, applicable to the entire organization, with specifications for the various lines of business.

In the financial year ACCIONA had an active presence in different initiatives and international organizations, mainly working for the launch of the 2030 Agenda, with the definition of Sustainable Development Objectives by the United Nations, and the Climate Change Summit held in Paris (COP21). The Company is part, inter alia, of initiatives and organisations such as The Prince of Wales's Corporate Leaders Group, the UN Global Compact LEAD, the World Business Council for Sustainable Development, Sustainable Energy for All (SE4ALL), the World Economic Forum and CEO Climate Leadership Group.

Furthermore, the Company consolidated the implementation of its social impact

management methodology in 2015 by increasing the risk study phases and the social impact surveys throughout the course of its projects, as well as the scope in relation to the number of projects subject to this management model. In this way, over 45 projects in different countries (Australia, Brazil, Cape Verde, Chile, Colombia, Ecuador, Egypt, Spain, Gabon, Italy, Mexico, Norway, Peru, Poland, Qatar, South Africa and Trinidad & Tobago) are now at different stages in the implementation of this methodology. These projects are very diverse, such as, for example, the construction of roads, bridges, dams, water treatment stations, sewers and wind farms, operation of desalination facilities, and construction and maintenance of hospitals.

It must be noted too that in 2015 ACCIONA completed a diagnostic process regarding human rights, following the UN Guiding Principles on Business and Human Rights, with the purpose of learning about the main risks in this matters by business and country. In addition, corporate regulations and procedures were analysed, with different international standards being taken for reference, to assess the controls in place in the organisation in this respect.

The advances seen in the fulfilment of these sustainability targets and actions carried out during 2015, together with the challenges faced by the Company, are described in detail in the Sustainability Annual Report and on the corporate website (<http://www.ACCIONA.es/sostenibilidad>).

#### **ANALYSIS OF MATERIALITY IN SUSTAINABILITY MATTERS**

In order to maintain an attitude of continuous monitoring of new trends and challenges in sustainability matters, and to

delve deeper into the social, environmental and governance aspects of relevance for the business, ACCIONA has drawn up a materiality survey.

In 2014, the analysis of materiality identified and prioritised relevant matters for each of ACCIONA's main lines of business (Energy, Construction, Water, Services and Industry) and their impact throughout the value chain. In addition, a geographical criterion was applied by evaluating the risk involved in each matter identified in the countries where ACCIONA operates.

In 2015 the analysis of materiality was updated on the basis of the study from the previous financial year, and the issues identified as relevant were studied in depth and expanded with current topics according to various sources: international institutions, entities from different sectors and press news. In addition, as a novelty, in 2015 the relevant issues were identified, updated and prioritised on the basis of the macro-trends analysed in the course of the design of the new Master Plan for Sustainability for each of ACCIONA's line of business. To design this Plan, expert advice was sought and significant documents at global and sector levels were analysed, for each line of business.

The analysis process made it possible to create a matrix with the material issues by business on the basis of the relevance of each issue for the Company and its stakeholders.

As regards the key issues identified by ACCIONA's lines of business, the most relevant issue for Energy, Water, Construction and Industry was "Social impact and dialogue with the local communities". "Mitigation and adaptation

to climate change" appears as highly relevant for Energy and Services. As for the "Ethics and compliance" issue, it is highly relevant in the Construction, Industrial, water and Services businesses.

## Quality, Environment

For ACCIONA, the fight against Climate Change, the sustainable use of Natural Resources and the protection of Biodiversity make up the principal thrusts of its environmental strategy.

In 2015 the Company consolidated its position as a leading company in the fight against climate change, opting for renewable technologies, reducing and compensating its emissions and seeking innovating solutions that will place the Company at the avant-garde of the most advanced environmental standards.

These efforts were acknowledged by the main international benchmarks for transparency and environmental behaviour in 2015:

CDP (formerly Carbon Disclosure project):

International organisation representing 822 major institutional investors with assets worth \$95 billion and that require environmental data about the companies they rank:

- CDP gave ACCIONA the highest possible score at world level, both for Transparency and Leadership in the action against climate change<sup>3</sup>. The Company was awarded the Record Score of 100A rating.
- CDP also granted ACCIONA, for the third year running, the highest rating as Sustainable Supplier, with the Company now listed on the exclusive list that recognises globally only 2% of the assessed companies as suppliers of sustainable products and services.

As regards water management, in 2015 ACCIONA was recognised by CDP as a world leader, it being the only Spanish utility and one of the only two in the world that achieved the highest rating under the CDP programme related to water management. This programme, in which ACCIONA participated voluntarily, assesses the responsible use of water in terms of consumption reduction, transparency, improvement targets, governance, strategy, extension of commitment to suppliers and other stakeholders, as well as management of the risks and opportunities

associated with water resources. **Dow Jones Sustainability Index World:**

- ACCIONA obtained the highest score in Biodiversity and Electricity generation based on renewable energies policies, achieving an overall environmental score higher than 98% of all the electricity companies assessed.

The Company's **main figures** in environmental matters in 2015 were:

- 17,2 million tonnes of CO<sub>2</sub> avoided.
- 0.6 million tonnes of CO<sub>2</sub> generated. ACCIONA has reduced by 45.7% the emissions generated in its production activities since 2009 (the Company's 2015 Master Plan for Sustainability base year).
- ACCIONA has reduced its energy intensity (energy consumed versus sales ratio) by 27% since 2009 (the Company's 2015 Master Plan for Sustainability base year). For fossil-based energy intensity, the drop is 55.3%.

3. For the fifth year running ACCIONA achieved the highest rating for performance vis-à-vis climate change, thus joining The Climate "A" list. For environmental transparency, it achieved a score of 100 out of 100, heading the Carbon Disclosure Leadership Index (CDLI)

- As for water, the Company's balance sheet is clearly favourable for the environment, with a positive global water footprint of over 491 million cubic metres, a figure equivalent to the annual domestic consumption of 6 million inhabitants.
- 21% of the Company's total water consumption comes from reused or recycled water.
- Greenhouse Gas (GHG) emissions were calculated for the second year running for 100% of the supply chain, i.e., 28,000 suppliers. With this pioneering action, ACCIONA shares its commitment to fight climate change, developing SCO2PE by ACCIONA, a programme for collaboration with suppliers to promote emission reductions on the supply chain.
- ACCIONA has also pioneered the measurement of water consumption of all its suppliers. ACCIONA has measured total water consumption associated with the activity of all its suppliers in 75 countries and has identified the 500 suppliers that induced 70% of total consumption on the supply chain. Thanks to this initiative, the Company has become the first major Spanish Company and one of the first companies in the world to analyse water consumption on 100% of its supply chain. The study carried out has made it possible for ACCIONA to learn, amongst other variables, the percentage of water consumption on the chain of suppliers related to direct suppliers; to identify those that

consume water more intensively; to verify what supply activities are being more intensive in terms of water consumption in water-risk countries; or to identify the ACCIONA's activities with more consumption relevance within the supply chain.

- Strengthening of environmental risk management. Design of two documents about analysis of risks associated with water and climate change, in order to study in depth these aspects, which are highly relevant to the Company and at world level. These analyses were extended to the entire supply chain of ACCIONA. In addition, design of the corporate regulations on environmental risk management and three related procedures (environmental responsibility, climate change and water).
- Promotion of initiatives within the framework of the Biodiversity Compensation and Improvement Programme.
- Promotion of environmental offsetting services, with the organisation of carbon footprint neutral events for both its clients and for its own events, such as, for example, ACCIONA's General Shareholders' Meeting.

ACCIONA has put in place an organisational structure that facilitates the integration of environmental and quality variables into the operations of its businesses and guarantees enforcement of the policies, principles and strategies related to these matters.

This structure has been strengthened through the Training efforts made by the Company, which have contributed to the growth of continuous improvement in the qualification of its professionals and their active participation in an environment-focused culture. ACCIONA's employees received 34,618 hours in environmental training in 2015.

In addition, 2015 saw the launch of CACCIONA – Advanced Environmental Course, taken by over 4,359 people, with 3,064 qualifying as supported by Fundación General de la Universidad de Alcalá. The participating groups were employees, suppliers, education centres and different Foundations that support groups with disabilities or that risk social exclusion, such as ONCE, PRODIS o EXIT.

As regards impact management, ACCIONA has a basic management tool for the main environment-related problems, under the name of PLAN 10+, which in 2015 meant implementation of 111 improvement measures aimed to prevent and minimise the impacts associated with each problem recorded.

Progress has also been made in the implementation and certification of quality management systems and environment management systems in all ACCIONA divisions, with in-depth analysis of the new requirements under ISO 9001:2005 and ISO 14001:2005 standards (quality and environment, respectively), as published in September, to make the transition thereto quickly and efficiently.

ACCIONA Energy implemented and certified for the first time its quality management systems and environment management systems under ISO 9001 and ISO 14001 standards in Chile, Costa Rica and South Africa. ACCIONA Construction certified its activity in Panama under both standards.

These systems permit process-level management, considering all environmental aspects related to our activities in all the development phases, with an approach based on continuous improvement. Also, the new ISO 9001 and ISO 14001 versions (published in September 2015) reinforce, amongst other aspects, the risk-based approach, the approach based on the life cycle of products/services, the control of the supply chain, the strategic environmental management, and communication with stakeholders, aspects on which ACCIONA is already at work.

The scope of the energy management system (ISO 50001) has increased in ACCIONA Water, with new centres and activities being certified in 2015, so the

group's commitment to energy efficiency has continued.

Mention must be made of the first implementation of the EMAS regulations (Environmental Management and Audit Community System) in ACCIONA, specifically in ACCIONA Environment, at its Madrid offices and for the park and garden maintenance Service in the city of León.

The percentages of ACCIONA's revenue certified under ISO 9001 and ISO 14001 amounted to 92% and 90%, respectively (3% more than in 2014).

#### ENVIRONMENT-RELATED FIGURES FOR 2015:

The environmental investments and expenditure made by the ACCIONA Group in 2015 covered the following items:

- Measures to minimise environmental impact
- Environmental research, development and innovation

- Environmental prevention
- Personnel
- Investments in plant, property and equipment to avoid impacts and protect the environment
- Environment advice and consultancy
- Treatment of waste water and drinking water
- Other

In 2015, environmental expenditure amounted to 266 million euros, and investments, to 116 million euros, which placed the company's global environmental activity at 382 million euros.

The greatest efforts were made in the areas of waste water treatment, environmental prevention and environmental impact minimising measures.

## Innovation

Every year ACCIONA challenges its innovative capacity so as to create value in products and services through technology differentiation, anticipating the clients' needs and requirements. ACCIONA relies on Innovation as the main tool that guarantees sustainability, competitive advantages and improved efficiency in all the lines of business.

In 2015, ACCIONA increased the Group's effort in Innovation, having reached the

highest figure in its history, putting this Innovation figure up to 180.4M euros, developed in 141 projects. 45.8% of the Group's total for Innovation is already obtained outside Spain.

ACCIONA continues to opt for other state-of-the-art technologies, as it understands the advances that are gradually taking place in the field of IoT – Internet of things, mobility, Big Data, Advanced Analytics or digitisation. Business initiatives have

developed that place ACCIONA at the avant-garde of Innovation. In addition, strategic agreements have been renewed and extended with various universities and technological centres of international repute.

The European Investment Bank (EIB) approved ACCIONA's Innovation programme for the four-year period 2013-2016, through the funding of 50% of the programme, with the granting of a loan

for 120 million euros. In 2015 the first two annual amounts were justified, for 206.4 million euros, which largely exceeds the 50% of the bi-annual amount to justify.

ACCIONA's position remains steady in the most important innovation rankings. The "2015 EU Industrial R&D Investment Scoreboard" published by the European Commission's IRI (Economics of Industrial Research and Innovation) ranks ACCIONA at the 5th place among Spanish firms and at no. 144 in Europe in terms of the effort made in R&D+I.

On the international context, Strategy &, strategic consultancy firm of PwC, in its worldwide innovation ranking, based on a methodology selecting the top 1000 companies with the highest R&D+I figures (only 8 Spanish companies appear on the list), ranks ACCIONA at number 468 on the world ranking; ACCIONA is the 5th Spanish company.

Compliance with the Strategic Innovation Plan defined in 2014 fulfilled a milestone in ACCIONA's R&D&I strategic management, the outcome of which is an increased capacity for innovation focused on its businesses and activities.

ACCIONA's Innovation Policy continues to obtain international recognition:

- OBRA CEMEX award to the Development of Industrial Works and Special Prize for Innovation in Construction Processes and techniques for the construction of the wind farms Ventika and Ventika II, located in the municipal district of General Bravo, Nuevo León.
- Infrastructure 360<sup>o</sup> Prize, awarded by the Inter-American development Bank to recognise sustainability in infrastructure projects implemented in Latin America

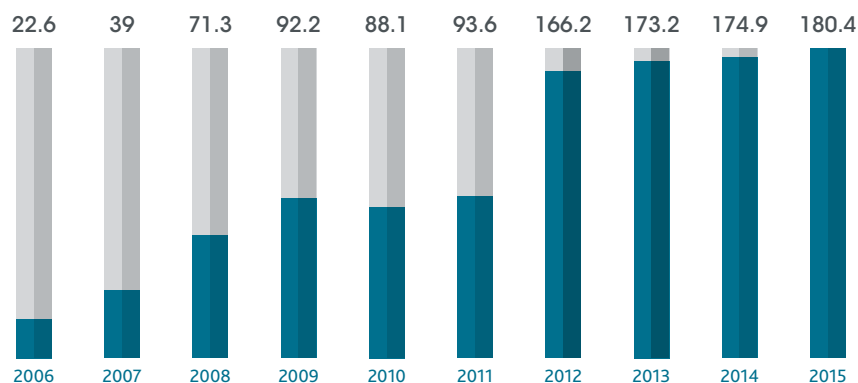
and the Caribbean region. The Project awarded the prize was the Eurus wind farm, a facility with 250.5 megawatts (MW) located in the state of Oaxaca, Mexico.

A In Spain, ACCIONA received the Fundación Torres Quevedo 14th Award (Cantabria University) to Entrepreneurial Collaboration, for the Group's trajectory of collaboration in Innovation and support of the Research Groups at Cantabria University.

ACCIONA collaborates with entrepreneurs, start-ups and suppliers, helping their innovations to reach the market thanks to the group's procurement policy. In 2015 this initiative carried out in the last few years was awarded the "Premio Comprendedor" by *Fundación Empresa y Sociedad*.

ACCIONA's commitment to innovation is reflected in its R&D&I management System, certified under UNE 166.002: 2014 standard, which was amended in 2014 and made ACCIONA respond and adapt in record time. In 2015 the Company underwent successfully the audit for maintenance of the certification issued by AENOR.

→ **Trend of the figure for innovation**  
(millions of euros)





## Short-term Forecast

The world economic activity continued to slow down in the course of 2015. According to the IMF, 2015 is expected to close at a year-on-year growth rate of 3.1%. The brake on growth emerges basically from the gradual slowdown and rebalancing of activity in China, which is getting further and further way from investment and industry to focus on consumption and services, the fall in energy prices and other raw materials, in particular oil, and the gradual hardening of the monetary policy in the United States, which contrasts with the policies of the other advanced economies, which opt for following much more flexible lines.

Oil prices played a significant role in 2015, with a huge impact on the global economy, due mainly to the dramatic falls in the last few months of the year. The main reason for the non-stop fall in oil prices is based on an excess in offer on the market after production was increased by OPEP, which means that the global production of oil is higher than consumption. First, the fall in oil prices has come along with significant

financial tensions directly affecting internal demand in the exporting economies. On the other hand, the drop in prices has reduced extraction investments, which no doubt has had an adverse effect on aggregate demand. Finally, consumption by oil importers has not improved in the way that it was expected to, possibly due to the deleveraging process in which those economies are involved.

Based on the current situation, the IMF has reduced its projections for global growth for 2016 and 2017 to rates of about 3.4% and 3.6%, respectively, which means a fall of 0.2% in the estimates. The review emerges from a weaker growth of the emerging economies and the strong trend downwards of oil prices. The stagnation of the growth levels of the American economy and the brake on world trade growth because of the Chinese situation are factors that also contribute to reduce expectations.

It is expected that the growth of the advanced economies will practically

remain constant, going up only 0.2% in 2016 till it reaches 2.1%, according to IMF sources, and that it will remain constant in 2017.

In the United States growth continues to be robust, with rates above the average of the other developed countries, due to the strong employment and housing markets, as well as good financial conditions. However, the strength of the dollar is a risk to take into consideration, together with the fall in the oil price, which is holding back investment in natural resources and could give rise to financial tensions at odd times. The American economy is expected to grow 2.6% in 2016 and 2017, it being, among the developed economies, the one with the highest sustained growth rates. The US will continue to be the main driver of growth among the advanced economies, provided that the accommodating monetary policies of the country are upheld.

The euro zone will continue the path of economic recovery, albeit more slowly

than initially anticipated. The boom of private consumption strengthened by the fall in the oil Price and the good conditions of financial markets is being opposed by weak exports. The growth rates projected for 2016 and 2017 are 1.7%, in an environment where Europe will have to face major challenges in the next few months. The challenges include the management of the migratory crisis of Syrian refugees and their inclusion in the European employment market, and the political uncertainty generated by the re-emergence of extremist and anti-system political forces in the peripheral countries.

Spain stands out among European countries as the country with higher prospects of growth in future. According to the IMF projections, the Spanish economy will grow 2.7% in 2016 and 2.3% in 2017, well above the average for Europe (1.7%) for both years. However, the political arena looks somewhat uncertain in 2016 and this might affect the economy, since both foreign and Spanish investments could be put on hold. Another important challenge will be the new government's capacity to maintain a stable fiscal balance that makes it possible to comply with the European

Union's deficit requirements, and improved productivity.

As for Portugal, the country is expected to grow in 2016 at 1.5% rate, with the growth estimated for 2015 being less – according to the IMF it would stand at 1.6%. Even so, the country is expected to continue on the path of recovery in the next few years.

The IMF has also reviewed downwards the growth projected for France in 2016, which is not expected to exceed 1.3% in 2016. And Germany is expected to grow about 1.7% in 2016, according to IMF sources .

## Average period of payment to suppliers and Corporate Social Responsibility

To the effects of the provisions in article 262.1 of Royal Legislative Decree 1/2010, of 2 July, whereby the rewritten text of the Capital Companies Act is approved, the information on the average period for

payment to suppliers is contained in note 36 to the financial statements. In addition, and in conformity with recommendation 55 of the Code of Good Governance of Listed Companies, it is hereby indicated

that the aspects related to Corporate Social Responsibility are discussed in the Sustainability Report.