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# 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.
- Bestinver 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**.