



Press release
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Saeta Yield completes the acquisition of the Carapé I & II wind farms in Uruguay

- **This is the Saeta's first international transaction – in a country where it could end up becoming the leading private wind-power operator, since it has the right of first offer (RoFO) over another 2 assets adding up 98 MW of additional capacity.**
- **These newly purchased assets provide distributable cash flow of € 8.2 m a year – before considering the cost of financing this acquisition-, diversify the company's portfolio, and increase 12 per cent its total installed capacity.**

Yesterday, José Luis Martínez Dalmau, Saeta Yield's Chairman and CEO, signed the acquisition of 100 per cent of Carapé I & II, two wind farms in operation in Uruguay, for a total outlay of approximately \$ 65 m.¹ This is Saeta Yield's first international operation, which diversifies its portfolio and represents a 12% increase of its total installed capacity to 884 MW.

The acquisition of Carapé I & II has been agreed with Corporación América and Grupo San José and will be funded with Saeta Yield's available own funds. The effective account consolidation of the assets will take place from 25 May, 2017 onwards.

The wind farms are located in the Maldonado Province, Uruguay, comprise a total of 31 3.075 MW Vestas V112 wind turbine generators and have a total capacity of 95 MW, with a load factor of 44%.

Both facilities have been in operation for over a year and sell their power under a long-term power purchase agreement (PPA) – at \$ 76 per MWh² – with the National Administration of Power Plants and Electrical Transmissions (UTE), the main electric utility and the operator of the power transmission network in Uruguay. The average remaining life of these price agreements is 21 years.

The acquisition is additive in terms of value, and has a double-digit internal equity rate of return for the funds invested by Saeta Yield. Likewise, these assets will generate

¹ This amount may be increased up to USD 85 million -equal to about € 80 m- should the subordinated debt in the wind farms, held by financial institutions, be cancelled. Projects enterprise value accounts for \$ 230 million.

² Average for both farms. Applying the inflation that the US and Uruguay are expected to experience throughout the life of the project, and according to the formula included in the agreement, the amount stands at \$ 86 per MWh.



additional cash flows right from the first year, which means the project will entail a cash yield exceeding 10 per cent – before taking into account the funding cost.

Details of the operation	Units	2016	2016 Proforma	Var %
Installed capacity	<i>MW</i>	789	884	+12%
Revenues	<i>€m</i>	280	306	+9%
EBITDA	<i>€m</i>	199	221	+11%

This operation will give Saeta Yield a series of very important benefits:

- Excellent assets: recently commissioned; good operating performance; 1st-class turbines; and an attractive wind power resource.
- Stable long-term PPA in USD with UTE.
- It will create value for the shareholders in terms of both cash and return on equity.
- It diversifies Saeta Yield's portfolio geographically and currency-wise.
- The operation proves Saeta Yield's capacity to diversify its growth sources through acquisitions from third parties.

This is the first step of its growth strategy in Uruguay, where there are two other assets Saeta Yield could buy in the future as part of the RoFO agreement it has with ACS and Bow Power.

These are the Kiyú and Vientos de Pastore wind farms, which add up to a combined total capacity of 98 MW. The potential acquisition of these two farms would make Saeta Yield one of the largest operators in the Uruguayan wind power sector.

About Saeta Yield

Saeta Yield is an electric utility which operates 789 MW of renewable wind and solar thermal power in Spain and 95 MW of wind power in Uruguay. Its strategic plan envisages acquiring at least 500 MW of installed capacity in coming years. This new capacity could come from a right-of-first-offer (RoFO) agreement the Company has with Bow Power and ACS and third-party acquisitions with other companies in Europe and Latin America.

Saeta Yield (SAY.MC) is listed on the continuous market in the Spanish Stock Exchange For more information, go to: www.saetayield.com