English Version

9M16 RESULTS REPORT
(JANUARY – SEPTEMBER)

November 10th, 2016

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Note: Translation of this report has been based on a document originally written in Spanish. In event of discrepancy, the Spanish language version prevails.

1. Selected consolidated data

The information in this report is based on consolidated figures of Saeta Yield, S.A. and its subsidiaries[1], and is presented according to management criteria[2]. Non audited figures.

Main figures	Units	9M15	9M16	Var. %
Installed capacity	MW	689	789	+14.5%
Electricity output	GWh	1,153	1,424	+23.5%
Average Market price	€/MWh	49.9	34.0	-32.0%
Total Revenues	€m	174.4	213.4	+22.3%
EBITDA	€m	125.0	151.5	+21.2%
Margin		71.7%	71.0%	-0.6 p.p
Attributable net result	€m	8.0	21.0	+162%
Cash Flow Op. Assets	**€m**	**69.2**	**61.7**	**-10.9%**
Dividends paid	€m	20.9	44.0	+110.0%
Net debt *(Dec15 vs. Sep16)*	€m	722.9	1,179.2	+63.1%

- In March 2016 Saeta Yield completed successfully its first dropdown with the acquisition of Extresol 2 and Extresol 3, which has allowed the Group to increase its installed capacity in Spain up to 789 MW, its recurrent CAFD to € 68.2 m and its annual recurrent dividend[3] to € 61.4 m.
- Revenues and EBITDA of Saeta Yield in this period grew by 22% and 21% respectively, affected positively by the consolidation of Extresol 2 and Extresol 3, the increase in production and the accounting of the regulatory rights accrued by Saeta Yield, thanks to the price bands regulatory mechanism. This effect is a consequence of the severe drop of the electricity price in the market.
- In the first nine months of 2016 the company has already paid € 44 m of dividends, equivalent to 0.54 euros per share[4], corresponding to three payments, the Q4 of 2015 and the first and second quarters of 2016. Additionally, Saeta Yield will pay its next quarterly dividend the 30th of November, 2016, for a total amount of € 15.35 m (equivalent to 0.1882 euros per share).
- Saeta Yield net debt accounts for € 1,179 m, equivalent to a Net Debt to EBITDA[5] ratio of 5.7x. Average cost of the debt accounts for 4.4%.

1 Operational and financial data include the contribution of Extresol 2 and Extresol 3 for 10 days in the period, since March 22, 2016. This footnote applies to all 2016 information in this report.

2 Consult paragraph 6 to obtain the description of the alternative performance indicators.

3 Annual expected dividend according to the current dividend policy. The Board of Directors could modify this policy if required.

4 Based on Saeta Yield, S.A.'s shares currently outstanding: 81,576,928

5 Includes the EBITDA accounted by Saeta Yield in 2015 plus the EBITDA of Extresol 2 and Extresol 3.

2. Significant events

- On March 22, 2016, Saeta Yield completed and made effective the acquisition of 100% of the Concentrated Solar Thermal Plants of Extresol 2 and Extresol 3 from Bow Power, the JV development company of Grupo ACS and Global Infrastructure Partners, for an equity value of € 118 m.

  Both CSP Plants, of 49.9 MW each of installed capacity, are located in Badajoz, Spain, near Extresol 1, a plant already in the current portfolio of assets of Saeta Yield.

  The expected recurrent annual cash available for distribution (CAFD), before the equity financing, of both plants accounts for € 12.5 m, thus meaning an implicit c. 10.5% cash yield. As a consequence of this dropdown, the expected recurrent CAFD of the Group will reach for € 68.2 m, including the proportional allocation of funding costs of the acquisition. Both plants consolidate since the day of their acquisition.
- The 22nd of March, 2016, Saeta Yield made effective a dividend increase of 7.7% for 2016, up to € 61.4 m per year. This amount will be paid in four quarterly payments, in accordance with the dividend policy of the company.
- The 27th of July, 2016, the Board of Directors approved the 2016 Stock Options plan for the management team of Saeta Yield for a total 470,000 shares. This remuneration scheme was approved by the Annual General Meeting held by June 22nd, 2016.
- Saeta Yield has distributed in 2016 the following dividends amounts:
  - The Board of Directors approved the 25th of February, 2016, to distribute € 14.25 m (€ 0.1747 per share) as dividend charged to the share premium. This dividend has been paid the 3rd of March, 2016, and corresponds to the 4Q dividend payment of 2015.
  - On the 11th of May, 2016, the Board of Directors of Saeta Yield approved the 2016 first quarterly payment[6], a distribution of € 14.37 m (€ 0.1762 per share) of the share premium, paid the 1st of June, 2016.
  - The 27th of July, 2016, the Board of Directors of Saeta Yield approved the 2016 second quarterly payment, a distribution of € 15.35 m (€ 0.1882 per share) of the share premium, paid the 29th of August, 2016.
  - The 10th of November, 2016, the Board of Directors of Saeta Yield approved the 2016 third quarterly payment, a distribution of € 15.35 m (€ 0.1882 per share) of the share premium, to be paid the 30th of November, 2016. (Ex date the 28th of November).

6 The first quarter dividend of 2016 has been prorated accordingly to the contribution of Extresol 2 and Extresol 3 (since March, 22, 2016)

3. Consolidated income statement

Income statement *(€m)*	9M15	9M16	*Var.%*	3Q15	3Q16	*Var.%*
Total revenues	**174.4**	**213.4**	***+22.3%***	**61.1**	**84.8**	***+38.9%***
Staff costs	-1.5	-1.7	*+9.9%*	-0.8	-0.6	*-29.5%*
Other operating expenses	-47.9	-60.1	*+25.5%*	-14.5	-21.6	*+49.6%*
EBITDA	**125.0**	**151.5**	***+21.2%***	**45.8**	**62.6**	***+36.6%***
Depreciation and amortization	-59.5	-71.8	*+20.7%*	-20.6	-25.7	*+24.9%*
Provisions & Impairments	0.0	0.0	*n.a.*	0.0	0.0	*n.a.*
EBIT	**65.5**	**79.7**	***+21.7%***	**25.2**	**36.9**	***+46.0%***
Financial income	0.4	0.2	*-57.6%*	0.1	0.0	*-58.2%*
Financial expense	-62.7	-50.3	*-19.8%*	-11.5	-18.8	*+63.5%*
Fair value variation of financial instruments	0.0	-0.7	*n.a.*	0.0	0.0	*n.a.*
Profit before tax	**3.2**	**28.9**	***n.a.***	**13.8**	**18.1**	***+31.0%***
Income tax	4.8	-7.8	*n.a.*	1.0	-5.3	*n.a.*
Profit attributable to the parent	**8.0**	**21.0**	***+162.0%***	**14.9**	**12.9**	***-13.5%***

3.1. Key operating figures

Saeta Yield has produced 1,424 GWh of electricity, showing a 24% increase compared to 9M15.

Main operational figures *Breakdown by technology*	Wind			CSP		
	9M15	**9M16**	*Var.*	**9M15**	**9M16**	*Var.*
Installed capacity (MW)	539	539	*+0.0%*	150	250	*+66.7%*
Electricity output (GWh)	761	829	*+9.0%*	392	595	*+51.7%*
Market Price (€ per MWh)	49.9	34.0	*-32.0%*	49.9	34.0	*-32.0%*
Steepness	89.3%	86.1%	*-3.2 p.p*	103.5%	107.0%	*+3.5 p.p*
Achieved Price (€ per MWh)	44.6	29.2	*-34.4%*	51.7	36.4	*-29.7%*

Wind assets achieved a production of 829 GWh with an average availability of 98.5%. Output was ahead of last year's figure after a very windy beginning of the year.

Solar thermal assets achieved a production of 595 GWh, with a performance ratio of 109.7%[7]. In this case the growth experienced is due to the contribution of Extresol 2 and Extresol 3.

Average Spanish wholesale market price had a weak performance in the first nine months of this year, down to € 34.0 per MWh (vs. € 49.9 per MWh in 9M15). The impact in the price is caused by high wind and hydro production, as well as low fossil fuel prices.

Due to this low prices scenario, and as a consequence of the band mechanism to protect versus price volatility included in the renewables regulation in Spain[8], Saeta Yield has accounted on its revenues a regulatory right for the company of € 9.4 m. This regulatory right will be collected during the whole life of the assets.

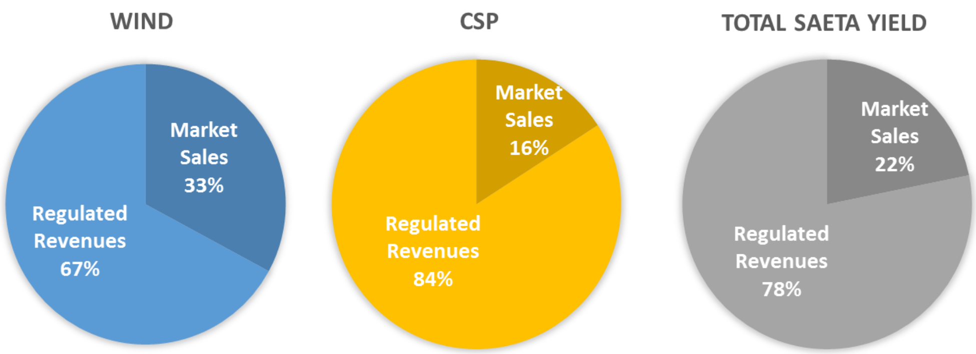
7 The performance ratio measures the real production of the plants vs. the theoretical production based on existing weather conditions.

8 According to the regulation, the maximum exposure to the price risk is 6€/MWh compared to the Price established in the regulation (49.75€/MWh in 2016).

3.2. Revenues

In the first nine months of 2016 Saeta Yield achieved revenues of € 213 m, a 22% increase compared to the revenues registered the same period last year. This growth comes from the contribution of Extresol 2 and Extresol 3. Wind assets contribute with 35% of revenues and solar thermal assets with 65%.

Revenues & EBITDA *Breakdown by technology. Excl. Holdco*	Wind			CSP		
(€m)	**9M15**	**9M16**	*Var.*	**9M15**	**9M16**	*Var.*
Total Revenues	77.8	74.3	-4.5%	95.9	137.9	+43.8%
% of total, excl. Holding	*45%*	*35%*		*55%*	*65%*	
EBITDA	56.4	52.4	-7.1%	72.4	99.2	+37.1%
% of total, excl. Holding	*44%*	*35%*		*56%*	*65%*	



3.3. Operating earnings

EBITDA achieved was € 152 m, a figure 21% higher than in the same period of 2015. EBITDA is affected negatively by the low electricity prices, an impact that is partially compensated by the price band protection mechanism already described. Additionally, HoldCo costs are slightly higher this year compared to 2015. Growth comes from the contribution of Extresol 2 and Extresol 3 since the acquisition of the assets on 22nd of March, 2016.

EBIT accounted for € 80 m, and includes € 72 m of asset depreciation, a figure clearly higher than in 2015 due to the consolidation of the new thermal solar plants.

3.4. Financial results

Saeta Yield's financial consolidated result was € -50 m vs. € -63 m in 2015. The significant improvement compared to 2015 mainly comes from the extraordinary negative results after the restructuring of interest rates swap contracts that took place concurrent with the IPO. This amounted to a € 26 m extraordinary expense registered in the Income Statement.

Not taking into account those extraordinary financial expenses last year, the comparable financial expenses increase after the contribution of Extresol 2 and Extresol 3 and the financial expenses of the new financing of Serrezuela.

3.5. Attributable net profit

Attributable consolidated net result for 9M16 amounted to € 21 m. In 2015 net result amounted to € 8 m and included the € 26 m extraordinary financial gross expenses (€ 19 m net) from the IRS restructuring detailed above. Not taking into consideration those, net profit last year would have amounted to € 27 m. This reduction in comparable terms comes mainly from the market price reduction and the increased depreciation and financial expenses.

4. Consolidated balance sheet

Consolidated balance sheet (€m)	31/12/2015	30/09/2016	Var.%
Non-current assets	**1,407.5**	**1,936.5**	***+37.6%***
Intangible assets	0.2	0.2	*+18.9%*
Tangible assets	1,337.8	1,815.4	*+35.7%*
NC fin. assets with Group companies & rel. parties	1.3	1.2	*n.a.*
Equity method investments	0.0	12.9	*n.a.*
Non-current financial assets	7.1	12.7	*+80.4%*
Deferred tax assets	61.2	94.1	*+53.8%*
Current assets	**244.3**	**310.3**	***+27.0%***
Inventories	0.5	0.3	*-36.0%*
Trade and other receivables	58.0	77.8	*+34.1%*
C fin. assets with Group companies & rel. parties	2.2	0.3	*-85.1%*
Other current financial assets (incl. DSRA)	45.2	65.6	*+45.1%*
Cash and cash equivalents	138.4	166.3	*+20.1%*
TOTAL ASSETS	**1,651.8**	**2,246.8**	***+36.0%***
Equity	**570.5**	**539.4**	***-5.4%***
Share capital	81.6	81.6	*-0.0%*
Share premium	696.4	652.4	*-6.3%*
Reserves	-127.9	-111.8	*-12.6%*
Profit for the period of the Parent	16.1	21.0	*n.a.*
Adjustments for changes in value – Hedging	-95.6	-103.8	*+8.5%*
Non-current liabilities	**965.2**	**1,523.2**	***+57.8%***
Non-current Project finance	848.2	1,309.1	*+54.3%*
Derivative financial instruments	80.6	151.3	*+87.7%*
Deferred tax liabilities	36.4	62.7	*+72.5%*
Current liabilities	**116.0**	**184.2**	***+58.7%***
Current Project finance	58.3	101.9	*+74.8%*
Derivative financial instruments	22.5	36.5	*+62.5%*
Other financial liabilities with Group companies	0.1	0.0	*n.a.*
Trade and other payables	35.1	45.7	*+30.1%*
TOTAL EQUITY AND LIABILITIES	**1,651.8**	**2,246.8**	***+36.0%***

4.1. Assets and liquidity

Saeta Yield assets reached € 2,247 m, with a significant contribution from tangible assets, mostly related with the company's generation facilities net valued at € 1,815 m (81% of total assets). After the consolidation of Extresol 2 and Extresol 3 this account increased by 36%.

On the asset side, it is also worth to highlight the cash account[9] of € 166 m, that together with the holding company revolving credit facility for € 80 m and the undrawn funds from the debt financing of Serrezuela of c. € 73 m, accounts for a total liquidity of the Group of c. € 319 m.

[9] Other current financial assets account includes the debt service reserve account (DSRA) that accounts for € **62** m

4.2. Net debt

Leverage (€m)	31/12/2015	30/09/2016	*Var.%*
Gross debt	**906.6**	**1,411.1**	***+55.7%***
Long term project finance	848.2	1,309.1	*+54.3%*
Short term project finance	58.3	101.9	*+74.8%*
Cash and other cash equivalents	**183.6**	**231.8**	***+26.3%***
Cash and cash equivalents	138.4	166.3	*+20.1%*
DSRA	40.8	62.2	*+52.4%*
Other current financial assets	4.4	3.4	*-23.2%*
NET DEBT	**722.9**	**1,179.2**	***+63.1%***
Net Debt / EBITDA	**4.6x**	**5.7x**	

Net debt, defined as gross banking debt minus cash, equivalents and other current financial assets (both including the debt service reserve account and other current financial assets), at the closing of the period reached € 1,179 m (vs. € 723 m at the end of 2015). This increase is the result of € 118 m equity investment in Extresol 2 and Extresol 3, as well as the debt consolidation of these subsidiaries from March 22, 2016. The leverage is equivalent to a Net Debt to EBITDA (pro forma[10]) ratio of 5.7x.

It should be noted that Saeta Yield's gross debt is all bank non recourse project finance. The debt's average pending maturity is 14 years. Finally, it should also be highlighted that c. 75% of the projects' outstanding debt is hedged to interest rates through IRS derivative contracts.

Average cost of debt was 4.4%. During the third quarter the Group has increased the interest rate swaps coverage in several projects.

4.3. Equity

Saeta Yield's equity booked at the closing of the period was € 539 m, vs. € 571 m at the end of 2015. The overall reduction was driven by the dividends charged to the share premium distributed in the period.

10 Includes the EBITDA accounted by Saeta in 2015 plus the EBITDA of Extresol 2 and Extresol 3.

5. Consolidated cash flow statement

Consolidated cash flow statement (€m)	9M16	9M16 Extraord. (1)	9M16 Operating Assets	9M15	9M15 Extraord. (2)	9M15 Operating Assets
A) CASH FLOW FROM OPERATING ACTIVITIES	**112.2**	**0.0**	**112.2**	**81.4**	**-14.5**	**95.9**
1. EBITDA	**151.5**	**0.0**	**151.5**	**125.0**	**0.0**	**125.0**
2. Changes in operating working capital	**-4.8**	**0.0**	**-4.8**	**-16.8**	**-14.5**	**-2.3**
a) Inventories	0.2	0.0	0.2	0.2	0.0	0.2
b) Trade and other receivables	9.0	0.0	9.0	5.3	0.0	5.3
c) Trade and other payables	-2.8	0.0	-2.8	-20.8	-14.5	-6.3
d) Other current & non current assets and liabilities	-11.1	0.0	-11.1	-1.6	0.0	-1.6
3. Other cash flows from operating activities	**-34.5**	**0.0**	**-34.5**	**-26.7**	**0.0**	**-26.7**
a) Net Interest collected / (paid)	-34.7	0.0	-34.7	-25.6	0.0	-25.6
b) Income tax collected / (paid)	0.3	0.0	0.3	-1.2	0.0	-1.2
B) CASH FLOW FROM INVESTING ACTIVITIES	**-89.7**	**-90.4**	**0.8**	**8.6**	**0.0**	**8.6**
5. Acquisitions	-90.4	-90.4	0.0	-0.6	0.0	-0.6
6. Disposals	0.8	0.0	0.8	9.2	0.0	9.2
C) CASH FLOW FROM FINANCING ACTIVITIES	**5.3**	**100.6**	**-95.3**	**12.1**	**68.2**	**-56.1**
7. Equity instruments proceeds	0.0	0.0	0.0	200.1	200.1	0.0
8. Financial liabilities issuance proceeds	103.6	103.6	0.0	65.3	65.3	0.0
9. Financial liabilities amortization payments	-54.3	-3.1	-51.3	-232.5	-197.2	-35.3
10. Dividend payments	-44.0	0.0	-44.0	-20.9	0.0	-20.9
D) CASH INCREASE / (DECREASE)	**27.8**	**10.1**	**17.7**	**102.1**	**53.7**	**48.4**
Cash flow from the operating assets			**61.7**			**69.2**

(1) Related with the acquisition of Extresol 2 and Extresol 3 and the financing of Serrezuela.

(2) Related with the transactions concurrent with the IPO process: share capital issuance, debt repayment, swap restructuring, intragroup accounts settlement and cash contribution

Saeta Yield in the period generated a cash flow of € 72 m prior to dividend payments, out of which € 61.7 m is cash flow from the operating assets and € 10 m came from financing activities and acquisitions performed in the period, specifically the € 118 m paid for Extresol 2 and Extresol 3, the € 26 m of cash consolidated from those plants when acquired, and the financing of Serrezuela Solar for €101 m (net of upfront fees).

Analyzing in detail the cash flow from the operating assets and its evolution, cash flow from operating activities grew compared to 2015 thanks to the larger EBITDA after the acquisition of Extresol 2 and 3, even though both plants have been consolidated since March 22nd, 2016, and most of the 1Q cash contribution (c. € 8m) is not accounted in the CAFD. Compared to the same period of 2015, working capital variation in 2016 includes the positive effect of the 2013 regulatory rights collected in Serrezuela and in the negative side the account receivable from the regulatory right accrued.

In 2016 the company has paid a higher interest amount after the acquisition of Extresol 2 and Extresol 3 and the financing of Serrezuela compared to the payments of 2015. Whilst in 2016 the DSRA disposals have accounted for € 0.8 m of cash inflow, in 2015 Saeta Yield accounted a one-off disposal of € 9.2 m. In 2016 debt service payments accounted for € 51 m. Finally, in 2016 the company has paid € 23 m more in dividends than in the same period of last year.

6. Alternative performance indicators

Saeta Yield presents its results according to the International Financial Reporting Standards (IFRS), nevertheless, uses some alternative performance indicators to provide with additional and comparable information, to ease the performance evaluation of the company.

In accordance with the ESMA directives, in this paragraph are described those indicators used by Saeta Yield in this document:

Total Revenues	Revenues + Other operating revenues
Other operating expenses	Cost of materials used and other external expenses + Other operating expenses
EBITDA	Operating income + Depreciation and amortization charge + Provisions and Impairments
EBIT	Operating income
Net Debt	Current & Non-current project finance + Cash and cash equivalents + Other current financial assets
EBITDA 15 (pro-forma)	Calculated as the EBITDA of Saeta Yield in 2015 plus the EBITDA of Extresol 2 and Extresol 3 in the same year
Average cost of debt	Weighted average of the interest rate per project according to the total gross debt per project
CAFD (Cash available for distribution)	Net increase / (decrease) in cash and cash equivalents + dividend payments
Extraordinary CAFD	Extract of the cash variation accounts related to the acquisition of Extresol 2 and Extresol 3 and the financing of Serrezuela Solar in 2016, and the transactions concurrent with the IPO in 2015
CAFD Operating assets or Cash Flow Operating assets	Rest of cash variation accounts not included in the previous indicator
Recurrent CAFD	Referred to the average of three full years of contribution of all the assets in Saeta Yield's portfolio. This contribution is calculated using the revenues according to the regulatory scheme (both in terms of market revenues as in terms of regulated revenues), a cost structure as described in the IPO prospectus, the debt service requirements of the current portfolio of assets (excluding non-disposed financing in Serrezuela) and the hypothesis established in the IPO prospectus regarding cash flows from financing and investing activities, tax payments and working capital changes.
Annual recurrent dividend	According to the current dividend policy, Saeta Yield pays 90% of the current annual recurrent CAFD.
Financial results	Financial income - Financial expenses

To contact Saeta Yield IR Department: ir@saetayield.com