2014 RESULTS (JANUARY – DECEMBER)

February 27, 2015

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Main figures

The information in this report is based on consolidated figures of Saeta Yield, S.A. and its subsidiaries

Main figures	Units	Total 2014
Installed capacity	*MW*	689
Electricity output	*GWh*	1,516
Revenues	*€m*	216
EBITDA	*€m*	153
Profit attributable to the parent	*€m*	35
Profit per share	*€ per share*[1]	0.43
Total net debt[2]	*€m*	1,004
Net debt at the holding company	*€m*	0
Net debt at the asset companies	*€m*	1,004
Number of employees	*Employees*	1 (3)

- Saeta Yield closed its fiscal year with a portfolio of 689 MW and 1,516 GWh of electricity produced.
- EBITDA rose to €153m and net income was €53m.
- Saeta Yield closed 2014 with a €1,004m net debt. Having considered the capitalization transactions and intragroup settlements concurrent with the Offering[4], net debt at the end of December would have been €799m, which is equivalent to a Net Debt to EBITDA ratio of 5.2x.

[1] Saeta Yield, S.A. has 81,576,928 of shares outstanding.
[2] Net debt does not include the debt derivative hedging contracts while it includes other short term financial assets.
[3] The number of employees on December 31 does not represent the size of the staff of the Company. The number of employees up to this report is 28 people.
[4] Further detail is provided in the prospectus related with the offering of the ordinary shares of Saeta Yield approved by the CNMV on January 30, 2015.

Significant Events of the Period

- On June 10, Royal Decree 413/2014 was passed with the regulation of the electricity production activity from renewable energy sources, which establishes the new remuneration methodology guaranteeing a reasonable return (set at 7.4% for the following years) for each standard facility based on a standard initial investment.

  Saeta Yield's facilities, on top of the "market revenues" on their energy sales at market prices, will receive during their regulatory life (20 years for wind assets and 25 years for solar thermal assets) a capacity payment per MW, to cover, when applicable, the initial investment considered for each standard facility not recovered through the market –named "Remuneration on investment". Additionally, regarding solar thermal plants, another payment is received to cover the difference between operation expenses and market income on such standard facility – named "Remuneration on operation".

- On June 20, Order IET/1045/2014 was enacted with the specific remuneration parameters for each standard facility producing electricity from renewable sources for the first regulatory half-period which shall end on December 31, 2016.

  Both regulatory developments are a relevant part of the regulatory reform executed by the Ministry of Industry, which provides a much better outlook on the economic solvency and sustainability of the Spanish electric system and, thus, for the retribution of regulated activities, among which are Saeta Yield's generation assets.

- Additionally, on October 16, Order IET/1882/2014 was approved describing the methodology to calculate the electricity energy linked to the use of natural gas in the solar thermal facilities. This Order sets a maximum possible use of 300 MWht of natural gas per MW installed. Our three solar thermal plants met with this requisite.

- On October 31, Saeta Yield, S.A.'s shareholders increased the Company's share capital and share premium to subsequently acquire the wind and solar thermal initial perimeter assets located in Spain. These measures were part of the ACS Servicios Industriales restructuring process which concluded on February 2015 with Saeta Yield's shares Initial Offering in the Spanish Stock Exchanges.

- 2014 has been the first full operating year of the Casablanca Plant after its commissioning at the end of 2013. The plant's performance has been exemplary, reaching 141 GWh (or 2,820 operating hours), which is an extraordinary outcome considering it is still in ramp-up phase. Casablanca's contribution to EBITDA in 2014 was €26.8m.

Consolidated Profit and Loss Account

P&L account (€m)	**2014**
Revenue	**215.9**
Cost of materials used and other external expenses	1.0
Staff costs	-0.4
Other operating expenses	-63.9
EBITDA	**152.6**
Depreciation and amortization charge	-76.0
Impairment on the disposal of non-current assets	23.9
EBIT	**100.6**
Financial income	1.5
Financial expense	-57.8
Profit of companies accounted for using the equity method	0.0
Profit before tax	**44.3**
Income tax	-8.9
Profit attributable to the parent	**35.4**

Breakdown by technology of the main figures	*Units*	Wind	Solar thermal	**Total 2014**
Installed capacity	*MW*	539	150	**689**
Electricity output	*GWh*	1,099	417	**1,516**
Revenues	*€m*	97.2	118.7	**215.9**
Market revenues	*€m*	40.5	19.9	**60.4**
Remuneration on investment and operation	*€m*	56.7	98.8	**155.5**
EBITDA	*€m*	67.1	85.5	**152.6**

Results from operations

Saeta Yield has produced 1,516 GWh of electricity in 2014.

Wind assets achieved a production of 1,099 GWh, equal to an average load factor of 2,039 operating hours, which is above their historical values, partly due to the high availability accomplished (98.9% in average).

As for solar thermal assets, they achieved a production of 417 GWh, equal to an average of 2,780 operating hours, in line with our expectations. The average performance ratio for these plants was 112.3%[5].

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

Revenues

Saeta Yield achieved revenues of €216m with a balanced distribution among wind assets (45%) and solar thermal assets (55%). Most revenues derived from the regulated components (72% vs. 28% from market electricity sales).

Average market price in 2014 reached €42.06 per MWh, a lower value than the €48.21 per MWh considered under the regulation for this business year. Likewise, such price has been lower than the regulated lower end of the first price band (LI1), so Saeta Yield's assets have accrued an economic right of c.€2m[6] to be considered in the regulatory reopener for the next half-period.

Operating Earnings

EBITDA achieved was €153m with a diversification between wind (44%) and solar thermal assets (56%), in line with the revenues.

EBIT was €101m, once considered the assets depreciation (-€76m) and assets impairment reversion (+€24m) as a consequence of the interest rate's evolution and the assessment of the regulation finally approved in June (which has been better than the last draft under which the impairment of the assets was performed in December 2013).

Financial Result

Saeta Yield's financial result was -€56m, mostly due to the financing expenses of the non-recourse debt linked to the generation assets (except for Casablanca and Valcaire, since they are debt free). Debt and associated hedging derivative overall average cost was 5.1%[7].

Attributable Net Profit

Attributable net profit for 2014 reached €35m after considering €9m on taxes.

[6] Company estimate based on the regulation. This ammount has not been booked in the financials.

[7] Average cost during 2014. It does not take into account the debt and derivatives restructuring that will take place during the Offering.

Consolidated Balance Sheet

Consolidated Balance Sheet (€m)	2014	%
Non-current assets	**1,494.0**	86%
Intangible assets	0.2	0%
Tangible assets	1,409.6	81%
Non-current financial assets with Group companies and related parties	1.5	0%
Non-current financial assets	7.1	0%
Deferred tax assets	75.7	4%
Current assets	**244.7**	**14%**
Inventories	0.7	0%
Deudores comerciales y otras cuentas a cobrar	60.1	3%
Other current financial assets with Group companies and related parties	83.6	5%
Other current financial assets	54.4	3%
Cash and cash equivalents	45.9	3%
TOTAL ASSETS	**1,738.7**	100%
Equity	**355.7**	**20%**
Share capital	61.6	4%
Share premium	551.5	32%
Reservas	-163.1	-9%
Profit for the period of the Parent	35.4	2%
Adjustments for changes in value	-129.5	-7%
Non-current liabilities	**1,224.7**	**71%**
Long-term Project finance	1,038.9	60%
Other financial liabilities in Group companies and related parties	0.5	0%
Derivative financial instruments	144.5	8%
Deferred tax liabilities	40.7	2%
Current liabilities	**158.3**	9%
Short-term Project finance	64.9	4%
Derivative financial instruments	28.6	2%
Other financial liabilities with Group companies and related parties	13.4	1%
Trade and other payables	51.4	3%
TOTAL EQUITY AND LIABILITIES	**1,738.7**	**100%**

Non audited figures

Assets

Saeta Yield assets reached €1,739m, with tangible assets mostly related with our generation facilities valued at €1,408m (81%).

It should be noted the total liquidity - sum of cash and cash equivalents as well as other current financial assets - has a value of €100m, of which €52m are under the debt service reserve account related with the financing of the plants.

Saeta Yield cash balance position has grown another €64m after the capital increase that took place concurrent with the Initial Offering on February.

Net Debt

Net debt (€m)	**2014**
Gross debt	**1,103.8**
Short and long term project finance	1,103,8
Cash and other cash equivalents	**100.3**
Cash and cash equivalents	45.9
Other current financial assets	54.4
NET DEBT	**1,003.5**

Net debt, defined as gross banking debt, minus cash and cash equivalents and minus other current financial asset, at the closing of 2014 reached €1,004m.

Having considered the capitalization and the intragroup settlements concurrent with the Initial Offering, net debt at the end of December would have been €799m, which is equivalent to a Net Debt to EBITDA ratio of 5.2x.

It should be noted that Saeta Yield's gross debt is all banking financing under project finance. Such debt's average pending maturity is 14 years. Finally, it should be also highlighted that 75% of the projects' outstanding debt is hedged to interest rates through derivative contracts.

Equity

Saeta Yield's equity booked at the closing of the period was €356m, which includes -€130m in adjustments for changes in value due to the interest rates hedging derivatives of the projects' debt.

Relevant events after the reporting period

- On January 21, ACS Group and Global Infrastructure Partners (GIP) reached two agreements by which: (1) GIP will acquire 24.4% shareholding stake in Saeta Yield subject to the success of the Initial Offering; and (2) the ACS Group will sell GIP 49% stake of a newly created asset development company, in which certain renewable energy assets on which Saeta Yield S.A. holds a right of first offer will be transferred. Both agreements await approval by the competent regulation authorities.
- On January 29, Saeta Yield and ACS Servicios Comunicaciones y Energía, S.L. (ACS SI) signed an agreement providing Saeta Yield with: (a) a Right of First Offer over the shareholding stake of any energy related asset under operation owned by ACS SI or any of its subsidiaries that ACS SI intends to sell in the future; and (b) a Call-Option over the three solar thermal plants in operation and to which Saeta Yield will co-control together with ACS SI. The newly created asset development company to be owned by ACS Group and GIP, mentioned above, will be also subject to this Right of First Offer and Co-Control Agreement.

  The terms and conditions of the previous contracts are described in the prospectus of the Initial Offering of the shares of Saeta Yield approved by the CNMV on January 30, 2015.
- On February 12, concurrent with the Initial Offering, ACS Group increased Saeta Yield's share capital and share premium in €200m and settled all intragroup account (between ACS Group and Saeta Yield). The proceeds were used to make a €141m early payment of the project-associated debt, to reduce interest rate reference values of certain project finance derivative contracts as well as to increase the cash at Saeta Yield, S.A. in €50m and at its subsidiaries in €14m.
- On February 16, Saeta Yield successfully concluded the Initial Offering of 51% of its shares with their listing in Spanish Stock Exchanges. On such transaction ACS Group sold a 51% of the company to the market.

Main risks and uncertainties

Saeta Yield currently runs its business activity in Spain and, therefore, it is exposed to inherent risks related to the socioeconomic, legal, and regulatory environment of the country.

Saeta Yield monitors and controls such risks in order to avoid them reducing shareholders' profitability, endangering its employees or its corporate reputation or impacting negatively the company as a whole.

In order to accomplish such risk monitoring task, Saeta Yield has defined procedures to identify them in advance so they can be properly handled, by avoiding or minimising their impact.

Additionally to these risks inherent to its business activity, Saeta Yield is also subject to certain financial risks:

a) Interest rates risk is reduced by means of financial derivative instruments which hedge the cost of 75% of the outstanding debt.

b) Liquidity risks are managed by Saeta Yield by means of:

- A solid liquidity position of €100m in December 2014, enlarged in €63m in February 2015 with the capital increase concurrent with the Initial Offering.
- The arrangement of a three-year €80m revolving credit facility. In February an agreement was reached with several financial institutions on the main terms. An ultimate agreement is to be signed in the forthcoming months.

c) To conclude, credit risk is considered to be low since the two Saeta Yield's main counterparties nowadays are: (i) the Iberian Electricity Market Operation (OMIE) that has a flawless payment history and; (ii) the Spanish Electricity Tariff, which, once the regulatory reform was concluded, is demonstrating to have solvent and balanced economics.

For the next semester and with regard to the information currently available, Saeta Yield expects to face business risks similar to the ones within the 2H2014, especially those derived from:

- The electricity price set in the Spanish wholesale market.
- The electricity production derived from our renewable energy generation plants which depends on climate conditions: wind and irradiation.
- The economic and financial uncertainties in Spain.

Likewise, there is not full certainty with regard to Saeta Yield's strategic objective of increasing its dividend per share based on new assets intended to be acquired to our sponsors - ACS and GIP – or to third parties.

Information on related parties

Last year related parties transactions were mainly those related with the operation and maintenance (O&M) as well as with the electricity production control centre (CECOVI) that our project companies have contracted with other subsidiaries of ACS Group, Saeta Yield's main shareholder. Additionally, Saeta Yield has a Transitory Service Agreement by which legal, tax, land management and health and safety advising services are provided to Saeta Yield by Energía y Recursos Ambientales, S.A. (an ACS Group subsidiary). All these contracts have been executed under market conditions.

After the end of the reporting period, Saeta Yield and the ACS Group have signed the described above Right of First Offer and Call Option Agreeement.

The terms and conditions of all these contracts are described in the prospectus of the Initial Offering.

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This document has financial information prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements were based on the individual accounts of Saeta Yield, S.A. and its project companies and they include the necessary adjustments and reclassifications to adapt them to IFRS. The information has not been audited, with the consequence that it is not definitive information and is thus subject to possible changes in the future.

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

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