COMISIÓN NACIONAL DEL MERCADO DE VALORES

Madrid, 4 de noviembre de 2016

Muy Sres. nuestros:

ACCIONA adjunta presentación en ingles que se seguirá en la multiconferencia de hoy a las 11:00AM. La presentación podrá ser seguida vía webcast a través de la Web de ACCIONA (www.acciona.es).

Atentamente,

Jorge Vega-Penichet López
Secretario del Consejo de Administración

# 9M 2016 January-September
# Results presentation

4th November 2016

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H1 2016 Results Report includes the list and definition of the Alternative Performance Measures (APMs) used both in this presentation and the Results Report, according to the guidelines published by the European Securities and Markets Authority (ESMA)

# Key highlights

- Impact of weak Spanish Electricity prices almost fully offset by good performance of Infrastructure Division and Other Activities
- Consolidation perimeter changes (AWP out, ATLL in) broadly neutral in EBITDA
- Extraordinary items: AWP – Nordex capital gains, compensated by refinancing-driven exceptional costs as well as other adjustments with limited cash impact
- Net Investment Cash Flow €595m
- Major refinancing transactions in energy projects: secure significant cost of debt reductions and deepen funding model transformation
- Growth visibility: securing significant firm energy pipeline with attractive returns and high value-added Infrastructure Projects

# 9M 2016 key figures

| | (€m) | | % Chg. vs 9M 2015 |
|---|---|---|---|
| Revenues | 4,324 | | -12.6% |
| EBITDA | 840 | | -4.8% |
| Total EBIT | 796 | | 58.4% |
| *Ordinary EBT* | *193* | | *-22.3%* |
| Total EBT | 284 | | 14.8% |
| Gross capex | 745 | vs. | 128 (9M 2015) |
| Net Investment Cash-Flow | 595 | vs. | 72 (9M 2015) |
| NFD | 5,426 | vs. | 5,159 (Dec. 2015) |

# 9M 2016 Extraordinaries

## Breakdown of €92m extraordinary effects at EBT

**Positive effects**

**+€711m**

- Capital gain associated to AWP-Nordex deal → +€657m
- Other positive effects → €53m
  - Capital gain associated to the acquisition of a 37,05% of ATLL to BTG Pactual
  - Unwinding of a provision due to final positive ruling on Trasmediterranea's CNMC fine
  - Debt acquisition at a discount

**Negative effects**

**-€619m**

**(with limited impact in cash-flow)**

- Financial costs related to the cancelation of project finance structures of certain renewable assets → -€301m (mainly due to the unwinding of financial hedges / derivatives)
- Other provisions / impairments → -€318m
  - Impairments mainly in the Real Estate business (land plots), certain international energy assets and a motorway project construction
  - Provision of a client receivable due to the suspension of a work in Brazil
  - Other costs mainly related to legal disputes

# 6 | Group: Capex by division

## Capex breakdown

| (€m) | Capex Jan-Sep 15 | Capex Jan-Sep 16 |
|---|---|---|
| Energy | 78 | 387 |
| Infrastructure | 44 | 298 |
| Construction | 21 | 179 |
| Water | 15 | 98 |
| Service | 8 | 21 |
| Other Activities | 5 | 61 |
| Gross capex | 128 | 745 |
| Divestments | -51 | -40 |
| Net capex | 77 | 705 |
| Net Investment cashflow | 72 | 595 |

## Key highlights

- Strong 9M2016 capex due to the significant investment in the Energy division during the period…
  - Capacity built in Q3 2016: 238MW of PV in Chile and 93MW of wind in US. Commission expected in Q4 2016
  - Under construction @ September 2016 → 87MW
    - Remaining 9MWp of PV plant in Chile
    - 78MW windfarm in India
- …purchase of heavy machinery for the Föllo Line rail tunnels in Norway, Site C hydroelectric dam in Canada and the Quito Metro in Ecuador…
- …one-off acquisitions / investments…
  - Acquisition of 37.05% of ATLL from BTG Pactual
  - Acquisition of two vessels by Trasmediterránea
- …and divestment of certain commercial assets of Real Estate business

# Group: Refinancing transactions

ACCIONA has conducted key refinancing transactions aiming to reduce the average cost of debt, optimize cash management and increase flexibility

- ✓ Estimated annualized financial cost savings of ~€75m from 2017 [1]
- ✓ Full extraordinary derivatives breakage costs as of 30th September 2016
- ✓ Undrawn credit lines maturity extended

**Syndicated facility increased and Maturity Extended**

- €1.8bn 5-year syndicated facility signed in March 2015 increased to €2.2bn. New maturity July 2021
- The facility was divided in two tranches: A) Loan of €360m; B) Credit lines of €1,440m
  - Tranche A now increased by €400m to €760m

**Refinancing of PF structures with corporate debt**

- **CSP Spain**: Refinancing of a Project Finance structure with gross debt of €475m related to three CSP plants in Spain (150MW) with €400m of corporate debt
- **USD Wind Assets**: Refinancing of four Project Finance structures totaling gross debt of US$635m related to four wind projects in Mexico, Chile and US with a 5-year syndicated loan facility (corporate debt) of US$550m
- **Spanish Wind and Hydro**: Refinancing of a Project Finance of €965m related to 1,133 MWs of Wind and 177 MWs of Hydro in Spain.
- Average interest cost reduced by ~400bps [1]
- Cash optimization

[1] Based on current financing conditions

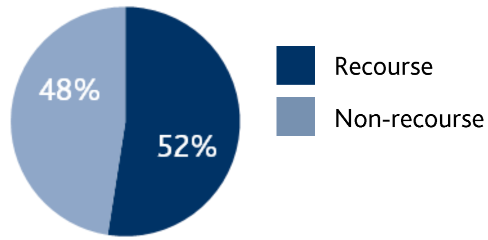
# Group: Debt breakdown by division and nature

| | 31-Dec-15 | 30-Sep-16 | | | | |
|---|---|---|---|---|---|---|
| (€m) | Net debt | Recourse debt | Non-recourse debt | Gross debt | Cash + C. Equiv. | Net debt |
| Energy | **4,295** | 1,977 | 2,911 | **4,889** | -504 | **4,385** |
| Infrastructure | **162** | 797 | 345 | **1,142** | -921 | **221** |
| Construction | 136 | 571 | 224 | 795 | -664 | 131 |
| Water | 17 | 164 | 115 | 279 | -238 | 41 |
| Services | 9 | 62 | 6 | 68 | -20 | 49 |
| Other businesses | **210** | 61 | 195 | **256** | -100 | **156** |
| Corporate | **492** | 974 | 0 | **974** | -310 | **664** |
| **Total** | 5,159 | 3,810 | 3,452 | **7,261** | -1,835 | **5,426** |
| **Average cost of debt** | 5.49% | | | | | 4.83% |

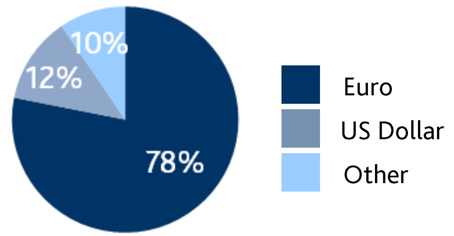
Average cost of debt down

66 bps since December 2015

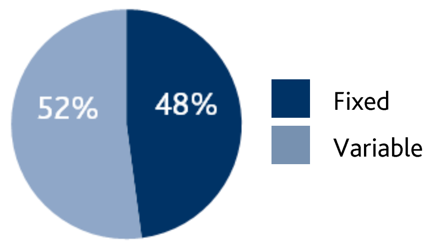
Gross debt - Nature




Gross debt - Currency




Gross debt - Interest rate



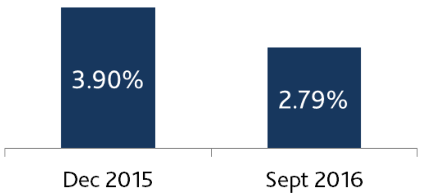
# Group: Recourse debt & liquidity

## Debt with recourse: €3,810m

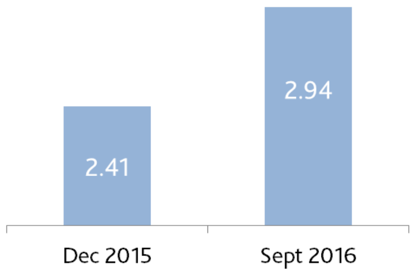
| Debt with recourse (€m) | 30-Sep-16 |
|---|---|
| Bank debt | **2,730** |
| Commercial paper programme | 263 |
| Bonds | 296 |
| Convertible bond | 320 |
| Other (ECAs, Supranationals) | 201 |
| Capital markets | **1,080** |
| Total debt with recourse | 3,810 |

| Liquidity (€m) | 30-Sep-16 |
|---|---|
| Cash | 1,835 |
| Available committed credit lines | 1,665 |
| Total liquidity | 3,500 |

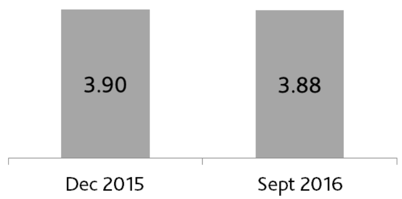
Average cost of debt



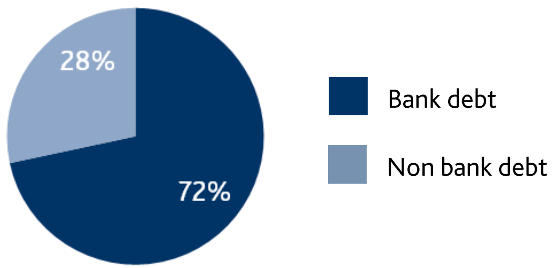

Average maturity (years)




Averg. matur. Undrawn credit lines (years)



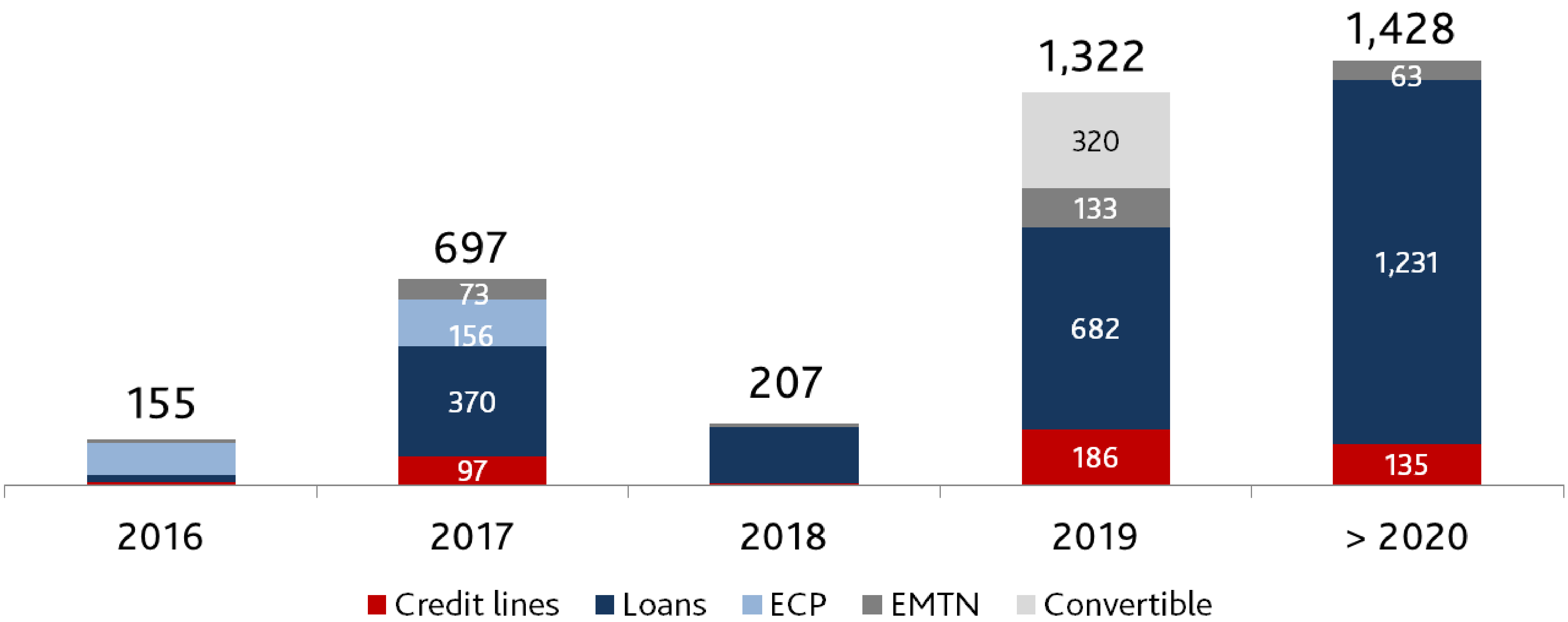

Bank debt vs. capital markets




Tactically tapping banking market given its strong liquidity, whilst maintaining diversified corporate debt mix

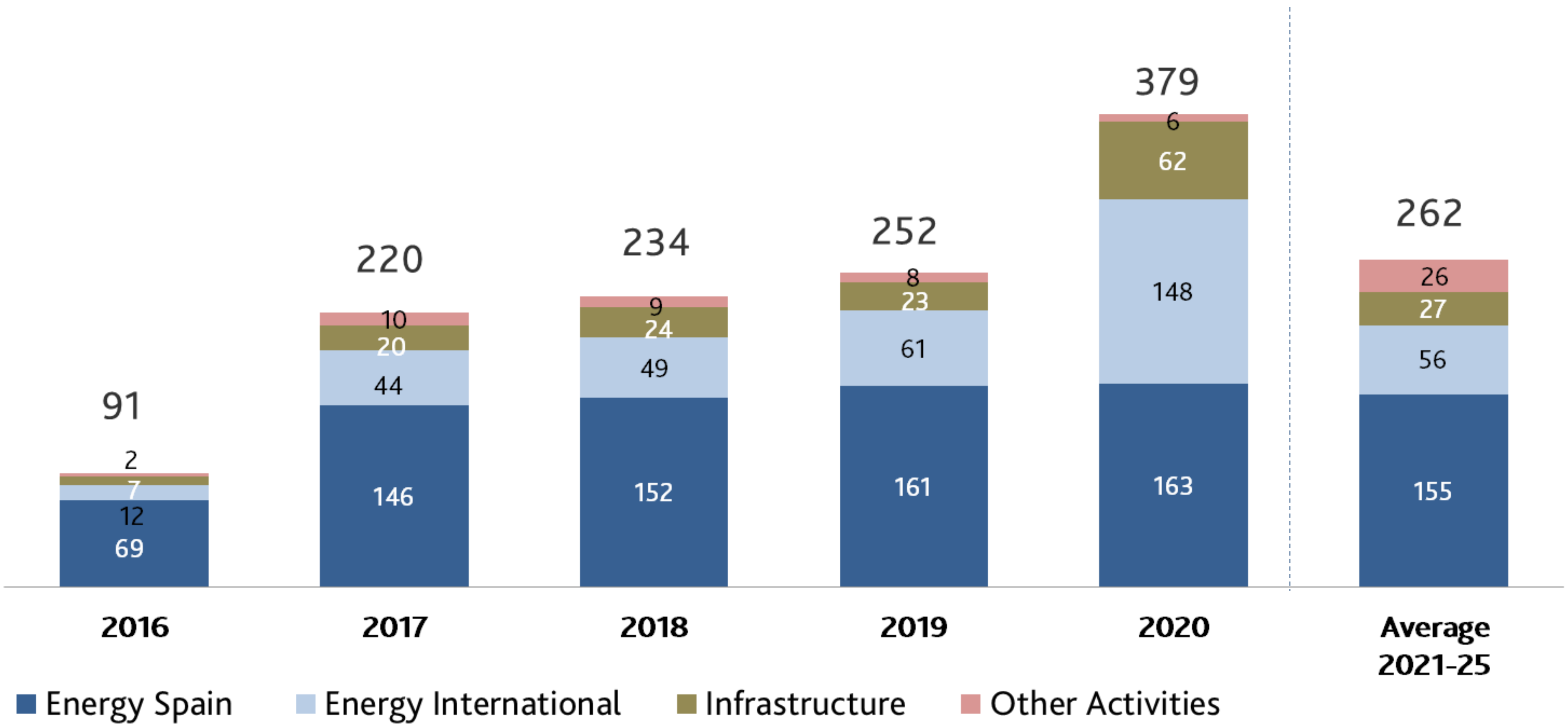
# Group: Recourse debt & liquidity

## Maturity profile of debt with recourse (€3,810m)



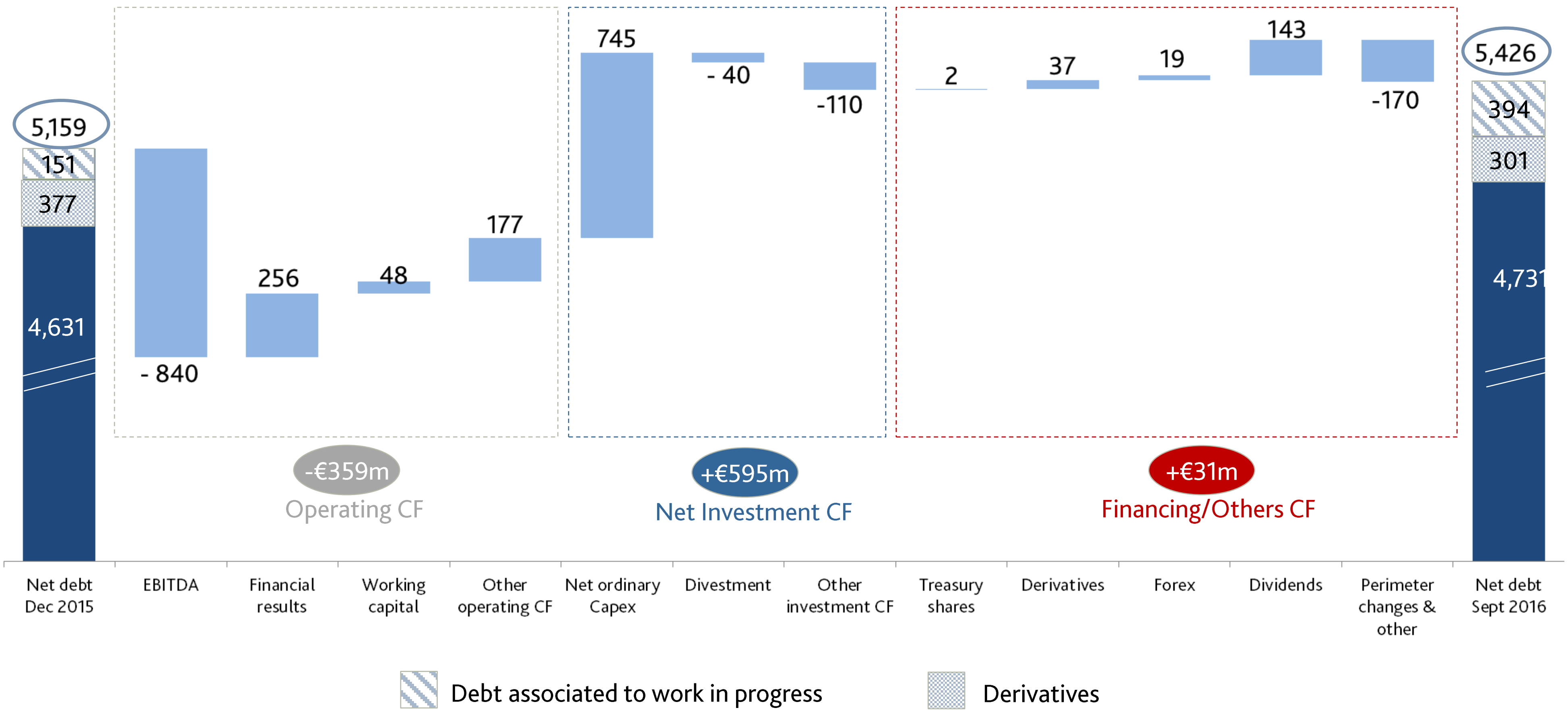
# Group: Non-recourse debt amortization schedule

## Principal repayment schedule 2016-2025 (€m)



# Group: Net debt evolution

## Net debt reconciliation 9M 2016 (€m)



# 13 Energy: Key figures

## Key figures

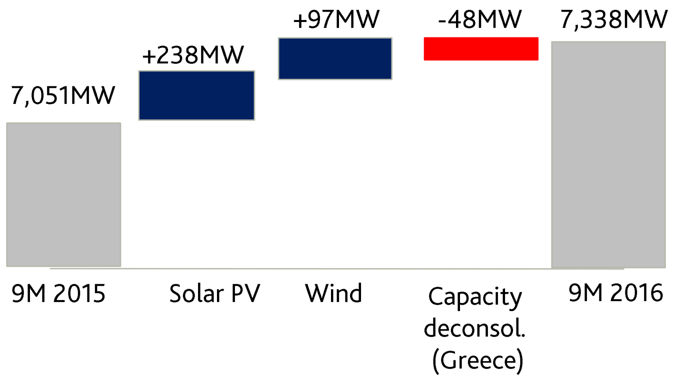
| (Million Euro) | Jan-Sep 15 | Jan-Sep 16 | Chg. | Chg. (%) |
|---|---|---|---|---|
| Revenues | 2,097 | 1,360 | -737 | -35.2% |
| EBITDA | 679 | 534 | -145 | -21.4% |
| *Margin (%)* | *32.4%* | *39.3%* | | |

- AWP deconsolidated as of 1st April 2016

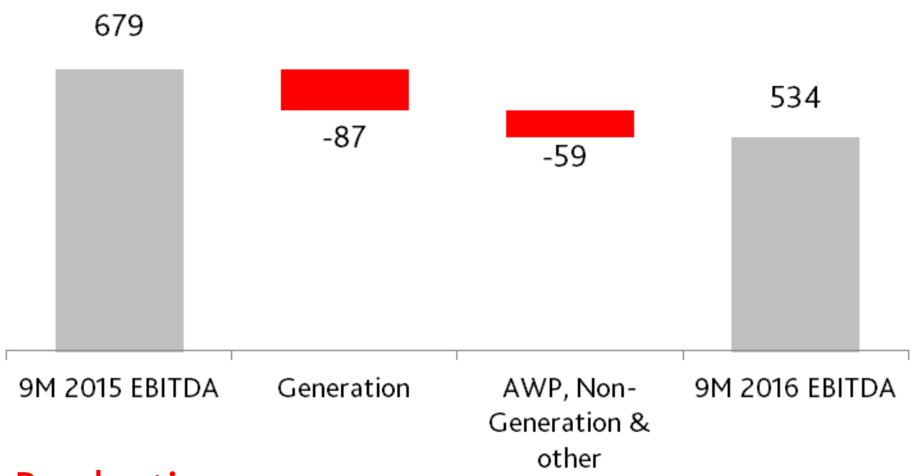
## Capacity

- 335MW added in the last twelve months takes consolidated capacity to over 7.3GW

Consolidated capacity variation




## EBITDA evolution (€m)




## Production

- Spain: Higher wind and hydro Load Factor compared with same period 2015
- International: Lower LF in Mexico and Costa Rica offset by new capacity installed

| Consolidated TWh | Jan-Sep 16 | Chg. (%) vs. Jan-Sept 15 |
|---|---|---|
| Wind Spain | 5.72 | 3.3% |
| Wind International | 4.86 | 0.0% |
| Hydro | 1.85 | 3.8% |
| Solar and other | 0.90 | -4.2% |
| **TOTAL** | **13.32** | **1.6%** |

# Energy: 9M 2016 installations and WIP

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## Under construction MW

| Technology | Country | Asset name | Project MW | Installed in 9M 2016 | Remaining under construct. MW | Expected COD | Details |
|---|---|---|---|---|---|---|---|
| Solar PV | Chile | Romero Solar | 247* | 238 | 9 | Q4 2016 | Biggest PV plant in Latin America<br>247MWp PV plant that are expected to be installed in 2016<br>Will contribute to cover part of the 600GWh renewable supply contract from Jan 2018 onward and the supply contract signed with Google |
| Wind | USA (Texas) | San Roman | 93 | 93 | - | Q4 2016 | 12 year financial hedge<br>+<br>Production Tax Credit (PTC)<br>+<br>Tax Equity investor |
| Wind | India | Bannur | 78 | - | 78 | Q1 2017 | 78MW windfarm of which ~15MW expected to be installed in 2016<br>Feed-in tariff + GBI (Generation Based Incentive) |
| Total | | | 418 | 331 | 87 | | |

* Peak capacity

# Energy: Growth visibility

## New Capacity Awarded during 2016

| Asset | Country | Technology | MWs (ANA) | Award Date | Start of Construction | CoD |
|---|---|---|---|---|---|---|
| El Cortijo | Mexico | Wind | 168.0 | Mar-16 | Q1 2017 | Q3 2018 |
| San Gabriel | Chile | Wind | 183.0 | Sep-16 | Q3 2017 | Q1 2019 |
| Tolpan | Chile | Wind | 87.0 | Sep-16 | Q4 2019 | Q4 2021 |
| Mont Gellibrand | Australia | Wind | 66.0 | Jun-16 | Q1 2017 | Q2 2018 |
| Puerto Libertad | Mexico | PV | 169.5 * | Sep-16 | Q2 2017 | Q2 2019 |
| **TOTAL** | | | **673.5** | | | |

* ACCIONA owns 50% of a total project of 339 MWp

- During 2016 ACCIONA has secured significant profitable growth for the next three years in recent public and private competitive tenders at attractive return margins
  - Committed projects amount close to 700 MWs
  - Representing Capex of approximately €800m
  - Construction mainly in 2017- 2019 period

# Infrastructure: Construction

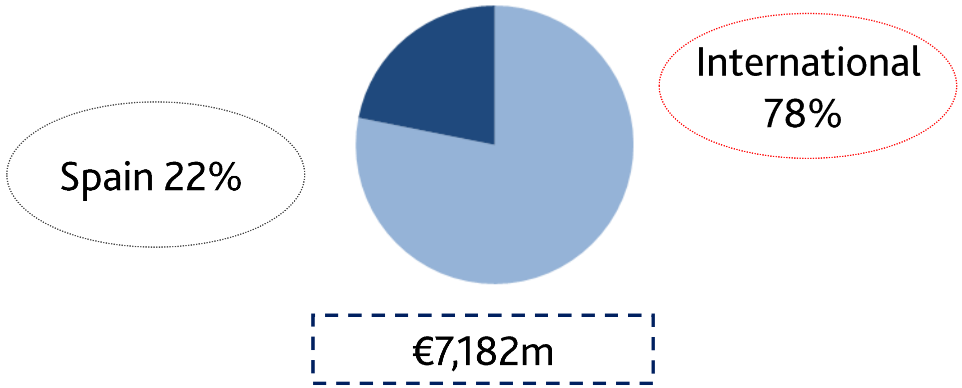
## Key figures

| (Million Euro) | Jan-Sep 15 | Jan-Sep 16 | Chg. | Chg. (%) |
|---|---|---|---|---|
| Revenues | 1,622 | 1,547 | -75 | -4.6% |
| EBITDA | 68 | 90 | 23 | 33.3% |
| *Margin (%)* | *4.2%* | *5.9%* | | |

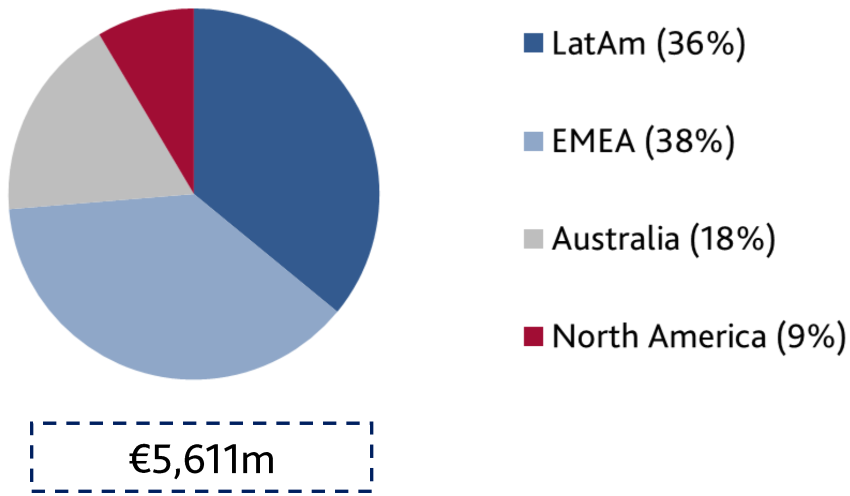
## Key highlights

- Revenues down 5% due to lower activity in Spain
- EBITDA up 33% to €90m vs Q3 2015 backed by good performance of International Construction, due to margin improvement, as well as Industrial activity, which more than offset lower Spanish construction activity
- Concessions: EBITDA up 2% vs Q3 2015
- Backlog increases to €7.2bn (+7% vs Dec. 2015)
  - ACCIONA's consortium awarded the extension of Dubai's metro network to the Expo 2020 fairgrounds → €2.6bn (ACCIONA share 31.2%)
  - In the Q3 ACCIONA has been selected preferred bidder for the Puhoi highway PPP project in New Zealand (signed in Q4 2016) → €0.5bn (ACCIONA share 50.0%)

## Construction backlog 9M 2016 (€m)




## International backlog 9M 2016 by region



# Infrastructure: Concessions

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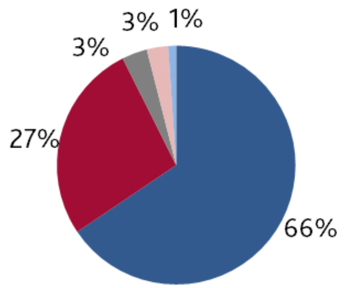
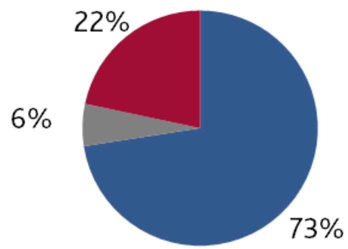
| | Road | Rail | Canal | Port | Hospital | Water | TOTAL |
|---|---|---|---|---|---|---|---|
| # of concessions | 13 | 2 | 1 | 1 | 6 | 56 | **79** |
| Proportional EBITDA 9M 2016 (€m) | 49 | 2 | 3 | 0 | 18 | 105 | **172** |
| *Consolidated EBITDA 9M 2016 (€m)* | *31* | *0* | *0* | *0* | *9* | *78* | *114* |
| Average life (yrs) | 33 | 29 | 30 | 30 | 28 | n.m. | **n.m** |
| Average consumed life (yrs) | 9 | 5 | 10 | 11 | 7 | n.m. | **n.m** |
| **Invested capital[1] (€m)** | 954 | 55 | 81 | 18 | 277 | 490 | **1,898** |

Invested capital (€1,898m)

## By region




## By degree of construction




| | Equity | Net debt |
|---|---|---|
| Infrastruc. | 475 | 933 [2] |
| Water | 230 | 261 [3] |
| **Total** | 705 | 1.193 |

Note: For construction concessions EBITDA and invested capital include -€5m and €22m from holdings respectively. Lives are weighted by BV excluding holdings

[1] Invested capital: Capital contributed by banks, shareholders and others finance providers

[2] Debt figure includes net debt from concessions held for sale (€147m) and those accounted by the equity method (€606m)

[3] Debt figure includes net debt from water concessions accounted by the equity method (€129m)

# Infrastructure: Water and Service

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## Water: key figures

| (Million Euro) | Jan-Sep 15 | Jan-Sep 16 | Chg. | Chg. (%) |
|---|---|---|---|---|
| Revenues | 300 | 515 | 215 | 71.6% |
| EBITDA | 23 | 92 | 69 | 297.7% |
| *Margin (%)* | *7.7%* | *17.9%* | | |

## Key highlights

- Full consolidation of ATLL water concession from 1st Jan. 2016 continues to boost EBITDA results in 9M
- Strong water performance also ex ATLL: Revenues up 33.0% & EBITDA up 30.4% backed by two desalination plants in Qatar
- Water backlog stands at €10.5bn → D&C: €0.44bn; O&M: €10.1bn of which ATLL €8.0bn

## Service: key figures

| (Million Euro) | Jan-Sep 15 | Jan-Sep 16 | Chg. | Chg. (%) |
|---|---|---|---|---|
| Revenues | 541 | 501 | -40 | -7.4% |
| EBITDA | 22 | 20 | -2 | -8.1% |
| *Margin (%)* | *4.1%* | *4.0%* | | |

## Key highlights

- ACCIONA Service includes: facility services, airport handling, waste management, logistic services and other
- Revenues amounted to €501m
- EBITDA slightly below 9M2015 due to lower level of activity in the handling business
- EBITDA margin in line with 9M2015

# Other activities

## Other activities: key figures

| (Million Euro) | Jan-Sep 15 | Jan-Sep 16 | Chg. | Chg. (%) |
|---|---|---|---|---|
| Revenues | 472 | 500 | 28 | 5.9% |
| EBITDA | 89 | 104 | 15 | 16.8% |
| *Margin (%)* | *18.9%* | *20.8%* | | |

## Other activities: EBITDA breakdown

| (Million Euro) | Jan-Sep 15 | Jan-Sep 16 | Chg. | Chg. (%) |
|---|---|---|---|---|
| Trasmediterránea | 38 | 55 | 17 | 44.2% |
| Real Estate | 3 | 9 | 6 | 187.7% |
| Bestinver | 48 | 42 | -6 | -12.0% |
| Corp. & other | 0 | -3 | -2 | n.m. |
| EBITDA | 89 | 104 | 15 | 16.8% |

## Key figures

**Trasmediterránea:**

- EBITDA increases by 44.2% reaching €55m in 9M 2016 vs €38m in 9M 2015 due to:
  - Higher passengers, vehicles and lane meters volumes
  - Lower fuel costs in the period
  - Improvement in fleet and cost efficiency

**Real Estate:**

- EBITDA improves by €6m due to the partial delivery of a real estate development in Mexico

**Bestinver:**

- AUM stood at €4,968m as of September 2016
- Bestinver reported EBITDA of €42m

# Closing remarks

Short-term weakness in Spanish generation broadly offset by good results Infrastructure Division and Other Activities

Securing growth for the future at attractive returns – margins:

- ~700 MWs to be delivered mainly in 2017 – 2019
- Construction backlog up 28% to 7,2 Bn

Taking advantage of opportunities to reduce cost of debt and transform financing model:

- ~ €75m of recurrent annual interest savings
- One-off refinancing charges - limited impact on Net Debt

On track to meet FY2016 targets

# Appendix

# Energy: Equity-accounted generation capacity

## Detail of capacity accounted under the equity method

| | 9M 2016 (proportional figures) | | | | |
|---|---|---|---|---|---|
| **30-Sep-16** | **MW** | **GWh** | **EBITDA** | **NFD** | **Average COD** |
| Wind Spain | 619 | 1,068 | 30 | 222 | 2005 |
| Wind International | 48 | 86 | 4 | 7 | 2005 |
| Australia | 32 | 59 | 3 | 4 | 2005 |
| Hungary | 12 | 17 | 2 | 3 | 2006 |
| USA | 4 | 10 | 0 | 0 | 2003 |
| Solar PV | 30 | 48 | 17 | 79 | 2008 |
| **Total equity accounted** | **697** | **1,202** | **51** | **309** | **2005** |

Note: Average COD weighted per MW

# Energy: Wind drivers by country

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## Wind prices (€/MWh) and Load factors (%)

| | 9M 2016 | | 9M 2015 | | Chg. (%) |
|---|---|---|---|---|---|
| | Av. price (€/MWh) | LF (%) | Av. price (€/MWh) | LF (%) | Av. price (€/MWh) |
| Spain Average | 54.5 * | 25.4% | 66.2 | 25.0% | -17.6% |
| *Spain - Regulated* | *66.5* * | | *77.6* | | |
| *Spain - Not regulated* | *30.7* | | *45.1* | | |
| Canada | 54.5 | 27.0% | 57.4 | 28.6% | -5.0% |
| USA ** | 31.1 | 36.1% | 31.2 | 34.1% | -0.3% |
| India | 52.4 | 33.8% | 54.4 | 30.4% | -3.7% |
| Mexico | 66.7 | 38.2% | 64.8 | 45.5% | 3.0% |
| Costa Rica | 87.0 | 60.6% | 84.0 | 76.0% | 3.7% |
| Australia | 70.3 | 35.4% | 74.9 | 36.3% | -6.1% |
| Greece | 84.5 | 33.4% | 84.6 | 24.4% | -0.1% |
| Poland | 78.5 | 20.0% | 91.8 | 25.4% | -14.4% |
| Croatia | 105.5 | 31.5% | 105.0 | 30.4% | 0.5% |
| Portugal | 105.3 | 30.1% | 105.6 | 27.5% | -0.3% |
| Italy | 135.3 | 19.5% | 145.4 | 16.9% | -6.9% |
| Chile | 97.6 | 22.1% | 95.6 | 24.6% | 2.1% |
| South Africa | 66.0 | 26.7% | 77.4 | 29.6% | -14.8% |

Note: Prices for consolidated MWs
* Prices include regulatory incentive and any adjustments due to the application of the banding mechanism
**303MW located in the US additionally receive a "normalized" PTC of $23/MWh

# 9M 2016 January-September
# Results presentation

4th November 2016