



A la atención de la Comisión Nacional del
Mercado de Valores
Calle Edison, 4,
28006 Madrid

30 de enero de 2015

Estimados Sres.:

Adjunto les remitimos soporte digital que contiene el *Prospectus* elaborado por Saeta Yield, S.A. ("**Saeta Yield**") de la oferta de venta de acciones de Saeta Yield dirigida exclusivamente a inversores cualificados en España y fuera de España, y posterior admisión a negociación en las Bolsas de Valores de Madrid, Barcelona, Bilbao y Valencia.

El contenido del *Prospectus* que figura en este soporte digital es idéntico a la última versión en papel del mismo presentado ante la Comisión Nacional del Mercado de Valores.

Asimismo, se autoriza a la Comisión Nacional del Mercado de Valores a difundir el mencionado documento por vía telemática.

Atentamente,

Fdo: D. José Luis Martínez Dalmau

Saeta Yield, S.A.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached prospectus (the “document”) and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you and **you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document (electronically or otherwise) to any other person.**

The document and the offer when made are only addressed to and directed at persons in member states of the European Economic Area (“EEA”) who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant Member State of the European Economic Area) and any implementing measure in each relevant Member State of the EEA (the “Prospectus Directive”) (“Qualified Investors”). In addition, in the United Kingdom (“UK”), this document is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and Qualified Investors falling within Article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). This document must not be acted on or relied on (i) in the UK, by persons who are not relevant persons, and (ii) in any member state of the EEA other than the UK, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the UK, relevant persons, and (ii) in any member state of the EEA other than the UK, Qualified Investors, and will be engaged in only with such persons.

THE SECURITIES REFERENCED IN THIS DOCUMENT MAY ONLY BE DISTRIBUTED IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) AS DEFINED IN AND IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”). ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR IN ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to the Joint Bookrunners, Saeta Yield and the Selling Shareholder (as each such term is defined in the document) that (i) you are acting on behalf of, or you are either (a) an institutional investor outside the United States (as defined in Regulation S under the Securities Act, or (b) in the United States and a QIB that is acquiring securities for your own account or for the account of another QIB; (ii) if you are in the UK, you are a relevant person; (iii) if you are in any member state of the EEA other than the UK, you are a Qualified Investor; (iv) the securities acquired by you in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined in the Prospectus Directive); and (v) if you are outside the US, UK and EEA (and the electronic mail addresses that you gave us and to which this document has been delivered are not located in such jurisdictions) you

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Restriction: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

None of the Joint Bookrunners or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the issuer or the offer. The Joint Bookrunners and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Joint Bookrunners or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Joint Bookrunners are acting exclusively for Saeta Yield and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than Saeta Yield for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

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PROSPECTUS



41,604,234 Ordinary Shares of SAETA YIELD, S.A.

(incorporated in the Kingdom of Spain)

at an Offering Price of between €10.45 and €12.25 per share

This is the global initial public offering (the “Offering”) of the ordinary shares of Saeta Yield, S.A. (“Saeta Yield”) by Energía y Recursos Ambientales, S.A. (“Eyra” or the “Selling Shareholder”), a wholly owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A. (“ACS”). The Selling Shareholder is offering 41,604,234 existing ordinary shares of Saeta Yield (the “Initial Offer Shares”), representing 51% of the share capital of Saeta Yield after the Equity Contribution (as defined below).

This document is a prospectus relating to Saeta Yield and its subsidiaries (together, the “Group”) prepared in accordance with the European Parliament and Council Directive 2003/71/EC of November 4, 2003 (the “Prospectus Directive”), its implementing measures in Spain and the Commission Regulation (EC) No. 809/2004 (and amendments thereto, including Commission Delegated Regulation (EU) 486/2012 and Commission Delegated Regulation (EU) 862/2012), enacted in the European Union (the “Prospectus Rules”). This document has been prepared in connection with the Offering and application for the admission (the “Admission”) of the ordinary shares of Saeta Yield, with a nominal value of €1 each (the “Shares”), to the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the “Spanish Stock Exchanges”) and on the Automated Quotation System (the “AQS”) of the Spanish Stock Exchanges, which are regulated markets for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). This prospectus has been approved by the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the “CNMV”), as competent authority under the Prospectus Directive and its implementing measures in Spain, on January 30, 2015.

In addition, the Selling Shareholder will grant an option to the Underwriters, exercisable by the Stabilizing Manager (as defined below) (the “Over-allotment Option”) within 30 calendar days from the date on which the Shares commence trading on the Spanish Stock Exchanges, to purchase a number of additional Shares (the “Over-allotment Shares” and, together with the Initial Offer Shares, the “Offer Shares”) representing up to 10% of the Initial Offer Shares offered by the Selling Shareholder in the Offering, solely to cover over-allotments of shares in the Offering, if any, and short positions resulting from stabilization transactions, if any.

Concurrently with the Offering and subject to determination of the Offering Price (as defined below), the Selling Shareholder will subscribe on the business day following the date of determination of the Offering Price 20,013,918 new Shares of Saeta Yield (the “Equity Contribution”).

We will not receive any of the proceeds from the sale of Offer Shares by the Selling Shareholder, although we will receive €200,139,180 from Eyra pursuant to the Equity Contribution, which will be used as described in “Capitalization and Indebtedness”.

Immediately following this Offering, ACS, Servicios, Comunicaciones y Energía, S.L. (the “Sponsor”), a wholly owned subsidiary of ACS, will indirectly hold approximately 43.9% of the voting power in Saeta Yield, assuming that

the Over-allotment Option has been exercised in full, or 49% of the voting power in Saeta Yield, assuming that the Over-allotment Option has not been exercised.

The Selling Shareholder and Urbaenergía, S.L. (“Urbaenergía”), another indirect subsidiary of ACS SI, have entered into a sale and purchase agreement with a special purpose company that is an indirect, wholly owned subsidiary of the limited partnerships that comprise Global Infrastructure Partners II, one of the funds managed by Global Infrastructure Management, LLC (“GIP” or the “Co-Sponsor”). Pursuant to this agreement the Co-Sponsor has agreed to purchase Shares from the Selling Shareholder and Urbaenergía after the Offering, subject to certain conditions, representing up to 24.4% of the share capital of Saeta Yield after the Equity Contribution. See “Principal Shareholders and Selling Shareholders—Co-Sponsor Transaction, Background and Agreements”.

The indicative Offering Price range at which the Offer Shares are being sold in the Offering is between €10.45 and €12.25 per Share (the “Offering Price Range”). The indicative Offering Price Range is indicative only, it may change during the course of the Offering and the Offering Price may be set within, above or below the Offering Price Range. The Offering Price Range has been determined based upon discussions and agreement between us, the Selling Shareholder and the Joint Global Coordinators, and no independent experts have been consulted in determining this price range. The final price of the Shares in the Offering (the “Offering Price”) will be determined based on discussions and agreement between us, the Selling Shareholder and the Joint Global Coordinators, upon finalization of the book-building period (expected to occur on or about February 12, 2015) and will be announced through the publication of a relevant fact disclosure (*hecho relevante*). No independent experts will be consulted in determining the Offering Price.

Prior to this Offering, there has been no public market for our Shares. Saeta Yield will apply to have the Shares listed on the Spanish Stock Exchanges and quoted on the AQS. The Shares are expected to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about February 16, 2015 under the symbol “SAY”. The Initial Offer Shares are expected to be delivered against payment of the Offering Price, through the book-entry facilities of Iberclear and its participating entities, on or about February 18, 2015.

Investing in our Shares involves risks. Prospective investors should read this entire document and, in particular, see “Risk Factors” beginning on page 39 of this prospectus, which investors should consider prior to making an investment in our Shares.

The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and are being sold within the United States only to qualified institutional buyers (“QIBs”) as defined in reliance on Rule 144A under the Securities Act (“Rule 144A”), and outside the United States in compliance with Regulation S under the Securities Act (“Regulation S”). See “Plan of Distribution—Selling Restrictions” for a description of certain restrictions on the ability to offer and sell the Shares and distribute this document and “Transfer Restrictions” for a description of certain restrictions on transfers of Shares.

Joint Global Coordinators and Joint Bookrunners

BofA Merrill Lynch

Citigroup

**Société Générale
Corporate & Investment Banking**

Joint Bookrunners

Banco Santander

HSBC

Financial Advisor to the Company

Key Capital Partners

The date of this prospectus is January 30, 2015.

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

Saeta Yield, S.A. and the undersigned, Mr. José Luis Martínez Dalmau, acting in the name and on behalf of Saeta Yield in his capacity as Chairman of the Board of Directors and Chief Executive Officer, accept responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

None of Merrill Lynch International, Citigroup Global Markets Limited and Société Générale (the “Joint Global Coordinators”), Banco Santander, S.A. and HSBC Bank plc (together with the Joint Global Coordinators, the “Joint Bookrunners” or the “Underwriters”) or Key Capital Partners acting as our financial adviser or their respective affiliates make any representation or warranty, express or implied, or accept any responsibility whatsoever (other than the Joint Global Coordinators, pursuant to the statement made in the preceding paragraph), with respect to the content of this prospectus, including the accuracy or completeness or verification of any of the information in this prospectus, and nothing contained in this prospectus is, or shall be relied upon as, a promise or representation in this respect whether as to the past or the future. This prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of us, the Selling Shareholder, the Underwriters or Key Capital Partners that any recipient of this prospectus should purchase the Offer Shares. Each purchaser of Offer Shares should determine for itself the relevance of the information contained in this prospectus, and its purchase of Offer Shares should be based upon such investigation, as it deems necessary, including the assessment of risks involved and its own determination of the suitability of any such investment, with particular reference to their own investment objectives and experience and any other factors that may be relevant to such investor in connection with the purchase of the Offer Shares.

This prospectus does not constitute an offer to the public generally to purchase or otherwise acquire the Offer Shares.

Investors should rely only on the information contained in this document. None of us, the Selling Shareholder, the Underwriters, or Key Capital Partners has authorized any other person to provide investors with different information. If anyone provides any investor with different or inconsistent information, such investor should not rely on it. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in our affairs and investors should assume that the information appearing in this document is accurate only as of its date. Our business, financial condition, results of operations, prospects and the information set forth in this document may have changed since the date of this document.

Notwithstanding the foregoing, we are required to issue a supplementary prospectus in respect of any significant new factor, material mistake or inaccuracy relating to the information included in this document which is capable of affecting the assessment of the Offer Shares and which arises or is noted between the date hereof and the Admission, in accordance with the Prospectus Directive and Article 22 of Spanish Royal Decree 1310/2005, of November 4, 2005 (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*).

The contents of our website do not form any part of this document, except for the Annual Audited Asset Company Financial Statements (as defined below).

Investors should not consider any information in this document to be investment, legal or tax advice. An investor should consult its own legal counsel, financial adviser, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing the Offer Shares. None of us, the Underwriters or Key Capital Partners or their respective affiliates makes any representation or warranty to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under appropriate investment or similar laws.

The investors also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this prospectus or their investment decision; and (ii) they have relied only on the information contained in this document, and that no person has been authorized to give any information or to make any representation concerning us or our subsidiaries or the Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Selling Shareholder or the Underwriters.

Each Underwriter based in the United Kingdom is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Each of these Underwriters is acting exclusively for us and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other us for providing the protections afforded to their respective clients nor for providing advice in relation to the Offering or any transaction or arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Underwriters under Law 24/1988 of July 28, 1988, as amended (*Ley 24/1988 de 28 de Julio del Mercado de Valores*) (the “Spanish Securities Markets Act”), or the regulatory regime established thereunder, none of the Underwriters accepts any responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it or any of them or on its or their behalf in connection with us or the Offer Shares. Each of the Underwriters accordingly disclaims, to the fullest extent permitted by applicable law, all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

In connection with the Offering, the Underwriters and any of their respective affiliates acting as an investor for its or their own account(s) may purchase our Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities, any of our other securities or other related investments in connection with the Offering or otherwise. Accordingly, references in this document to the Shares being offered or otherwise dealt with should be read as including any offer to, or dealing by, the Underwriters or any of their respective affiliates acting as an investor for its or their own account(s). In addition certain of the Underwriters or their affiliates may enter into financing arrangements and swaps with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of such securities. The Underwriters do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

We may withdraw the Offering at any time prior to Admission, and we, the Selling Shareholder and the Underwriters reserve the right to reject any offer to purchase the Offer Shares, in whole or in part, and to sell to any investor less than the full amount of the Offer Shares sought by such investor. For more information on the withdrawal and revocation of the Offering, see “Plan of Distribution—Withdrawal and Revocation of the Offering”.

This document does not constitute or form part of an offer to sell, or a solicitation of an offer to purchase, any security other than the Offer Shares. The distribution of this prospectus and the offer and sale of the Offer Shares may be restricted by law in certain jurisdictions. Investors into whose possession this prospectus comes must inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution and any transfer restrictions to which they are subject see “Plan of Distribution—Selling Restrictions” elsewhere in this document. Any investor must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Offer Shares or possesses or distributes this document and must obtain any consent, approval or permission required for its purchase, offer or sale of the Offer Shares under the laws and regulations in force in any jurisdiction to which such investor is subject or in which such investor makes such purchases, offers or sales. None of us, the Selling Shareholder or the Underwriters is making an offer to sell the Offer Shares or a solicitation of an offer to buy any of the Offer Shares to any person in any jurisdiction except where such an offer or solicitation is permitted or accepts any legal responsibility for any violation by any person, whether or not an investor, of applicable restrictions.

The Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be sold within the United States, except to persons reasonably believed to be QIBs or outside the United States in offshore transactions in compliance with Regulation S. Investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

In connection with the Offering, Merrill Lynch International, or any of its agents, as stabilizing manager (the “Stabilizing Manager”), may (but will be under no obligation to), to the extent permitted by applicable law, engage in transactions that stabilize, support, maintain or otherwise affect the price, as well as over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in an open market. Any stabilization transactions shall be undertaken in accordance with applicable laws and regulations, in particular, Commission Regulation (EC) No 2273/2003 of December 22, 2003 as regards exemptions for buy-back programs and stabilization of financial instruments.

The stabilization transactions shall be carried out for a maximum period of 30 calendar days from the date of the commencement of trading of our Shares on the Spanish Stock Exchanges, provided that such trading is carried out in compliance with the applicable rules, including any rules concerning public disclosure and trade reporting. The stabilization period is expected to commence on February 16, 2015 and end on March 18, 2015, and is referred to as the “Stabilization Period”.

For this purpose, the Stabilizing Manager may carry out an over-allotment of Offer Shares in the Offering, which may be covered by the Underwriters pursuant to one or several securities loans granted by the Selling Shareholder. The Stabilizing Manager is not required to enter into such transactions and such transactions may be effected on a regulated market and may be taken at any time during the Stabilization Period. However, there is no obligation that the Stabilizing Manager or any of its agents effect stabilizing transactions and there is no assurance that the stabilizing transactions will be undertaken. Such stabilization, if commenced, may be discontinued at any time without prior notice, without prejudice to the duty to give notice to the CNMV of the details of the transactions carried out under Commission Regulation (EC) No 2273/2003 of December 22, 2013. In no event will measures be taken to stabilize the market price of the Shares above the Offering Price. In accordance with Article 9.2 of Commission Regulation (EC) No 2273/2003 of December 22, 2013, the details of all stabilization transactions will be notified by the Stabilizing Manager to the CNMV no later than closing of the seventh daily market session following the date of execution of such stabilization transactions.

Additionally, in accordance with Article 9.3 of Commission Regulation (EC) No 2273/2003 of December 22, 2013, the following information will be disclosed to the CNMV by the Stabilizing Manager within one week of the end of the Stabilization Period: (i) whether or not stabilization transactions were undertaken; (ii) the date at which stabilization transactions started; (iii) the date at which stabilization transactions last occurred; and (iv) the price range within which the stabilization transaction was carried out, for each of the dates during which stabilization transactions were carried out.

For the purposes of this document, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in each relevant member state of the European Economic Area) or the EEA, and includes any relevant implementing measure in each relevant member state of the EEA.

NOTICE TO UNITED STATES INVESTORS

THE SHARES HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY INVESTOR, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO UNITED KINGDOM AND OTHER EUROPEAN ECONOMIC AREA INVESTORS

This document and the Offering are only addressed to and directed at persons in member states of the EEA, who are qualified investors (“Qualified Investors”), within the meaning of Article 2(1)(e) of the Prospectus Directive (including any relevant implementing measure in each relevant member state of the EEA). In addition, in the United Kingdom, this document is only being distributed to and is only directed at (1) Qualified Investors who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or high net worth entities falling within Article 49(2)(a)-(d) of the Order or (2) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). The Offer Shares are only available to, and any invitation, offer or agreement to purchase or otherwise acquire such securities will be engaged in only with, (1) in the United Kingdom, relevant persons and (2) in any member state of the EEA other than the United Kingdom, Qualified Investors. This document and its contents should not be acted upon or relied upon (1) in the United Kingdom, by persons who are not relevant persons or (2) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors. This document has been prepared on the basis that all offers of the Offer Shares following approval by the CNMV will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a document for offers of the Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of the Offer Shares should only do so in circumstances in which no obligation arises for us, the Selling Shareholder or any of the Underwriters to produce a prospectus for such offer. None of us, the Selling Shareholder or the Underwriters has authorized or authorizes the making of any offer of the Offer Shares through any financial intermediary, other than offers made by the Underwriters which constitute the final placement of the Offer Shares contemplated in this document.

NOTICE TO PROSPECTIVE INVESTORS IN AUSTRALIA

This document is not a disclosure document under Chapter 6D of Australia’s Corporations Act 2001 (Cth) and has not been, and will not be, lodged with the Australian Securities and Investments Commission (“ASIC”). This document does not purport to include the information required of a disclosure document under Chapter 6D of the Corporations Act 2001 (Cth). The Offering is made only to persons to whom it is lawful to offer Shares in Australia without a disclosure document lodged with ASIC. This means the offer is directed only to investors who come within one of the categories set out in section 708(8) or 708(11) of the Corporations Act 2001 (Cth) (“Sophisticated Investors” and “Professional Investors”, respectively).

As no formal disclosure document (such as a prospectus) will be lodged with ASIC, the Offer Shares may only be offered and issued to one of the categories of Sophisticated or Professional Investors. If any recipient of this document is not a Sophisticated Investor or a Professional Investor, no offer of, or invitation to apply for, the Offer Shares shall be deemed to be made to such recipient and no applications for the Offer Shares will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

If a person to whom Offer Shares are issued (an “Investor”) on-sells Offer Shares within 12 months from their issue, the Investor will be required to lodge a disclosure document with ASIC unless either:

- (a) that sale is to another Sophisticated Investor or Professional Investor; or
- (b) the sale offer is received outside Australia.

Each Investor acknowledges the above and, by applying for Offer Shares under this document, gives an undertaking not to sell those Offer Shares in any circumstances other than those described in paragraphs (a) and (b) above for 12 months after the date of issue of such Offer Shares.

This document is not, and under no circumstances is to be construed as, an advertisement or public offering of the Offer Shares in Australia. This document is distributed to investors in Australia and any offer of Offer Shares is made to investors in Australia, in each case subject to the conditions set out above, on behalf of each of the Underwriters by their respective licensed affiliates, each of which holds an Australian Financial Services License which permits such licenseholder to distribute this document and offer the Offer Shares to investors in Australia.

Saeta Yield is not licensed to provide financial product advice in Australia and nothing in this document takes into account the investment objectives, financial situation and particular needs of any individual investors. The Underwriters recommend that you read this document before making a decision to acquire Offer Shares.

Offer restriction

Australia

This document is not a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) and has not been, or will be, lodged with the ASIC. This document does not purport to include the information required of a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth). The Offering is made only to persons to whom it is lawful to offer shares in Australia without a disclosure document lodged with ASIC. This means the offer is directed only to Sophisticated Investors and Professional Investors, respectively).

As no formal disclosure document (such as a document) will be lodged with ASIC, the Offer Shares may only be offered and issued to one of the categories of Sophisticated or Professional Investors. If any recipient of the document is not a Sophisticated Investor or a Professional Investor, no offer of, or invitation to apply for, the Offer Shares shall be deemed to be made to such recipient and no applications for the Offer Shares will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

By applying for Offer Shares under the document, each person to whom Offer Shares are issued (an “Investor”):

- (a) acknowledges that if any Investor on-sells Offer Shares within 12 months from their issue, the Investor will be required to lodge a disclosure document with ASIC unless either:
 - (i) that sale is to another Sophisticated Investor or Professional Investor; or
 - (ii) the sale offer is received outside Australia.
- (b) undertakes not to sell those Offer Shares in any circumstances other than those described in paragraphs (a)(i) and (ii) above for 12 months after the date of issue of such Offer Shares.

This document is not, and under no circumstances is to be construed as, an advertisement or public offering of the Offer Shares in Australia.

The document may only be distributed to investors in Australia and any offer of Offer Shares may only be made to investors in Australia, in each case subject to the conditions set out above, on behalf of each Underwriter by its affiliate holding an Australian Financial Services License permitting such licenseholder to distribute the document and to offer the Offer Shares to investors in Australia.

NOTICE TO INVESTORS IN CERTAIN OTHER COUNTRIES

For information to investors in certain other countries, see “Plan of Distribution—Selling Restrictions”.

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DEFINITIONS

Unless otherwise specified or the context requires otherwise in this prospectus:

- references to “our”, “us” and “we” refer (i) collectively to the Asset Companies when used in a historical context prior to the Asset Transfer on October 31, 2014 of the Asset Companies and the related profit participating loans and subordinated loans to Saeta Yield and (ii) to Saeta Yield and its subsidiaries when used in a historical context subsequent to the Asset Transfer, the present tense or prospectively;
- references to the “2013 Electricity Act” refer to Law 24/2013, of December 26, 2013;
- references to the “2013 Royal Decree-law” refer to Royal Decree-law 9/2013, of July 12, 2013;
- references to the “2014 Revenue Order” refer to Order IET/1045/2014, of June 16, 2014;
- references to the “2014 Royal Decree” refer to Royal Decree 413/2014, of June 6, 2014;
- references to “ACS” refer to ACS, Actividades de Construcción y Servicios, S.A.;
- references to the “ACS Group” refer to ACS together with its subsidiaries;
- references to “ACS SI” refer to ACS, Servicios Comunicaciones y Energía, S.L., a wholly owned subsidiary of ACS;
- references to “ACS SI Group” refer to ACS SI together with its subsidiaries;
- references to “Adjusted EBITDA” have the meaning set forth in “Presentation of Financial Information”;
- references to the “Annual Audited Asset Company Financial Statements” refer to the audited standalone financial statements as of and for the years ended December 31, 2013, 2012 and 2011 for each of our Asset Companies, including the related notes thereto, prepared in accordance with Spanish GAAP and incorporated by reference in this prospectus (except for Parque Eólico Valcaire, S.L., which was not audited in any of the three periods, and Serrezuela Solar II, S.L., which was not audited in 2012 and 2011, because, in each case, a mandatory audit was not required and the companies did not request a voluntary audit);
- references to the “Asset Companies” refer to the project companies which comprise our initial portfolio, as described in “Business—Description of Our Initial Portfolio”;
- references to the “Asset Transfer” refer to, collectively, the sale by ACS SI, indirectly through certain of its subsidiaries, to Saeta Yield of each of the Asset Companies and the profit participating loans and subordinated loans related to each of the Asset Companies, which took place on October 31, 2014;
- references to “availability” refer to the amount of time a facility is able to produce over a certain period divided by the total time in such period;
- references to “CAGR” refer to compound annual growth rate;
- references to “Call Option Assets” refer to the following Initial ROFO Assets as further described in “Business—Description of the Initial ROFO Assets”: Extresol 2, Extresol 3 and Manchadol 1;
- references to “capacity factor” refer to the amount of electricity a wind farm or solar thermal plant actually produces over a certain period divided by the maximum amount of electricity it could produce at continuous full utilization during the same period;
- references to “capacity factor” refer a plant’s actual hours of operation during a certain period divided by the total number of hours it theoretically could be in operation during the same period;
- references to “CIS” refer to Cobra Instalaciones y Servicios, S.A., a wholly owned subsidiary of Cobra;

- references to “CIT” refer to corporate income tax;
- references to “Cobra” refer to Cobra Gestión de Infraestructuras, S.A.U., a wholly owned subsidiary of ACS SI;
- references to “Cobra SyR” refer to Cobra Sistemas y Redes, S.A., an indirect wholly owned subsidiary of ACS SI;
- references to “Control Center Services Agreements” refer to the agreements that each of our Asset Companies has entered into with Centro de Control Villadiego, S.L., a wholly owned subsidiary of ACS SI, on an individual basis, pursuant to which Centro de Control Villadiego, S.L. will provide certain remote supervision and operation services;
- references to the “Co-Sponsor” refer to the funds managed by Global Infrastructure Management, LLC (GIP);
- references to the “Co-Sponsor Agreements” refer to the agreements discussed in “Principal Shareholder and Selling Shareholder—Co-Sponsor Agreements”;
- references to the “Co-Sponsor Closing Date” refer to the date on which the Co-Sponsor Agreements are closed upon fulfillment of the Co-Sponsor Conditions Precedent; which shall take place within two months from the later of the Admission Condition and the Antitrust Condition as described in “Principal Shareholder and Selling Shareholder—Co-Sponsor Agreements”;
- references to the “Co-Sponsor Conditions Precedent” refer to the Admission Condition and the Antitrust Condition, as described in “Principal Shareholder and Selling Shareholder—Co-Sponsor Agreements”;
- references to “COD” refer to the commercial operation date of the applicable facility; in the case of the Spanish assets, references to “COD” refer to the granting of the relevant public deed before a Spanish notary in connection with the commencement of commercial operations;
- references to “DevCo” refer to the limited liability company (*sociedad de responsabilidad limitada*) to hold the Initial ROFO Assets (which include the Call Option Assets) and the DevCo Assets in the future, as described in “Principal Shareholder and Selling Shareholders—Co-Sponsor Agreements”;
- references to “DevCo SPA” refer to the share sale and purchase agreement executed among Cobra SyR and the Co-Sponsor for the sale and purchase of a number of Shares representing 49% of the share capital of DevCo, subject to the Co-Sponsor Conditions Precedent (see “Principal Shareholder and Selling Shareholders—Co-Sponsor Agreements”);
- references to “DSCR” refer to debt service coverage ratio; DSCR is defined under our project level financings as the ratio between the cash flow available (operating revenues plus financial income minus operating expenses, changes in working capital and income tax) and the debt service (principal, interest, fees and amounts payable under the related hedging contracts) as calculated by the borrower. In the case of the financial year testing, the borrower will deliver a separate report issued by the borrower’s auditors setting out the procedures used to calculate the DSCR and reviewing the application of the formulae certified by the borrower;
- references to “EPC” refer to engineering, procurement and construction;
- references to “EPC Services” refer to engineering, procurement and construction services;
- references to “Equity Contribution” refer to the capital increase to be subscribed by Eyra, subject to determination of the Offering Price, on the business day following the date of such determination;
- references to “euro” or “€” are to the single currency of the participating member states of the European and Monetary Union of the Treaty Establishing the European Community, as amended from time to time;

- references to “Eyra” refer to Energía y Recursos Ambientales, S.A., a wholly owned subsidiary of Cobra, with registered address at Cardenal Marcelo Spínola, number 10, 28016, Madrid;
- references to “gross capacity” or “gross MW” refer to the maximum, or rated, power generation capacity, in MW, of a facility or group of facilities, without adjusting by our percentage ownership interest in such facility as of the date of this prospectus;
- references to “GW” refer to gigawatts;
- references to “GWh” refer to gigawatt hours;
- references to “HVL” refer to high voltage lines;
- references to “IFRS-EU” refer to International Financial Reporting Standards as adopted by the European Union (the “EU”);
- references to “in operation” refer to the status of projects that have reached COD (as defined above);
- references to “Initial ROFO Assets” refer to the ROFO Assets described in “Business—Description of the Initial ROFO Assets”, including the Call Option Assets;
- references to the “Interim 2014 Audited Consolidated Financial Statements” refer to the audited consolidated financial statements as of and for the ten months ended October 31, 2014 of Saeta Yield and its subsidiaries, including the related notes thereto, prepared in accordance with IFRS-EU and included elsewhere in this prospectus;
- references to the “Interim 2013 Unaudited Aggregated Financial Information” refer to certain limited unaudited aggregated financial information for the ten months ended October 31, 2013, included in this prospectus, which was derived from unaudited individual management financial information of each of the Asset Companies for the ten months ended October 31, 2013, prepared in accordance with Spanish GAAP;
- references to “kV” refer to kilovolts;
- references to “Liquidity Transactions” have the meaning set forth in “Capitalization and Indebtedness”;
- references to “MW” refer to megawatts;
- references to “MWh” refer to megawatt hours;
- references to “net financial debt” refer to the financial measure calculated as set forth in “Capitalization and Indebtedness”;
- references to “net release of cash retained” refer to the financial measure calculated as set forth in “Cash Dividend Policy”;
- references to “New ROFO Assets” refer to any of ACS SI’s existing or future assets in Start-up Phase or Cash Distribution Phase (as each of them as defined in “Related Party Transactions—ROFO and Call Option Agreement”) for the generation of renewable or conventional electricity and the distribution and transmission of electricity, as well as any other energy-related infrastructure in Start-up Phase or Cash Distribution Phase, existing as of the date of the agreement or to be developed or acquired in the future;
- references to “O&M” refer to operation and maintenance services provided at our various facilities;
- references to “OMIE” refer to the Iberian Electricity Market Operator (*Operador del Mercado Ibérico de Electricidad*);
- references to “PAC” refer to the Provisional Acceptance Certificate; once a project receives its PAC from the EPC contractor and provided that it has already received its administrative start up

- certificate to operate, its revenues, expenses and depreciation/amortization are reflected on the income statement of the relevant Asset Company;
- references to “Principal Shareholders” refer (i) collectively to Eyra, Cobra SyR and Urbanenergía when used in a context prior to the Co-Sponsor Closing Date; and (ii) collectively to Eyra, Cobra SyR and the Co-Sponsor when used in a context subsequent to the Co-Sponsor Closing Date;
 - references to “Reasonable Rate of Return” refer to the rate of return pursuant to the 2013 Royal Decree-law, the 2013 Electricity Sector Act, the 2014 Royal Decree and the 2014 Revenue Order which would allow renewable energy producers to recoup their investment made, which rate is 7.398% at present, as determined by reference to market yields for the 10-year Spanish government bond during the 10 years prior to July 14, 2013, plus a spread of 300 basis points (bps) (see “Regulation—Spanish Framework—Reasonable Rate of Return”);
 - references to “recurrent cash available for distribution” refer to the financial measure calculated as set forth in “Cash Dividend Policy”;
 - references to “ROFO and Call Option Agreement” refer to our agreement with ACS SI dated January 29, 2015, which shall enter into force on the date of Admission, that will provide us a right of first offer and a call option, as the case may be, in relation to the ROFO Assets, including co-control over the Call Option Assets, and to which DevCo will accede on the Co-Sponsor Closing Date on the same terms and conditions and with the same rights and obligations as applicable to ACS SI, subject to the Co-Sponsor Conditions Precedent (see “Related Party Transactions—ROFO and Call Option Agreement” and “Principal Shareholder and Selling Shareholders—Co-Sponsor Agreements”);
 - references to “ROFO Assets” refer to the Initial ROFO Assets and the New ROFO Assets;
 - references to “ROFO Restrictions” refer to any third party rights restricting transferability of any of the ROFO Assets (such as first offer rights, first refusal rights, call options and tag and drag along rights) or any required third party consent, permit or authorization (from public or private entities, such as financing entities);
 - references to the “Saeta Yield SPA” refer to the share sale and purchase agreement executed among Eyra, Urbanenergía and the Co-Sponsor for the sale and purchase of Shares representing up to 24.4% of the share capital of Saeta Yield after the Equity Contribution, subject to the Co-Sponsor Conditions Precedent (see “Principal Shareholder and Selling Shareholders—Co-Sponsor Agreements”);
 - references to “Services Agreements” refer to the agreements we have entered into with each of the Asset Companies on an individual basis, pursuant to which we will provide certain administrative and day-to-day management services to each of the Asset Companies;
 - references to “Spanish GAAP” refer to the Royal Decree of November 16, 2007, approving the Spanish General Accounting Plan (*Plan General de Contabilidad*), the Spanish generally accepted accounting principles;
 - references to “SUD” refer to start up date of the relevant facility, being the date on which the facility receives the corresponding administrative authorization to start operations (*Acta de Puesta en Marcha*);
 - references to “Transitional Services Agreement” refer to the agreement we have entered into with Eyra, pursuant to which Eyra will provide certain administrative and support services to us in the six months following the consummation of this Offering (see “Related Party Transactions—Transitional Services Agreement”);
 - references to “TWh” refer to terawatt hours; and
 - references to “Urbanenergía” refer to Urbanenergía, S.L., an indirect wholly owned subsidiary of ACS SI.

PRESENTATION OF FINANCIAL INFORMATION

Pursuant to the Asset Transfer that took place on October 31, 2014, Saeta Yield acquired each of the Asset Companies and the profit participating loans and subordinated loans related to them from certain subsidiaries of the ACS Group. Due to the recent formation of Saeta Yield in its present form, the only representative financial data of Saeta Yield available are the interim 2014 audited consolidated financial statements as of and for the ten months ended October 31, 2014, (the “Interim 2014 Audited Consolidated Financial Statements”), which have been prepared in accordance with IFRS-EU and are included elsewhere in this prospectus.

Additionally, we incorporate by reference herein the audited standalone financial statements of the Asset Companies as of and for the years ended December 31, 2013, 2012 and 2011 (except for Parque Eólico Valcaire, S.L., which was not audited in any of the three periods, and Serrezuela Solar II, S.L., which was not audited in 2012 and 2011, because, in each case, a mandatory audit was not required and the companies did not request a voluntary audit) (the “Annual Audited Asset Company Financial Statements”), which have been prepared in accordance with Spanish GAAP. Our predecessor company, El Recuenco Eólica, S.L., was not audited in 2013, 2012 or 2011 because, as an inactive company, a mandatory audit was not required and it did not request a voluntary audit.

The Interim 2014 Audited Consolidated Financial Statements, which are included elsewhere in this prospectus, and the Annual Audited Asset Company Financial Statements, which are incorporated by reference herein, are available on our website (www.saetayield.com).

Given the very limited historical financial information of Saeta Yield, and for the purpose of providing a limited measure of comparative previous financial data for the Interim 2014 Audited Consolidated Financial Statements, we have included in this prospectus certain limited unaudited aggregated financial information in respect of the Asset Companies for the ten months ended October 31, 2013, which has been compiled from unaudited individual management financial information of each of the Asset Companies prepared in accordance with Spanish GAAP (the “Interim 2013 Unaudited Aggregated Financial Information”).

We do not believe that there are significant differences between IFRS-EU as applied to our Interim 2014 Audited Consolidated Financial Statements and Spanish GAAP as applied to the Annual Audited Asset Company Financial Statements or the policies applied to the individual management financial information of the Asset Companies from which the Interim 2013 Unaudited Aggregated Financial Information was prepared, but there are significant differences in the accounting methods applied to the consolidated financial statements and the individual or aggregated financial information for the Asset Companies or any aggregated financial information derived therefrom. As a consequence, our Interim 2014 Audited Consolidated Financial Statements are not directly comparable to the Annual Audited Asset Company Financial Statements or the Interim 2013 Unaudited Aggregated Financial Information, and investors are cautioned not to place undue reliance on comparisons of our financial information and in particular on the Interim 2013 Unaudited Aggregated Financial Information, which has not been audited or reviewed.

The consolidated results of operations and financial condition for Saeta Yield are not directly comparable with the individual results of operations and financial condition for the Asset Companies or any aggregated financial information derived therefrom, because, among other factors:

- i. the consolidated financial statements reflect inter-company eliminations, in particular in relation to intra-group debt between Saeta Yield and the Asset Companies and related interests;
- ii. due to the different accounting methods applied to consolidated and individual financial statements, the consolidated financial statements calculate depreciation and amortization over 20 years for wind farms and 25 years for solar thermal plants, whereas the individual financial information for the Asset Companies calculates depreciation and amortization over a period of 18 years for both wind farms and solar thermal plants, except for (x) Manchazol 2 Central Termosolar Dos, S.L., which calculates depreciation and amortization over a period of 18 years

in its individual financial statements, and (y) Parque Eólico Tesosanto, S.L., which previously calculated depreciation and amortization over a period of 15 years, which period was retroactively amended in January 2014 to a period of 18 years in its individual financial statements; accordingly, depreciation and amortization charges are greater in the individual financial information;

- iii. the differences in depreciation and amortization calculation described above affect the impairment tests of the projects in that accumulated depreciation and the project's useful life are both components of the impairment test calculation; and
- iv. the differences in depreciation and amortization calculation and the differences in impairment described above also lead to different tax effects.

Certain numerical figures set out in this prospectus, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments, and, as a result, the totals of the data in this prospectus may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations" are calculated using the numerical data in our Interim 2014 Audited Consolidated Financial Statements and our Annual Audited Asset Company Financial Statements or the tabular presentation of other data (subject to rounding) contained in this prospectus, as applicable, and not using the numerical data in the narrative description thereof.

Non-GAAP Financial Measures

This prospectus contains non-GAAP financial measures including Adjusted EBITDA, recurrent cash available for distribution, net release of cash retained and net financial debt.

Adjusted EBITDA is calculated (i) for the ten months ended October 31, 2014 in respect of Saeta Yield, as profit attributable to the parent, after adding back income tax, results of companies accounted for using the equity method, finance income, financial costs, depreciation and amortization charge and impairment and gains on the disposal of non-current assets; and (ii) for the ten months ended October 31, 2013 in respect of the aggregated Asset Companies, as profit/(loss) for the period, after adding back income tax, results of companies accounted for using the equity method, finance income, financial costs, capitalized borrowing costs, depreciation and amortization charge and impairment and gains on the disposal of non-current assets. A reconciliation of Adjusted EBITDA to Profit attributable to the parent for the ten months ended October 31, 2014 and Profit/(loss) for the period for the ten months ended October 31, 2013 can be found under "Selected Financial Information".

Recurrent cash available for distribution and net release of cash retained are calculated as set forth in "Cash Dividend Policy—General—Recurrent Cash Available for Distribution".

Net financial debt is calculated as set forth in "Capitalization and Indebtedness".

We present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS-EU or Spanish GAAP. Non-GAAP financial measures and ratios are not measurements of our performance or liquidity under IFRS-EU or Spanish GAAP and should not be considered as alternatives to operating profit or profit for the year or any other performance measures derived in accordance with IFRS-EU, Spanish GAAP or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Some of the limitations of these non-GAAP measures are:

- with the exception of recurrent cash available for distribution, they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- with the exception of recurrent cash available for distribution, they do not reflect changes in, or cash requirements for, our working capital needs;
- with the exception of recurrent cash available for distribution, they may not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments, on our debts;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and Adjusted EBITDA and recurrent cash available for distribution do not reflect any cash requirements that would be required for such replacements;
- some of the exceptional items that we eliminate in calculating Adjusted EBITDA and recurrent cash available for distribution reflect cash payments that were made, or will be made in the future; and
- other companies in our industry may calculate Adjusted EBITDA and recurrent cash available for distribution differently than we do, which limits their usefulness as comparative measures.

Pro Forma Financial Information

We present in this prospectus unaudited pro forma consolidated financial information consisting of:

- the unaudited pro forma consolidated income statement of Saeta Yield for the year ended December 31, 2013 (the “Unaudited Pro Forma Consolidated Income Statement”);
- the unaudited pro forma consolidated statement of financial position of Saeta Yield as of December 31, 2013 (the “Unaudited Pro Forma Consolidated Statement of Financial Position”); and
- the unaudited pro forma consolidated statement of cash flows of Saeta Yield for the year ended December 31, 2013 (the “Unaudited Pro Forma Consolidated Statement of Cash Flows” and, together with the Unaudited Pro Forma Consolidated Income Statement and the Unaudited Pro Forma Consolidated Statement of Financial Position, the “Unaudited Pro Forma Consolidated Financial Information”),

to give effect to the Asset Transfer and certain capital increases related thereto as if they had occurred on January 1, 2013, in the case of the Unaudited Pro Forma Consolidated Income Statement and the Unaudited Pro Forma Consolidated Statement of Cash Flows and December 31, 2013, in the case of the Unaudited Pro Forma Consolidated Statement of Financial Position.

The Unaudited Pro Forma Consolidated Financial Information was prepared by adding the individual financial statements of each of Asset Companies as of and for the year ended December 31, 2013, prepared in accordance with Spanish GAAP, to the financial statements of Saeta Yield as of and for the year ended December 31, 2013, prepared in accordance with Spanish GAAP, and making adjustments for:

- correction of qualifications to the individual financial statements of certain Asset Companies relating to (a) classification of financial debt and (b) depreciation;
- certain capital increases and the incorporation of the Asset Companies as if such transactions had occurred on January 1, 2013 (in the case of the Unaudited Pro Forma Consolidated Income Statement and Unaudited Pro Forma Consolidated Statement of Cash Flows) or December 31, 2013 (in the case of the Unaudited Pro Forma Consolidated Statement of Financial Position);
- elimination of shareholders’ equity of the Asset Companies due to Saeta Yield’s investment in the Asset Companies; and
- elimination of intergroup transactions.

See “Unaudited Pro Forma Consolidated Financial Information” and the “Financial Statements—Unaudited Pro Forma Consolidated Financial Statements of Saeta Yield S.A.” on page F-56 of this prospectus.

Preparation of Interim 2014 Consolidated Financial Statements

For the preparation of our Interim 2014 Consolidated Financial Statements, the Group was configured within the framework of the reorganization of companies under common control carried out by the ACS Group to which it belongs. The consolidation process was carried out using the consolidated values of the pre-existing subsidiaries at January 1, 2014. Therefore, these consolidated financial statements are not initial financial statements and the acquisition method was not applied, as the Group was previously under common control and because this practice is considered to be the most suitable accounting policy to recognize transactions of this nature. See Note 2 to our 2014 Interim Audited Consolidated Financial Statements, included elsewhere in this prospectus.

Because the reorganization took place under common control, we believe that, in the absence of accounting guidance, the most appropriate way to recognize this transaction is through the application of the predecessor values. As a result there is no impact in the financial statements of the company prior to or following the combination.

On October 31, 2014, Saeta Yield purchased from other companies of the ACS SI Group the entire share capital, subordinated debt and accrued and unpaid interests of the Asset Companies, for a total amount of €612.9 million. This amount has been calculated on the basis of the reasonable value in accordance consultation number 18 of the Official Bulletin number 85 of the Spanish Institute of Accounting and Accounts Auditing (ICAC).

The calculation of this value has been performed, as customary for this type of asset, using a discounted shareholder cash flows at a discount rate in line with what is expected for assessments of this type in transactions of this kind. To derive the shareholder cash flows, we have taken into account all operation parameters according to the applicable regulations, reasonable production and necessary costs as well as the limitations derived from project financings, if any.

The incorporation of the Asset Companies has taken place maintaining the pre-existing values, considering their consolidation since their incorporation to the ACS Group.

The difference from the consolidated book value is a consequence of the mark to market effect of the derivatives (included in “adjustments for changes in value” in the consolidated statement of financial position as of October 31, 2014 amounting to approximately €126.1 million euros) and the unrealized gains (adjusted in “reserves” in the consolidated statement of financial position as of October 31, 2014 amounting to approximately €125 million).

PRESENTATION OF INDUSTRY AND MARKET DATA

In this prospectus, we rely on, and refer to, information regarding our business and the markets in which we operate and compete. The market data and certain economic and industry data and forecasts used in this prospectus were obtained from internal surveys, market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable but we have not independently verified them, and there can be no assurance as to the accuracy or completeness of the included information.

Certain market information and other statements presented herein regarding our position relative to our competitors are not based on published statistical data or information obtained from independent third parties, but reflect our best estimates. We have based these estimates upon information obtained from our customers, trade and business organizations and associations and other contacts in the industries in which we operate.

Elsewhere in this prospectus, statements regarding our position in the industries and geographies in which we operate are based solely on our experience, our internal studies and estimates and our own investigation of market conditions.

All of the information set forth in this prospectus relating to the operations, financial results or market share of our competitors has been obtained from information made available to the public in such companies' publicly available reports and independent research, as well as from our experience, internal studies, estimates and investigation of market conditions. We have not funded, nor are we affiliated with, any of the sources cited in this prospectus.

All third-party information, as outlined above, has to our knowledge been accurately reproduced and, as far as we are aware and are able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading, but there can be no assurance as to the accuracy or completeness of the included information.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we operate or are seeking to operate or anticipated regulatory changes in the markets in which we operate or intend to operate. For example, in "Cash Dividend Policy", we have included certain forecasts of our future profits distributable to the parent and estimated recurrent cash available for distribution and target of future distributions. In some cases, you can identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "is likely to", "may", "plan", "potential", "predict", "projected", "should" or "will" or the negative of such terms or other similar expressions or terminology.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements speak only as of the date of this prospectus and are not guarantees of future performance and are based on numerous assumptions. Our actual results of operations, financial condition and the development of events may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements. Investors should read the section entitled "Risk Factors" and the description of our business lines in the section entitled "Business" for a more complete discussion of the factors that could affect us. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- Changes in Spanish and global economic, political, governmental and business conditions;
- Hazards customary to the energy industry such as unusual weather conditions, effects of catastrophic weather-related or other damage to facilities, criminal or terrorist acts, unplanned power outages, maintenance, repairs, unanticipated changes in energy cost and supply, revocation or termination of permits, licenses and authorizations, lack of electric transmission capacity availability and other system constraints;
- Failure to maintain safe work environments, litigation and other legal proceedings and insufficient insurance coverage to meet these and other costs;
- Reliance on key members of our management team and employees and their knowledge of the renewable sector and our business;
- Reputational risk, including damage to the reputation of the ACS Group, ACS SI and Cobra;
- Challenges in achieving growth and making acquisitions due to our dividend policy;
- Inability to identify and/or consummate future acquisitions on favorable terms or at all and risks associated with acquisitions or investments, especially those which are jointly owned and operated and in emerging or other new jurisdictions;
- Inability of the parties to the Co-Sponsor Agreements to satisfy the Co-Sponsor Conditions Precedent and consummate the transactions contemplated by the Co-Sponsor Agreements;
- Changes related to the new specific remuneration regime in Spain and other changes and legal challenges to regulations related to renewable energy sources or environmental protection;
- Limited ability to raise additional funds, exposure to increased interest rate risk, limited ability to react to changes in the economy and impact on our recurrent cash available for distribution due to our substantial indebtedness;
- Existence of potential conflict of interest between Saeta Yield and the ACS Group or Eyra and Cobra;

- Inability to pay a specific or increasing level of cash dividends and dependence on our Asset Company subsidiaries and liquidity position for distributions to pay periodic dividends, taxes and expenses;
- No assurance that any target distribution will be achieved;
- Limited operating history and therefore, no assurance we can operate on a profitable basis;
- Changes in our tax position and greater than expected future tax liability; and
- Various other factors, including those factors discussed under “Risk Factors”, “Cash Dividend Policy” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition”.

We caution that the important factors referenced above may not be all of the factors that are important to investors. Unless required by law, we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or developments or otherwise.

ENFORCEMENT OF CIVIL LIABILITIES

Saeta Yield is a Spanish company and all of our assets are located outside of the United States. In addition, our directors and executive officers, as well as Eyra, reside or are located outside of the United States. As a result, investors may not be able to effect service of process outside Spain upon us or these persons to enforce judgments obtained against us or these persons in foreign courts predicated solely upon the civil liability provisions of U.S. securities laws. Furthermore, there is doubt that a lawsuit based upon U.S. federal or state securities laws, or the laws of any non-Spanish jurisdiction, could be brought in an original action in Spain and that a foreign judgment based upon such laws would be enforceable in Spain.

AVAILABLE INFORMATION

We are currently neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. For as long as this remains the case, we will furnish, upon written request, to any shareholder, any owner of any beneficial interest in any of the Shares or any prospective purchaser designated by such a shareholder or such an owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, if at the time of such request any of the Offer Shares remain outstanding as “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act.

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and company, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

SECTION A – INTRODUCTION AND WARNINGS

A.1 Warning to investors

This summary should be read as an introduction to the prospectus. Any decision to invest in our ordinary shares (the “Shares”) should be based on a consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the document is brought before a court, a plaintiff investor might, under the national legislation of the European Economic Area (the “EEA”) member states, have to bear the costs of translating the document before the legal proceedings are initiated. Under Spanish law, civil liability attaches only to those who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the document or if it does not provide, when read together with the other parts of the document, key information in order to aid investors when considering whether to invest in the Shares.

A.2 Information on financial intermediaries

Not applicable. We are not engaging any financial intermediaries for any resale of securities or final placement of securities requiring a prospectus after publication of this document.

SECTION B – COMPANY

B.1 Legal and commercial name

Our legal name is Saeta Yield, S.A. (“Saeta Yield”) and the global brand name of the company and its subsidiaries is Saeta Yield.

B.2 Domicile/legal form/legislation/country of incorporation

We are a public limited liability company (*sociedad anónima*) incorporated in and subject to the laws of the Kingdom of Spain. Our registered address is at Cardenal Marcelo Spínola, number 10, 28016, Madrid.

B.3 Current operations/ principal activities and markets

We are a total return oriented company formed to own, operate and acquire assets for the generation of renewable or conventional electricity and the distribution and transmission of electricity, as well as any other energy-related infrastructure, in each case with contracted or regulated revenues. Initially, our assets consist of wind farms and solar thermal plants in Spain. In the future, we intend to expand our presence by acquiring other assets of the type described above, both in Spain and internationally.

We believe we are well positioned for investors seeking a total return, by combining the distribution of a substantial portion of the regulated, recurring and long-term cash flow generation from a portfolio of low-risk and high-quality energy assets with accretive dividend growth mainly through a ROFO and Call Option Agreement (as defined below) with a worldwide leading

contractor that provides us with preferential access to the energy infrastructure related assets owned or to be developed in the future.

Additionally, we intend to capitalize on favorable trends in the power generation and electric transmission sector globally, including energy scarcity and a focus on the reduction of carbon emissions. To that end, we believe that our cash flow profile, coupled with our scale and platform to access to attractive opportunities, will offer us a lower cost of capital than that of a traditional engineering and construction company or independent energy producer and provide us with significant competitive advantage with which to execute our growth strategy.

Initial Portfolio

We own 19 assets, comprising 688.3 megawatts (“MW”) of renewable energy generation capacity. Our current assets and operations are organized into the following two renewable energy business lines:

- **Wind:** Our wind assets consist of 16 wind farms located throughout Spain, with a combined gross capacity of 538.5 MW, which produced total revenues of €78.8 million in the ten months ended October 31, 2014.
- **Solar Thermal:** Our solar thermal assets consist of three solar thermal plants located throughout Spain with a combined gross capacity of 149.8 MW, which produced total revenues of €102.7 million in the ten months ended October 31, 2014.

The following table provides an overview of our wind farms and solar thermal plants:

Wind Farm	Interest	Currency	Location	Capacity (MW ⁽¹⁾)	Status	Counterparty	SUD	Regulatory useful life remaining (years)
Serón 1			Almería	50.0			October 2008	14
Serón 2			Almería	10.0			May 2008	14
Tijola			Almería	36.8			July 2008	14
Colmenar 2			Almería	30.0			December 2007	13
La Noguera			Almería	29.9			April 2009	15
Las Vegas			Cádiz	23.0			November 2008	14
Los Isletes			Cádiz	25.3			August 2009	15
Abuela Santa Ana			Albacete	49.5			June 2008 – July 2009 ⁽²⁾	14/15
Santa Catalina – Cerro Negro	100%	EUR	Valencia	41.5	Operational	Spanish wholesale market/electricity system	January 2012	18
Viudo I			Valencia	40.0			January 2012	18
Viudo II			Valencia	26.0			January 2012	18
La Caldera			Burgos	22.5			January 2009	15
Sierra de las Carbas			Zamora	40.0			June 2009	15
Tesosanto			Salamanca	50.0			August 2011 – June 2012 ⁽³⁾	17/18
Monte Gordo			Huelva	48.0			December 2010	16
Valcaire			Granada	16.0			November 2012	18
Total wind				538.5				
Solar Thermal Plant								
Extresol 1	100%	EUR	Badajoz	50.0	Operational	Spanish wholesale market/electricity system	December 2009	20
Manchasol 2			Ciudad Real	49.9			June 2011	22
Casablanca			Badajoz	49.9			June 2013	24
Total solar thermal				149.8				
Total wind and solar thermal				688.3				

Notes:—

- (1) Installed Capacity. Maximum administrative authorization of Serón 1: 49.5 MW; Serón 2: 10 MW; Tijola: 36 MW; Colmenar 2: 28 MW; La Noguera: 28.9 MW; Las Vegas: 22 MW; Los Isletes: 25.3 MW; Abuela Santa Ana: 49.5 MW; La Caldera: 22.5 MW; Sierra de las Carbas: 40 MW; Tesosanto: 50 MW;

Viudo I: 40 MW; Viudo II: 26 MW; Santa Catalina-Cerro Negro: 41.5 MW; Monte Gordo: 48 MW; Valcaire: 16 MW; Extresol 1: 50 MW; Manchasol 2: 49.9 MW and Casablanca: 49.9 MW.

- (2) 37.5 MW reached SUD in June 2008 (Abuela Santa Ana 1) and 12 MW in July 2009 (Abuela Santa Ana 2).
- (3) 46 MW reached SUD in August 2011 (Tesosanto 1) and 4 MW in June 2012 (Tesosanto 2).

On October 31, 2014, Saeta Yield acquired each of the project companies which comprise our initial portfolio (the “Asset Companies”) and the profit participating loans and subordinated loans related to them from certain subsidiaries of ACS SI (together, the “Asset Transfer”). Payment of the Asset Transfer took place on October 31, 2014, November 20, 2014, November 27, 2014, December 10, 2014 and December 23, 2014 upon fulfilment of certain conditions precedent (the authorization from certain public entities and the consent from certain financing entities) and with the funds obtained from subsidiaries of ACS SI by virtue of two capital increases amounting to €153.2 million and €459.7 million approved on October 31, 2014 and paid for, respectively, on October 31, 2014 and November 20, 2014.

ROFO Assets

In the context of the Offering, we and ACS, Servicios, Comunicaciones y Energía, S.L. (“ACS SI”), a wholly owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A. (“ACS”), have entered into an agreement dated January 29, 2015, which shall enter into force on the date of Admission, pursuant to which ACS SI has granted to us (i) a right of first offer over the interest and respective subordinated debt of ACS SI and its controlled subsidiaries in certain identified energy assets that are in operation or under construction (the “Initial ROFO Assets”) and any existing or future assets in start-up phase or cash distribution phase for the generation of renewable or conventional electricity and the distribution and transmission of electricity, as well as any other energy-related infrastructure in start-up phase or cash distribution phase, existing as of the date of the agreement or to be developed or acquired in the future (the “New ROFO Assets”), in each case subject to any third party rights restricting their transferability (such as first offer rights, first refusal rights, call options and tag and drag along rights) or any required third party consent, permit or authorization (from public or private entities, such as financing entities) (the “ROFO Restrictions”) and except for any assets over which a sale or mandate agreement has already been executed by ACS SI as of the date of the agreement; and (ii) a call option over the Spanish Initial ROFO Assets currently in operation in which ACS SI owns a 100% interest (the “Call Option Assets”) at a strike price based on an agreed enterprise value which has been fixed for the years 2015, 2016 and 2017, depending on the year in which the call option is exercised, for each of the project companies that owns the Call Option Assets (the “ROFO and Call Option Agreement”). In addition, we agreed with ACS SI that we shall jointly control the relevant project companies that own the Call Option Assets since the date on which the ROFO and Call Option Agreement enters into force.

Initial ROFO Assets

The following chart shows the main characteristics of the Initial ROFO Assets (including the Call Option Assets) that may be offered to us by ACS SI pursuant to the ROFO and Call Option Agreement. We may, subject to the terms and conditions of the ROFO and Call Option Agreement, acquire the Initial ROFO Assets once they meet our investment criteria (the potential years of acquisition are listed below):

Initial ROFO Asset	Type	Location	ACS SI Interest	Capacity (MW)/ Distance (KM)	Remuneration Scheme	Counterparty/ Offtaker	Rating (S&P)	Status	SUD/COD ⁽¹⁾	Contract/ Regulation Maturity	Currency	Call Option Enterprise Value
2016												
Extresol 2 ⁽²⁾	Solar Thermal Plant	Badajoz, Spain	100%	50 MW ⁽³⁾	Regulated	Spanish wholesale market/electricity system	n/a	In operation	December 2010	2035	EUR	€265m (2015) €255m (2016) €245m (2017)
Extresol 3 ⁽²⁾	Solar Thermal Plant	Badajoz, Spain	100%	50 MW ⁽³⁾	Regulated	Spanish wholesale market/electricity system	n/a	In operation	July 2012	2037	EUR	€275m (2015) €265m (2016) €255m (2017)
Marcona	Wind Farm	Nazca, Peru	51.0% ⁽⁴⁾	32 MW	PPA	Peru Energy and Mines Ministry	BBB+	In operation	April 2014	2034	USD	n/a
Tres Hermanas	Wind Farm	Nazca, Peru	51.0% ⁽⁴⁾	97 MW	PPA	Peru Energy and Mines Ministry	BBB+	Under construction	December 2015 (expected)	2035	USD	n/a
2017												
Oaxaca ⁽²⁾	Wind Farm	Oaxaca, Mexico	100%	102 MW	PPA	CFE	BBB+	In operation	September 2012	2032	USD	n/a

Initial ROFO Asset	Type	Location	ACS SI Interest	Capacity (MW)/ Distance (KM)	Remuneration Scheme	Counterparty/ Offtaker	Rating (S&P)	Status	SUD/COD ⁽¹⁾	Contract/ Regulation Maturity	Currency	Call Option Enterprise Value
Manchasol 1	Solar Thermal Plant	Ciudad Real, Spain	100%	50 MW ⁽³⁾	Regulated	Spanish wholesale market/electricity system	n/a	In operation	December 2010	2035	EUR	€275m (2015) €265m (2016) €255m (2017)
Cajamarca ⁽²⁾	Electric Transmission Line	Cajamarca, Peru	100%	400 KM	Regulated	Peru Energy and Mines Ministry	BBB+	Under construction	May 2016 (expected)	2046	USD	n/a
Kiyu ⁽²⁾	Wind Farm	San José, Uruguay	100%	49 MW	PPA	UTE	AAA ⁽⁵⁾	Under construction	December 2015 (expected)	2039	USD	n/a
Lestenergia ⁽²⁾⁽⁶⁾	Wind Farm	Castelo Blanco and Guarda, Portugal	74.5% ⁽⁷⁾	124 MW ⁽⁸⁾	Regulated	EDP	BB+	In operation	2006-2009	2021-2024 ⁽⁹⁾	EUR	n/a

Notes:—

- (1) Spanish assets (Extresol 2, Extresol 3 and Manchasol 1) reflect SUD while the non-Spanish assets reflect the COD or expected COD.
- (2) Subject to the refinancing of the project level financing or/and the authorization from public authorities and financing entities.
- (3) Installed Capacity. Maximum administrative authorization of each of Extresol 2, Extresol 3 and Manchasol 1 is 49.9 MW.
- (4) Remaining 49.0% share capital is owned by Sigma Sociedad Administradora de Fondos de Inversión, S.A. (“Sigma”). Sigma has a call option, a right of first refusal, a tag along right and a drag along right over ACS SI’s interest in these assets. The call option is exercisable at any time, but only if certain conditions are met, within the 18 months following COD.
- (5) Rating by Fitch for the national rating. Uruguay sovereign rating of BBB.
- (6) Lestenergia is composed of six wind farms: Penamacor 1 (20 MW) with COD in June 2006; Penamacor 2 (14.7 MW) with COD in September 2007; Penamacor 3A (20 MW) with COD in June 2006; Penamacor 3B (25.2 MW) with COD in September 2007; Penamacor 3B Extensión (14.7 MW) with COD in January 2009; and Sabugal (29.2 MW) with COD in April 2009.
- (7) CIS, a wholly owned subsidiary of Cobra, owns 74.54% of PROCME and GESTRC, SGPS, S.A. owns the remaining 25.46% of PROCME. PROCME is the sole shareholder of Tecneira Tecnologías Energéticas, S.A., which is the sole shareholder of Lestenergia.
- (8) Lestenergia has an option to increase capacity by 20 MW.
- (9) Option to extend the asset life for an additional 5 to 7 year period after the end of the period of guaranteed remuneration upon the commitment to contribute to the sustainability of the National Electric System (SEN) through the payment of a compensation from 2013 to 2020.

B.4 Significant recent trends affecting Saeta Yield and the industries in which it operates

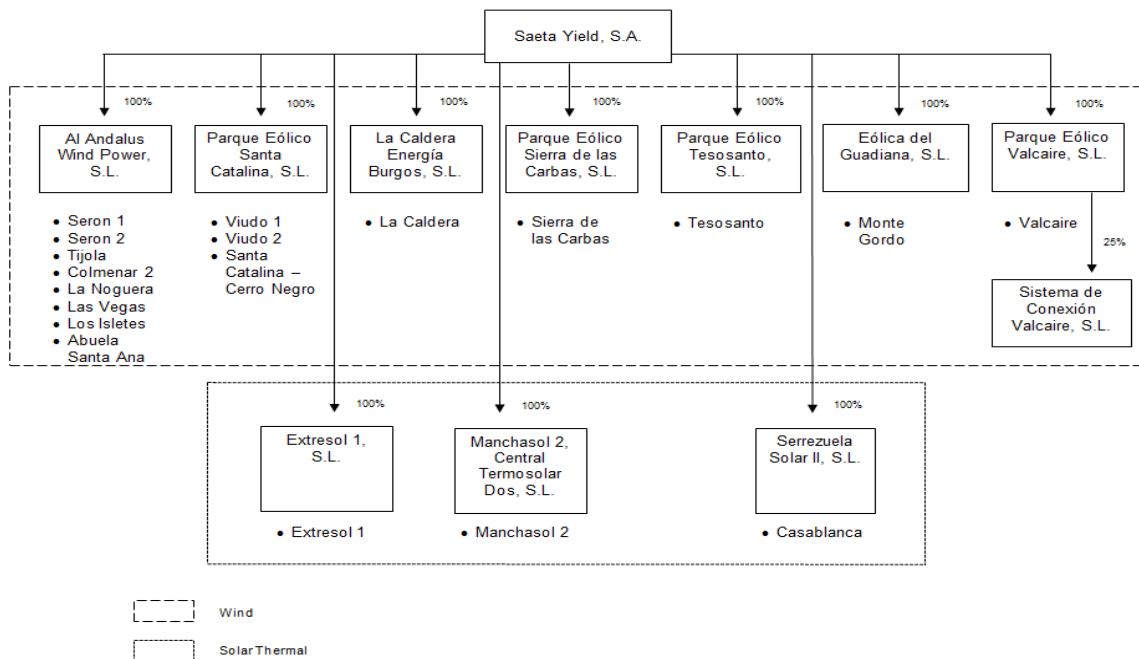
The renewable energy industry has experienced significant transformation over the last decade on the back of policy initiatives to promote green energy and protect the environment. These support mechanisms have played a crucial role in driving down costs and allowing technological advances.

Increasing environmental consciousness, reducing carbon and greenhouse gas emissions, increasing focus on security of energy supply in many developed countries and the related tightening of environmental regulation are important factors that we expect to bolster global demand and provide an impetus to our sustainable development focus. According to the “World Energy Outlook 2013”, the deployment of renewable energy is expected to save approximately 4.1 gigatons of CO₂ emissions in 2035 compared with the 2010 fuel mix at the same level of total generation. Renewables are also expected to help reduce local air pollution and emissions of other pollutants, such as sulfur dioxide and nitrogen oxides.

B.5 Saeta Yield structure

Saeta Yield is the parent company of a group formed by 10 wholly owned direct subsidiaries, whose operations are described in B.3 above.

The following summary chart sets forth our corporate structure and the renewable assets held by each of our Asset Companies:



B.6 Principal Shareholders and Selling Shareholder

As of the date of the prospectus, ACS SI indirectly owns a 100% interest in Saeta Yield through Eyra (75%) (the “Selling Shareholder”), Cobra Sistemas y Redes, S.A. (“Cobra SyR”) (24.9%) and Urbaenergía, S.L. (“Urbaenergía”) (0.1%).

Pursuant to the global initial public offering (the “Offering”), the Selling Shareholder is offering 41,604,234 existing ordinary shares of Saeta Yield (the “Initial Offer Shares”), representing 51% of the share capital of Saeta Yield after the Equity Contribution (as defined below).

Concurrently with the Offering and subject to determination of the Offering Price (as defined below), the Selling Shareholder will subscribe on the business day following the date of determination of the Offering Price (as defined below) 20,013,918 new Shares of Saeta Yield (the “Equity Contribution”).

The following table sets forth certain information with respect to the ownership of Saeta Yield prior to the Offering and after the Offering (assuming the subscription of the Equity Contribution by the Selling Shareholder) but does not reflect any purchase of Shares by the Co-Sponsor (as defined below):

	Shares owned prior to the Offering		Number of Shares subscribed pursuant to the Equity Contribution	Number of Shares initially being offered	Shares owned after the Offering			
					No exercise of the over-allotment option		Full exercise of the over-allotment option	
	Number	%			Number	%	Number	%
Energía y Recursos Ambientales, S.A.	46,172,260	75	20,013,918	41,604,234	24,581,944	30.13	20,421,520	25.03
Cobra Sistemas y Redes, S.A.	15,327,750	24.9	-	-	15,327,750	18.79	15,327,750	18.79
Urbaenergía, S.L.	63,000	0.1	-	-	63,000	0.08	63,000	0.08
Public	-	-	-	-	41,604,234	51.00	45,764,658	56.10
Total	61,563,010	100	20,013,918	41,604,234	81,576,928	100	81,576,928	100

The Selling Shareholder and Urbaenergía have entered into an agreement with a special purpose company that is an indirect, wholly owned subsidiary of the limited partnerships that comprise Global Infrastructure Partners II, one of the funds managed by Global Infrastructure Management, LLC (“GIP” or the “Co-Sponsor”), pursuant to which the Co-Sponsor has agreed to purchase Shares from the Selling Shareholder and Urbaenergía after the Offering, representing up to 24.4% of the share capital of Saeta Yield after the Equity Contribution, conditional upon the Shares being admitted to listing on the Spanish Stock Exchanges and the approval from the relevant antitrust authorities.

The following table sets forth the ownership of Saeta Yield prior to the Offering and after the Offering (assuming the subscription of the Equity Contribution by the Selling Shareholder) reflecting the purchase of Shares by the Co-Sponsor:

	Shares owned prior to the Offering		Number of Shares subscribed pursuant to the Equity Contribution	Number of Shares initially being offered	Shares owned after the Offering			
					No exercise of the Over-allotment Option		Full exercise of the Over-allotment Option	
	Number	%			Number	%	Number	%
Energía y Recursos Ambientales, S.A.	46,172,260	75	20,013,918	41,604,234	4,740,173	5.81	2,659,961	3.26
Cobra Sistemas y Redes, S.A.	15,327,750	24.9	-	-	15,327,750	18.79	15,327,750	18.79
Urbaenergía, S.L.	63,000	0.1	-	-	-	-	-	-
Co-Sponsor.....	-	-	-	-	19,904,771	24.40	17,824,559	21.85
Public.....	-	-	-	-	41,604,234	51.00	45,764,658	56.10
Total	61,563,010	100	20,013,918	41,604,234	81,576,928	100	81,576,928	100

In connection with the purchase of Shares, the Co-Sponsor has agreed to purchase from Cobra SyR, a subsidiary of ACS SI, a number of shares representing 49% of the share capital of a company (“DevCo”), which will hold indirectly (i) the Call Option Assets (through the following stakes in the relevant project companies: Extresol 2, S.L. (50%), Manchazol 1, Central Termosolar 1, S.L. (50%) and Extresol 3, S.L. (100%); the remaining stakes in such companies will be subject to a call option in favour of DevCo, to be exercised on or before December 31, 2015), (ii) 100% of the subordinated debt granted to such project companies, (iii) the rights and obligations related to the DevCo pipeline agreed between the parties, and (iv) any additional new renewable assets that DevCo will acquire from the ACS SI group (including the remaining ROFO Assets, subject to the ROFO Restrictions) or develop in the future (the “DevCo Assets”). DevCo’s corporate purpose will be the development, construction and operation, as applicable, of the DevCo Assets with the intention to transfer them to Saeta Yield pursuant to the ROFO and Call Option Agreement, to which DevCo will accede on the date of closing of the Co-Sponsor Agreements (assuming the same undertakings of ACS SI and its controlled subsidiaries), or to any third party. The Co-Sponsor and Cobra SyR have entered into a shareholders’ agreement to regulate their future potential relationship as shareholders of DevCo.

B.7 Summary historical audited key financial information

The following tables present the interim consolidated financial information for Saeta Yield as of and for the ten months ended October 31, 2014 and limited selected interim aggregated financial information for the Asset Companies for the ten months ended October 31, 2013.

The selected interim consolidated financial information for Saeta Yield as of and for the ten months ended October 31, 2014 has been derived from and is qualified in its entirety by the audited consolidated financial statements as of and for the ten months ended October 31, 2014 of Saeta Yield and its subsidiaries (the “Interim 2014 Audited Consolidated Financial Statements”) included elsewhere in the prospectus, which were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (the “IFRS-EU”). The limited interim aggregated financial information for the Asset Companies for the ten months ended October 31, 2013 has been compiled from unaudited individual management financial information for each of the Asset Companies prepared in accordance with the Royal Decree of November 16, 2007, approving the Spanish General Accounting Plan (the “Spanish GAAP”).

Summary Consolidated Income Statement of Saeta Yield for the ten months ended October 31, 2014

	For the ten months ended October 31, 2014
	(in thousands of euro)
Revenue	181,495
Capitalized expenses of in-house work on assets	1,113
Cost of materials used and other external expenses	(509)
Staff costs	(299)
Other operating expenses	(52,771)
Depreciation and amortization charge	(63,514)
Impairment and gains on the disposal of non-current assets	23,947
Operating income	89,462
Finance income	971
Financial costs	(48,660)
Financial result	(47,689)
Profit/(Loss) of companies accounted for using the equity method	(44)
Profit/(Loss) before tax	41,729
Income tax	(9,902)
Profit/(Loss) attributable to the parent	31,827

Summary Consolidated Statement of Financial Position of Saeta Yield as of October 31, 2014

	As of October 31, 2014
	(in thousands of euro)
Total non-current assets	1,500,168
Total current assets	749,211
Total Assets	2,249,379
Total equity attributable to the parent	355,589
Total non-current liabilities	1,249,682
Total current liabilities	644,108
Total Equity and Liabilities	2,249,379

Summary Consolidated Statement of Cash Flows of Saeta Yield for the ten months ended October 31, 2014

	Ten months ended October 31, 2014
	(in thousands of euro)
Cash flows from operating activities	34,220
Cash flows from investing activities	(162,801)
Cash flows from financing activities	137,421
Net increase/(decrease) in cash and cash equivalents	8,841
Cash and cash equivalents at the beginning of the period	49,622
Cash and cash equivalents at the end of the period	58,463

Additional financial data by business line

Revenue by business line

Revenue by business line	Ten months ended October 31,			
	2014⁽¹⁾		2013	
	(consolidated/IFRS-EU) (audited)		(aggregated)⁽²⁾ (unaudited)	
	thousands of euro	% of revenue	thousands of euro	% of revenue
Wind	78,794	43.4 %	75,948	50.4 %
Solar Thermal	102,701	56.6 %	74,866	49.6 %
Total revenue	181,495		150,814	

Notes:—

- (1) Consolidated amounts for the ten-month period ended October 31, 2014 are not directly comparable with the aggregated information for the ten-month period ended October 31, 2013. However, we have included a comparison of revenue for these periods because the differences in accounting methods do not significantly affect this item.
- (2) The interim aggregated financial information for the Asset Companies has been prepared from unaudited individual management financial information for each of the Asset Companies prepared in accordance with Spanish GAAP.

Adjusted EBITDA by business line	Ten months ended October 31,			
	2014 ⁽¹⁾		2013	
	(consolidated/IFRS-EU) (audited)		(aggregated) ⁽²⁾ (unaudited)	
	thousands of euro	% of revenue	thousands of euro	% of revenue
Wind	54,853	69.6%	51,381	67.7%
Solar Thermal.....	74,226	72.3 %	53,488	71.4%
Other	(50)	-	-	-
Total Adjusted EBITDA⁽³⁾	129,029	71.1%	104,869	69.5%

Notes:—

- (1) Consolidated amounts for the ten-month period ended October 31, 2014 are not directly comparable with the aggregated information for the ten-month period ended October 31, 2013. However, we have included a comparison of Adjusted EBITDA for these periods because the differences in accounting methods do not significantly affect this item.
- (2) The interim aggregated financial information for the Asset Companies has been prepared from unaudited individual management financial information for each of the Asset Companies prepared in accordance with Spanish GAAP.
- (3) Adjusted EBITDA is calculated (i) for the ten months ended October 31, 2014 in respect of Saeta Yield, as profit attributable to the parent, after adding back income tax, results of companies accounted for using the equity method, finance income, financial costs, depreciation and amortization charge and impairment and gains on the disposal of non-current assets and (ii) for the ten months ended October 31, 2013 in respect of the Asset Companies, as profit/(loss) for the period, after adding back income tax, results of companies accounted for using the equity method, finance income, financial costs, capitalized borrowing costs, depreciation and amortization charge and impairment and gains on the disposal of non-current assets. Adjusted EBITDA is not a measurement of performance under Spanish GAAP or IFRS-EU and you should not consider Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Adjusted EBITDA may not be indicative of our historical operating results, nor are meant to be predictive of potential future results.

B.8 Selected key pro forma financial information

We have included this selected key pro forma financial information to illustrate, on a pro forma basis, how our consolidated income statement for the year ended December 31, 2013 (the “Unaudited Pro Forma Consolidated Income Statement”); our consolidated statement of financial position as of December 31, 2013 (the “Unaudited Pro Forma Consolidated Statement of Financial Position”) and our consolidated statement of cash flows for the year ended December 31, 2013 (the “Unaudited Pro Forma Consolidated Statement of Cash Flows”) and, together with the Unaudited Pro Forma Consolidated Income Statement and the Unaudited Pro Forma Consolidated Statement of Financial Position, the “Unaudited Pro Forma Consolidated Financial Information”) might have been affected by our acquisition of the Asset Companies and the related profit participating loans and subordinating loans and certain capital increases related thereto, assuming that the Asset Transfer took place on:

- January 1, 2013, for the purpose of presenting the Unaudited Pro Forma Consolidated Income Statement and the Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended December 31, 2013; and
- December 31, 2013, for the purpose of presenting the Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2013.

The Unaudited Pro Forma Consolidated Financial Information is presented for illustrative purposes only and reflects estimates and certain assumptions made by our management that are considered reasonable under the circumstances as of the date of the

prospectus and which are based on the information available at the time of the preparation of the unaudited pro forma consolidated financial information. Actual adjustments may differ materially from the information presented herein. The Unaudited Pro Forma Consolidated Financial Information does not purport to represent what our consolidated income statement, consolidated cash flows statement and consolidated statement of financial position would have been if the Asset Transfer had occurred on the dates indicated and is not intended to project our consolidated results of operations, consolidated financial position or consolidated cash flows for any future period or date.

Unaudited Pro Forma Consolidated Income Statement for the year ended December 31, 2013

	2013 Aggregate Financial Statements	2013 Saeta Yield	Debt Qualification Correction	D&A Qualification Correction - Depreciations	D&A Qualification Correction - Impairment	Capital Increases	Asset Purchase	Equity of Aggregate Financial Statements	Intragroup Transactions	2013 Pro Forma
(in thousands of euro)										
Revenue.....	176,969	—	—	—	—	—	—	—	—	176,969
Capitalized expenses of in-house work on assets.....	47,117	—	—	—	—	—	—	—	—	47,117
Cost of materials used and other external expenses.....	(39,082)	—	—	—	—	—	—	—	—	(39,082)
Staff costs.....	(280)	—	—	—	—	—	—	—	—	(280)
Other operating expenses.....	(64,617)	—	—	—	—	—	—	—	—	(64,617)
Depreciation and amortization charge..	(86,359)	—	—	11,552	—	—	—	—	—	(74,807)
Impairment and gains on the disposal of non-current assets....	(50,128)	—	—	—	(39,211)	—	—	—	—	(89,339)
Other gains or losses....	50	—	—	—	—	—	60,222	—	(60,222)	50
Operating income	(16,330)	—	—	11,552	(39,211)	—	60,222	—	(60,222)	(43,989)
Finance income.....	938	—	—	—	—	—	9,285	—	(9,285)	938
Capitalized borrowing costs.....	17	—	—	—	—	—	—	—	—	17
Financial costs.....	(70,455)	—	—	—	—	—	—	—	9,285	(61,170)
Financial result	(69,500)	—	—	—	—	—	9,285	—	—	(60,215)
Profit/(Loss) of companies accounted for using the equity method....	—	—	—	—	—	—	—	—	—	—
Profit/(Loss) before tax.....	(85,830)	—	—	11,552	(39,211)	—	69,507	—	(60,222)	(104,204)
Income tax.....	25,720	—	—	(3,466)	11,763	—	(2,785)	—	—	31,232
Profit/(Loss) attributable to the parent.....	(60,110)	—	—	8,086	(27,448)	—	66,722	—	(60,222)	(72,972)

Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2013

	2013 Aggregate Financial Statements	2013 Saeta Yield	Debt Qualification Correction	D&A Qualification Correction – Depreciation	D&A Qualification Correction - Impairment	Capital Increases	Asset Purchase	Equity of Aggregate Financial Statements	Intragroup Transactions	2013 Pro forma
(in thousands of euro)										
Non-current assets:										
Intangible assets	168	—	—	—	—	—	—	—	—	168
Tangible assets - Property, plant and equipment	10,050	—	—	—	—	—	—	—	—	10,050
Non-current assets in projects.....	1,457,398	—	—	36,142	(44,213)	—	—	—	—	1,449,327
Non-current financial assets with Group Companies and related parties	1,536	—	—	—	—	—	353,741	(108,486)	(245,255)	1,536
- <i>Equity instruments</i>	44	—	—	—	—	—	108,486	(108,486)	—	44
- <i>Other loans</i>	1,492	—	—	—	—	—	245,255	—	(245,255)	1,492
Non-current financial assets.....	7,081	—	—	—	—	—	—	—	—	7,081
- <i>Equity instruments</i>	6,981	—	—	—	—	—	—	—	—	6,981
- <i>Other loans</i>	100	—	—	—	—	—	—	—	—	100
Deferred tax assets.....	69,012	—	—	(10,843)	13,264	—	—	—	—	71,433
Total non-current assets	1,545,245	—	—	25,299	(30,949)	—	353,741	(108,486)	(245,255)	1,539,594
Current assets:										
Inventories.....	872	—	—	—	—	—	—	—	—	872
Trade and other receivables	32,237	—	—	—	—	—	—	—	—	32,237
Called-up capital on shares or ordinary shareholdings	—	—	—	—	—	515,616	—	—	—	515,616
Other current financial assets with Group companies and related parties	87,491	—	—	—	—	—	36,061	—	(36,061)	87,491
Current tax assets.....	63	—	—	—	—	—	—	—	—	63
Other receivables from the public authorities	1,256	—	—	—	—	—	—	—	—	1,256
Other current financial assets.....	58,039	—	—	—	—	—	—	—	—	58,039
Cash and cash equivalents	49,622	2	—	—	—	97,399	(97,399)	—	—	49,624
Total current assets ...	229,580	2	—	—	—	613,015	(61,338)	—	(36,061)	745,198
Total assets	1,774,825	2	—	25,299	(30,949)	613,015	292,403	(108,486)	(281,316)	2,284,793
Equity:										
Share capital	72,892	3	—	—	—	61,560	—	(72,892)	—	61,563
Share premium	—	—	—	—	—	551,455	—	—	—	551,455
Reserves	(115,018)	(1)	—	17,213	(3,501)	—	—	(35,594)	60,222	(76,679)
Profit for the period of the parent	(60,110)	—	—	8,086	(27,448)	—	60,222	—	(60,222)	(79,472)
Adjustments for changes in value	(93,653)	—	—	—	—	—	—	—	—	(93,653)
- <i>Hedging instruments</i> ..	(93,653)	—	—	—	—	—	—	—	—	(93,653)

	2013 Aggregate Financial Statements	2013 Saeta Yield	Debt Qualification Correction	D&A Qualification Correction – Depreciation	D&A Qualification Correction - Impairment	Capital Increases	Asset Purchase	Equity of Aggregate Financial Statements	Intragroup Transactions	2013 Pro forma
(in thousands of euro)										
Total equity	(195,890)	2	—	25,299	(30,949)	613,015	60,222	(108,486)	—	363,214
Total equity attributable to the parent	(195,890)	2	—	25,299	(30,949)	613,015	60,222	(108,486)	—	363,214
Non-current liabilities:										
Long term project finance	1,096,774	—	(257,058)	—	—	—	—	—	—	839,716
Other financial liabilities	—	—	—	—	—	—	—	—	—	—
Other financial liabilities with Group companies and related parties ...	305,478	—	—	—	—	—	(60,222)	—	(245,255)	—
Derivative financial instruments	133,700	—	—	—	—	—	—	—	—	133,700
Deferred tax liabilities ..	52,222	—	—	—	—	—	—	—	—	52,222
Total non-current liabilities	1,588,174	—	(257,058)	—	—	—	(60,222)	—	(245,255)	1,025,639
Current liabilities:										
Short term project finance	61,426	—	257,058	—	—	—	—	—	—	318,484
Derivative financial instruments	—	—	—	—	—	—	—	—	—	—
Trade and other payables	266,704	—	—	—	—	—	—	—	—	266,704
Other payables to Group companies and related parties	—	—	—	—	—	—	292,403	—	—	292,403
Other financial liabilities with Group companies and related parties ...	48,371	—	—	—	—	—	—	—	(36,061)	12,310
Other financial liabilities	975	—	—	—	—	—	—	—	—	975
Current tax liabilities ...	5,064	—	—	—	—	—	—	—	—	5,064
Other payables to the public authorities	—	—	—	—	—	—	—	—	—	—
Other current liabilities	—	—	—	—	—	—	—	—	—	—
Total current liabilities	382,540	—	257,058	—	—	—	292,403	—	(36,061)	895,940
Total equity and liabilities	1,774,825	2	—	25,299	(30,949)	613,015	292,403	(108,486)	(281,316)	2,284,793

Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended December 31, 2013

	2013 Aggregate Financial Statements	2013 Saeta Yield	Debt Qualification Correction	Debt Qualification Correction – Depreciation	D&A Qualification Correction - Impairment	Capital Increases	Asset Purchase	Equity of Aggregate Financial Statements	Intragroup Transactions	2013 Pro forma
(in thousands of euro)										
Profit/(loss) before tax	(85,830)	—	—	11,552	(39,211)	—	69,507	—	(60,222)	(104,204)
Adjustments for	205,987	—	—	(11,552)	39,211	—	(69,507)	—	60,222	224,361
Depreciation and amortization charge	86,359	—	—	(11,552)	—	—	—	—	—	74,807
Impairment and gains on the disposal of non-current assets	50,128	—	—	—	39,211	—	—	—	—	89,339
Other gains or losses	—	—	—	—	—	—	(60,222)	—	60,222	—
Finance income	(938)	—	—	—	—	—	(9,285)	—	9,285	(938)
Capitalized borrowing costs	(17)	—	—	—	—	—	—	—	—	(17)
Financial costs	70,455	—	—	—	—	—	—	—	(9,285)	61,170
Changes in working capital	23,255	—	—	—	—	—	—	—	4,910	28,165
Inventories	1,089	—	—	—	—	—	—	—	—	1,089
Trade and other receivables	(7,086)	—	—	—	—	—	—	—	—	(7,086)
Trade and other payables	33,668	—	—	—	—	—	—	—	4,910	38,578
Other current assets and current liabilities	(4,416)	—	—	—	—	—	—	—	—	(4,416)
Other cash flows from operating activities	(65,775)	—	—	—	—	—	—	—	747	(65,028)
Interest payable	(67,920)	—	—	—	—	—	—	—	747	(67,173)
Interest received	201	—	—	—	—	—	—	—	—	201
Income tax payments/proceeds	1,944	—	—	—	—	—	—	—	—	1,944
Cash flows from operating activities	77,637	—	—	—	—	—	—	—	5,657	83,294
Investment payables	(75,037)	—	—	—	—	—	(97,399)	—	—	(172,436)
Group companies and related parties	(25,450)	—	—	—	—	—	(97,399)	—	—	(122,849)
Non-current assets in projects	(49,565)	—	—	—	—	—	—	—	—	(49,565)
Other financial assets	(22)	—	—	—	—	—	—	—	—	(22)
Proceeds from disposals	30,156	—	—	—	—	—	—	—	—	30,156
Group companies and related parties	25,019	—	—	—	—	—	—	—	—	25,019
Non-current assets in projects	4,645	—	—	—	—	—	—	—	—	4,645
Other financial assets	492	—	—	—	—	—	—	—	—	492
Cash flows from investing activities	(44,881)	—	—	—	—	—	(97,399)	—	—	(142,280)
Equity instrument proceeds	—	—	—	—	—	97,399	—	—	—	97,399
Issue of new share capital	—	—	—	—	—	97,399	—	—	—	97,399

	2013 Aggregate Financial Statements	2013 Saeta Yield	Debt Qualification Correction	Debt Qualification Correction – Depreciation	D&A Qualification Correction - Impairment	Capital Increases	Asset Purchase	Equity of Aggregate Financial Statements	Intragroup Transactions	2013 Pro forma
(in thousands of euro)										
Liability instrument proceeds	30,652	—	—	—	—	—	—	—	(17,055)	13,597
Group companies and related parties	27,835	—	—	—	—	—	—	—	(17,055)	10,780
Credit institutions	1,842	—	—	—	—	—	—	—	—	1,842
Other borrowings	975	—	—	—	—	—	—	—	—	975
Liability instrument payments	(59,062)	(1)	—	—	—	—	—	—	3,153	(55,910)
Group companies and related parties	(6,643)	(1)	—	—	—	—	—	—	3,153	(3,491)
Credit institutions	(51,979)	—	—	—	—	—	—	—	—	(51,979)
Other borrowings	(440)	—	—	—	—	—	—	—	—	(440)
Dividends and returns on other equity instruments paid	(8,245)	—	—	—	—	—	—	—	8,245	—
Dividends	(8,245)	—	—	—	—	—	—	—	8,245	—
Cash flows from financing activities	(36,655)	(1)	—	—	—	97,399	—	—	(5,657)	55,086
Net increase/(decrease) in cash and cash equivalents	(3,899)	(1)	—	—	—	97,399	(97,399)	—	—	(3,900)
Cash and cash equivalents at the beginning of the year	53,522	2	—	—	—	—	—	—	—	53,524
Cash and cash equivalents at the end of the year	49,623	1	—	—	—	97,399	(97,399)	—	—	49,624

B.9 Profit forecast or estimate

The forecasts of future profits attributable to the parent, of recurrent cash available for distribution and the target of future distribution in future periods are based on certain assumptions we believe to be reasonable as of the date of the prospectus. However, we cannot assure you that any or all of such assumptions will be realized. Our forecasts of future profits attributable to the parent, of recurrent cash available for distribution and the target of future distribution in future periods are based upon estimates and assumptions about circumstances and events that have not yet occurred and are subject to all of the uncertainties inherent in making projections. These projections and targets should not be relied upon as fact or as an accurate representation of future results or events. Future results will be different from this target and the differences may be materially less favorable.

Based upon the material assumptions described below and other assumptions that we believe to be reasonable as of the date of the prospectus, we forecast that (i) our profit/(loss) attributable to the parent will be approximately a loss of €13.0 million during the year ending December 31, 2015 and a profit of €32.5 million during the year ending December 31, 2016; and (ii) our estimated recurrent cash available for distribution, excluding the net release of cash retained (as defined in “Cash Dividend Policy”), during the years ending December 31, 2015 and 2016 will be approximately €71.6 million (although we believe this amount includes estimated non-recurrent net cash inflows of €9.6 million as described below, leaving approximately €62.0 million of recurrent cash available for distribution) and €63.5 million, respectively.

The below sets forth our forecasts of profit attributable to the parent and estimated recurrent cash available for distribution, expressed in millions in order to facilitate the presentation of the forecasted information due to the underlying assumptions on which such forecasts have been based, for the years ending December 31, 2015 and 2016:

	Year ending December 31,	
	2015	2016
	(in millions of euro)	
Forecast of profit attributable to the parent:		
Revenue	223.1	224.2
Operating costs and expenses:		
Operating expenses and other	(68.8)	(69.7)
Depreciation and amortization charge.....	(76.7)	(76.7)
Total operating costs and expenses	(145.4)	(146.3)
Operating income	77.7	77.8
Other income/(expense):		
Financial income.....	1.8	3.4
Financial costs	(40.4)	(37.3)
Net financial income/(expense)	(38.6)	(33.8)
Debt arrangement/early amortization expense	(57.2)	(0.7)
Total other income/(expense)	(95.7)	(34.5)
Profit/(loss) before tax	(18.0)	43.3
Income tax	5.1	(10.8)
Profit/(loss) attributable to the parent	(13.0)	32.5
Forecast of estimated recurrent cash available for distribution:		
Profit attributable to the parent	(13.0)	32.5
Financial income.....	(1.8)	(3.4)
Add:		
Depreciation and amortization charge.....	76.7	76.7
Financial costs	40.4	37.3
Debt arrangement/early amortization expense	57.2	0.7
Income tax	(5.1)	10.8
Adjusted EBITDA	154.4	154.5
Less:		
Changes in other assets and liabilities.....	(21.3)	0.1
Capital expenditure	0.8	-
Cash interest paid.....	44.5	37.7
Repayment and amortization of bank borrowings.....	53.2	56.6
Income tax paid/(recovered)	7.3	-
Add:		
Interest received.....	1.8	3.4
Net release of cash retained at Asset Companies	(50.1)	73.0
Forecast of estimated cash available for distribution after investing and funding activities at Saeta Yield..	21.5	136.4

	Year ending December 31,	
	2015	2016
	(in millions of euro)	
Less:		
Net release of cash retained at Asset Companies	(50.1) ⁽¹⁾	73.0
Forecast of estimated cash available for distribution after investing and funding activities excluding net release of cash retained at Asset Companies	71.6	63.5
Less:		
Non-recurrent net inflows	9.6 ⁽²⁾	-
Forecast of estimated recurrent cash available for distribution	62.0	63.5

Notes:—

- (1) Net release of cash retained value is negative for 2015 because we will not be releasing cash during 2015 because certain of our Asset Companies did not fulfill their distribution covenants in 2014. See “—Specific Assumptions and Considerations—Business and Operations Assumptions for Estimated Recurrent Cash Available for Distribution—Net release of cash retained”.
- (2) Includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million.

The following table provides a breakdown of Adjusted EBITDA and recurrent cash available for distribution by business line for the years ending December 31, 2015 and 2016:

	Year ending December 31			
	2015		2016	
	Adjusted EBITDA	CAFD ⁽¹⁾	Adjusted EBITDA	CAFD ⁽¹⁾
	(in millions of euro)			
Wind	75.6	36.5	74.9	26.4
Solar Thermal.....	80.7	40.7	81.1	41.6
Corporate expenses and taxes ⁽²⁾	(1.9)	(5.6)	(1.5)	(4.5)
Total	154.4	71.6⁽³⁾	154.5	63.5

Notes:—

- (1) Recurrent cash available for distribution; excludes net release of cash retained (as defined herein).
- (2) “Corporate expenses and taxes” includes approximately €4.5 million per year, consisting mainly of corporate general and administrative expenses at the Saeta Yield level (including payroll, board of directors remuneration, expenses related to the Transitory Services Agreement with ACS SI and rent for our office property) that are offset by the revenues received pursuant to the Services Agreements with the Asset Companies. Additionally Saeta will have financial expenses related with the revolving credit facility as well as corporate taxes.
- (3) Includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million.

Audit reports

Deloitte, S.L. has issued two reports in relation to our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years ending 2015 and 2016, which appear on pages F-76 and F-97 of the prospectus, respectively.

B.10 Qualifications in the audit report on historical information

The Interim 2014 Audited Consolidated Financial Statements as of and for the ten months ended October 31, 2014 included elsewhere in the prospectus and the audited standalone financial statements as of and for the years ended December 31, 2013, 2012 and 2011 for each of our Asset Companies (except for Parque Eólico Valcaire, S.L., which was not audited in any of the three periods, and Serrezuela Solar II, S.L., which was not audited in 2012 and 2011, because, in each case, a mandatory audit was not required and the companies did not request a voluntary audit) (the Annual Audited Asset Company Financial Statements) have been audited by Deloitte, S.L.

The audit report corresponding to our Interim 2014 Audited Consolidated Financial Statements is unqualified.

The audit reports corresponding to our Annual Audited Asset Company Financial Statements for the years ended December 31, 2013, 2012 and 2011, incorporated by reference in the prospectus, are qualified due to the following:

Qualification made in the audit reports corresponding to the financial statements of Parque Eólico Tesosanto, S.L. for the years ended December 31, 2012 and 2013, the audit reports corresponding to the financial statements of Extresol 1, S.L. for the years ended December 31, 2011, 2012 and 2013 and the audit reports corresponding to the financial statements of Manchasol 2 Central Termosolar Dos, S.L. for the years ended December 31, 2012 and 2013:

- According to the Spanish GAAP, tangible assets are systematically depreciated over their useful lives. The relevant company is depreciating the tangible assets on the basis of the term of the financing agreement instead of the estimated useful life of assets of the same characteristics and under the same conditions. If the company had followed economic criteria based on the estimated useful lives of these assets, the accumulated depreciation of the tangible assets would be lower and the profit for the relevant period and the reserves would be higher.

Qualification made in the audit reports corresponding to the financial statements of Manchasol 2 Central Termosolar Dos, S.L. for the years ended December 31, 2012 and 2013:

- As of December 31, 2012 and 2013, the definitive formalization in a public deed of the commencement of commercial operations (as defined in the syndicated loan agreement) of Manchasol 2 was pending due to certain registration matters. Pursuant to applicable accounting regulations, the outstanding balance of the syndicated loan of Manchasol 2 as of December 31, 2012 and 2013, net of arrangement costs, was classified as a current liability (due and accrued within one year) in the statements of financial position of Manchasol 2 as of December 31, 2012 and 2013.

B.11 If the issuer's working capital is not sufficient for the issuer's present requirements an explanation should be included

Not applicable.

SECTION C – SECURITIES

C.1 Description of class of the securities

Our Shares have the ISIN code ES0105058004, allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the Spanish Comisión Nacional del Mercado de Valores (the “CNMV”). It is expected that our Shares will be traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges (the “Spanish Stock Exchanges”) and quoted on the Automated Quotation System (the “AQS”) under the ticker symbol “SAY”. The Shares will, on Admission, comprise our entire issued ordinary share capital.

C.2 Currency of the securities issue

Our Shares are denominated in euro.

C.3 Number of issued and fully paid shares

We only have one class of shares and each Share entitles the holder to one vote.

The Selling Shareholder is offering 41,604,234 Initial Offer Shares representing 51% of the share capital of Saeta Yield. In addition, the Selling Shareholder will grant an option to Citigroup Global Markets Limited, Merrill Lynch International and Société Générale as Joint Global Coordinators and Joint Bookrunners (the “Joint Global Coordinators”) and Banco Santander, S.A. and HSBC Bank plc as Joint Bookrunners (together with the Joint Global Coordinators, the “Underwriters”) (the “Over-allotment Option”) exercisable by the Stabilizing Manager within 30 calendar days from the date on which the Shares commence trading on the Spanish Stock Exchanges, to purchase a number of additional Shares representing up to 10% of the Initial Offer Shares offered by the Selling Shareholder in the Offering, solely to cover over-allotments of Shares in the Offering, if any, and short positions resulting from stabilization transactions, if any (the “Over-allotment Shares” and, together with the Initial Offer Shares, the “Offer Shares”).

On Admission, there will be 81,576,928 Shares of €1 nominal value each in issue. All Shares will be fully paid.

C.4 Rights attaching to the Shares

The Shares rank *pari passu* in all respects with each other, including for voting purposes and in full for all dividends and distributions on Shares declared, made or paid after their issue and for any distributions made on a winding-up of Saeta Yield.

The Shares grant their owners the rights set forth in our by-laws and in the Royal Decree 1/2010, of July 2, 2010 as amended (*Real Decreto Legislativo 1/2010, de 2 de Julio, que aprueba el Texto Refundido de la Ley de Sociedades de Capital*) (the “Spanish Companies Act”), such as, among others: (i) the right to attend general shareholders’ meetings of Saeta Yield with the right to speak and vote; (ii) the right to dividends proportional to their paid-up shareholding in Saeta Yield; (iii) the preemptive right to subscribe for newly issued Shares in capital increases with cash contributions; and (iv) the right to any remaining assets in proportion to their respective shareholdings upon liquidation of Saeta Yield.

C.5 Description of restrictions on free transferability of the Shares

There are no restrictions on the free transferability of the Shares in our by-laws (*estatutos sociales*).

C.6 Applications for admission to trading on regulated markets

Application will be made to list the Shares on the Spanish Stock Exchanges and to have them quoted on the AQS. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other exchange.

C.7 Dividend policy

The forecasts of future profits attributable to the parent, of recurrent cash available for distribution and the target of future distribution in future periods are based on certain assumptions we believe to be reasonable as of the date of the prospectus. However, we cannot assure you that any or all of such assumptions will be realized. Our forecasts of future profits attributable to the parent, of recurrent cash available for distribution and the target of future distribution in future periods are based upon estimates and assumptions about circumstances and events that have not yet occurred and are subject to all of the uncertainties inherent in making projections. These projections and targets should not be relied upon as fact or as an accurate representation of future results or events. Future results will be different from this target and the differences may be materially less favorable.

We intend to pay a regular quarterly dividend in euros to our shareholders starting in the first quarter of 2015. In respect of the first quarter of 2015, we expect to pay a dividend per Share pro rata to the number of days elapsed from the settlement of the Offering until March 31, 2015.

We expect to pay a quarterly dividend on or about the 60th day following the expiration of each fiscal quarter to our shareholders of record on the date to be announced through a relevant fact disclosure (*hecho relevante*).

We have established our quarterly dividend policy based on our existing liquidity position and a targeted payout ratio of 90% of the expected recurrent cash available for distribution per year, after considering the cash available for distribution that we expect our projects will be able to generate on a recurrent basis (net of cash flows not related with the ordinary evolution of the business).

We intend to distribute approximately €57 million per year during 2015, on a pro rata basis as set out above, and 2016 (the “Intended Distribution”), on the basis of cash flow generation and existing liquidity in each year.

See “Profit forecast or estimate” in Element B.9 for our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years ending December 31, 2015 and December 31, 2016.

We currently have the ability to make distributions free of Spanish withholding tax (as of the date of this prospectus at a 20% tax rate and expected to be at 19% in 2016) out of an existing share premium of €551 million as of October 31, 2014 (*prima de emisión*) or €732 million once adjusted to reflect to the Equity Contribution. The share premium is a freely distributable reserve. It is our intention to make distributions to our shareholders preferably out of share premium, if available, given that such distributions are not subject to Spanish withholding tax.

Our board of directors may, subject to approval by the general shareholders’ meeting, amend the cash dividend policy at any time. We intend to grow our business through the acquisition of operational projects, which, we believe, will facilitate the growth of our profits and recurrent cash available for distribution after financing expenses related to acquisitions, as applicable, and enable us to increase our dividend per Share over time. However, the determination of the amount of cash dividends to be paid to holders of our Shares will be made by our board of directors, subject to the approval by the general shareholders’ meeting, and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that we deem relevant. Our cash dividend policy reflects a basic judgment that our shareholders will be better served by distributing most of the cash distributions we expect to receive from our Asset Companies in the form of a quarterly dividend rather than retaining them. In addition, by retaining a small amount of our expected recurrent cash available for distribution, we believe we will also provide better value to our shareholders by maintaining certain liquidity to address seasonality, potential new acquisitions and future dividend paying capacity.

SECTION D – RISKS

D.1 Key information on the key risks that are specific to Saeta Yield or its industry

Investing in our Shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with the other information contained in the prospectus, before making any investment decision. Any of the following risks and uncertainties could have a material adverse effect on our business, prospects, results of operations and financial condition. The market price of our Shares could decline due to any of these risks and uncertainties, and you could lose all or part of your investment.

Risks Related to Macroeconomic Conditions

- The current state of the Spanish and global economy may adversely affect our business

Risks Related to Our Assets and the Operation of Our Projects

- The generation of electric energy from wind and solar energy sources depends heavily on suitable meteorological conditions
- Our business may be adversely affected by catastrophes, natural disasters, adverse weather conditions, climate change, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of our plants or facilities
- Increases in the cost of energy or disruption in its supply could significantly increase our operating costs in some of our assets
- Lack of electric transmission capacity availability and other system constraints could significantly impact our ability to generate electricity power sales
- The proper operation of our solar thermal plants requires access to water
- Maintenance, expansion and refurbishment of wind farms and solar thermal plants involve significant risks that could result in unplanned power outages or reduced output
- Certain of our facilities are newly constructed and may not perform as expected

- The power generation industry is characterized by intense competition from both traditional and renewable energies sector and our competitive position could be adversely affected by changes in technology, prices, industry standards and other factors
- Transactions with counterparties expose us to credit risk which we must effectively manage to mitigate the effect of counterparty default
- Our performance may be adversely affected by problems related to our reliance on third-party contractors and suppliers
- Supplier concentration may expose us to significant financial credit or performance risk
- The facilities we operate are, in some cases, dangerous workplaces at which hazardous materials are handled. If we are unable to maintain safe work environments, we can be exposed to significant financial losses, as well as civil and criminal liabilities
- Our insurance may be insufficient to cover relevant risks and the cost of our insurance may increase
- Lack of approval by co-owners of certain evacuation or common facilities owned by multiple parties could lead to additional operational costs and costly repairs to certain of our assets
- We do not own all of the land on which our assets are located, which could result in increase of costs and disruption to our operations
- We may be subject to litigation and other legal proceedings
- We depend on key members of our management team and employees and their knowledge of the renewable energy sector and our business
- We are subject to reputational risk, and our reputation is related to that of the ACS Group

Risks Related to Our Growth Strategy

- Pursuant to our cash dividend policy we intend to distribute all or substantially all of our recurrent cash available for distribution through regular quarterly distributions and dividends, and consequently our ability to grow and make acquisitions through cash on hand could be limited
- We may not be able to identify or consummate any future acquisitions on favorable terms, or at all
- We may be adversely affected by risks associated with acquisitions
- We may be adversely affected by risks associated with acquisitions which are jointly owned or operated
- In the future, we may acquire international operations and investments, which could be subject to economic, social and political uncertainties
- Should future acquisitions result in offtake agreements, any counterparties to such offtake agreements may not fulfill their obligations and, as our contracts expire, we may not be able to replace them with agreements on similar terms in light of increasing competition in the markets in which we operate

Risks Related to Legislative and Regulatory Conditions

- We rely on certain regulations and incentives that may be changed, legally challenged, or abandoned, which could adversely affect our business and growth plan
- We are subject to risks related to national and international political measures to promote renewable energies
- We are exposed to certain specific risks related to the new specific remuneration regime in Spain
- We are subject to regulation in Spain setting forth extensive requirements to construct and operate wind and solar thermal facilities, and our inability to comply with existing regulations or requirements or changes in applicable regulations or requirements may have a negative impact on our business, results of operations or financial condition
- Our business is subject to stringent environmental regulation
- Our business is subject to additional taxation in Spain specific to renewable energy plants
- Risks related to derivative market regulations
- We are subject to liquidity risk

Risks Related to Our Indebtedness

- Our indebtedness could adversely affect our ability to raise additional capital to fund our operations or pay dividends. It could also expose us to the risk of increased interest rates and limit our ability to react to changes in the economy or our industry as well as impact our recurrent cash available for distribution
- Our inability to satisfy certain financial covenants may limit cash distributions to shareholders
- We may be subject to increased finance expenses if we do not effectively manage our exposure to interest rate risks

Risks Related to Our Relationship with the ACS Group and ACS SI

- We may not be able to consummate future acquisitions from ACS SI or DevCo
- Existence of potential conflict of interest between Eyra and Cobra and us that may be resolved in a manner that is not in our best interests
- If Eyra terminates the Transitional Services Agreement or defaults in the performance of its obligations under the agreement, we may be unable to contract with a substitute service provider on similar terms, or at all

Risks Related to Taxation

- Our future tax liability may be greater than expected if we are not able to optimize the use of the tax consolidation and free depreciation regimes as we expect
- Distributions to U.S. Holders of Offer Shares may be fully taxable as dividends for U.S. federal income tax purposes
- If we are a passive foreign investment company for U.S. federal income tax purposes for any taxable year, U.S. Holders of Offer Shares could be subject to materially adverse U.S. federal income tax consequences

D.3 Key information on the key risks that are specific to the Shares**Risks Related to Ownership of our Shares**

- We may not be able to pay a specific or increasing level of cash dividends to holders of our Shares in the future
- Our cash dividend policy and our Intended Distribution involve risks
- The growth of our business may adversely affect our ability to pay dividends to our shareholders
- The assumptions underlying the forecasts presented elsewhere in the prospectus are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual recurrent cash available for distribution to differ materially from our forecasts
- There can be no assurance that any target dividend distribution will be achieved
- We are a holding company and our only material assets after completion of this Offering will be our interest in our subsidiaries, upon whom we are dependent for distributions to pay dividends, taxes and other expenses
- We have limited historical consolidated financial information due to our limited operating history, which makes evaluating our business difficult, and may increase the risk of an investment in our Shares
- The Unaudited Consolidated Pro Forma Financial Information included elsewhere in the prospectus does not represent, and may not give a true picture of, our actual or future financial condition and results of operations.
- Market interest rates may have an effect on the value of our Shares
- There can be no assurance that the Offering Price will correspond to the net tangible value of the Shares or to the price at which trading in the Shares will develop and continue after the Offering
- Market volatility may affect the price of our Shares and the value of an investment in our Shares
- You may experience dilution of your ownership interest due to the future issuance of additional Shares
- Shareholders in certain jurisdictions other than Spain may not be able to exercise their pre-emptive rights if we increase our share capital
- If securities or industry analysts do not publish or cease to publish research or reports about us, our business or our market, or if they change their recommendations regarding our Shares adversely, the price and trading volume of our Shares could decline

- Future sales of our Shares by ACS SI may cause the price of our Shares to fall
- There may not be a public market for our Shares
- The trading market for our Shares may be volatile and may be adversely affected by many events
- We will incur increased costs as a result of being a publicly traded company

SECTION E – ADMISSION AND THE OFFER

E.1 Total net proceeds of the Offering and estimated expenses

We will not receive any of the proceeds from the sale of the Offer Shares by the Selling Shareholder in the Offering, although we will receive €200,139,180 from Eyra pursuant to the Equity Contribution (as defined below).

Concurrently with the Offering and subject to determination of the Offering Price (as defined below), the Selling Shareholder will subscribe on the business day following the date of determination of the Offering Price 20,013,918 new Shares of Saeta Yield (the “Equity Contribution” and the “Equity Contribution Shares”).

Due to the difficulty in determining the expenses incurred as of the date of this document, for purely informational purposes, the estimated expenses (underwriting commissions, fees and expenses) payable by the Selling Shareholder in relation to the Offering (VAT excluded, which shall be added where applicable) are €23.8 million.

E.2 Reasons for the Offering and use of proceeds

Through this Offering, Eyra, ACS SI and Saeta Yield intend to create enhanced value for our shareholders by seeking to achieve the following objectives:

- offer a total return oriented company with stable, predictable, recurrent and growing dividends;
- create a company with a competitive source of equity capital to benefit from the acquisition of long-term contracted or regulated revenue assets developed by ACS SI subsidiaries and other third-parties; and
- align strategic interests, creating a long-term partner that will benefit from ACS SI’s expertise in developing greenfield projects while reinforcing ACS SI’s growth strategy by scaling up its concessional business.

ACS SI intends to maintain a significant participation in Saeta Yield, as ACS SI views Saeta Yield as a core pillar in ACS SI’s strategy in the development of energy infrastructure.

E.3 Terms and Conditions of the Offering

Pursuant to the Offering, the Selling Shareholder is offering 41,604,234 Initial Offer Shares, representing 51% of the share capital of Saeta Yield after the Equity Contribution.

In addition, the Selling Shareholder will grant an Over-allotment Option to the Underwriters exercisable by Merrill Lynch International (the “Stabilizing Manager”) within 30 calendar days from the date on which the Shares commence trading on the Spanish Stock Exchanges, to purchase Over-allotment Shares representing up to 10% of the Initial Offer Shares offered by the Selling Shareholder in the Offering, solely to cover over-allotments of Shares in the Offering, if any, and short positions resulting from stabilization transactions, if any.

The indicative offering price range at which the Offer Shares are being sold in the Offering is between €10.45 and €12.25 per Share (the “Offering Price Range”). The Offering Price Range has been determined based upon discussions and agreement between us, the Selling Shareholder and the Joint Global Coordinators, and no independent experts have been consulted in determining this price range. The final price of the Shares in the Offering (the “Offering Price”) will be determined based on discussions and agreement between us, the Selling Shareholder and the Joint Global Coordinators, upon finalization of the book-building period (expected to be determined on or about February 12, 2015) and will be announced through the publication of a relevant fact disclosure (*hecho relevante*). No independent experts will be consulted in determining the Offering Price.

The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and are being sold within the United States only to qualified institutional buyers (“QIBs”) as defined in

reliance on Rule 144A under the Securities Act (“Rule 144A”), and outside the United States in compliance with Regulation S under the Securities Act.

We, the Selling Shareholder and the Underwriters will enter into an underwriting agreement (the "Underwriting Agreement") with respect to the Initial Offer Shares and the Over-allotment Shares being sold by the Selling Shareholder upon the finalization of the book-building period (expected to be entered into on or about February 12, 2015). Subject to the satisfaction of certain conditions set out in the Underwriting Agreement, each Underwriter will agree, severally but not jointly, to procure the purchase of, or to purchase such percentage of the total number of Initial Offer Shares as is set forth opposite its name in the following table:

Underwriters	% Offer Shares
Merrill Lynch International	35%
Citigroup Global Markets Limited.....	23.5%
Société Générale	23.5%
Banco Santander.....	9%
HSBC.....	9%

The transaction date of the Offering (*fecha de operación bursátil*) (the “Transaction Date”) is expected to be on or about February 13, 2015. Under Spanish law, on the Transaction Date, investors become unconditionally bound to pay for, and entitled to receive, the Initial Offer Shares purchased in the Offering.

Payment by the final investors for the Initial Offer Shares will be made no later than the third business day after the Transaction Date against delivery through the facilities of Iberclear of the Offer Shares to final investors, which is expected to take place on or about February 18, 2015 (the “Settlement Date”). The Shares are expected to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about February 16, 2015 under the symbol “SAY”.

The Offering may be:

- (a) withdrawn, postponed, deferred or suspended temporarily or indefinitely by us for any reason at any time before the setting of the Offering Price; or
- (b) revoked (i) if the Underwriting Agreement is not executed on or before 11:59 p.m. Madrid time on the date the Offering Price is set (expected to be on February 12, 2015) or any postponement thereof duly notified to the CNMV; (ii) if the Underwriting Agreement is terminated prior to 9 a.m. Madrid time on the Transaction Date upon the occurrence of certain events set forth in the Underwriting Agreement; (iii) if the Offering is suspended or withdrawn by any judicial or administrative authority; or (v) if the Shares are not admitted to listing on the Spanish Stock Exchanges before March 31, 2015.

In case of withdrawal or revocation of the Offering, all offers to purchase shall be cancelled and all purchase orders related to the Offering of the Initial Offer Shares shall be terminated. Additionally, the Selling Shareholder shall have no obligation to deliver the Initial Offer Shares and the investors (including for the purposes of this section the Underwriters on behalf of the final investors) shall have no obligation to purchase the Initial Offer Shares.

In the event that the Initial Offer Shares have already been delivered by the Selling Shareholder and the purchase price has been paid by the investors, the investors would be required to return title to the Initial Offer Shares to the Selling Shareholder and the Selling Shareholder will repurchase the Initial Offer Shares from the purchasers of the Initial Offer Shares for an amount equal to moneys paid by the purchasers in respect of the sale of the Initial Offer Shares in the Offering, together with interest calculated at the statutory rate (*interés legal*) (currently set at 3.5%) from the date on which the purchasers paid for the Offer Shares until the date on which they repay the purchase price.

In connection with the Offering, the Stabilizing Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, engage in transactions that stabilize, support, maintain or otherwise affect the price, as well as over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market.

E.4 Material interests in the Offering

Not applicable.

E.5 Entities offering the Shares and lock-up arrangements

(A) Entities offering the Shares

The Selling Shareholder is the entity offering the Offer Shares.

(B) Lock-up arrangements

Pursuant to the terms of the Underwriting Agreement to be entered into between us, the Selling Shareholder and the Underwriters, the following parties will be subject to a lock-up undertaking for the periods from the execution of the Underwriting Agreement to the date falling on the following days after the Settlement Date of the Offering:

Saeta Yield.....	180 days
Selling Shareholder.....	360 days

Cobra SyR and Urbaenergía will agree with the Underwriters to similar lock-up restrictions from the date of execution of the Underwriting Agreement until 360 days following the Settlement Date.

The Co-Sponsor has agreed to a lock-up undertaking until 360 days following the Settlement Date on similar terms as the Selling Shareholder.

The lock-up agreements are subject to customary exceptions.

E.6 Dilution

Not applicable. As all of the Offering is secondary, it will not carry any dilution effect.

E.7 Expenses charged to Investors

Notwithstanding any expenses, broker fees or commissions that might be charged by the participating entities in Iberclear in accordance with their respective fees (and which are external to Saeta Yield), for the purposes of the transfer of the Shares, we will not charge final investors any expense in addition to the Offering Price.

In addition, purchasers of Offer Shares may be required to pay stamp taxes and other charges in compliance with the laws and practices of their country of purchase in addition to the Offering Price.

THE OFFERING

The Company	Saeta Yield, S.A. (“Saeta Yield”)
The Selling Shareholder	Energía y Recursos Ambientales, S.A., a wholly owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A. See “Principal Shareholders and Selling Shareholder”.
The Offering	The Offer Shares will be offered and sold (i) in the United States only to QIBs (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and (ii) outside the United States in compliance with Regulation S under the Securities Act.
Offering Price	<p>The indicative Offering Price Range at which Offer Shares are being offered in the Offering is between €10.45 and €12.25 per Offer Share, but the Offering Price may be outside this range. This price range has been determined based on discussions and agreement between us, the Selling Shareholder and the Joint Global Coordinators, and no independent experts have been consulted in determining this price range.</p> <p>The Offering Price of the Offer Shares will be determined based on discussions and agreement between us, the Selling Shareholder and the Joint Global Coordinators, upon the finalization of the book-building period (expected to be determined on or about February 12, 2015) and will be announced through the publication of a relevant fact disclosure (<i>hecho relevante</i>). No independent experts will be consulted in determining the Offering Price.</p>
Total number of Initial Offer Shares offered in the Offering	41,604,234 Initial Offer Shares are being offered by the Selling Shareholder, representing 51% of the share capital of Saeta Yield after the Equity Contribution.
Over-allotment Option	The Selling Shareholder will grant an option to the Underwriters, exercisable by the Stabilizing Manager within 30 calendar days from the date on which the Shares commence trading on the Spanish Stock Exchanges, to purchase a number of Over-allotment Shares representing up to 10% of the Initial Offer Shares offered by the Selling Shareholder in the Offering to cover over-allotments, if any, and short positions resulting from stabilization transactions, if any.
Equity Contribution	Concurrently with the Offering and subject to determination of the Offering Price, the Selling Shareholder will subscribe on the business day following the date of determination of the Offering Price 20,013,918 new Shares of Saeta Yield.
Listings and quotation	Application will be made to list the Shares on the Spanish Stock Exchanges and to have them quoted on the AQS. It is expected that the Shares will be admitted to listing on the Spanish Stock Exchanges on or about February 16, 2015 under the symbol “SAY”. If the Shares are not listed on the Spanish Stock Exchanges and quoted on the AQS before March 31, 2015, the

Dividend Policy

Offering could be terminated at the Joint Global Coordinators' and Joint Bookrunners' discretion, in which case the Offer Shares will be returned to the Selling Shareholder and the purchase price will be returned to the purchasers, together with accrued interest. See "Plan of Distribution".

Assuming that there are sufficient distributable reserves available at the time, we intend to implement a quarterly dividend policy based on a targeted payout ratio of 90% of our expected recurrent cash available for distribution per year.

Following Admission, we currently intend to pay our first regular quarterly dividend at the end of the first quarter of 2015. The first dividend is expected to be pro-rata to the number of days elapsed from the Settlement Date of the Offering until the end of the first quarter of 2015.

We expect to pay a quarterly dividend on or about the 60th day following the expiration of each fiscal quarter.

The amount of future dividends that we decide to pay, if any, will depend upon a number of factors, including, but not limited to, our earnings, financial condition, cash generation, debt service obligations, cash requirements (including capital expenditure and investment plans), prospects, market conditions and such other factors as may be deemed relevant at the time. The amount of dividends will be proposed by our board of directors and approved by our shareholders at general shareholders' meeting.

The Offer Shares will be eligible for any dividends paid or declared after the settlement of the Offering.

Upon Admission our equity structure will be sufficient to comply with the minimum thresholds set out in Royal Decree 1/2010, of July 2, 2010 as amended (*Real Decreto Legislativo 1/2010, de 2 de Julio, que aprueba el Texto Refundido de la Ley de Sociedades de Capital*) (the "Spanish Companies Act") to permit dividend distribution.

Any dividends paid in the future will be subject to tax under Spanish law. As an exemption to the above, certain distributions could be tax exempt under Spanish law if certain circumstances are met. See "Taxation—Material Spanish Tax Considerations".

Our ability to pay regular quarterly dividends is subject to various restrictions including those contained in our project-level financing arrangements, which require that our project-level subsidiaries comply with certain financial tests and covenants in order to make such cash distributions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financing—Financial Covenants" for a description of such restrictions.

Voting rights

Each Share entitles the holder to one vote. See "Description of

Use of proceeds	<p>Share Capital – Shareholders’ Meetings and Voting Rights”.</p> <p>We will not receive any of the proceeds from the sale of the Offer Shares by the Selling Shareholder in the Offering, although we will receive €200,139,180 from Eyra pursuant to the Equity Contribution which will be used as described in “Capitalization and Indebtedness”.</p>
Co-Sponsor’s commitment	<p>The Co-Sponsor has committed to purchase a number of Shares that represents up to 24.4% of the share capital of Saeta Yield after the Equity Contribution, subject to the Co-Sponsor Conditions Precedent. See “Principal Shareholder and Selling Shareholders—Co-Sponsor Agreements”.</p>
Lock-up Arrangements	<p>We will agree to certain lock-up arrangements during the period from the date in which the Underwriting Agreement is signed to 180 days after the Settlement Date of the Offering, which are subject to certain exceptions.</p> <p>The Selling Shareholder will agree to certain lock-up arrangements during the period from the date in which the Underwriting Agreement is signed to 360 days after the Settlement Date of the Offering, which are subject to certain exceptions.</p> <p>Cobra SyR and Urbaenergía will agree with the Underwriters to similar lock-up restrictions from the date of execution of the Underwriting Agreement until 360 days following the Settlement Date. See “Plan of Distribution”.</p>
Payment, Delivery and Settlement	<p>The Co-Sponsor has agreed to a lock-up undertaking until 360 days following the Settlement Date on similar terms as the Selling Shareholder. See “Plan of Distribution—Lock-up”.</p> <p>The Initial Offer Shares are expected to be delivered against payment of the Offering Price, through the book-entry facilities of Iberclear and its participating entities, on or about February 18, 2015.</p>

RISK FACTORS

Investing in our Shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with the other information contained in this prospectus, before making any investment decision. Any of the following risks and uncertainties could have a material adverse effect on our business, prospects, results of operations and financial condition. The market price of our Shares could decline due to any of these risks and uncertainties, and you could lose all or part of your investment.

Risks Related to Macroeconomic Conditions

The current state of the Spanish and global economy may adversely affect our business

Our business performance is generally closely connected with the economic development of the regions in which we carry out our activities. Our business operations as well as our financial condition and results of operations may be adversely affected if the regional, Spanish, European or global economic environment deteriorates.

Economic growth and recovery, globally and in the EU remains fragile and at risk from delays in the transmission of lower sovereign spreads and improved bank liquidity to private sector borrowing, and continuing uncertainty about the ultimate resolution of the euro zone crisis, despite recent progress. In particular, risks of prolonged stagnation in the euro zone as a whole could rise if the momentum for reforms is not maintained. Although progress in national adjustment and a strengthened EU-wide policy response to the euro zone crisis have reduced risks to a certain extent and improved financial conditions for EU sovereigns, the near-term outlook for the euro zone remains weak.

In Spain, the external financing pressures, which had weighed on the economy in recent years, started to ease towards the end of 2012. Moreover the restructuring and recapitalization of the Spanish banking system under way in recent years accelerated notably from June 2012. The Spanish financial markets benefitted from easing in tensions in the euro zone, reflected in lower Spanish public debt yields and narrower spreads over the German benchmark, along with a reduction in private risk premiums. In general, the easing in financial tensions in recent years has translated into improved financing conditions for Spanish entities on wholesale markets, increased investment by non-Spanish residents in the Spanish economy, and less dependence by monetary and financial institutions on Euro system financing. However, national unemployment remains high, and there can be no guarantee that recent labor market reforms will counter this trend. Furthermore, secessionist tensions in Catalonia threaten to generate new political uncertainties that could undermine economic reform efforts and slow or reverse the macroeconomic gains that Spain has achieved in recent months.

Large public deficits, negative or low nominal GDP growth and the costs of bank recapitalization have resulted in a rise in public debt in Spain in recent years. It is possible that that trend could continue, at least for the near future. Furthermore, bank lending conditions for households and corporations continue to be restrictive. As a result, the private sector remains subject to significant financial pressure. In this context, labor market conditions remain unfavorable and uncertainty relating to future growth and prospects persists. Business investment has likewise been affected by the uncertain financial environment and by the relatively unfavorable outlook for domestic and external demand.

The sustainability of partial recovery from the global recession remains dependent on a number of factors that are not within our control, such as the stability of currencies and a return of job growth and investment in the private sector, among several other factors. A further deterioration of the economy of continental Europe, Spain as a whole or in the specific Spanish regions in which we are active, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Assets and the Operation of Our Projects

The generation of electric energy from wind and solar energy sources depends heavily on suitable meteorological conditions

Our existing operations are concentrated in the renewable wind and solar thermal sectors. The electricity produced and revenues generated by our renewable energy generation facilities are highly dependent on suitable wind or solar conditions, as applicable, and associated weather conditions, which are beyond our control. Unfavorable weather and atmospheric conditions could impair the effectiveness of our assets or reduce their output beneath their rated capacity or require shutdown of key equipment, impeding operation of our renewable assets and our ability to achieve cash flows.

We have based our business plan and operation decisions with respect to each of our current renewable generation facilities on the performance of each such facility and the findings of wind and solar studies conducted on-site. In relation to our wind assets, we measure the wind's speed, prevailing direction and seasonal variations. For our solar thermal plants, we measure the amount and strength of solar energy and seasonal variations. However, actual climatic conditions at a facility site may not conform to the findings of these studies and, therefore, our solar and wind energy facilities may not meet historical or anticipated production levels or the rated capacity of such facilities and may not perform as they have in the past.

Even if historical wind and solar thermal resources are consistent with our long-term estimates, the unpredictable nature of wind and solar conditions often results in daily, monthly and yearly material deviations from the average wind and solar resources we may anticipate during a particular period. If the wind and solar resources at a project are materially below the average levels we expect for a particular period, our revenue from electricity sales and the financial remuneration from the project could correspondingly be less than expected. Furthermore, the financial remuneration may be eliminated for a period if we do not meet required production on an annual basis. A diversified portfolio of projects located in different climates tends to reduce the magnitude of the deviation, but individual deviations may still occur. For a static portfolio of projects, our consolidated expenses, including operating expenses and interest payments on indebtedness, have less variability than the income from the sale of electricity and retribution. Accordingly, decreases in the volume of electricity generated and sold by our wind and solar thermal facilities typically result in a proportionately greater decrease in our recurrent cash available for distribution. Furthermore, should annual production drop below a minimum regulatory threshold, we would not be eligible to receive annual regulated remuneration (which represents approximately 55% of our wind revenues and approximately 70% of our solar thermal revenues annually) for that period. As such, a reduction in electricity generation and sales, whether due to the inaccuracy of wind or solar thermal energy assessments or otherwise, could have a material adverse effect on our business, financial condition, results of operations and cash flows and ability to pay dividends to holders of our Shares. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Seasonality".

Our business may be adversely affected by catastrophes, natural disasters, adverse weather conditions, climate change, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of our plants or facilities

If one or more of our plants or facilities is subject in the future to fire, flood or a natural disaster, adverse weather conditions, drought, robbery, sabotage, power loss or other catastrophe, terrorism or if unexpected geological or other adverse physical conditions develop at any of our plants or facilities, we may not be able to carry out our business activities at that location or such operations could be significantly reduced. For example, drought may affect the cooling capacity of our solar thermal plants. In addition, despite security measures taken by us, it is possible that our sites and assets could be affected by criminal acts such as robbery and sabotage. Any of these circumstances could result in lost revenue at these sites during the period of disruption and costly remediation, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Increases in the cost of energy or disruption in its supply could significantly increase our operating costs in some of our assets

We are vulnerable to material fluctuations in energy prices, as our solar thermal plants produce a portion of their power from natural gas, and all of our assets consume electric energy. Although most of our energy purchase contracts generally include indexing mechanisms, we cannot guarantee that these mechanisms will cover all of the additional costs generated by an increase in energy prices, particularly for long-term contracts, or at all for the contracts that do not include indexing provisions. Additionally, although we generally consume our own electricity to operate our plants, during nighttime periods or other times when our own electricity is not available for the facility's use, we are subject to market prices for such energy, the cost of which can be significant depending upon demand. Significant increases in the cost of energy, or energy shortages, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Furthermore, delivery of fossil fuels to fuel our solar thermal plants is dependent upon the infrastructure available to serve each such generation facility, including natural gas pipelines and roadways, as well as upon the continuing financial viability of contractual counterparties. As a result, we are subject to the risks of disruptions or curtailments in the production of power at these generation facilities if a counterparty fails to perform or if there is a disruption in the relevant fuel delivery infrastructure. Additionally, some of our solar thermal plants utilize liquefied natural gas ("LNG") which is transported via trucks to our facilities. Any increased tax on such transportation, or roadway blockage such as traffic or strike, could affect our access to such fuel.

Lack of electric transmission capacity availability and other system constraints could significantly impact our ability to generate electricity power sales

We depend on electric interconnection, distribution and transmission facilities owned and operated by others to deliver the wholesale power we sell from our wind farms and solar thermal plants. A failure or delay in the operation or development of these interconnection or transmission facilities could result in the loss of revenues. Such failures or delays could limit the amount of power our wind and solar thermal facilities deliver. Additionally, such failures or delays could have a material adverse effect on our business, financial condition, results of operations and cash flows. If a region's electric transmission infrastructure is inadequate, our recovery of wholesale costs and profits may be limited. In addition, certain of our operating facilities' generation of electricity may be curtailed without compensation due to transmission limitations or limitations on the electricity grid's ability to accommodate intermittent electricity generating sources, reducing our revenues and impairing our ability to capitalize fully on a particular facility's generating potential. Such curtailments could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The proper operation of our solar thermal plants requires access to water

As our solar thermal plants need a significant volume of water to operate, it is necessary to execute agreements with third parties and/or obtain water concessions and/or other permits, licenses and authorizations in order to obtain, transport and use the water volume needed by each solar thermal plant to operate properly, including any permits and licenses related to waste water management. Thus, any termination of the water supply agreements and/or expiration, change in use, challenge or revocation of the water concessions and/or permits, licenses and authorizations in place regarding the supply and use of water for the production of electricity by the plants may affect the operation of these assets and therefore have a material adverse effect on our business, financial condition, results of operations and cash flows.

Maintenance, expansion and refurbishment of wind farms and solar thermal plants involve significant risks that could result in unplanned power outages or reduced output

Our facilities may require periodic upgrading and improvement in the future. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, could reduce our facilities' generating capacity below expected levels, reducing our revenues and jeopardizing our

ability to pay dividends to shareholders. Degradation of the performance of our solar facilities may also reduce our revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing our facilities may also reduce profitability.

If we make any substantial modifications to our solar thermal plants and wind farms, we may be required to comply with more stringent environmental regulations, which would likely result in substantial additional capital expenditures. We may also choose to repower, refurbish or upgrade our facilities based on our assessment that such activity will provide adequate financial returns. Such facilities require time for development and capital expenditures before commencement of commercial operations, and key assumptions underpinning a decision to make such a project may prove incorrect, including assumptions regarding construction costs, timing, available financing and future fuel and power prices. Furthermore, components of our systems, such as wind turbines, mirrors, absorber tubes or blades, could be damaged by adverse weather or other technical issues. In addition, replacement and spare parts for such damaged components may be difficult or costly to acquire or may be unavailable. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Certain of our facilities are newly constructed and may not perform as expected

ACS SI completed the construction of the Santa Catalina wind farms in January 2012, the Valcaire wind farm in November 2012 and the Casablanca solar thermal plant in the second half of 2013. Therefore, our expectations regarding the operating performance of these facilities are based on assumptions, estimates and past experience with similar assets that ACS SI has developed and built, and without the benefit of a substantial operating history. The ability of these facilities to meet our performance expectations is subject to the risks inherent in newly-constructed wind farms and solar thermal plants and the construction of such facilities, including, but not limited to, degradation of equipment in excess of our expectations, system failures and outages. The failure of these facilities to perform as we expect could have a material adverse effect on our business, financial condition, results of operations and cash flows and our ability to pay dividends to holders of our Shares.

The power generation industry is characterized by intense competition from both traditional and renewable energies companies and our competitive position could be adversely affected by changes in technology, prices, industry standards and other factors

Our electric generation assets encounter competition from other power producers, although energy from our renewable facilities receives priority dispatch onto the electric transmission grid. Should the priority dispatch be eliminated or altered, however, we would be faced with significant competition with other energy producers. Furthermore, should saturation of the market lead to a supply that outweighs demand, the system operator may implement technical restrictions on facilities which may limit output capacity or temporarily restrict or stop energy production.

The markets in which our assets or projects operate change rapidly because of technological innovations and changes in prices, industry standards, product instructions and the economic environment. Adoption of technology more advanced than ours could reduce our competitors' power production costs, resulting in their having a lower cost structure than is achievable with the technologies we currently employ and adversely affect our ability to operate. Our competitors may also be willing to accept lower margins and would therefore be able to submit a technologically better offer at the same price or a similar offer at a lower price than us. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Additionally, a significant drop in commodity prices (mainly coal, natural gas, oil and carbon dioxide) could produce downward movements in the power prices, which could indirectly negatively affect our market revenues. Should we be unable to react appropriately to the current and future technological developments in the sectors in which we carry out our activities or a drop in commodity prices, this could have a material adverse effect on our business, financial condition, results of operations and cash flows. See “—Risks Related to Legislative and Regulatory Conditions”. Moreover, our exposure to the wholesale market price of electricity is significantly limited, as most of our revenues are regulated and not from the

wholesale electricity market. However, a drop in oil prices would mean, in principle, that wholesale market price of electricity could go down, and that the portion of our revenues from the wholesale market could be negatively affected by such decrease. The regulatory regime accounts for significant deviations in the market price, and would compensate producers for such market price change through adjustments for market price deviation at the end of the relevant statutory half-period, as described in “Regulation—Spanish Framework—Statutory Periods and Half Periods: Revision of the Remuneration Parameters”.

Transactions with counterparties expose us to credit risk which we must effectively manage to mitigate the effect of counterparty default

We are exposed to the credit risk profile of our suppliers and our financing providers, which could impact our business, financial condition and results of operations. Although we actively manage this credit risk through diversification, the use of project finance contracts, credit insurance and other measures, our risk management strategy may not be successful in limiting our exposure to credits risk. This could adversely affect our business, financial condition, results of operations and cash flows.

Our performance may be adversely affected by problems related to our reliance on third-party contractors and suppliers

Our projects rely on the supply of services, equipment or software which we subcontract to different third parties pursuant to our Operation and Maintenance (“O&M”) and other agreements. Poor operating of our assets, the delivery of products or services which are not in compliance with regulatory requirements or otherwise defective, the late supply of products and services or failure to fulfill any guarantees, can negatively affect our business. To the extent we are not able to transfer all of the risk or be fully indemnified by the third party contractors and suppliers, any loss due to their performance could have a material adverse effect on our reputation, business, results of operations, financial condition and cash flows.

Supplier concentration may expose us to significant financial credit or performance risk

We often rely on a single contracted supplier or a small number of suppliers for the provision of gas, transportation of equipment, technology and/or other services required for the operation of certain of our facilities. In addition, certain of our suppliers provide long-term warranties with respect to the performance of their products or services. If any of these suppliers cannot perform under their agreements with us, or satisfy their related warranty obligations, we will need to utilize the marketplace to provide or repair these products and services. There can be no assurance that the marketplace can provide these products and services as, when and where required. We may not be able to enter into replacement agreements on favorable terms or at all. If we are unable to enter into replacement agreements to provide for equipment, technology and other required services, we would seek to purchase the related goods or services at market prices, exposing us to market price volatility and the risk that fuel and transportation may not be available during certain periods at any price. We may also be required to make significant capital contributions to remove, replace or redesign equipment that cannot be supported or maintained by replacement suppliers, which could have a material adverse effect on our business, financial condition, results of operations, credit support terms and cash flows.

The facilities we operate are, in some cases, dangerous workplaces at which hazardous materials are handled. If we are unable to maintain safe work environments, we can be exposed to significant financial losses, as well as civil and criminal liabilities

The facilities we operate often put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles, manufacturing or industrial processes, heat or liquids stored under pressure and other dangerous materials. Frequently our employees and others work many meters high. On most projects and at most facilities, we are responsible for safety and, accordingly, must implement safe practices and safety procedures, which are also applicable to on-site subcontractors such as our O&M services providers. If we are unable to design and implement such practices and procedures or if the practices and procedures we implement are ineffective, or if our O&M service providers or other suppliers do not follow them, our employees and others may become injured and our and others’ property may

become damaged. Unsafe work sites also have the potential to increase employee turnover, increase the cost of the operation of a facility, and raise our operating costs. Any of the foregoing could result in financial losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, our projects and the operation of our facilities can involve the handling of hazardous materials, which require the following of specific procedures and, if improperly handled or disposed of, could subject us to civil and criminal liabilities. We are also subject to regulations dealing with occupational health and safety. Our inability to comply with such regulations could subject us to liability. In addition, we may incur liability based on allegations of illness or disease resulting from exposure of employees or other persons to hazardous materials that we handle or are present in our workplaces.

Claims may be asserted against us based on accidents occurring or mistakes made during the implementation of construction works or during the provision of services. Such claims may relate to the injury or death of human beings, damage to facilities and accessories or environmental damage. They may be based on our alleged acts or omissions and/or of our contractors or sub-contractors.

Our insurance may be insufficient to cover relevant risks and the cost of our insurance may increase

Although we seek to obtain appropriate insurance coverage in relation to the principal risks associated with our business, we cannot guarantee that such insurance coverage is, or will be, sufficient to cover all of the possible losses we may face in the future. If we were to incur a serious uninsured loss or a loss that significantly exceeded the coverage limits established in our insurance policies, the resulting costs could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, our insurance policies are subject to review by our insurers. If premiums increase in the future or certain types of insurance coverage become unavailable, we might not be able to maintain insurance coverage comparable to those that are currently in effect at comparable cost, or at all. If we are unable to pass any increase in insurance premiums on to our customers, such additional costs could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Lack of approval by co-owners of certain evacuation or common facilities owned by multiple parties could lead to additional operational costs and costly repairs to certain of our assets

Certain of our facilities use common infrastructures or are connected to the electric transmission grid through evacuation facilities, substations and high voltage lines co-owned by multiple parties, including certain of our Asset Companies. In the case of these facilities, permits may need to be updated to ensure use by all the parties. Also, approval of other owners is required prior to repairing or otherwise changing to the facility. Should the group not approve a repair proposal prior to a break or should a proposal which favors our operations over others (i.e. with regards to lower our costs or execution time) not be approved, it could materially affect our business, financial condition, results of operations and cash flows.

We do not own all of the land on which our assets are located, which could result in increase of costs and disruption to our operations

We do not own all of the land on which our wind farms or solar thermal plants are located and we are, therefore, subject to the possibility of less desirable terms and increased costs to retain necessary land use if we do not have valid leases or rights-of-way or if such rights-of-way lapse or terminate. Although we have obtained rights to construct and operate these assets pursuant to related lease arrangements, our rights to conduct those activities are subject to certain exceptions, including the term of the lease arrangement. Failure to perform their obligation under the lease arrangements by the counterparties, the termination of the arrangements by them or our loss of these rights, through our inability to renew right-of-way contracts or otherwise, may result in additional costs or disruption in our operation, which could adversely affect our business, financial condition, results of operations and cash flows.

We may be subject to litigation and other legal proceedings

We are subject to the risk of legal claims, judicial proceedings and regulatory enforcement actions in the ordinary course of our business and otherwise. The results of juridical and regulatory proceedings cannot

be predicted with certainty. The results of current or future judicial or regulatory proceedings or actions may generate losses that exceed the provisions we have made or harm our reputation and may have a material adverse effect on our business, financial condition, results of operations and cash flows. See “Business—Legal Proceedings”.

We depend on key members of our management team and employees and their knowledge of the renewable energy sector and our business

The members of our management team are industry professionals with significant experience in energy infrastructure related assets and finance businesses. We depend on the members of our management team for the successful operation of our business. The loss of such key members of our management team could have a material adverse effect on our business, financial condition, results of operations and cash flows. See “Board of Directors and Management”.

The operation of our business is dependent upon being able to attract and retain qualified personnel including specialized engineers and other employees, who have the necessary and required experience and expertise to manage and operate our businesses. We believe that our future success will depend on our continued ability to attract and retain highly skilled operational personnel with energy infrastructure related assets and financial experience and competition for these persons is intense. The loss of some of the members of our team could have an adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to reputational risk, and our reputation is related to that of the ACS Group

We rely on our reputation to do business, obtain financing, hire and retain employees and attract investors, one or more of which could be adversely affected if our reputation were damaged. Harm to our reputation could arise from real or perceived faulty or obsolete technology, failure to comply with legal and regulatory requirements, difficulties in meeting contractual obligations or standards of quality and service, ethical issues, money laundering and insolvency, among others.

In addition, our reputation may be related to that of the ACS Group, in particular during the term of the ROFO and Call Option Agreement and while ACS SI and its subsidiaries provide supplies for our assets. If the public image or reputation of the ACS Group were to be damaged as a result of adverse publicity or otherwise, we could be adversely affected due to our relationship with ACS SI and its subsidiaries. Any such perceived or real difficulties experienced by the ACS Group or ACS SI may harm our reputation, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Growth Strategy

Pursuant to our cash dividend policy, we intend to distribute all or substantially all of our recurrent cash available for distribution through regular quarterly distributions and dividends, and our ability to grow and make acquisitions through cash on hand could be limited

As discussed in “Cash Dividend Policy”, our dividend policy is to distribute all or substantially all of our recurrent cash available for distribution each quarter and to rely primarily upon external financing sources, including the issuance of equity securities and debt to fund our acquisitions and potential growth capital expenditures. We may be precluded from pursuing otherwise attractive acquisitions if the projected short-term cash flow from the acquisition is not adequate to service the capital raised to fund the acquisition, after giving effect to our available cash reserves. See “Cash Dividend Policy”.

We intend to distribute quarterly dividends to our shareholders based on a targeted payout ratio of 90% of the expected recurrent cash available for distribution per year. As such, our growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent we issue additional equity securities in connection with any acquisitions or growth capital expenditures, the payment of dividends on these additional equity securities may increase the risk that we will be unable to maintain or increase our per Share dividend or could cause significant shareholder dilution. There will be no limitations in our by-laws on our ability to issue equity securities, including securities ranking senior to our Shares. The

incurrence of any bank borrowings or other debt by our project-level subsidiaries to finance our growth strategy will result in increased interest expense and the imposition of additional or more restrictive covenants, which, in turn, may impact the cash distributions we receive to distribute to holders of our Shares.

We may not be able to identify or consummate any future acquisitions on favorable terms, or at all

Our business strategy includes growth through the acquisitions of energy related infrastructure assets from ACS SI, pursuant to the ROFO and Call Option Agreement (and from DevCo, when it accedes to the ROFO and Call Option Agreement on the Co-Sponsor Closing Date), and from third parties. This strategy largely depends on ACS SI and DevCo's ability to select and develop assets and desire to sell those assets to us, as well as our ability to successfully identify and evaluate acquisition opportunities and consummate acquisitions on favorable terms. However, the number of acquisition opportunities may be limited because ACS SI and DevCo will be under no obligation to sell any assets to us or to accept any related offer from us (except for the Call Option Assets and the ROFO Assets in respect of which our offer matches the price and terms and conditions contained in ACS SI or DevCo's proposal, if ever made to us), and may identify other opportunities for itself and its other subsidiaries and pursue such opportunities for its or their respective accounts. Furthermore none of the ACS Group, ACS SI and DevCo have an obligation to source acquisition opportunities specifically for us. We will also be dependent on ACS SI and DevCo's financial position and strategy as well as its intention and capacity to develop new projects in the future.

Our ability to acquire future energy facilities depends on the viability of energy assets generally and renewable assets in particular. These assets currently are largely contingent on public policy mechanisms to support the development of renewable generation and other clean energy technologies, as discussed in "Regulation". The availability and continuation of public policy support mechanisms will drive a significant part of the economics and viability of our growth strategy and expansion into clean energy businesses.

Our ability to effectively consummate future acquisitions will also depend on our ability to arrange the required or desired financing for acquisitions. We may not have access to the capital markets to issue new equity securities or sufficient availability under our credit facilities at the Saeta Yield level or have access to project-level financing on commercially reasonable terms when acquisition opportunities arise. An inability to obtain the required or desired financing could significantly limit our ability to consummate future acquisitions and implement our growth strategy. If financing is available, utilization of our credit facilities or project-level financing for all or a portion of the purchase price of an acquisition, as applicable, could significantly increase our interest expense, impose additional or more restrictive covenants and reduce recurrent cash available for distribution. Similarly, the issuance of additional equity securities as consideration for acquisitions could cause significant shareholder dilution and reduce our per share recurrent cash available for distribution if the acquisitions are not sufficiently accretive. Our ability to consummate future acquisitions may also depend on our ability to obtain any required government or regulatory approvals for such acquisitions (including any approvals in the countries in which we may purchase assets in the future pursuant to the ROFO and Call Option Agreement or otherwise). We may also be required to seek authorizations, waivers or notifications from debt and/or equity financing providers at the project or Saeta Yield level; local or regional agencies or bodies; and/or development agencies or institutions that may have a contractual right to authorize a proposed acquisition.

In addition, changes in our shareholder base as a result of future equity issuances to fund acquisitions or other equity-based capital markets transactions triggering a change of control, may trigger the requirement to seek waivers, authorizations or approvals from agencies, governments, financing providers, concession contract counterparties or any other relevant contract counterparty. See for example "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financing—Project Level Financings". Failure to secure any required waivers, authorizations or approvals may adversely affect our business.

Finally, while we benefit from a right of first offer with respect to the ROFO Assets, we will compete with other companies for acquisition opportunities from third parties, which may increase our cost of making acquisitions or cause us to refrain from making acquisitions from third parties. Some of our competitors for acquisitions are much larger than us with substantially greater resources. These companies may be able to

pay more for acquisitions due to cost of capital advantages, or other drivers, and may be able to identify, evaluate, bid for and purchase a greater number of assets than our financial or human resources permit. If we are unable to identify and consummate future acquisitions, it will impede our ability to execute our growth strategy and limit our ability to increase the amount of dividends paid to holders of our Shares.

The execution of the Call Option is subject to the fulfillment of certain conditions imposed by the relevant financing entities, including reaching certain agreements with such entities and ACS SI and/or its controlled subsidiaries assuming certain undertakings vis-à-vis said project finance lenders.

We may be adversely affected by risks associated with acquisitions

As a part of our growth strategy, we intend to make certain acquisitions. The acquisition of companies and assets are subject to substantial risks, including the failure to identify material problems during due diligence (for which we may not be indemnified post-closing), the risk of over-paying for assets (or not making acquisitions on an accretive basis) and failure to appropriately plan for contingencies related to our expansion. Further, the integration and consolidation of acquired businesses and personnel requires substantial human, financial and other resources and ultimately, our acquisitions may divert management's attention from our existing business concerns, disrupt our ongoing business or not be successfully integrated. Additionally, such integration carries inherent risks, such as the inability to achieve projected cash flows, recognition of unexpected liabilities or costs, failure to achieve approval, licenses or other qualifications, and regulatory complications arising from such transactions. There can be no assurances that any future acquisitions will perform as expected or that the returns from such acquisitions will support the financing utilized to acquire them or maintain them.

Additionally, any projects developed through our pipeline face the risk of not receiving approval, licenses or other qualifications following significant funds contribution on our part. Furthermore, the terms and conditions of financing for such acquisitions could restrict the manner in which we conduct our business, particularly if we were to use debt financing. These risks could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may be adversely affected by risks associated with acquisitions which are jointly owned or operated

We may make equity acquisitions in certain strategic assets managed by or together with third parties. In certain cases, we may only have partial or joint control over a particular asset. Acquisitions of assets over which we have no, partial or joint control are subject to the risk that the other shareholders of the assets, who may have different business strategies than we do or with whom we may have a disagreement or dispute, may have the ability to independently make or block business, financial or management decisions, such as the decision to distribute dividends or appoint members of management, which may be crucial to the success of the project, or otherwise implement initiatives which may be contrary to our interests. Additionally, the approval of other shareholders or partners may be required to sell, pledge, transfer, assign or otherwise convey our interest in such assets. Alternatively, other shareholders may have call options, rights of first offer, rights of first refusal, tag along rights or drag along rights in the event of a proposed sale or transfer of our interests in such assets or in the event of our acquisition of an interest in new assets pursuant to the ROFO and Call Option Agreement or with third parties. For example, the Marcona and Tres Hermanas wind farms, which form part of the Initial ROFO Assets, are both jointly owned by ACS SI and Sigma Sociedad Administradora de Fondos de Inversión, S.A. ("Sigma"). Sigma has a call option, a right of first refusal, a tag along right and a drag along right over ACS SI's interest in these assets. The call option is exercisable at any time, but only if certain conditions are met, within the 18 months following COD. In this case and in others, these restrictions may limit the price or interest level for our interests in such assets, in the event we want to sell such interests.

Finally, our partners in existing or future projects may be unable, or unwilling, to fulfill their obligations under the relevant shareholder agreements or may experience financial or other difficulties that may adversely affect our equity acquisition in a particular joint venture. In certain of our joint ventures, we may also be reliant on the particular expertise of our partners and, as a result, any failure to perform our obligations in a diligent manner could also adversely affect the joint venture. If any of the foregoing were to

occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

In the future, we may acquire international businesses, which could be subject to economic, social and political uncertainties

Although all of our projects are currently located in Spain, we expect to expand our operations into new locations in the future. Accordingly, we face a number of risks associated with operating and investing in different countries that may have a material adverse effect on our business, financial condition, results of operations and cash flows. These risks include, but are not limited to, adapting to the regulatory requirements of such countries, compliance with changes in laws and regulations applicable to foreign corporations, the uncertainty of judicial processes, and the absence, loss or non-renewal of favorable treaties or similar agreements with local authorities or political, social and economic instability, all of which can place disproportionate demands on our management, as well as significant demands on our operational and financial personnel and business. As a result, we can provide no assurance that our future international operations and acquisitions will remain successful.

A portion of the ROFO Assets are located in various emerging countries. Our activities and business acquisitions in these countries will involve a number of risks that are more prevalent than in developed markets, such as economic and governmental instability, the possibility of significant amendments to, or changes in, the application of regulatory regimes, the nationalization and expropriation of private property, payment collection difficulties, social problems, substantial fluctuations in interest and exchange rates, changes in the tax framework or the unpredictability of enforcement of contractual provisions, currency control measures, limits on the repatriation of funds and other unfavorable interventions or restrictions imposed by public authorities. In the future, we may have dollar- or local currency-denominated contracts which are payable in dollars or local currency at the exchange rate of the payment date. In the event of a rapid devaluation or implementation of exchange or currency controls, we may not be able to exchange the local currency for the agreed dollar or euro amount, which could affect our recurrent cash available for distribution. Governments in Latin America frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions in certain Latin American countries to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital or exchange controls and limits on imports.

Should future acquisitions result in offtake agreements, any counterparties to such offtake agreements may not fulfill their obligations and, as our contracts expire, we may not be able to replace them with agreements on similar terms in light of increasing competition in the markets in which we operate

Although all of our energy is currently sold in the Spanish wholesale market, a portion of the electric power we generate in the future may be sold under offtake agreements with public utilities or industrial or commercial end-users in the future.

If, for any reason, any of the future purchasers of power or transmission capacity under these agreements are unable or unwilling to fulfill their related contractual obligations or if they refuse to accept delivery of power delivered thereunder or if they otherwise terminate such agreements prior to the expiration thereof, our assets, liabilities, business, financial condition, results of operations and cash flow could be materially and adversely affected.

Furthermore, to the extent any of our customers under the offtake agreements which may be executed in the future are, or are controlled by, governmental entities, our facilities may be subject to sovereign risk or legislative or other political action that may impair their contractual performance.

In light of competitive market conditions in the power generation industry, we may not be able to replace an expiring or terminated agreement with an agreement on equivalent terms and conditions, including at prices that permit operation of the related facility on a profitable basis. In addition, we believe many of our competitors have extensive knowledge of the markets in which we operate, including our suppliers, lenders and customers. As a result, these competitors may be able to respond more quickly to

evolving industry standards and changing customer requirements than we will be able to. Adoption of technology more advanced than ours could reduce our competitors' power production costs, resulting in their having a lower cost structure than is achievable with the technologies we currently employ and adversely affect our ability to compete for offtake agreement renewals. If we are unable to replace an expiring or terminated offtake agreement, the affected facility may temporarily or permanently cease operations. External events, such as a severe economic downturn, could also impair the ability of some counterparties to our offtake agreements and other customer agreements to pay for energy and/or other products and services received.

Our inability to enter into new or replacement offtake agreements or to compete successfully against current and future competitors in the markets in which we operate could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Legislative and Regulatory Conditions

We rely on certain regulations and incentives that may be changed, legally challenged, or abandoned, which could adversely affect our business and growth plan

Our business depends on environmental and other regulations applicable to the renewable energy sector in Spain. The revenue that we generate from our wind and solar thermal assets is dependent on the specific remuneration regime implemented by the Spanish government since 2013. Such regime significantly altered the previous regulations and aims to ensure that renewable facilities (among others) recover in full both the initial investment made and their operating costs in addition to a reasonable level of return (as explained in detail in the "Regulation" section). Moreover, if we fail to comply with certain pre-established conditions, the Spanish government may reduce or cancel our right to receive the corresponding amounts under the so-called specific remuneration regime.

If the Spanish government and regulatory authorities were to further decrease their support for development of solar and wind energy, or if they were to abandon such support altogether, due to, for example, competing funding priorities, political considerations or a desire to favor other energy sources, renewable or otherwise, our assets could become less profitable in the future or even cease to be economically viable. The return set out in the applicable Spanish legislation may be reviewed by the Spanish government every six years, with the first review in December 2019.

Additional changes in the Spanish laws and regulations, or the differing interpretations by the Spanish government and us, may have a retroactive effect and expose us to additional compliance costs or interfere with our existing financial and business planning. For example, when the Spanish government modified regulations applicable to renewable energy assets in recent years, our annual revenues lowered as a result. Any such changes may also lead to a lack of availability of new projects undertaken in reliance on the continuation of such regulation, and could adversely affect our growth plan. In addition, uncertainty regarding possible changes to any such regulations has adversely affected in the past, and may adversely affect in the future, our ability to refinance our projects or to satisfy other financing needs.

Furthermore, an increase of the aggregate tariff deficit resulting from the imbalance between the costs and incomes of the electricity system may result in the Spanish government reducing the remuneration recognized to the renewable energy industry, as the government controls and reduces the tariff deficit by increasing the income of the system (thereby affecting the final consumers of electricity) or reducing costs. See "Regulation".

Further, if all or part of the incentive regime for renewable energy generation in Spain or any jurisdiction in which we acquire assets in the future were to be changed, legally challenged or found to be unlawful and, therefore, reduced or discontinued, we may be unable to compete effectively with conventional and other renewable forms of energy.

We are subject to risks related to national and international political measures to promote renewable energies

The implementation and profitability of our renewable energy projects depend materially on the political and legal conditions for the support of renewable energy. As incentives are progressively withdrawn in Spain and elsewhere, this could result in the costs to us of implementing those projects increasing and there can be no assurances that we will be able to recover those costs. As result, we are exposed to a higher level of political and regulatory risk than companies listed in the stock markets as a whole, and the withdrawal of incentives to renewable energy production, or any public statement by a relevant public authority to do so, could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to certain specific risks related to the new specific remuneration regime in Spain

Under the specific remuneration regime approved in 2013 and 2014 pursuant to the 2013 Royal Decree-law, the 2013 Electricity Act, the 2014 Royal Decree and the 2014 Revenue Order, we assume certain operational risks to the extent that:

- (i) the operating costs of the wind and solar thermal assets exceed the standard operating costs calculated by the Spanish government, as this amount would not be reimbursed through the remuneration scheme put in place; and
- (ii) the hours of operation per year of the wind farms and/or solar thermal plants do not reach the minimum levels set out by the regulation, as in this case the remuneration to be received may be lowered or even disappear for the relevant year. See “Regulation”.

The 2013 Electricity Act also requires owners of renewable energy plants to temporarily fund the tariff deficit together with all other market participants that receive remuneration from the electricity system. Consequently, in certain months our revenues may be lower than we expected because there are not sufficient funds to fund the global costs of the Spanish electricity system. In such case, any amounts not received by the electricity producers in a particular month could be recovered during the rest of the relevant year with the next monthly settlements, once there are surpluses that make it possible to pay the delayed amounts. However, if in the final settlement for a particular year electricity producers still have amounts to be recovered, such producers will be entitled to receive such delayed amounts during the next five years, applying interest at a market rate.

Additionally, electricity producers are required to pay a transmission and distribution system access fee. In 2011 this was fixed at €0.50 per MWh delivered to the network. This access fee has not been altered to date, but could be revised by the Spanish government, leading to a reduction in our revenues due to an unforeseen rise in that fee.

The occurrence of any of the above could adversely affect the profitability of our current projects, which could in turn have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to regulation in Spain setting forth extensive requirements to construct and operate wind and solar thermal facilities, and our inability to comply with existing regulations or requirements or changes in applicable regulations or requirements may have a negative impact on our business, results of operations or financial condition

We are subject to extensive regulation of our business in Spain. Such laws and regulations require licenses, permits and other approvals to be obtained and maintained in connection with the operations of our activities. This regulatory framework imposes significant actual, day-to-day compliance burdens, costs and risks on us. In particular, our solar thermal and wind power plants are subject to strict EU, national, regional and local regulations relating to their operation and expansion (including, among other things, land use rights, regional and local authorizations and permits necessary for the construction and operation of facilities, permits on landscape conservation, noise, use of water, hazardous materials or other environmental matters and specific requirements regarding the connection and access to the electric transmission and/or

distribution networks, as applicable). Non-compliance with such regulations could result in the revocation of permits, sanctions, fines or even criminal penalties. Compliance with regulatory requirements, which may in the future include increased exposure to capital markets regulations, may result in substantial costs to our operations that may not be recovered.

Additionally, changes to these laws and requirements or the implementation of new such regulations affecting our wind farms and solar plants may have a material adverse effect on our business, financial condition, results of operations and cash flows to the extent that we cannot comply with such laws.

Our business is subject to stringent environmental regulation

We are subject to significant environmental regulation, which, among other things, requires us to obtain and maintain regulatory authorizations, licenses, permits and other approvals and comply with the requirements of such licenses, permits and other approvals and perform environmental impact studies on changes to both current and future projects. There can be no assurance that:

- public opposition will not result in delays, modifications to or cancellation of any project or license;
- laws or regulations will not change or be interpreted in a manner that increases our costs of compliance or materially or adversely affects our operations or plants; or
- governmental authorities will approve our environmental impact studies where required to implement proposed changes to operational projects.

We believe that we are currently in material compliance with all applicable regulations, including those governing the environment. While we employ robust policies with regard to environmental regulation compliance, there are occasions where regulations are breached. We can give no assurance, however, that we will continue to be in compliance or avoid material fines, penalties, sanctions and expenses associated with compliance issues in the future. Violation of such regulations may give rise to significant liability, including fines, damages, fees and expenses, and site closures. Generally, relevant governmental authorities are empowered to clean up and remediate releases of environmental damage and to charge the costs of such remediation and cleanup to the owners or occupiers of the property, the persons responsible for the release and environmental damage, the producer of the contaminant and other parties, or to direct the responsible parties to take such action. These governmental authorities may also impose a tax or other liens on the responsible parties to secure the parties' reimbursement obligations.

Environmental regulation has changed rapidly in recent years, and it is possible that we will be subject to even more stringent environmental standards in the future. We cannot predict the amounts of any increased capital expenditures or any increases in operating costs or other expenses that we may incur to comply with applicable environmental, or other regulatory, requirements, or whether all or some of these costs can be passed on to our counterparties or service providers.

Furthermore, Spanish environmental law and regulation requirements have become increasingly complex and strict. The applicable regulations may provide for liability regardless of fault for any damage caused to natural resources or for a mere threat to public safety and health without having caused any actual environmental damage. Such liability regardless of fault may lead to liability for environmental damage irrespective of whether it was caused negligently or whether several persons are jointly responsible for the damage. Irrespective of who is personally liable under civil law or, if applicable, criminal law, we may also be considered liable.

A stricter application of the environmental laws or regulations in Spain, the entry into force of new laws, the discovery of currently unknown environmental contamination or the introduction of new or stricter requirements for obtaining licenses and approvals could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business is subject to additional taxation in Spain specific to renewable energy plants

The installation and operation of renewable energy plants is subject to the payment of different taxes that could be unexpectedly increased in the future. Installation and operation of renewable energy plants is currently subject to local, regional and national taxes (for example, the tax on the sale of electricity, whereby electricity producers are subject to a 7% tax on their total revenue from electricity sales). In recent years, the Spanish autonomous regions have also created new environmental levies in order to generate income from renewable energy plants.

At a time when all public administrations (local, regional and national) are trying to reduce the public deficit by reducing public expenditure, there is no guarantee that such administrators will not decide to increase the tax rates currently applicable to renewable energy plants. Such administrators may also impose new taxes that could affect the revenues of renewable energy plants. Such changes could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks related to derivative market regulations

European Regulation 648/2012, known as the European Market Infrastructure Regulation (EMIR), introduces new requirements to improve transparency and reduce risks associated with the derivatives market. EMIR came into force on August 16, 2012, although the main requirements are being progressively implemented from 2013 to 2018. As of the date of this prospectus, EMIR requires, inter alia, all EU derivatives market participants who enter into any form of derivative transaction, including interest rate derivative transactions, to report all derivative transactions to a trade repository and implement new risk mitigation techniques (including timely confirmation of transactions, portfolio reconciliation, dispute resolution and daily valuation). When fully in force, EMIR will also require, with respect to certain entities, the clearing through a central counterparty of over-the-counter derivatives that are subject to a mandatory clearing obligation, and the exchange of collateral for all non-cleared over-the-counter derivative transactions.

Compliance with the requirements imposed by EMIR which apply to us and with any other requirements arising from derivatives regulations to which we could be subject could be burdensome, giving rise to additional expenses that may have an impact on our financial condition. Additionally, such regulations could increase the cost of conducting hedging activities. Non-compliance with such requirements applicable to us under EMIR or under any other derivatives regulations to which we could be subject (in this latter case, provided that it is expressly foreseen under the Spanish Securities Markets Act) could constitute an offence under the Spanish Securities Markets Act which could result in the imposition of fines by the relevant supervisory authority.

Risks Related to Our Indebtedness

Our indebtedness could adversely affect our ability to raise additional capital to fund our operations or pay dividends. It could also expose us to the risk of increased interest rates and limit our ability to react to changes in the economy or our industry as well as impact our recurrent cash available for distribution

As of October 31, 2014, we had €1,136 million of total financial debt under various project-level financing arrangements. All of our existing indebtedness is incurred at the project level, except from the new revolving credit facility in the amount of €80 million at Saeta Yield level, which we are negotiating with the Underwriters. Our substantial debt could have important negative consequences on our financial condition, including:

- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to pay dividends to holders of our Shares or to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- limiting our ability to fund operations or future acquisitions;

- restricting our ability to make certain distributions with respect to our Shares and the ability of our subsidiaries to make certain distributions to us, in light of restricted payment and other financial covenants in our credit facilities and other financing agreements;
- exposing us to the risk of increased interest rates because a portion of our borrowings (25% as of the date hereof) are at variable rates of interest and not hedged pursuant to derivative agreements;
- limiting our ability to obtain additional financing for working capital, including collateral postings, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

In addition, our ability to arrange financing, either at the corporate level or at a project-level subsidiary, and the costs of such capital, are dependent on numerous factors, including:

- general economic and capital market conditions;
- credit availability from banks and other financial institutions;
- investor confidence in us;
- our financial performance and the financial performance of our subsidiaries;
- our level of indebtedness and compliance with covenants in debt agreements;
- maintenance of acceptable project credit ratings or credit quality;
- cash flow; and
- provisions of tax and securities laws that may impact raising capital.

We may not be successful in obtaining additional capital for these or other reasons. Furthermore, we may be unable to refinance or replace project-level financing arrangements or other credit facilities on favorable terms or at all upon the expiration or termination thereof. Our failure, or the failure of any of our projects, to obtain additional capital or enter into new or replacement financing arrangements when due may constitute a default under such existing indebtedness and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our inability to satisfy certain financial covenants may limit cash distributions to shareholders

The agreements governing our project-level financing contain financial and other restrictive covenants that limit our project subsidiaries' ability to make distributions to us or otherwise engage in activities that may be in our long-term best interests. The project-level financing agreements generally prohibit distributions from the project entities to us unless certain specific conditions are met, including the satisfaction of certain financial ratios. As of the date of this prospectus, none of the Asset Companies are in compliance with the distribution debt service coverage ratio covenants in the agreements governing their indebtedness. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financing—Financial Covenants". Our inability to satisfy certain financial covenants may prevent cash distributions by the particular project(s) to us and our failure to comply with those and other covenants could result in an event of default which, if not cured or waived, may entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, failure to comply with such covenants may entitle the related lenders to demand repayment and accelerate all such indebtedness. If our project-level subsidiaries are unable to make distributions, it would likely have a material adverse effect on our ability to pay dividends to holders of our Shares.

We may be subject to increased finance expenses if we do not effectively manage our exposure to interest rate risks

We are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes. Some of our indebtedness (including project-level indebtedness) bears interest at variable rates, generally linked to EURIBOR as a market benchmark. Any increase in interest rates would increase our finance expenses relating to our variable rate indebtedness and increase the costs of refinancing our existing indebtedness and issuing new debt.

We seek to actively manage these risks by entering into interest rate options and swaps during the period requested by the project finance contract, which according to our policies, generally cover at least 75% of the outstanding project debt, to hedge against interest rate risk.

If our risk management strategies are not successful in limiting our exposure to changes in interest rates, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to liquidity risk

Liquidity risk arises from the timing differences between borrowing requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds obtained from the conduct of our ordinary operations, different forms of bank financing, capital market transactions and divestments. Although we have systems in place to monitor this risk, if we are not able to ensure a balance in relation to flexibility, term and conditions of the credit facilities arranged on the basis of the projected short-, medium- and long-term financing needs, it could have a material adverse affect on our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Risks Related to Our Relationship with the ACS Group and ACS SI

We may not be able to consummate future acquisitions from ACS SI or DevCo

Our business strategy includes growth through the acquisitions of energy infrastructure assets from ACS SI, pursuant to the ROFO and Call Option Agreement (and from DevCo, when it accedes to the ROFO and Call Option Agreement), and from third parties. This strategy depends on ACS SI and DevCo's ability to select and develop assets and desire to offer and/or sell those assets to us under terms that we may be ready to accept, as well as our ability to successfully identify and evaluate acquisition opportunities and consummate acquisitions on favorable terms. However, the number of acquisition opportunities may be limited because ACS SI and DevCo will be under no obligation to sell any assets to us or to accept any related offer from us (except for the Call Option Assets and the Initial ROFO Assets in respect of which our offer matches the price and terms and conditions contained in ACS SI's and DevCo's proposal), and may identify other opportunities for itself and its other subsidiaries and pursue such opportunities for its or their respective accounts.

The ROFO and Call Option Agreement is only binding upon ACS SI and its controlled subsidiaries. As a result, any entities belonging to the ACS Group, excluding ACS SI and its controlled subsidiaries, and any entities in which ACS SI and its controlled subsidiaries hold a non-controlling stake, are entitled to develop, acquire and transfer to third parties assets for the generation of renewable or conventional electricity and the distribution and transmission of electricity, as well as any other energy-related infrastructure, without being subject to the terms of the ROFO and Call Option Agreement enjoyed by us. In addition, pursuant to the terms of the ROFO and Call Option Agreement, ACS SI and its controlled subsidiaries are entitled to transfer any New ROFO Assets which are still under development and/or under construction to third parties, due to the ROFO and Call Option Agreement only applying to New ROFO Assets which have effectively started to operate their ordinary course of business.

Furthermore, the ACS Group, ACS SI and DevCo have no obligation to source acquisition opportunities specifically for us. We will also be dependent on ACS SI's and DevCo's financial position and strategy as well as their intention and capacity to develop new projects in the future.

In making these determinations, ACS SI and DevCo may be influenced by factors that result in a misalignment or conflict of interest. See “—Risks Related to Our Growth Strategy—We may not be able to identify or consummate any future acquisitions on favorable terms, or at all” for a description of risks associated with the identifying, evaluating and consummating acquisitions generally, including acquisitions of the ROFO Assets.

In addition, DevCo is a joint venture between Cobra SyR and the Co-Sponsor, which will be governed by a shareholders’ agreement between Cobra SyR and the Co-Sponsor. See “Principal Shareholders and Selling Shareholder—Co-Sponsor Transaction, Background and Agreements—Shareholders’ Agreement relating to the DevCo SPA.” This shareholders’ agreement will provide that certain matters related to DevCo’s business will require the consent of both Cobra SyR and the Co-Sponsor, including the disposition and acquisition of certain assets. As a result, following the Co-Sponsor Closing Date, disagreements or disputes between DevCo’s shareholders may impact DevCo’s ability to select, develop and/or sell assets to us pursuant to the ROFO and Call Option Agreement.

Existence of potential conflict of interest between Eyra and Cobra and us that may be resolved in a manner that is not in our best interests

Upon consummation of this Offering, ACS SI will indirectly own approximately 49% of our Shares, and following the Co-Sponsor Closing Date, it will own approximately 24.6% of our outstanding Shares (assuming no exercise of the Underwriters’ Over-allotment Option). Our organizational and ownership structure involves a number of relationships that may give rise to certain conflicts of interest between us and our minority shareholders, on the one hand, and Eyra and Cobra, on the other hand. We have entered into a Transitional Services Agreement with Eyra, a wholly owned subsidiary of Cobra, and Cobra’s subsidiaries are counterparties to the ongoing O&M agreements of our projects.

Following the completion of this Offering, ACS SI, as one of our significant indirect shareholders, will be a related party under the applicable securities laws governing related party transactions and may potentially have interests which differ from our interests or those of our other minority shareholders, including with respect to the types of acquisitions made, the timing and amount of dividends made by Saeta Yield, the returns generated by our operations, the use of leverage when making acquisitions, the appointment of outside advisors and service providers and legal and regulatory proceedings affecting us and/or the ACS Group. Any material transaction between us and ACS and/or ACS SI and/or Eyra and/or Cobra (including the proposed acquisition of any ROFO Asset) will be subject to our related party transaction policy, which will require, upon receipt of a report from the Audit Committee, prior approval of such transaction by our board of directors (directors with any conflict of interest must abstain from voting) (as discussed in “Related Party Transactions—Procedures for Review, Approval and Ratification of Related Party Transactions; Conflicts of Interest”). The creation of our related party transaction approval policy may not insulate us from derivative claims related to related party transactions and the conflicts of interest described in this risk factor despite the fact that ACS SI, indirectly, will not have a shareholding control and that the majority of the board of directors will be composed by independent directors. Regardless of the merits of such claims, we may be required to spend significant management time and financial resources in the defence thereof. Additionally, to the extent we fail to appropriately deal with any such conflicts, it could negatively impact our reputation and ability to raise additional funds and the willingness of counterparties to do business with us, all of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, our agreements with ACS SI will not prohibit ACS or ACS SI from acquiring, developing or operating, without the participation of Saeta Yield, contracted or regulated revenue assets that adhere to the business strategy of Saeta Yield. This could lead to potential conflicts of interest regarding the types of acquisitions to be made.

Furthermore, following the Co-Sponsor Closing Date, Eyra, Cobra and the Co-Sponsor will own approximately 49.0% of the outstanding Shares (assuming no exercise of the Underwriters’ Over-allotment Option) and be will parties to the Saeta Yield SPA which, among other things, will require these shareholders to vote in favor of certain nominees to our board of directors and to refrain from voting in favor

of certain transactions submitted to our shareholders, including certain acquisitions, debt financings and share capital increases, if either of Eyra or the Co-Sponsor is unwilling to vote in favor of such transactions. See “Principal Shareholders and Selling Shareholder—Co-Sponsor Transaction, Background and Agreements—Share Sale and Purchase Agreement relating to Saeta Yield”. As a result, following the Co-Sponsor Closing Date, these shareholders potentially will have the ability to influence or effectively control our decisions to enter into these types of transactions (and the terms thereof) and the ability to prevent changes in the composition of our board of directors regardless of whether others believe that such change or transaction is in our best interests.

If Eyra terminates the Transitional Services Agreement or defaults in the performance of its obligations under the agreement, we may be unable to contract with a substitute service provider on similar terms, or at all

We will rely on Eyra to provide us with support services under the Transitional Services Agreement. The Transitional Services Agreement will provide that Eyra may terminate the agreement upon 30 days’ prior written notice of termination to us if we default in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm and the default continues for a period of 30 days after written notice of the breach is given to us. If Eyra terminates the Transitional Services Agreement or defaults in the performance of its obligations thereunder, we may be unable to contract with a substitute service provider on similar terms or at all, and the costs of substituting service providers may be substantial. In addition, in light of Eyra’s familiarity with our assets, a substitute service provider may not be able to provide the same level of service due to lack of pre-existing synergies. If we cannot locate a service provider that is able to provide us with services substantially similar to those provided by Eyra under the Transitional Services Agreement on similar terms, it would likely have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Ownership of Our Shares

We may not be able to pay a specific or increasing level of cash dividends to holders of our Shares in the future

The amount of our recurrent cash available for distribution principally depends upon the amount of cash we generate from our operations, which may fluctuate from quarter to quarter based on, among other things:

- the level of our operating and general and administrative expenses, including reimbursements to Eyra for services provided to us in accordance with the Transitional Services Agreement;
- seasonal variations in revenues generated by the business;
- predictability of the payment of the remuneration due from the Spanish electricity system;
- our debt service requirements and other liabilities;
- restrictions contained in our debt agreements (including our project-level financing);
- fluctuations in our working capital needs;
- the level and timing of capital expenditures we make;
- our ability to borrow funds; and
- other business risks affecting our cash levels.

As a result of all these factors, we cannot guarantee that we will have sufficient cash generated from operations to pay a specific or increasing level of cash dividends to holders of our Shares. Furthermore, holders of our Shares should be aware that the amount of recurrent cash available for distribution depends primarily on our cash flow, and is not solely a function of profitability, which is affected by non-cash items. We may incur other expenses or liabilities during a period that could significantly reduce or eliminate our recurrent cash available for distribution and, in turn, impair our ability to pay dividends to holders of our Shares during the period. Because we are a holding company, our ability to pay dividends on our Shares is

limited by restrictions or limitations on the ability of our subsidiaries to pay dividends or make other distributions, such as pursuant to shareholder loans, capital reductions or other means, to us, including restrictions under the terms of the agreements governing project-level financing or legal, regulatory or other restrictions or limitations applicable in Spain or any other jurisdictions in which we operate, such as exchange controls or similar matters or corporate law limitations, any of which could change from time to time and thereby limit our subsidiaries' ability to pay dividends or make other distributions to us. Our project-level financing agreements generally prohibit distributions to us unless certain specific conditions are met, including the satisfaction of financial ratios.

We intend to implement a quarterly dividend policy based on a targeted payout ratio of 90% of our expected recurrent cash available for distribution, which will result in limited flexibility to meet the targeted dividend and therefore may require us to cover such dividend with our liquidity. See "Cash Dividend Policy". Our recurrent cash available for distribution will likely fluctuate from quarter to quarter, in some cases significantly, due to seasonality. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Seasonality". As result, we may reduce the amount of cash we distribute in a particular quarter to establish reserves to fund distributions to shareholders in future periods for which the cash distributions we would otherwise receive from our Asset Companies would otherwise be insufficient to fund our quarterly dividend. If we fail to establish sufficient reserves, we may not be able to maintain our quarterly dividend with a respect to a quarter adversely affected by seasonality.

Dividends to holders of our Shares will be paid at the discretion of our board of directors subject to approval by the general shareholders' meeting. Our board of directors may decrease the level of or entirely discontinue payment of dividends. For a description of additional restrictions and factors that may affect our ability to pay cash dividends, please see "Cash Dividend Policy".

Our cash dividend policy and our Intended Distribution involve risks

We have a limited operating history as an independent company upon which to rely in evaluating whether we will have sufficient recurrent cash available for distribution and other sources of liquidity to allow us to pay dividends on our Shares at our initial quarterly dividend level on an annualized basis or at all. There is no guarantee that we will pay quarterly cash dividends to our shareholders, including the Intended Distribution. We do not have a legal obligation to pay dividends according to our cash dividend policy or any other dividend. While we currently intend to maintain our cash dividend policy following the completion of this Offering, including the Intended Distribution for the years 2015 and 2016, and to grow our business and increase our dividend per share over time, our cash dividend policy and, in particular, the payment of the Intended Distribution, is subject to all the risks inherent to our business and may be changed at any time as a result of certain restrictions and uncertainties, including the following:

- We may lack sufficient cash to pay dividends to our shareholders due to cash flow shortfalls attributable to a number of operational, market prices, commercial or other factors, including low production, unexpected operating interruptions, legal liabilities, costs associated with governmental regulation, changes in governmental incentives and changes in regulation, as well as increases in our operating and/or general and administrative expenses, including existing contracts with ACS SI and its subsidiaries, principal and interest payments on our and our subsidiaries' outstanding debt, income tax expenses, working capital requirements or anticipated cash needs at our project-level subsidiaries.
- Our Asset Companies' cash distributions to us (in the form of dividends or other forms of cash distributions such as interest from shareholder loans and participative loans, shareholder loan and participative loan repayments and restricted loans, among others) and, as a result, our ability to pay or grow our dividends are dependent upon the performance of our subsidiaries and their ability to distribute cash to us. The ability of our Asset Companies to make cash distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable corporation laws and other laws and regulations.

- The amount of our expected recurrent cash available for distribution per year to shareholders could be impacted by restrictions on cash distributions to Saeta Yield contained in our project-level financing arrangements, which require that our project-level subsidiaries comply with certain financial tests and covenants in order to make such cash distributions. These restrictions limit the frequency of permitted cash distributions to annual payments, and prohibit distributions unless specified debt service coverage ratios are met. For a more detailed description of these restrictions and the relevant covenants of each project-level financing see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financing—Financial Covenants”. Additionally, we may raise debt in the future to acquire new projects. Such debt likely will be subject to financial tests and covenants that we or our subsidiaries must satisfy prior to making distributions. Should we or any of our subsidiaries be unable to satisfy these covenants, we may be unable to receive sufficient cash distributions to pay our intended quarterly cash dividends notwithstanding our stated cash dividend policy. See the “Project Level Financing” descriptions contained in “Business—Description of Our Initial Portfolio” for a description of such restrictions.
- We will have the authority to establish cash reserves for the prudent conduct of our business and for future cash dividends to our shareholders, and the establishment of or increase in those reserves could result in a reduction in cash dividends from levels we currently anticipate pursuant to our stated cash dividend policy. These cash reserves may account for the fact that our project-level cash flows may vary from year to year based on, among other things, changes in regulated revenues or prices under future potential offtake agreements, operational costs and other project contracts, compliance with the terms of non-recourse project-level financing including debt repayment schedules, the transition to market or recontracted pricing following the expiration of future offtake agreements, working capital requirements and the operating performance of the assets. Furthermore, we may increase cash reserves to account for the seasonality that has historically existed in our subsidiaries’ cash flows and the variances in the pattern and frequency of distributions to us from our subsidiaries during the year. See “Description of Share Capital—Dividend and Liquidation Rights” for a description of the mandatory reserves to be allocated pursuant to Spanish law and the legal requirements for dividend distributions.
- Our board of directors may, subject to approval by the general shareholders’ meeting, amend the cash dividend policy at any time. Our board of directors and/or our general shareholders’ meeting may elect to change the amount of dividends, suspend any dividend or decide to pay no dividends even if there is ample recurrent cash available for distribution.
- The Intended Distribution is a target only and not a profit forecast. There can be no assurance that the Intended Distribution or any other level of distribution can or will be met and such target should not be seen as an indication of our expected or actual results, returns, profits or recurrent cash available for distribution or future cash distributions. The Intended Distribution is not a fact and should not be relied upon as being necessarily indicative of future results or cash distributions. For further detail on liquidity please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources”.
- The Intended Distribution, while presented with numerical specificity, necessarily reflects numerous estimates and assumptions made by us with respect to weather conditions, industry performance, general business, economic, regulatory, market prices and financial conditions and other future events, as well as matters specific to our businesses, all of which are difficult or impossible to predict and many of which are beyond our control. The Intended Distribution is subject to future recurrent cash available for distribution and existing liquidity, reflects subjective judgments in many respects and is susceptible to multiple interpretations and periodic revisions based on actual experience and business, economic, regulatory, financial and other developments.
- None of our independent auditors, advisers, other independent accountants or the Joint Bookrunners have compiled, examined or performed any procedures with respect to the Intended Distribution nor have they expressed any opinion or any other form of assurance on the Intended Distribution or its achievability, and such parties assume no responsibility for, and disclaim any

association with, the Intended Distribution. The ultimate achievability of the Intended Distribution is also subject to numerous risks and uncertainties including, but not limited to, the risks and uncertainties described in this Prospectus. Our independent auditors have, however, issued two reports in relation to our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years 2015 and 2016, which appear on pages F-76 and F-97 of this prospectus, respectively.

The growth of our business may adversely affect our ability to pay dividends to our shareholders

We intend to grow our business primarily through acquisitions of contracted or regulated revenue energy assets, primarily taking advantage of the access to energy-related assets developed by ACS SI worldwide through the ROFO and Call Option Agreement and also through third party acquisitions, which, we believe, will facilitate the growth of our recurrent cash available for distribution and enable us to increase our dividend per share over time. Our approved policy is to maximize cash distributions to shareholders and specifically to distribute 90% of our expected recurrent cash available for distribution per year. However, the final determination of the amount of cash dividends to be paid to our shareholders will be made by our board of directors and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that we deem relevant. The payment of dividends to our shareholders shall be authorized by our general shareholders' meeting by a majority of the attending shareholders (either personally or by proxy) at the proposal of the board of directors. See "Description of Share Capital—Dividend and Liquidation Rights".

We expect that we will rely primarily upon external financing sources, including commercial bank borrowings and issuances of debt and equity securities, to fund any future growth capital expenditures. To the extent we are unable to finance growth externally, our cash dividend policy could significantly impair our ability to grow because we do not currently intend to reserve a substantial amount of cash generated from operations to fund growth opportunities. To the extent we issue additional shares to fund growth capital expenditures, the payment of dividends on those additional shares may increase the risk that we will be unable to maintain or increase our per share dividend level. Additionally, the incurrence of additional commercial bank borrowings or other debt to finance our growth would result in increased interest expense, which in turn may impact our recurrent cash available for distribution and, in turn, our ability to pay dividends to our shareholders.

If external financing is not available to us on acceptable terms, we may decide to finance acquisitions with cash from operations, which would reduce or even eliminate our recurrent cash available for distribution and, in turn, impair our ability to pay dividends to our shareholders.

The assumptions underlying the forecasts presented elsewhere in this prospectus are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual recurrent cash available for distribution to differ materially from our forecasts

The forecasts presented elsewhere in this prospectus are based on our current portfolio of assets and were prepared using assumptions that our management believes are reasonable. See "Cash Dividend Policy—Assumptions and Considerations". These include assumptions regarding the future operating revenue, future level of power generation, future operating costs and other expenses of our facilities, depreciation and amortization, the ability to benefit from the Spanish Tax Consolidation Regime and tax free depreciation, future capital expenditure requirements, if any, future financing considerations, and the absence of material adverse changes in economic conditions or government regulations. The forecasts assume that no unexpected risks materialize during the forecast periods. Any one or more than one of these assumptions may prove to be incorrect, in which case our actual results of operations will be different from, and possibly materially worse than, those contemplated by the forecasts. There can be no assurance that the assumptions underlying the forecasts presented elsewhere in this prospectus will prove to be accurate. Actual results for the forecast periods will likely vary from the forecast results and those variations may be material. We make no representation that actual results achieved in the forecast periods will be the same, in whole or in part, as those forecasted herein. In addition, our board of directors may, subject to approval by the general shareholders' meeting, amend the cash distribution policy at any time.

There can be no assurance that any target dividend distribution will be achieved

The target dividend distribution set out in this prospectus is an intention only (and for the avoidance of doubt is not a forecast or projection). There can be no assurance that we will be able to meet this intention or any other level of distribution, or that we will achieve or successfully implement the cash dividend policy set out in this prospectus, in particular the Intended Distribution as defined and discussed in detail in “Cash Dividend Policy—General—Our Cash Dividend Policy”. The existence of such Intended Distribution should not be interpreted as an assurance or guarantee that we can or will meet such level of distribution, or any other level of distribution. Our actual distributions, if any, may vary from the Intended Distribution and these variations may be material.

The Intended Distribution, while presented with numerical specificity, necessarily reflects numerous estimates and assumptions we have made with respect to financial and weather conditions, industry performance, general business, economic, and other future events, as well as matters specific to our businesses, all of which are difficult or impossible to predict and many of which are beyond our control. The Intended Distribution is subject to future recurrent cash available for distribution and existing liquidity, reflects subjective judgments in many respects and is susceptible to multiple interpretations and periodic revisions based on actual experience and business, economic, regulatory, financial and other developments.

None of our independent auditors, advisers, other independent accountants or the Joint Bookrunners have compiled, examined or performed any procedures with respect to the Intended Distribution nor have they expressed any opinion or any other form of assurance on the Intended Distribution or its achievability, and such parties assume no responsibility for, and disclaim any association with, the Intended Distribution. The ultimate achievability of the Intended Distribution is also subject to numerous risks and uncertainties including, but not limited to, the risks and uncertainties described in this prospectus.

Prospective investors should decide for themselves whether or not the Intended Distribution is reasonable or achievable and carefully evaluate whether investing in the Offer Shares is appropriate for them, bearing in mind personal circumstances and the information included in this prospectus, particularly taking into account the risk factors described herein. In addition, our board of directors may, subject to approval by the general shareholders’ meeting, amend the cash distribution policy at any time.

We are a holding company and our only material assets after completion of this Offering will be our interest in our subsidiaries, upon whom we are dependent for distributions to pay dividends, taxes and other expenses

We are a holding company whose sole material assets are the ones contributed to us by ACS SI in the Asset Transfer. We do not have any independent means of generating revenue. We intend to cause our operating subsidiaries to make distributions to us in an amount sufficient to cover all applicable taxes payable and dividends, if any, declared by us. To the extent that we need funds for a quarterly cash dividend to holders of our Shares or otherwise, and one or more of our operating subsidiaries is restricted from making such distributions under the terms of its financing or other agreements or applicable law and regulations or is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition and limit our ability to pay dividends to holders of our Shares.

We have limited historical consolidated financial information due to our limited operating history, which makes evaluating our business difficult, and may increase the risk of your investment

We have a very limited operating history and limited consolidated historical financial information on which you can evaluate our business, financial condition, results of operations and cash flows. Investors should evaluate Saeta Yield in light of the risks, expenses and difficulties frequently encountered by companies in their early stages of operation. We cannot assure you that we will be successful in addressing the risks we may encounter, and our failure to do so could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We began accounting for our financial position and results of operations under our current structure on October 31, 2014, and have therefore included the Interim 2014 Audited Consolidated Financial Statements

as of and for the ten months ended October 31, 2014. Previously, the Asset Companies reported their financial results independently as subsidiaries of ACS SI. Given our limited historical financial information, we have included in this prospectus certain limited aggregated financial information in respect of the Asset Companies that were sold to us pursuant to the Asset Transfer for the ten months ended October 31, 2013, because we believe such information may assist in showing some of the broad trends related to Saeta Yield's business. We have also incorporated by reference the Annual Audited Asset Company Financial Statements. However, the Asset Companies' individual financial information and any aggregated financial information derived therefrom is not directly comparable to the consolidated financial information of Saeta Yield. See "Presentation of Financial Information". Accordingly, investors are cautioned not to place undue reliance on such individual or aggregated financial information.

The Unaudited Consolidated Pro Forma Financial Information included elsewhere in this prospectus does not represent, and may not give a true picture of, our actual or future financial condition and results of operations.

We have included in this prospectus our unaudited pro forma consolidated income statement, statement of financial position and statement of cash flows as of and for the year ended December 31, 2013, which we refer to as our Unaudited Pro Forma Consolidated Financial Information. We have included this financial information to illustrate, on a pro forma basis, how our consolidated statement of financial position as of December 31, 2013, our consolidated income statement and our consolidated statement of cash flows for the year ended December 31, 2013 might have been affected by our acquisition of the Asset Companies and the related profit participating loans and subordinating loans (the "Asset Transfer") and certain capital increases, assuming that the Asset Transfer and certain capital increases took place on (i) December 31, 2013, for the purpose of presenting our Unaudited Pro Forma Consolidated Statement of Financial Position; and (ii) January 1, 2013, for the purpose of presenting our Unaudited Pro Forma Consolidated Income Statement and our Unaudited Pro Forma Consolidated Statement of Cash Flows.

The Unaudited Pro Forma Consolidated Financial Information is presented for illustrative purposes only and reflects estimates and certain assumptions made by our management that are considered reasonable under the circumstances as of the date of this prospectus and which are based on the information available at the time of the preparation of the Unaudited Pro Forma Consolidated Financial Information. Actual adjustments may differ materially from the information presented herein. The Unaudited Pro Forma Consolidated Financial Information does not purport to represent what our consolidated income statement, consolidated statement of cash flows and consolidated statement of financial position would have been if the Asset Transfer and certain capital increases had occurred on the dates indicated and is not intended to project our consolidated results of operations, consolidated cash flows or consolidated financial position for any future period or date. Accordingly, investors are cautioned not to place undue reliance on the Unaudited Consolidated Pro Forma Financial Information.

Market interest rates may have an effect on the value of our Shares

One of the factors that will influence the price of our Shares will be the effective dividend yield of our Shares (i.e., the yield as a percentage of the then-market price of our Shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our Shares to expect a higher dividend yield. Our inability to increase our dividend as a result of an increase in borrowing costs, insufficient recurrent cash available for distribution or otherwise could result in selling pressure on, and a decrease in, the market price of our Shares as investors seek alternative investments with higher yield.

There can be no assurance that the Offering Price will correspond to the net tangible value of the Shares or to the price at which trading in the Shares will develop and continue after the Offering

If you purchase Offer Shares in the Offering, you will pay a price that was not established in the public trading markets or on the basis of our net tangible value (net tangible book value per Share as of a particular date represents the amount of our total tangible assets less our total liabilities divided by the number of Shares outstanding as of that date). The Offering Price Range per Offer Share indicated on the cover of this

prospectus has been, and the Offering Price will be, discussed and agreed by Saeta Yield, the Selling Shareholder and the Joint Global Coordinators, and no independent experts were, nor will be, consulted in determining the Offering Price Range or the Offering Price. There can be no assurance that the prices at which the Offer Shares will sell in the public market after the Offering will not be lower than the Offering Price or that an active trading market in our Shares will develop and continue after the Offering.

Market volatility may affect the price of our Shares and the value of your investment

Following the completion of this Offering, the market price for our Shares is likely to be volatile, in part because our Shares have not been previously publicly traded. We cannot predict the extent to which a trading market will develop or how liquid that market may become. If you purchase Offer Shares in this Offering, you will pay a price that was not established in the public trading markets. The Offering Price will be determined by discussions and agreement between the Joint Global Coordinators and us. You may not be able to resell your Offer Shares above the initial public Offering price and may suffer a loss on your investment, in spite of received dividend if any. In addition, the market price of our Shares may fluctuate due to the termination of the ROFO and Call Option Agreement, changes in market valuations of similar companies and/or speculation in the press or investment community regarding us, ACS SI or DevCo. Securities markets in general may experience extreme volatility that is unrelated to the operating performance of particular companies. Any broad market fluctuations may adversely affect the trading price of our Shares.

You may experience dilution of your ownership interest due to the future issuance of additional Shares

We are in a capital intensive business, and may not have sufficient funds to finance the growth of our business through future acquisitions. As a result, we may require additional funds from further equity or debt financings, including tax equity financing transactions or sales of preferred Shares or convertible debt, to complete future acquisitions, expansions and capital expenditures and pay the general and administrative costs of our business. In the future, we may issue our previously authorized and unissued securities, resulting in the dilution of the ownership interests of purchasers of our Shares offered hereby. The potential issuance of additional Shares or preferred stock or convertible debt may create downward pressure on the trading price of our Shares. We may also issue additional Shares or other securities that are convertible into or exercisable for our Shares in future public offerings or private placements for capital-raising purposes or for other business purposes, potentially at an offering price, conversion price or exercise price that is below the Offering Price. The Spanish Companies Act provides for pre-emptive rights in respect of equity offerings for cash to be granted to its existing shareholders except in certain circumstances, including where such rights are disappplied by shareholder resolution. As of the date of this prospectus, our board of directors has been authorized by our shareholders to issue new Shares up to 50% of our share capital (in the context of equity offerings, convertible debt instruments or warrants) and to exclude the related pre-emptive rights, provided that such exclusion is made in our corporate interest. In case of equity offerings, the board of directors is authorized to exclude pre-emptive rights up to 20% of our share capital as of the date of this prospectus.

Shareholders in certain jurisdictions other than Spain may not be able to exercise their pre-emptive rights if we increase our share capital

Under Spanish corporate law and our by-laws, holders of our Shares generally have the right to subscribe and pay for a sufficient number of our Shares to maintain their relative ownership percentages prior to the issuance of any new Shares in exchange for cash consideration, unless such right is excluded under special circumstances by a resolution passed by the general shareholders' meeting or board of directors, in accordance with the Spanish Companies Act. Even if the right is not excluded and therefore is exercisable, holders of our Shares in certain jurisdictions other than Spain may not be able to exercise their pre-emptive rights unless securities laws have been complied with in such jurisdictions with respect to such rights and the related Shares, or an exemption from the requirements of the securities laws of these jurisdictions is available, although the option provided under the Prospectus Rules to passport a prospectus into other member states of the EEA may facilitate the exercise of such rights for residents in the EEA. We may determine it is not in its best interest to comply with such formalities, and there can be no assurance that such exemptions will be available. Accordingly, the pre-emptive rights of any such affected shareholders

may lapse and their proportionate interests may be reduced. In particular, holders of the Shares resident in the United States may not be able to exercise any future preferential subscription rights in respect of the Shares they hold unless a registration statement under the Securities Act is effective or an exemption from the registration requirements under the Securities Act is available. No assurance can be given that we would file or have declared effective any such registration statement or that any exemption from such registration requirements would be available to allow for the exercise of the preferential rights of U.S. holders, or that we would utilize an exemption if one were available.

If securities or industry analysts do not publish or cease to publish research or reports about us, our business or our market, or if they change their recommendations regarding our Shares adversely, the price and trading volume of our Shares could decline

The trading market for our Shares will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us change their recommendations regarding our Shares adversely, or provide more favorable relative recommendations about our competitors, the price of our Shares would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of our Shares to decline.

Future sales of our Shares by the Principal Shareholders may cause the price of our Shares to fall

The market price of our Shares could decline as a result of sales by the Principal Shareholders of Shares in the market, or the perception that these sales could occur. The Principal Shareholders agreed to certain limitations on the ability to dispose of or hedge any of our Shares, or any securities convertible into or exchangeable for our Shares, for a period of time commencing on the date of signing of the Underwriting Agreement (as defined below). Future sales of substantial amounts of the Shares and/or issues of equity-related securities in the public market, or the perception that such sales or issues may occur, could adversely affect prevailing trading prices of the Shares and could impair our ability to raise capital through future offerings of equity or equity-related securities. The price of our Shares could be depressed by investors' anticipation of the potential sale in the market of substantial additional amounts of Shares. Disposals of Shares could increase their offer in the market and depress their price.

There may not be a public market for our Shares

There is currently, subject to official notice of issuance, no public market for our Shares. While our Shares have been approved for listing on the Spanish Stock Exchanges, an active or liquid public market for our Shares may not develop or be sustained. If an active trading market does not develop or is not maintained, the liquidity and market price of our Shares could be negatively affected.

The trading market for our Shares may be volatile and may be adversely affected by many events

The market for securities issued by issuers such as us is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other countries. There can be no assurance that events in Spain, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of our Shares or that economic and market conditions will not have any other adverse effect. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of our Shares. Any trading by arbitrageurs could, in turn, affect the trading price of our Shares.

We will incur increased costs as a result of being a publicly traded company

As a public company, we will incur additional legal, accounting and other expenses that we did not incur as a private company. In addition, the CNMV and Spanish Stock Exchange rules impose various requirements on public companies, including the establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and

regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers.

Risks Related to Taxation

Our future tax liability may be greater than expected if we are not able to optimize the use of the tax consolidation and free depreciation regimes as we expect

Although we do not plan to apply tax incentives specifically for renewable energy facilities, we do not expect to pay corporate income tax (“CIT”) for the period between the 2016 and 2021. Instead, we intend to take advantage of (i) the implementation of the Spanish tax consolidation regime (*Régimen de Consolidación Fiscal*) anticipated to begin in the 2016 tax year (with our Asset Companies consolidated into a tax group with Saeta Yield as the parent company) and (ii) the accelerated tax depreciation schedule applicable to our current portfolio of assets. While we expect all the legal requirements for the application of both tax regimes will be fulfilled, in the event that they are successfully challenged by the Spanish tax authorities, by way of a tax audit or otherwise, or that tax legislation related to them were modified, it may result in an increase in our estimated future income tax liability and may negatively impact our liquidity. See “Business—Tax Depreciation Regime”.

Distributions to U.S. Holders of Offer Shares may be fully taxable as dividends for U.S. federal income tax purposes

It is difficult to predict whether or to what extent we will generate earnings or profits as computed for U.S. federal income tax purposes in any given tax year. If we make distributions on Offer Shares from current or accumulated earnings and profits as computed for U.S. federal income tax purposes, such distributions generally will be taxable to U.S. Holders of Offer Shares as ordinary dividend income for U.S. federal income tax purposes. Provided Saeta Yield qualifies for the benefits of the income tax treaty between the United States and Spain, which Saeta Yield expects to be the case, and certain other requirements are met, such dividends would be eligible for the lower tax rates applicable to qualified dividend income for certain non-corporate U.S. Holders. While we expect that a portion of our distributions to U.S. Holders of Offer Shares may exceed our current and accumulated earnings and profits as computed for U.S. federal income tax purposes, and therefore may constitute a non-taxable return of capital to the extent of a U.S. Holder’s basis in such Offer Shares, no assurance can be given that this will occur. We intend to calculate our earnings and profits annually in accordance with U.S. federal income tax principles. See “Taxation—Certain U.S. Federal Income Tax Considerations”.

If we are a passive foreign investment company for U.S. federal income tax purposes for any taxable year, U.S. Holders of Offer Shares could be subject to materially adverse U.S. federal income tax consequences

If Saeta Yield were a “passive foreign investment company” for U.S. federal income tax purposes (a “PFIC”) for any taxable year during which a U.S. Holder holds Offer Shares, certain materially adverse U.S. federal income tax consequences may apply to the U.S. Holder. Saeta Yield does not believe that it was a PFIC in its prior taxable year, or it will be a PFIC for its current taxable year and does not expect to be a PFIC in the foreseeable future. However, PFIC status depends on the composition of a corporation’s income and assets and the fair market value of its assets (including, among others, less than 25% owned equity investments) from time to time, as well as on the application of complex and uncertain statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that Saeta Yield will not be considered a PFIC for any taxable year.

If Saeta Yield were a PFIC, U.S. Holders of Offer Shares may be subject to materially adverse U.S. federal income tax consequences, such as taxation at the highest marginal ordinary income tax rates on capital gains and on certain actual or deemed dividends, interest charges on certain taxes treated as deferred,

and additional reporting requirements. See “Taxation—Certain U.S. Federal Income Tax Considerations—Passive foreign investment company rules”.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the Offer Shares by the Selling Shareholder in the Offering, although we will receive €200,139,180 from Eyra pursuant to the Equity Contribution which will be used as described in “Capitalization and Indebtedness”.

CASH DIVIDEND POLICY

You should read the following discussion of our cash dividend policy in conjunction with “—Assumptions and Considerations Underlying Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and 2016” below, which includes the factors and assumptions upon which we base our cash dividend policy. In addition, you should read “Cautionary Statements Regarding Forward-Looking Statements” and “Risk Factors”, in particular, “Risk Factors—Risks Relating to Ownership of Our Shares—There can be no assurance that any target dividend distribution will be achieved” and “Risk Factor—Risks Relating to Ownership of Our Shares—The assumptions underlying the forecasts presented elsewhere in this prospectus are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual recurrent cash available for distribution to differ materially from our forecasts”, for information regarding statements that do not relate strictly to historical or current facts and certain risks inherent to our business.

The forecast of future profits attributable to the parent, of recurrent cash available for distribution and the target of future distribution in future periods is based on certain assumptions we believe to be reasonable as of the date of this prospectus. However, we cannot assure you that any or all of such assumptions will be realized. Our intended target distributions are based upon estimates and assumptions about circumstances and events that have not yet occurred and are subject to all of the uncertainties inherent in making projections. These projections and targets should not be relied upon as fact or as an accurate representation of future results or events. Future results will be different from this target and the differences may be materially less favorable.

Certain numerical figures set out in this prospectus, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments, and, as a result, the totals of the data in this prospectus may vary slightly from the actual arithmetic totals of such information.

General

Our Cash Dividend Policy

We intend to pay a regular quarterly dividend in euro to our shareholders starting in the first quarter of 2015. In respect of the first quarter of 2015, we expect to pay a dividend per Share pro rata to the number of days elapsed from the settlement of the Offering until March 31, 2015.

We expect to pay a quarterly dividend on or about the 60th day following the expiration of each fiscal quarter to our shareholders of record on the date to be announced through a relevant fact disclosure (*hecho relevante*).

We have established our quarterly dividend policy based on our existing liquidity position and a targeted payout ratio of 90% of the expected recurrent cash available for distribution per year, after considering the recurrent cash available for distribution that we expect our projects will be able to generate on a recurrent basis (net of cash flows not related with the ordinary evolution of the business).

We intend to distribute approximately €57 million per year during 2015, on a pro rata basis as set out above, and 2016 (the “Intended Distribution”), on the basis of cash flow generation and existing liquidity in each year.

In order to maximize cash extraction from plants and optimize the cash distribution to shareholders, we have made contributions to the Asset Companies in the form of subordinated loans and participative loans, totaling approximately €459 million as of October 31, 2014. This structure is intended to help to maximize the cash efficiency, as the current interest payments and principal repayments to be made by the Asset Companies should provide liquidity on an ongoing basis. The combination of these subordinated loans and participated loans, the dividend payments from the Asset Companies and the creation of restricted loans between the Asset Companies and Saeta Yield should give rise to cash payments to Saeta Yield.

We currently have the ability to make distributions free of Spanish withholding tax (as of the date of this prospectus at a 20% tax rate and expected to be at 19% in 2016) out of an existing share premium of €551 million as of October 31, 2014 (*prima de emisión*) or €732 million once adjusted to reflect to the Equity Contribution (see “Capitalization and Indebtedness”). The share premium is a freely distributable reserve. It is our intention to make distributions to our shareholders preferably out of share premium, if available, given that such distributions are not subject to Spanish withholding tax. See “Taxation” and “Capitalization and Indebtedness”.

Our capacity to distribute dividends may be restricted under general Spanish corporate law rules. The conditions under which we may declare dividends based on Spanish law and our by-laws are described under “Description of Share Capital—Dividend and Liquidation Rights”. Any dividends paid in the future will be subject to tax under Spanish law. See “Taxation—Material Spanish Tax Considerations”.

Our board of directors may, subject to approval by the general shareholders’ meeting, amend the cash dividend policy at any time. We intend to grow our business through the acquisition of operational projects, which, we believe, will facilitate the growth of our profits and recurrent cash available for distribution after financing expenses related to acquisitions, as applicable, and enable us to increase our dividend per share over time. However, the determination of the amount of cash dividends to be paid to holders of our Shares will be made by our board of directors, subject to the approval by the general shareholders’ meeting, and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that we deem relevant. Our cash dividend policy reflects a basic judgment that our shareholders will be better served by distributing most of the cash distributions we expect to receive from our Asset Companies in the form of a quarterly dividend rather than retaining them. In addition, by retaining a small amount of our expected recurrent cash available for distribution, we believe we will also provide better value to our shareholders by maintaining certain liquidity to address seasonality, potential new acquisitions and future dividend paying capacity.

Our profits and recurrent cash available for distribution are likely to fluctuate from quarter to quarter, in some cases significantly, as a result of the seasonality of production of our assets, the terms of our financing arrangements, maintenance and outage schedules and seasonality of the incentive payments received from the Spanish government, among other factors. Accordingly, during quarters in which our projects generate recurrent cash available for distribution in excess of the amount necessary for us to pay our stated quarterly dividend, we may reserve a portion of the excess to fund cash distributions in future quarters. In quarters in which we do not generate sufficient recurrent cash available for distribution to fund our stated quarterly cash dividend, we may use retained cash flow from other quarters, as well as other sources of cash, such as net cash provided by financing activities, or, if applicable, borrowings under our new revolving credit facility or future credit facilities, to pay dividends to our shareholders.

Recurrent Cash Available for Distribution

Recurrent cash available for distribution is a non-GAAP financial measure that is not required by, or presented in accordance with, IFRS-EU. We believe that an understanding of recurrent cash available for distribution is useful to investors in evaluating our ability to pay dividends pursuant to our stated cash dividend policy.

In general “recurrent cash available for distribution” is calculated as Adjusted EBITDA (as defined under “Presentation of Financial Information”):

less:

- changes in other assets and liabilities (this can have both a negative and positive impact);
- capital expenditures;
- interest payable;
- repayment and amortization of bank borrowings;
- income tax paid (recovered); and

- other cash outflows;

plus:

- interest received;
- other cash inflows; and
- adjusted for debt service reserve account funding and the net release of cash retained.

Risks Regarding Our Cash Dividend Policy and Our Intended Distribution

We have a limited operating history as an independent company upon which to rely in evaluating whether we will have sufficient recurrent cash available for distribution and other sources of liquidity to allow us to pay dividends on our Shares at our initial quarterly dividend level on an annualized basis or at all. There is no guarantee that we will pay quarterly cash dividends to our shareholders, including the Intended Distribution. We do not have a legal obligation to pay dividends according to our cash dividend policy or any other dividend. While we currently intend to maintain our cash dividend policy following the completion of this Offering, including the Intended Distribution for the years 2015 and 2016, and to grow our business and increase our dividend per share over time, our cash dividend policy and, in particular, the payment of the Intended Distribution, is subject to all the risks inherent to our business and may be changed at any time as a result of certain restrictions and uncertainties. See “Risk Factors” for more information on the risks to which our business is subject, including but not limited to, the risk factors entitled “Risk Factors—Risks Relating to the Ownership of Our Shares—Our cash dividend policy and our Intended Distribution involve risks”, “Risk Factors—Risks Relating to the Ownership of Our Shares—There can be no assurance that any target dividend distribution will be achieved” and “Risks Related to the Ownership of our Shares—The assumptions underlying the forecasts presented elsewhere in this prospectus are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual recurrent cash available for distribution to differ materially from our forecasts”.

Accordingly, prospective investors should decide for themselves whether or not the cash dividend policy, including the Intended Distribution, is reasonable or achievable and carefully evaluate whether investing in the Offer Shares is appropriate for them, bearing in mind personal circumstances and the information included in this prospectus.

Our Ability to Grow Our Business and Dividend

We intend to grow our business primarily through acquisitions of contracted or regulated revenue energy assets, primarily taking advantage of the access to energy-related assets developed by ACS SI worldwide through the ROFO and Call Option Agreement and also through third party acquisitions, which, we believe, will facilitate the growth of our recurrent cash available for distribution and enable us to increase our dividend per share over time. Our approved policy is to maximize cash distributions to shareholders and specifically to distribute 90% of our expected recurrent cash available for distribution per year. However, the final determination of the amount of cash dividends to be paid to our shareholders will be made by our board of directors and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that we deem relevant. The payment of dividends to our shareholders shall be authorized by our general shareholders’ meeting by a majority of the attending shareholders (either personally or by proxy) at the proposal of the board of directors. See “Description of Share Capital—Dividend and Liquidation Rights”.

We expect that we will rely primarily upon external financing sources, including commercial bank borrowings and issuances of debt and equity securities, to fund any future growth capital expenditures. To the extent we are unable to finance growth externally, our cash dividend policy could significantly impair our ability to grow because we do not currently intend to reserve a substantial amount of cash generated from operations to fund growth opportunities. To the extent we issue additional shares to fund growth capital expenditures, the payment of dividends on those additional shares may increase the risk that we will be unable to maintain or increase our per share dividend level. Additionally, the incurrence of additional commercial bank borrowings or other debt to finance our growth would result in increased interest expense,

which in turn may impact our recurrent cash available for distribution and, in turn, our ability to pay dividends to our shareholders.

If external financing is not available to us on acceptable terms, we may decide to finance acquisitions with cash from operations, which would reduce or even eliminate our recurrent cash available for distribution and, in turn, impair our ability to pay dividends to our shareholders.

Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and December 31, 2016

Based upon the material assumptions described below and other assumptions that we believe to be reasonable as of the date of the prospectus, we forecast that (i) our profit/(loss) attributable to the parent will be approximately a loss of €13.0 million during the year ending December 31, 2015 and a profit of €32.5 million during the year ending December 31, 2016; and (ii) our estimated recurrent cash available for distribution, excluding the net release of cash retained (as defined below), during the years ending December 31, 2015 and 2016 will be approximately €71.6 million (although we believe this amount includes estimated non-recurrent net cash inflows of €9.6 million as described below, leaving approximately €62.0 million of recurrent cash available for distribution) and €63.5 million, respectively.

We believe that the estimated recurrent cash available for distribution for 2015 of €71.6 million includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million which we do not expect will be generated in a run-rate scenario, without which our recurrent cash available for distribution for 2015 would be approximately €62.0 million. We estimate that such €9.6 million consists of (i) a €21.3 million inflow related to change in other assets and liabilities (of which €4.1 million relates to net settlements in favor of Saeta Yield of intragroup accounts with subsidiaries of ACS SI concurrently with the Offering, a €8.5 million inflow because of the capitalization of an intragroup liability with ACS SI, and €8.7 million of an increase in receivables in 2014 mainly as a result of the new regulatory framework being implemented that will leave a pending amount to be collected by Saeta Yield during 2015); (ii) a €0.8 million investment to adapt the wind assets to AENA (*Aeropuertos Españoles y Navegación Aérea*) requirements (navigation light systems) and adapt the Santa Catalina three wind farms to reactive power requirements by the distribution company; (iii) a €7.3 million outflow related to taxes expected in 2015 as a consequence of not having the tax consolidation group in place until 2016; and (iv) a €3.6 million outflow derived from additional interest of the Al Andalus Asset Company pending from 2014.

Our forecasts are forward-looking statements and reflect our judgment as of the date of this prospectus of the conditions we expect to exist and the course of action we expect to take during the years ending December 31, 2015 and December 31, 2016. Our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution have been approved by our Board of Directors at its meeting held on January 27, 2015. Although acquisitions are an important part of our growth strategy, the forecasts do not include the effects of, and have not included any adjustments with respect to, any acquisitions we intend to complete during the period covered by our forecasts. It should be read together with the financial statements and the accompanying notes thereto included elsewhere in this prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We believe that we have a reasonable basis for these assumptions and that our actual results of operations will be approximately close to those reflected in our forecast, but we can give no assurance that our forecasted results will be achieved. The assumptions and estimates underlying the forecast, as described below under “—Assumptions and Considerations”, are inherently uncertain and, although we consider them reasonable as of the date of this prospectus, they are subject to a wide variety of significant business and economic risks and uncertainties that could cause actual results to differ materially from forecasted results, including, among others, the risks and uncertainties described in “Risk Factors”. Any of the risks discussed in this prospectus, to the extent they occur, could cause actual results of operations to vary significantly from those that would enable us to generate sufficient recurrent cash available for distribution to allow us to pay the Intended Distribution of approximately €57 million per year in 2015, on a pro rata basis, and 2016. There can be no assurance that the forecast will be indicative of our future performance or that actual results will not differ

materially from those presented in the forecast. If our forecasted results are not achieved, we may not be able to pay a dividend to our shareholders at our targeted dividend level or at all. Inclusion of the forecast in this prospectus should not be regarded as a representation by us, the Selling Shareholder, the Underwriters or any other person that the results contained in the forecast will be achieved.

We do not undertake any obligation to release publicly any revisions or updates that we may make to the forecast or the assumptions used to prepare the forecast to reflect events or circumstances after the date of this prospectus, except where required to do so by law. The statement that we believe that we will have sufficient recurrent cash available for distribution to allow us to pay the Intended Distribution of approximately €57 million per year in 2015, on a pro rata basis, and 2016 should not be regarded as a representation by us, the Selling Shareholder, the Underwriters or any other person that we will pay such dividends. Therefore, you are cautioned not to place undue reliance on this information. There can be no assurance that the prospective results are indicative of our future performance or that actual results will not differ materially from those presented in the forecasted financial information.

The below sets forth our forecasts of profit attributable to the parent and estimated recurrent cash available for distribution, expressed in millions in order to facilitate the presentation of the forecasted information due to the underlying assumptions on which such forecasts have been based, for the years ending December 31, 2015 and 2016:

	Year ending December 31,	
	2015	2016
	(in millions of euro)	
Forecast of profit attributable to the parent:		
Revenue.....	223.1	224.2
Operating costs and expenses:		
Operating expenses and other	(68.8)	(69.7)
Depreciation and amortization charge.....	(76.7)	(76.7)
Total operating costs and expenses	(145.4)	(146.3)
Operating income	77.7	77.8
Other income/(expense):		
Financial income	1.8	3.4
Financial costs.....	(40.4)	(37.3)
Net financial income/(expense)	(38.6)	(33.8)
Debt arrangement/early amortization expense	(57.2)	(0.7)
Total other income/(expense)	(95.7)	(34.5)
Profit/(loss) before tax	(18.0)	43.3
Income tax.....	5.1	(10.8)
Profit/(loss) attributable to the parent	(13.0)	32.5
Forecast of estimated recurrent cash available for distribution:		
Profit attributable to the parent	(13.0)	32.5
Financial income	(1.8)	(3.4)
Add:		
Depreciation and amortization charge.....	76.7	76.7
Financial costs.....	40.4	37.3
Debt arrangement/early amortization expense	57.2	0.7
Income tax.....	(5.1)	10.8

	Year ending December 31,	
	2015	2016
	(in millions of euro)	
Adjusted EBITDA.....	154.4	154.5
Less:		
Changes in other assets and liabilities.....	(21.3)	0.1
Capital expenditure	0.8	-
Cash interest paid	44.5	37.7
Repayment and amortization of bank borrowings	53.2	56.6
Income tax paid/(recovered)	7.3	-
Add:		
Interest received	1.8	3.4
Net release of cash retained at Asset Companies.....	(50.1)	73.0
Forecast of estimated recurrent cash available for distribution after investing and funding activities at Saeta Yield	21.5	136.4
Less:		
Net release of cash retained at Asset Companies.....	(50.1) ⁽¹⁾	73.0
Forecast of estimated recurrent cash available for distribution after investing and funding activities at Asset Companies excluding net release of cash retained	71.6	63.5
Less:		
Non-recurrent net inflows	9.6 ⁽²⁾	-
Forecast of estimated recurrent cash available for distribution	62.0	63.5

Notes:—

- (1) Net release of cash retained value is negative for 2015 as we will not be releasing cash during 2015 because certain of our Asset Companies did not fulfill their distribution covenants in 2014. See “—Specific Assumptions and Considerations—Business and Operations Assumptions for Estimated Recurrent Cash Available for Distribution—Net release of cash retained”.
- (2) Includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million.

The following table provides a breakdown of Adjusted EBITDA and recurrent cash available for distribution by business line for the years ending December 31, 2015 and 2016:

	Year ending December 31			
	2015		2016	
	Adjusted EBITDA	CAFD ⁽¹⁾	Adjusted EBITDA	CAFD ⁽¹⁾
	(in millions of euro)			
Wind.....	75.6	36.5	74.9	26.4
Solar Thermal.....	80.7	40.7	81.1	41.6
Corporate expenses and taxes ⁽²⁾	(1.9)	(5.6)	(1.5)	(4.5)
Total.....	154.4	71.6⁽³⁾	154.5	63.5

Notes:—

- (1) Recurrent cash available for distribution; excludes net release of cash retained (as defined herein).

- (2) “Corporate expenses and taxes” includes approximately €4.5 million per year, consisting mainly of corporate general and administrative expenses at the Saeta Yield level (including payroll, board of directors remuneration, expenses related to the Transitory Services Agreement with ACS SI and rent for our office property) that are offset by the revenues received pursuant to the Services Agreements with the Asset Companies. See “Related Party Transactions—Transitional Services Agreement”. Additionally Saeta Yield will have financial expenses related to the revolving credit facility as well as corporate taxes.
- (3) Includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million.

Assumptions and Considerations Underlying Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and 2016

Set forth below are the main assumptions that we have made to demonstrate our ability to generate our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years ending December 31, 2015 and December 31, 2016. Our forecasts reflect our judgment of the conditions we expect to exist and the course of action we expect to take during the forecast period. While the assumptions disclosed in this prospectus are not all inclusive, such assumptions are those that we believe are material to our forecasted results of operations. We believe we have a reasonable basis for these assumptions; however, we can give no assurance that our forecasted results will be achieved. There will likely be differences between our forecasted and our historical results, and those differences may be material. While we believe that the assumptions underlying the forecast are reasonable in light of management’s current expectations concerning future events, we can give no assurance that our assumptions will be realized or that we will generate the forecasted profit attributable to the parent and estimated recurrent cash available for distribution during the forecast periods at the levels forecasted, in which event we may not be able to pay cash dividends on our Shares at our targeted dividend level or at all.

Assumptions and estimates underlying the forecasts are inherently uncertain and our future profit attributable to the parent and recurrent cash available for distribution are subject to a wide variety of risks and uncertainties, including significant business and economic, and uncertainties described under the headings “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” elsewhere in this prospectus.

The forecast contained herein has been prepared on the basis of certain assumptions and considerations, which include, among others, the following:

Assumptions and Considerations Outside the Control of our Management

- that the risks that could have a material adverse effect on our business, financial condition, results of operations, profits or recurrent cash available for distribution, as described in “Risk Factors”, will not materialize;
- the stability of the macroeconomic climate and the markets in which we operate, including current electricity market prices, with no further deficit assumed going forward, interest rates and inflation (which we have assumed at a rate of 1.0% for each of the next two years);
- no material nonperformance or credit-related defaults by suppliers, ACS SI, its subsidiaries or any of our commercial customers;
- no material incident in the performance of our assets, such as long-term failures or other causes which prevent our assets to perform undisturbed;
- no new or material amendments to Spanish laws or regulations, or interpretation or application of existing laws or regulation after the publication of the New Tax Reform in the Spanish Official State Gazette (the “BOE”) on November 28, 2014, that in either case will be materially adverse to our business or to the business of our suppliers or ACS SI or its subsidiaries;

- no material amendments to the proposed schedule to receive incentive payments from the Spanish Electricity System;
- no material adverse effects to our business, industry or the business of our suppliers or ACS SI or its subsidiaries on account of natural disasters;
- our capacity to retain our key members of our management team;
- weather conditions will be similar to weather conditions from previous years;
- no material adverse change resulting from supply disruptions or reduced demand for electricity; and
- no material adverse changes in market, regulatory and overall economic conditions.

Assumptions and Considerations Within the Control of our Management:

- no acquisition of any ROFO Assets or other assets during the two next years (although we anticipate that such acquisitions will be made pursuant to the ROFO and Call Option Agreement over the time period covered by our forecasts, due to the uncertain nature, timing and terms and conditions of such acquisitions we have assumed no asset acquisition for the purpose of our forecasts);
- no issuance of equity or debt instruments and that our debt and equity structure will be substantially the same during the next two years;
- no stock incentive plan for our management team;
- our compliance with the existing dividend restrictions as of December 31, 2015, including those contained in our project-level financing arrangements, which require that our project-level subsidiaries comply with certain financial tests and distribution covenants in order to make such cash distributions, resulting into an accumulation of non-distributable cash generated whenever distribution covenants are breached; and
- no material default under our financing agreements, and therefore, no additional cost in this respect.

Should actual circumstances alter the above assumptions (for example if, as expected in our growth strategy, we should acquire any of the ROFO Assets or any other third party asset or materially alter our debt or equity structure) we cannot assure you that we will be able to achieve the forecasts of profit attributable to the parent or of estimated recurrent cash available for distribution levels disclosed herein. For a discussion of the important factors that could cause actual results to differ materially from our forecast, see “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” elsewhere in this prospectus.

Specific Assumptions and Considerations

In addition to the previous assumptions and considerations, our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution are also based on the following assumptions, which apply to our business and operations. We also set out below the specific assumptions underlying our forecast of estimated recurrent cash available for distribution.

Asset assumptions

Certain projections are linked to the Spanish Consumer Price Index (“CPI”) forecasts. We have assumed a 1.0% CPI for the year ending December 31, 2015 and 1.0% CPI for the year ending December 31, 2016. Our forecast assumes that our projects will consist of the wind farms and solar thermal plants currently held by the Asset Companies.

Revenue

Our forecasted revenues assume all of our renewable energy plants in Spain sell the power they produce into the Spanish wholesale market, managed by the Iberian Electricity Market Operator (*Operador del Mercado Ibérico de Electricidad*, “OMIE”) and receive additional payments from the Spanish electricity system through the Spanish regulator, Comisión Nacional de los Mercados y de la Competencia (“CNMC”). According to the 2013 Electricity Act, the 2014 Royal Decree and the 2014 Revenue Order, renewable energy producers may receive, in addition to the price obtained in the Spanish wholesale market, a specific remuneration that covers the costs (investment and operation) that they are unable to recover on the Spanish electricity market, where they have to compete with non-renewable technologies.

We estimate that we will generate revenue of approximately €223.1 million for the year ending December 31, 2015 (with approximately €105.7 million and €117.4 million generated, respectively, by our wind and solar thermal assets) and approximately €224.2 million for the year ending December 31, 2016 (with approximately €105.9 million and €118.2 million generated, respectively, by our wind and solar thermal assets).

According to these criteria, renewable energy producers will receive the following, in addition to the Spanish wholesale market price of electricity produced, which is variable,:

- (i) remuneration for investment fixed by regulation per unit of installed capacity; and
- (ii) in the case of solar thermal plants, remuneration fixed by regulation for operating and maintenance expenses per unit of power.

See “Regulation—Spanish Framework—Calculation of the Remuneration to be Received by Existing Wind and Solar Thermal Assets” for a more detailed discussion.

We have based our assumptions as to the remuneration scheme for the wind farms and solar thermal plants on the guidance of the 2014 Revenue Order, including the Spanish wholesale market price assumed by the regulation for 2015 and 2016. See “Business—Description of Our Initial Portfolio—Wind Assets—Remuneration Scheme” and “Business—Description of the Initial Portfolio—Solar Thermal Assets—Remuneration Scheme”. The following table presents the remuneration schemes for our wind and solar thermal assets per the 2014 Revenue Order:

Code	Plants	Max. Auth. Capacity MW	Remuneration to Investment (€/MW) 2014-2016 ⁽²⁾	Remuneration to Operation (€/MWh)			Spanish Wholesale Market Price Assumed by Regulation per Technology (€/MWh) ⁽¹⁾		
				2014	2015	2016	2014	2015	2016
Wind									
IT-00657	Colmenar 2	28.0	74.3	—	—	—	42.9	44.0	44.2
IT-00658	Serón 1, Serón 2, Tijola, Las Vegas, Abuela Santa Ana (1) ⁽³⁾	155.0	107.2	—	—	—	42.9	44.0	44.2
IT-00659	La Noguera, Los Isletes, La Caldera, Sierra de las Carbas, Abuela Santa Ana (2) ⁽³⁾	128.7	115.6	—	—	—	42.9	44.0	44.2
IT-00660	Monte Gordo	48.0	124.8	—	—	—	42.9	44.0	44.2
IT-00661	Tesosanto (1) ⁽⁴⁾	46.0	109.1	—	—	—	42.9	44.0	44.2
IT-00662	Viudo I, Viudo II, Sta. Catalina, Valcaire, Tesosanto (2) ⁽⁴⁾	127.5	105.0	—	—	—	42.9	44.0	44.2

Code	Plants	Max. Auth. Capacity	Remuneration to Investment (€/MW)	Remuneration to Operation (€/MWh)			Spanish Wholesale Market Price Assumed by Regulation per Technology (€/MWh) ⁽¹⁾		
		MW	2014-2016 ⁽²⁾	2014	2015	2016	2014	2015	2016
Solar Thermal									
IT-00607	Extresol 1	50.0	526.3	37.3	36.7	37.3	49.2	50.6	50.8
IT-00609	Manchasol 2	49.9	557.7	38.0	37.4	38.1	49.2	50.6	50.8
IT-00611	Casablanca	49.9	549.8	37.8	37.2	37.8	49.2	50.6	50.8

Notes:—

- (1) Market electricity price estimated (E) by regulation (€48.2/MWh in 2014E, €49.5/MWh in 2015E and €49.8 MWh in 2016E), adjusted by the adjustment coefficient of 0.8889 in wind and 1.0207 in solar thermal.
- (2) Annual amounts applicable during the whole first statutory half-period (i.e. in years 2014, 2015 and 2016).
- (3) 37.5 MW were commissioned in June 2008 (Abuela Santa Ana 1) and an extension of 12 MW was commissioned in July 2009 (Abuela Santa Ana 2).
- (4) 46 MW were commissioned in August 2011(Tesosanto 1) and an extension of 4 MW was commissioned in June 2012 (Tesosanto 2).

The following table presents the calculation of our revenues for the ten months ended October 31, 2014:

	Market Revenue				Incentive Revenue						Net Revenue (€m)	Other Revenue ⁽⁵⁾ (€m)	Reported Revenue (€m)
	Average Spanish Wholesale Market Price ⁽¹⁾ (€/MWh)	Production 10 months 2014 (MWh)	Revenue at Market (€m)	Capacity (MW)	Regulatory Remuneration to Investment (€/MW) ⁽⁴⁾	Remuneration to Investment (€m)	Production 10 months 2014 (MWh)	Regulatory Remuneration to Operation (€/MW)	Remuneration to Operation (€m)	Total Remuneration to Investment and Operation (€m)			
Colmenar 2	31.4	34,677	1.1	28.0	74.3	1.7	34,677	—	—	1.7	2.8		
Serón 1, Serón 2, Tijola, Las Vegas, Abuela Santa Ana 1 ⁽²⁾	32.1	262,507	8.4	155.0	107.2	13.8	262,507	—	—	13.8	22.3		
La Noguera, Los Isletes, La Caldera, Sierra de las Carbas, Abuela Santa Ana 2 ⁽²⁾	32.3	234,061	7.6	128.7	115.6	12.4	234,061	—	—	12.4	20.0		
Monte Gordo	37.7	73,141	2.8	48.0	124.8	5.0	73,141	—	—	5.0	7.7		
Viudo I, Viudo II, Sta. Catalina, Valcaire, Tesosanto 2 ⁽³⁾	29.5	192,598	5.6	127.5	105.0	11.2	192,598	—	—	11.2	16.7		
Tesosanto 1 ⁽³⁾	30.3	97,257	2.9	46.0	109.1	4.2	97,257	—	—	4.2	7.1		
Total Wind		894,240	28.4	533.2		48.3	894,240			48.3	76.7	2.1	78.8
Extresol 1	45.9	133,545	6.1	50.0	526.3	21.9	133,545	37.3	4.9	26.9	33.0	0.6	33.6
Manchasol 2	45.4	136,000	6.2	49.9	557.7	23.2	135,728	38.0	4.9	28.1	34.3	0.7	35.0
Casablanca	46.0	136,666	6.3	49.9	549.8	22.9	135,728	37.8	5.1	27.9	34.2	(0.1)	34.1
Total Solar													
Thermal		406,211	18.6	149.8		68.0	406,211		14.9	82.9	105.1	1.2	102.7
Total		1,300,450	47.0	683.0		116.3	1,300,450		14.9	131.2	178.2	3.3	181.5

Notes:—

- (1) Average Spanish wholesale market price for the period from and including January 1, 2014 – October 31, 2014.
- (2) 37.5 MW were commissioned in June 2008 (Abuela Santa Ana 1) and an extension of 12 MW was commissioned in July 2009 (Abuela Santa Ana 2).
- (3) 46 MW were commissioned in August 2011 (Tesosanto 1) and an extension of 4 MW was commissioned in June 2012 (Tesosanto 2).
- (4) Based on the annual remuneration to investment, we have calculated the proportional amount for the ten month period.
- (5) “Other Revenue” represents additional adjustments to certain adjustments made for the July-December 2013 settlement amounts related to the transitory regime in place between July 14, 2013 and June 16, 2014, the date of the 2014 Revenue Order (See Regulation—Spanish Framework—Transitional Regime Applicable to Renewable Energy Facilities Already in Operation”), along with other accounting adjustments to certain other minor amounts. Other Revenue pertaining to wind farms is not broken down by row because the relevant amounts cannot be divided by plant for the Asset Companies that own multiple plants. The total Other Revenue for wind farms was €2.1 million for the period.

In estimating future revenues, we also look at forecasted production, which we have based on a combination of the average historical production of our plants and a production analysis carried out by Diseprosa, an independent renewable energy consultant. We believe that the most reasonable metric for future production to be the average historical production of each plant adjusted per the Diseprosa analysis, provided the plant has been in operation for multiple years.

- Wind farm production is based mainly on the average yearly production since the beginning of commercial operations at each facility, with additional wind resource assessment for the plants with limited operating history (Valcaire and Santa Catalina).
- Solar thermal plant production is generally based on historical performance, adjusted to account for the lower gas consumption for the production of electricity after January 1, 2013 due to the absence of regulated payments for electricity produced using natural gas pursuant to Law 15/2012. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Regulation”. However, because Manchasol 2 and Casablanca have limited operating history, their future performance is based on the historical growth curve of other solar thermal plants in the ACS SI Group that have a more established operating history.

Our assumptions of electricity production are derived from the below operating hours per asset, which are estimated based upon the assumptions described above. In line with the applicable regulation, we have assumed that solar thermal plants will suffer a 0.2% yield loss annually from 2015 onward. We expect the yield loss to impact only plants which have gone through the ramp-up phase, i.e. Extresol 1. Because Manchasol 2 and Casablanca are still in the ramp-up phase, yield loss is calculated accordingly. Based on our previous experience in the five-year ramp-up period of other solar thermal plants with similar characteristics and location, we expect that Manchasol 2 and Casablanca will be in the ramp-up phase until they reach their stable production levels in 2016 and 2018, respectively. Similarly, in line with regulation, we have assumed that wind farms suffer a 0.5% yield loss annually from their sixteenth year of operation onwards, which does not impact the estimates for 2015 and 2016.

The following table presents the historical average production and forecasted production for 2015 and 2016 for each of the Asset Companies:

	Capacity (MW per hour) ⁽¹⁾	Electricity Production (hours) ⁽²⁾	Forecasted Electricity Production (hours)	
			Hist. average	
			2015	2016
Wind				
Serón 1	50.0	1,874	1,874	1,874
Serón 2	10.0	1,897	1,897	1,897
Tijola	36.8	1,862	1,862	1,862
Las Vegas	23.0	1,973	1,973	1,973
Abuela Santa Ana	49.5	2,244	2,244	2,244
Colmenar 2	30.0	1,379	1,379	1,379
La Noguera	29.9	1,772	1,772	1,772
Los Isletes	25.3	1,965	1,965	1,965
La Caldera	22.5	2,208	2,208	2,208
Sierra de las Carbas	40.0	2,522	2,522	2,522
Tesosanto	50.0	2,451	2,451	2,451
Viudo I	40.0	1,902	1,902	1,902
Viudo II	26.0	2,018	2,018	2,018

	Capacity (MW per hour) ⁽¹⁾	Electricity Production (hours) ⁽²⁾	Forecasted Electricity Production (hours)	
			2015	2016
		Hist. average		
Santa Catalina-Cerro Negro	41.5	1,987	1,987	1,987
Monte Gordo	48.0	1,701	1,701	1,701
Valcaire.....	16.0	2,318	2,318	2,318
Solar Thermal				
Extresol 1	50.0	2,855	2,855	2,850
Manchasol 2	49.9	2,789	2,789	2,855
Casablanca.....	49.9	2,575	2,646	2,718

Notes:—

- (1) Installed Capacity. Maximum administrative authorization of Serón 1: 49.5 MW; Serón 2: 10 MW; Tijola: 36 MW; Colmenar 2: 28 MW; La Noguera: 28.9 MW; Las Vegas: 22 MW; Los Isletes: 25.3 MW; Abuela Santa Ana: 49.5 MW; La Caldera: 22.5 MW; Sierra de las Carbas: 40 MW; Tesosanto: 50 MW; Viudo I: 40 MW; Viudo II: 26 MW; Santa Catalina-Cerro Negro: 41.5 MW; Monte Gordo: 48 MW; Valcaire: 16 MW; Extresol 1: 50 MW; Manchasol 2: 49.9 MW; Casablanca: 49.9 MW.
- (2) Average yearly production since beginning of commercial operations through the end of June 2014 (“H1”); Serón 1: 2008-2014(H1); Serón 2: 2008-2014(H1); Tijola: 2008-2014(H1); Colmenar 2: 2008-2014(H1); La Noguera: 2008-2014(H1); Las Vegas: 2009-2014(H1); Los Isletes: 2009-2014(H1); Abuela Santa Ana: 2008-2014(H1); La Caldera: 2009-2014(H1); Sierra de las Carbas: 2009-2014(H1); Tesosanto: 2011-2014(H1); Viudo I: 2012-2014(H1); Viudo II: 2012-2014(H1); Santa Catalina-Cerro Negro: 2012-2014(H1); Monte Gordo: 2011-2014(H1); Valcaire: 2012-2014(H1); Extresol 1: 50 2013-2014(H1); Manchasol 2: 2013-2014(H1); Casablanca: n/a.

Remuneration to operation in solar thermal plants is granted to a maximum of 2,720 equivalent hours in solar thermal plants. Production above the mentioned maximum threshold is only remunerated at market prices, without any remuneration to operation.

Operating Expenses and Other

We have assumed that our operating and other expenses will remain stable during 2015 and 2016 and that they will comprise mainly our operation and maintenance costs, the 7% tax on production of electricity, day-to-day maintenance, as well as general and administrative expenses, expenses related to research and development, costs related to the control center owned and operated by ACS, leases, independent professional services, insurance premiums, banking services, miscellaneous services and other local taxes.

We estimate that we will incur in operating and other expense of €68.8 million for the year ending December 31, 2015 and €69.7 million for the year ending December 31, 2016.

Operation and Maintenance. Our Asset Companies have O&M agreements in place for the provision of O&M services (see “Related Party Transactions—Operation and Maintenance Contracts”). Currently, these expenses represent approximately 12% of our revenue. See “Business—Description of Our Initial Portfolio”. We estimate that O&M expenses will amount to €26.3 million in 2015 and €26.8 million in 2016.

- Wind farms: O&M costs of our wind farms consist of either a fixed price per MWh produced or an annual fixed price per MW, in each case, adjusted for an assumed 1.0% inflation annually. The contracted fixed amounts per plant are set forth in the table below:

	O&M Price 2014 (€MW)	O&M Price 2015 (€MWh)	O&M Price 2016 (€MWh)
Al Andalus ⁽¹⁾	10.66	10.77	10.87
La Caldera.....	10.66	10.77	10.87
Sierra de las Carbas	10.66	10.77	10.87
Tesosanto	10.66	10.77	10.87
Santa Catalina ⁽²⁾	8.96	9.05	9.14

	O&M Price 2014 (€/turbine)	O&M Price 2015 (€/turbine)	O&M Price 2016 (€/turbine)
Monte Gordo ⁽³⁾	41,696	42,113	42,534
Valcaire ⁽⁴⁾	43,051	43,482	43,916

Notes:—

- (1) Al Andalus comprises the Serón 1, Serón 2, Tijola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.
- (2) Urbaenergía is considering cancelling 50% O&M cost for Santa Catalina Asset Company for 2015 and 2016. This cancellation would result in cost savings of approximately €1 million per year.
- (3) Urbaenergía provides the O&M services to Monte Gordo at a price of €10.4/MWh with a minimum of €41,696 per turbine as of 2014. Monte Gordo has 24 turbines.
- (4) Valcaire has 8 turbines.

- Solar thermal: O&M costs of our solar thermal plants consist of (i) a fixed annual fee, adjusted for an assumed 1.0% inflation annually, plus (ii) a performance-based remuneration bonus, if the efficiency of the asset reaches a specified effective annual efficiency for any given year. See “Business—Our Initial Portfolio—Solar Thermal Assets—Operation and Maintenance”. Based on projected production, we have assumed that we will pay the capped bonus amount of €400,000 annually. The actual bonus will be calculated, as set forth in the O&M contracts and respective addendums, based on the comparison of the effective performance with the guaranteed annual performance. These parameters will be calculated by using a specific model validated by a technical expert in each case. The contracted fixed and capped variable prices per plant are set forth in the table below:

	O&M Price 2014	O&M Price 2015	O&M Price 2016
Fixed Price	(in millions of euro)		
Extresol 1	4.81	4.86	4.90
Manchasol 2	4.86	4.90	4.95
Casablanca	5.17	5.22	5.27
Variable Price (Cap)	(in millions of euro)		
Extresol 1	0.40	0.40	0.40
Manchasol 2	0.40	0.40	0.40

	<u>O&M Price 2014</u>	<u>O&M Price 2015</u>	<u>O&M Price 2016</u>
Casablanca	0.40	0.40	0.40

Electricity production tax. Effective January 1, 2013, Law 15/2012, of December 27, 2012 (“Law 15/2012”) introduced a 7% tax on the total revenue earned by electricity producers from the power produced at their facilities. Our revenue projections are subject to this tax. See “Regulation—Spanish Framework—Tax on Electricity Sales” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Regulation”.

We estimate that we will pay electricity production taxes amounting to €15.6 million for the year ending December 31, 2015 and €15.7 million for the year ending December 31, 2016.

Services Agreements. We will render general services to the Asset Companies in exchange for a yearly fee of €300,000 (adjusted for inflation, assuming inflation of 1.0% annually) per solar thermal plant and 2% of revenues per wind farm. We estimate that Services Agreements incomes will amount to €3 million for each of 2015 and 2016. See “Business—Our Initial Portfolio—Description of our Initial Portfolio” for a description of the Services Agreements entered into with each Asset Company.

Other expenses. Other expenses will comprise mainly costs related to the Control Center Services Agreements, See “Related Party Transactions—Control Center Services Agreements”, day-to-day maintenance, as well as expenses related to research and development, leases, independent professional services, insurance premiums, banking services, miscellaneous services, deviation costs and other local taxes. Currently, these expenses represent approximately 9-10% of our revenue. We estimate that other expenses will amount to €22.4 million in 2015 and €22.6 million 2016.

The table below shows the anticipated cost of other expenses in 2015 and 2016:

	<u>Other Expenses</u>	
	<u>2015</u>	<u>2016</u>
	(in millions of euro)	
Wind		
Serón 1	0.9	0.9
Serón 2	0.2	0.2
Tijola	0.7	0.7
Las Vegas	0.7	0.7
Abuela Santa Ana	1.0	1.0
Colmenar 2	0.6	0.6
La Noguera	0.5	0.5
Los Isletes	0.5	0.5
La Caldera	0.4	0.4
Sierra de las Carbas	0.7	0.7
Tesosanto	0.9	0.9
Viudo I	0.7	0.7
Viudo II	0.5	0.5
Santa Catalina	0.8	0.8
Monte Gordo	0.8	0.8
Valcaire	0.5	0.5
Solar Thermal		
Extresol 1	3.1	3.1

	Other Expenses	
	2015	2016
	(in millions of euro)	
Manchasol 2	4.0	4.0
Casablanca.....	4.4	4.4

Notes:—

- (1) Urbaenergía is considering cancelling 50% O&M cost for Santa Catalina Asset Company for 2015 and 2016. This cancellation would result in cost savings of approximately €1 million per year.

We expect other expenses to remain stable as a percentage of revenues in the forecasted period.

Corporate overhead. Corporate overhead consists mainly of general corporate and administrative expenses at the Saeta Yield level (including mainly payroll, board of directors remuneration, expenses related to the Transitional Services Agreement with ACS SI, rent for our office property and other expenses), that are offset by the revenues received pursuant to the services agreements with the Asset Companies. We expect that the amount of corporate expenses at Saeta Yield level, will be approximately of €4.5 million annually, which net of the yearly fees received from the Asset Companies pursuant to the Services Agreements, will be approximately €1.5 million each year, adjusted for inflation of 1.0% annually.

Depreciation and Amortization Charges

Forecasted depreciation and amortization expense reflect management's estimates, which are based on consistent average depreciable useful lives of 20 years for wind farms and 25 years for solar thermal plants. See Note 3 to our Interim 2014 Audited Consolidated Financial Statements for a description of our depreciation and amortization policy. We estimate that we will incur depreciation and amortization expense of €76.7 million for the year ending December 31, 2015 and an expense of €76.7 million for the year ending December 31, 2016, assuming no reversal of our deterioration.

Income tax expense and cash taxes

We estimate that income tax expense/(income) will be €(5.1) million for the year ending December 31, 2015 and €10.8 million for the year ending December 31, 2016. Income tax expense has been calculated based on the 28% and 25% corporate tax applicable in 2015 and 2016, respectively, under the new Spanish Corporate Tax Regulation, which has been published in November 28, 2014 and will be effective from January 1, 2015.

We expect to benefit from the Spanish Tax Consolidation Regime, under which a group of companies may elect to pay Corporate Income Tax as a single taxpayer. The tax group must include the Spanish parent company (Saeta Yield) and all the Spanish subsidiaries in which the parent company owns a minimum interest of 75%. From January 1, 2016, Saeta Yield would operate as parent company of the tax group and all of our Asset Companies would fulfil the requirements to be included in the group.

We also expect to benefit from free tax depreciation (without limits) from 2016, and with the following limitations in 2015:

- 40% of the tax base before the amortization or depreciation and before the offset of tax loss carryforwards for taxpayers (subject to requirements to maintain employment levels); or
- 20% of the tax base before the amortization or depreciation and before the offset of tax loss carryforwards for taxpayers (without any employment level requirement).

The joint use of both the tax consolidation and accelerated depreciation tax regimes (€625 million of outstanding depreciation and amortization as of October 31, 2014, which can be applied on an accelerated basis to reduce the taxable income) provides a significant tax payment deferral. We do not expect to pay any

amount for CIT from 2016 to 2021. Certain payments may become due on account of CIT, to be later reimbursed by the tax authorities in the short term.

In 2015 we expect to pay cash taxes of €7.3 million, as we cannot benefit from fiscal consolidation during the first year of the creation of the tax group. See “Business—Tax Depreciation Regime” for further discussion.

Capital Expenditures

We estimate that capital expenditures will be €0.8 million for the year ending December 31, 2015. In addition to these expenditures, as all assets are operational, we do not expect to incur any additional capital expenditures for maintenance purposes from 2016 and thereafter.

Our historical capital expenditures have been focused mainly on construction costs associated with our renewable energy plants. Future capital expenditures in 2015 will adapt the Al Andalus, La Caldera, Sierra de las Carbas, Tesosanto, Monte Gordo, Santa Catalina and Valcaire wind farms to AENA (*Aeropuertos Españoles y Navegación Aérea*) requirements (navigation light systems) and adapt the Santa Catalina wind farms to reactive power requirements by the distribution company. Going forward, we expect our maintenance capital and operating expenditures of the existing asset portfolio to be minimal since the assets are already in operation and maintenance capital expenditures are generally limited by our O&M agreements.

Financing and Other

Financial cost. Forecasted financial cost is based on the terms of the existing project financing arrangements and assumes the following:

- the Early Debt Repayment of €140.9 million of the project level financing financings of Extresol 1, Manchazol 2 and Santa Catalina in the amount of €79.0 million, €54.5 million and €7.4 million, respectively (the “Early Debt Repayment”)
- the cancelation, in connection with the Early Debt Repayment, of a portion of the derivative contracts of Extresol 1 (€59.3 million), Manchazol 2 (€40.9 million) and Santa Catalina (€5.6 million) at a total cost to Saeta Yield currently estimated to be €25.9 million (€14.6 million for Extresol 1, €10.1 million for Manchazol 2 and €1.2 million for Santa Catalina) in order to maintain the proportion of a 75% of the outstanding debt, (the “Partial Cancellation of Derivative Contracts”);
- the resetting of the derivative contract of Al Andalus at a fixed rate of 0.5% for an estimated total cost of €30.6 million in order to decrease interest expense from 2015 onwards (the “Al Andalus Derivative Resetting” and, together with the Partial Cancellation of Derivative Contracts, the “Derivatives Break Costs”); and
- the closing of an €80 million revolving credit facility, which we are negotiating with the Underwriters, assumed to be undrawn, at current market prices.

See “Capitalization and Indebtedness” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of liquidity” for further discussion.

We estimate that financial cost will be €40.4 million for the year ending December 31, 2015 (excluding extraordinary expenses related to the Early Debt Repayment) and €37.3 million for the year ending December 31, 2016.

Financial income. We estimate a financial income of 2% of the cash balance at the beginning of each of 2015 and 2016, which will represent €1.8 million and €3.4 million, respectively.

Principal amortization of indebtedness. We estimate that principal amortization of indebtedness will be €53.2 million for the year ending December 31, 2015 and €56.6 million for the year ending December 31, 2016

The following table shows the expected debt repayment schedule per Asset Company as per the existing project financing agreements, after the Early Debt Repayment:

	2015	2016
	(in millions of euro)	
Wind		
Al Andalus ⁽¹⁾	17.2	18.3
Boga II ⁽²⁾	8.1	8.8
Santa Catalina	7.1	7.6
Monte Gordo	2.5	2.7
Total Wind	34.9	37.4
Solar Thermal		
Extresol 1 ⁽³⁾	8.9	9.5
Manchasol 2 ⁽³⁾	9.4	9.7
Total Solar Thermal	18.3	19.2
Total Wind and Solar Thermal	53.2	56.6

Notes:—

- (1) Al Andalus represents the Serón 1, Serón 2, Tijola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.
- (2) Boga II represents the La Caldera, Sierra de las Carbas and Tesosanto wind farms.
- (3) Pro forma following the intended Early Debt Repayment by Saeta Yield concurrent with the Offering. See “Capitalization and Indebtedness”.

Business and Operations Assumptions for Estimated Recurrent Cash Available for Distribution

In addition to the above assumptions and considerations, our estimated recurrent cash available for distribution is based on the following assumptions which apply to our business and operations:

Early Debt Repayment and liquidity position

The forecast assumes that the Early Debt Repayment and the Derivatives Break Costs will occur on or prior to the second business day following, and subject to, Admission. The forecast also assumes that we will have a consolidated adjusted cash position excluding cash and debt service reserve account of approximately €134 million, including a cash position at the Saeta Yield level of €50 million on the Settlement Date of this Offering, plus an undrawn new revolving credit facility of €80 million, which we are negotiating with the Underwriters. See “Capitalization and Indebtedness” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of liquidity”.

Change in Other Assets and Liabilities

Changes in Other Assets and Liabilities includes €8.7 million changes in working capital and the €12.6 million settlement of intragroup accounts during 2015 amounting approximately to €21.3 million. Our working capital projections are based on the following assumptions from 2015 onwards:

- Sale of electricity generated: payment receivable in 30 days;
- Incentive set according to regulation (RD 413/2014): payment receivable in 60 days (assuming no tariff deficit in 2015);
- O&M contract payable at 30 days for wind farms and 60 days for solar thermal plants; and
- Generation tax: payable once every quarter (February, May, September, November).

In addition, working capital in 2015 is expected to improve, resulting in a positive impact of approximately €8.7 million mainly as a result of the incentives due from the electricity system that are not expected to be settled until 2015. In the first year since the application of the new regulatory regime, the electricity system has settled approximately 79.7% of system revenues, according to the settlement number 10 published by the CNMC on December 18, 2014. Going forward we expect this settlement to stabilize and reach 100% on a yearly basis. No charges in other assets and liabilities are expected in 2016.

Net Release of Cash Retained

The “net release of cash retained” comprises existing cash retained that we expected to be released once distribution covenants are met, net of cash retained during a certain year due to breach of covenants.

Certain of our Asset Companies have cash retained at the project level as distribution covenants were not fulfilled in 2013 and 2014, that we expect to be released during 2016, assuming distribution covenants are met in 2015. Following the Early Debt Repayment and the Derivatives Break Costs, we expect to comply with all distribution covenants in 2015 and 2016.

We estimate that we will retain approximately €50.1 million for the year ending December 31, 2015 and release approximately €73.0 million for the year ending December 31, 2016.

Repayment and amortization of bank borrowings

We estimate that debt arrangement and early amortization expenses will amount to €57.2 million for the year ending December 31, 2015 and €0.7 million for the year ending December 31, 2016. 2015 will be impacted by extraordinary items including the Early Debt Repayment and the Derivatives Break Costs.

Significant Accounting Policies

In preparing the forecast, we have applied the accounting policies used in our Interim 2014 Audited Consolidated Financial Statements as of October 31, 2014, prepared in accordance with IFRS-EU. Financial statements for 2015 and 2016 are expected to follow the same accounting policies.

Auditor reports

Deloitte, S.L. has issued two reports in relation to our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years ending 2015 and 2016, which appear on pages F-76 and F-97 of this prospectus, respectively.

CAPITALIZATION AND INDEBTEDNESS

Liquidity Sources and Uses

The following table sets forth the sources and uses of liquidity from certain transactions that Saeta Yield has and will carry out after its October 31, 2014 balance sheet date.

Sources of liquidity	(in thousands of euro)	Uses of liquidity	(in thousands of euro)
Equity Contribution.....	200,139	Early Debt Repayment	140,900
<i>Share capital</i>	<i>20,014</i>		
<i>Share premium</i>	<i>180,125</i>	Derivatives Break Costs	56,480
Profit before tax of intragroup waiver ..	4,373	Cash Increase	63,581
Intragroup settlement (receivables).....	97,198	Intragroup settlement (payables).....	40,750
		<i>Financial liabilities</i>	<i>16,687</i>
		<i>Other intragroup payables</i>	<i>24,063</i>
Total Sources	301,711	Total Uses	301,711

Sources of liquidity

The sources of liquidity are:

- (i) the share capital increase of €200,139 million (share capital plus share premium) by Saeta Yield to be subscribed by the Selling Shareholder on the business day following the date of determination of the Offering Price (the Equity Contribution);
- (ii) the waiver in December 2014 by subsidiaries of ACS SI of intragroup liabilities payable in the amount of €4.4 million owed by Saeta Yield. This waiver is expected to generate a €4.4 million profit before tax; and
- (iii) the settlement of €97.2 million under intragroup receivables as of October 2014 owed by Saeta Yield. The €97.2 million corresponds to €85.7 million of “Other current financial assets with Group companies and associates” and €11.5 million of “Trade and Other receivables”.

Uses of liquidity

This liquidity is used for the following purposes:

- (i) the repayment of a total of €140.9 million under the project level financings of Extresol 1, Manchasol 2 and Santa Catalina in the amount of €79.0 million, €54.5 million and €7.4 million, respectively, on or prior to the second business day following, and subject to, Admission (the Early Debt Repayment);
- (ii) the cancelation, in connection with the Early Debt Repayment, of a portion of the derivative contracts of Extresol 1 (€59.3 million), Manchasol 2 (€40.9 million) and Santa Catalina (€5.6 million) at a total cost to Saeta Yield currently estimated to be €25.9 million (€14.6 million for Extresol 1, €10.1 million for Manchasol 2 and €1.2 million for Santa Catalina), on the second business day following, and subject to, Admission (the Partial Cancellation of Derivative Contracts).
- (iii) the resetting of the derivative contract of Al Andalus at a fixed rate of 0.5% for an estimated total cost of €30.6 million on or prior to the second business day following, and subject to, Admission (the Al Andalus Derivative Resetting and, together with the Partial Cancellation of Derivative Contracts, the Derivatives Break Costs);
- (iv) the increase of cash and cash equivalents totaling €63.6 million (the “Cash Increase”), consisting of at least a €50.0 million cash position at the Saeta Yield level at the closing of the Offering; and

- (v) the settlement of €40.8 million under intragroup payables owed by Saeta Yield. The €40.8 million corresponds to €16.7 million of “Other financial liabilities with Group companies and associates” and €24.1 million of “Trade and Other payables”.

The transactions above are referred to collectively as the “Liquidity Transactions”.

We believe that our working capital is sufficient for our present requirements.

Capitalization and Indebtedness

The following table sets forth our cash and cash equivalents, total debt, total equity and total capitalization as of October 31, 2014:

- on a historical basis based on our Interim 2014 Audited Consolidated Financial Statements; and
- as adjusted to give effect to the Liquidity Transactions.

You should read the following table in conjunction with the sections entitled “Use of Proceeds” “Selected Financial Information”, “Unaudited Pro Forma Consolidated Financial Information”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

	As of October 31, 2014		
	Historical	Liquidity Transactions	As adjusted⁽¹⁾
	(in thousands of euro)		
Cash and cash equivalents.....	58,463	63,581 ⁽²⁾	122,044
Other current financial assets.....	65,092	—	65,092
Total cash and cash equivalents and current financial assets.....	123,555	63,581	187,136
Project finance (long and short term).....	1,135,924	(140,900) ⁽³⁾	995,024
Derivative financial instruments (current and non-current).....	169,023	(56,480) ⁽⁴⁾	112,544
Other financial liabilities with Group companies and related parties (current and non-current).....	16,687	(16,687) ⁽⁵⁾	—
Total debt.....	1,321,634	(214,067)	1,107,568
Share capital.....	61,563	20,014 ⁽⁶⁾	81,577
Share premium.....	551,455	180,125 ⁽⁶⁾	731,580
Reserves.....	(163,125)	—	(163,125)
Profit for the period of the Parent.....	31,827	(37,604) ⁽⁷⁾	(5,777)
Adjustments for change in value.....	(126,131)	40,666 ⁽⁸⁾	(85,466)
Equity attributable to the Parent.....	355,589	203,201	558,790
Total capitalization⁽⁹⁾.....	1,677,223	(10,866)	1,666,357

Notes:—

- (1) We have prepared the information presented in the “as adjusted” column for illustrative purposes only. The information presented in the “as adjusted” column addresses pro forma situations and, therefore, does not represent our actual financial position or results. Consequently, such information may not be indicative of our total

capitalization as of the date of this prospectus. Investors are cautioned not to place undue reliance on this pro forma information.

- (2) Adjustment to give effect to the Cash Increase.
- (3) Adjustment to give effect to the Early Debt Repayment.
- (4) Adjustment to give effect to the Partial Cancellation of Derivative Contracts and the Al Andalus Derivative Resetting with the estimated current market value.
- (5) Adjustment to give effect to the settlement of €16.7 million of other intragroup financial liabilities.
- (6) Adjustment to give effect to the Equity Contribution.
- (7) Adjustment to give effect to the Partial Cancellation of Derivative Contracts and the Derivatives Break Costs as well as the waiver by ACS SI of €4.4 million of intragroup payables. Adjustment is reflected net of the fiscal impact.
- (8) Adjustment to give effect to the Partial Cancellation of Derivative Contracts and the Derivatives Break Costs. Adjustment is reflected net of the fiscal impact.
- (9) Total capitalization is calculated as “Total debt” plus “Equity attributable to the parent”.

Net Financial Debt

The following table sets forth our net financial indebtedness as of October 31, 2014:

- on a historical basis based on our Interim 2014 Audited Consolidated Financial Statements;
- as adjusted to add back accrued but unpaid interest on project level financing in the amount of €18.8 million less financing arrangement costs in the amount of €9.5 million; and
- as further adjusted to give effect to the Liquidity Transactions (see “—Liquidity Sources and Uses”)

As of October 31, 2014

	Historical	Other adjustments	As adjusted	Liquidity Transactions	As further adjusted
	(in thousands of euro)				
Cash and cash equivalents	58,463	—	58,463	63,581 ⁽¹⁾	122,044
Other current financial assets	65,092	—	65,092	—	65,092
Total cash and cash equivalents⁽²⁾	123,555	—	123,555	63,581	187,136
Project finance (long and short term)	1,135,924	(9,309)	1,126,615	(140,900) ⁽³⁾	985,715
Total financial debt⁽⁴⁾	1,135,924	(9,309)	1,126,615	(140,900)	985,715
Net financial debt⁽⁵⁾ ...	1,012,369	(9,309)	1,003,060	(204,481)	798,581

Notes:—

- (1) Adjustment to give effect to the Cash Increase.
- (2) Total cash and cash equivalents calculated as cash and cash equivalents plus other current financial assets.
- (3) Adjustment to give effect to the Early Debt Repayment.
- (4) Total financial debt includes bank borrowings in the amount of €1,126.6 million, accrued interest payables in the amount of €18.8 million and financing arrangement costs in the negative amount of €9.5 million.
- (5) Net financial debt is calculated as “Total financial debt” minus “Total cash and cash equivalents”.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

See “Unaudited Consolidated Pro Forma Financial Information” on page F-56 of this prospectus.

SELECTED FINANCIAL INFORMATION

The following tables present the selected interim consolidated financial information for Saeta Yield as of and for the ten months ended October 31, 2014 and limited selected interim aggregated financial information for the Asset Companies for the ten months ended October 31, 2013.

The selected interim consolidated financial information for Saeta Yield as of and for the ten months ended October 31, 2014 has been derived from and is qualified in its entirety by the Interim 2014 Audited Consolidated Financial Statements included elsewhere in this prospectus, which were prepared in accordance with IFRS-EU. The limited interim aggregated financial information for the Asset Companies for the ten months ended October 31, 2013 has been compiled from unaudited individual management financial information for each of the Asset Companies prepared in accordance with Spanish GAAP.

The following tables should be read in conjunction with “Presentation of Financial Information”, “Capitalization and Indebtedness” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Interim 2014 Audited Consolidated Financial Statements and the related notes included elsewhere in this prospectus.

Consolidated Income Statement of Saeta Yield for the ten months ended October 31, 2014

	For the ten months ended October 31, 2014
	(in thousands of euro)
Revenue	181,495
Capitalized expenses of in-house work on assets	1,113
Cost of materials used and other external expenses	(509)
Staff costs	(299)
Other operating expenses	(52,771)
Depreciation and amortization charge	(63,514)
Impairment and gains on the disposal of non-current assets	23,947
Operating income	89,462
Finance income	971
Financial costs	(48,660)
Financial result	(47,689)
Profit/(Loss) of companies accounted for using the equity method	(44)
Profit/(Loss) before tax	41,729
Income tax	(9,902)
Profit/(Loss) attributable to the parent	31,827

Consolidated Statement of Financial Position of Saeta Yield as of October 31, 2014

	As of October 31, 2014
	(in thousands of euro)
Non-current assets:	
Intangible assets	162
Tangible assets - Property, plant and equipment	10,010
Non-current assets in projects.....	1,411,784
Non-current financial assets with Group companies and related parties	1,492
Non-current financial assets	7,075
Deferred tax assets.....	69,645
Total non-current assets	1,500,168
Current assets:	
Inventories	708
Trade and other receivables	77,556
Called-up capital on shares or ordinary shareholdings ⁽¹⁾	459,716
Other current financial assets with Group companies and related parties	85,667
Current tax assets.....	993
Other receivables from public authorities.....	1,016
Other current financial assets	65,092
Cash and cash equivalents	58,463
Total current assets	749,211
Total assets	2,249,379
Equity:	
Share capital	61,563
Share premium	551,455
Reserves	(163,125)
Profit for the period of the parent	31,827
Adjustments for changes in value	(126,131)
Hedging instruments	(126,131)
Total equity	355,589
Total equity attributable to the parent	355,589
Non-current liabilities:	
Long term project finance.....	1,059,588
Other financial liabilities with Group companies and related parties	1,087
Derivative financial instruments.....	147,824
Deferred tax liabilities	41,183
Total non-current liabilities	1,249,682
Current liabilities:	
Short term project finance	76,336
Derivative financial instruments.....	21,199
Trade and other payables.....	41,679
Other payables to Group companies and related parties ⁽²⁾	459,783
Other financial liabilities with Group companies and related parties	15,600
Current tax liabilities	19,943
Other payables to the public authorities	9,536
Other current liabilities.....	32

	<u>As of October 31, 2014</u>
Total current liabilities	644,108
Total equity and liabilities	2,249,379

Notes:—

- (1) “Called-up capital on shares or ordinary shareholdings” represents the amount of the share capital increase (€51,500,000 of nominal amount and €408,216,400 of issuance premium) approved on October 31, 2014 by the shareholders of Saeta Yield. Pursuant to such resolution the shareholders of Saeta Yield undertook to subscribe and pay for the 5,150,000 new Shares within 30 days from the date of such resolution. Eyra and Cobra Sistemas y Redes, S.A. subscribed and paid this share capital increase on November 20, 2014.
- (2) “Other payables to Group companies and related parties” represents outstanding amount as of October 31, 2014 to be paid by Saeta Yield to certain subsidiaries of ACS SI pursuant to the Asset Transfer (€459.8 million, of which €272.6 million was paid on November 20, 2014 as a deferred payment, €46.7 million after the fulfillment of the conditions of Sierra de las Carbass, Tesosanto and La Caldera on November 27, 2014, €97.2 million after the fulfillment of the conditions of Al Andalus on November 25, 2014 and €43.3 million after the fulfillment of the conditions of Manchazol 2 on December 19, 2014. These conditions precedent consisted of the authorization from certain public entities and the consent from certain financing entities).

Consolidated Statement of Cash Flows of Saeta Yield for the ten months ended October 31, 2014

	Ten months ended October 31, 2014
	(in thousands of euro)
Profit/(loss) before tax	41,729
Adjustments for	87,300
Depreciation and amortization charge	63,514
Impairment and gains on the disposal of non-current assets	(23,947)
Finance income	(971)
Financial costs	48,660
Results of companies accounted for using the equity method	44
Changes in working capital	(40,459)
Inventories	164
Trade and other receivables	(46,009)
Trade and other payables	34,809
Other current assets and current liabilities	(29,423)
Other cash flows from operating activities	(54,350)
Interest payable	(35,961)
Income tax payments/proceeds	(18,389)
Cash flows from operating activities	34,220
Investment payables	(162,801)
Non-current assets in projects	(2,448)
Financial investments	(160,355)
Cash flows from investing activities	(162,801)
Equity instrument proceeds	153,302
Issue of new share capital	153,302
Liability instrument proceeds	21,679
Group companies and related parties	21,679

	Ten months ended October 31, 2014
	(in thousands of euro)
Liability instrument payments	(37,560)
Group companies and related parties	(1,824)
Credit institutions	(35,736)
Cash flows from financing activities	137,421
Net increase/(decrease) in cash and cash equivalents	8,841
Cash and cash equivalents at beginning of the period	49,622
Cash and cash equivalents at end of the period	58,463

Additional financial data by business line

Revenue by business line

Revenue by business line	Ten months ended October 31,			
	2014 ⁽¹⁾		2013	
	(consolidated/IFRS-EU) (audited)		(aggregated) ⁽²⁾ (unaudited)	
	thousands of euro	% of revenue	thousands of euro	% of revenue
Wind.....	78,794	43.4%	75,948	50.4%
Solar Thermal.....	102,701	56.6%	74,866	49.6%
Total revenue	181,495		150,814	

Notes:—

- (1) Consolidated amounts for the ten-month period ended October 31, 2014 are not directly comparable with the aggregated information for the ten-month period ended October 31, 2013, as described in detail in “Presentation of Financial Information”. However, we have included a comparison of revenue for these periods because the differences in accounting methods do not significantly affect this item.
- (2) The interim aggregated financial information for the Asset Companies has been prepared from unaudited individual management financial information for each of the Asset Companies prepared in accordance with Spanish GAAP.

Adjusted EBITDA by business line	Ten months ended October 31,			
	2014 ⁽¹⁾		2013	
	(consolidated/IFRS-EU) (audited)		(aggregated) ⁽²⁾ (unaudited)	
	thousands of euro	% of revenue	thousands of euro	% of revenue
Wind.....	54,853	69.6%	51,381	67.7%
Solar Thermal.....	74,226	72.3%	53,488	71.4%
Other.....	(50)	-	-	-
Total Adjusted EBITDA ⁽³⁾	129,029	71.1%	104,869	69.5%

Note:—

- (1) Consolidated amounts for the ten-month period ended October 31, 2014 are not directly comparable with the aggregated information for the ten-month period ended October 31, 2013, as described in detail in “Presentation of Financial Information”. However, we have included a comparison of Adjusted EBITDA for these periods because the differences in accounting methods do not significantly affect this item.
- (2) The interim aggregated financial information for the Asset Companies has been prepared from unaudited individual management financial information for each of the Asset Companies prepared in accordance with Spanish GAAP.
- (3) Adjusted EBITDA is calculated (i) for the ten months ended October 31, 2014 in respect of Saeta Yield, as profit attributable to the parent, after adding back income tax, results of companies accounted for using the equity method, finance income, financial costs, depreciation and amortization charge and impairment and gains on the disposal of non-current assets and (ii) for the ten months ended October 31, 2013 in respect of the aggregated Asset Companies, as profit/(loss) for the period, after adding back income tax, results of companies accounted for using the equity method, finance income, financial costs, capitalized borrowing costs, depreciation and amortization charge and impairment and gains on the disposal of non-current assets. Adjusted EBITDA is not a measurement of performance under Spanish GAAP or IFRS-EU and you should not consider Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Adjusted EBITDA may not be indicative of our historical operating results, nor are meant to be predictive of potential future results. See “Presentation of Financial Information—Non-GAAP Financial Measures”.

The following table sets forth the EBITDA margin (Adjusted EBITDA as a percentage of revenue) for each of the Asset Companies for the ten months ended October 31, 2014:

EBITDA Margin of Asset Companies	For the ten months ended October 31, 2014
	(%)
Wind:	
Al Andalus ⁽¹⁾	68.0
La Caldera	71.1
Sierra de las Carbas	72.0
Tesosanto	67.5
Monte Gordo	75.4
Santa Catalina	70.4
Valcaire	68.6
Average margin (wind)	69.6
Solar Thermal:	
Extresol 1	74.4
Manchasol 2	72.9
Casablanca	69.5
Average margin (solar thermal)	72.3

Note:—

- (1) Al Andalus comprises the Serón 1, Serón 2, Tijola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.

The following table sets forth a reconciliation of Adjusted EBITDA to the profit attributable to the parent for Saeta Yield for the ten months ended October 31, 2014 and to the profit/(loss) for the period for the Asset Companies for the ten months ended October 31, 2013:

	Ten months ended October 31,	
	2014 ⁽¹⁾	2013
	(consolidated / IFRS-EU audited)	(aggregated) ⁽²⁾ (unaudited)
Reconciliation of operating profit for the period to Adjusted EBITDA		
Profit attributable to the parent / Profit/(loss) for the period	31,827	(113,985)
Income tax ⁽¹⁾	9,902	(48,808)
Results of companies accounted for using the equity method	44	—
Finance income.....	(971)	(746)
Financial costs	48,660	59,372
Capitalized borrowing costs	—	—
Operating Profit	89,462	(104,167)
Depreciation and amortization charge ⁽¹⁾	63,514	77,883
Impairment and gains on the disposal of non-current assets ⁽¹⁾	(23,947)	131,153
Adjusted EBITDA (unaudited)⁽³⁾	129,029	104,869

Notes:—

- (1) Consolidated amounts for the ten-month period ended October 31, 2014 are not directly comparable with the aggregated financial information for the ten-month period ended October 31, 2013, as described in detail in “Presentation of Financial Information”. In particular, income tax, depreciation and amortization charge and impairment and gains on the disposal of non-current assets present significant differences due in part to the different accounting methods applied. However, we have included a comparison of EBITDA for these periods because the differences in accounting methods do not significantly affect this item.
- (2) The interim aggregated financial information of the Asset Companies has been prepared from unaudited individual management financial information for each of the Asset Companies for the ten months ended October 31, 2013, prepared in accordance with Spanish GAAP.
- (3) Adjusted EBITDA is calculated (i) for the ten months ended October 31, 2014 in respect of Saeta Yield, as profit attributable to the parent, after adding back income tax, results of companies accounted for using the equity method, finance income, financial costs, depreciation and amortization charge and impairment and gains on the disposal of non-current assets and (ii) for the ten months ended October 31, 2013 in respect of the aggregated Asset Companies, as profit/(loss) for the period, after adding back income tax, finance income, financial costs, capitalized borrowing costs, depreciation and amortization charge and impairment and gains on the disposal of non-current assets. Adjusted EBITDA is not a measurement of performance under Spanish GAAP or IFRS-EU and you should not consider Adjusted EBITDA as an alternative to operating income or profits or as a measure of our operating performance, cash flows from operating, investing and financing activities or as a measure of our ability to meet our cash needs or any other measures of performance under generally accepted accounting principles. We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. Adjusted EBITDA and similar measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Adjusted EBITDA may not be indicative of our historical operating results, nor are meant to be predictive of potential future results. See “Presentation of Financial Information—Non-GAAP Financial Measures”.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with, and is qualified in its entirety by reference to, the Interim 2014 Audited Consolidated Financial Statements and the Annual Audited Asset Company Financial Statements. The Interim 2014 Audited Consolidated Financial Statements have been prepared in accordance with IFRS-EU, are included elsewhere in this prospectus and present the financial condition and results of operations for Saeta Yield following the Asset Transfer. The Annual Audited Asset Company Financial Statements have been prepared in accordance with Spanish GAAP and are incorporated by reference herein. In addition, the Interim 2013 Unaudited Aggregated Financial Information has been derived from unaudited individual management financial information for each of the Asset Companies for the ten months ended October 31, 2013, prepared in accordance with Spanish GAAP, and is intended to represent the aggregated financial condition and results of operations of the Asset Companies that were sold to us as part of the Asset Transfer.

The following discussion contains certain forward-looking statements that involve risks and uncertainties. Our future results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections entitled "Cautionary Statements Regarding Forward-Looking Statements", "Risk Factors" and "Business" and elsewhere in this prospectus.

Overview

We are a total return oriented company formed to own, operate and acquire assets for the generation of renewable or conventional electricity and the distribution and transmission of electricity, as well as any other energy-related infrastructure, in each case with contracted or regulated revenues. Initially, our assets consist of wind farms and solar thermal plants in Spain. In the future, we intend to expand our presence by acquiring other assets of the type described above, both in Spain and internationally.

We believe we are well positioned for investors seeking a total return, by combining the distribution of a substantial portion of the regulated, recurring and long-term cash flow generation from a portfolio of low-risk and high-quality energy assets with accretive dividend growth mainly through a ROFO and Call Option Agreement with a worldwide leading contractor that provides us with preferential access to the energy infrastructure related assets owned or to be developed in the future.

Additionally, we intend to capitalize on favorable trends in the power generation and electric transmission sector globally, including energy scarcity and a focus on the reduction of carbon emissions. To that end, we believe that our cash flow profile, coupled with our scale and platform to access to attractive opportunities, will offer us a lower cost of capital than that of a traditional engineering and construction company or independent energy producer and provide us with significant competitive advantage with which to execute our growth strategy.

With this business model, our objective is to pay a growing cash dividend to our shareholders that is sustainable on a long-term basis. We target a payout ratio of 90% of our expected recurrent cash available for distribution and will seek to increase such cash dividends over time through accretive acquisitions of energy and infrastructure-related assets. We will focus on high-quality, operational and long-life facilities with creditworthy counterparties or regulated revenues that we expect will produce stable, predictable and long-term cash flows.

We own 19 assets, comprising 688.3 MW of renewable energy generation capacity, consisting of 16 wind farms and three solar thermal plants located throughout Spain. As of October 31, 2014, our adjusted net financial debt was €799 million, all structured through project financing. See "Capitalization and Indebtedness—Net Financial Debt" for a description of the adjustments. Approximately 75% of our project-level debt is hedged through interest rate swaps, caps or similar hedging instruments.

In the context of the Offering, we and ACS SI, a wholly owned subsidiary of ACS, have entered into an agreement dated January 29, 2015, which shall enter into force on the date of Admission, pursuant to which

ACS SI has granted to us (i) a right of first offer over the interest and respective subordinated debt of ACS SI and its controlled subsidiaries in certain identified energy assets that are in operation or under construction (the “Initial ROFO Assets”) and any existing or future assets in Start-up Phase or Cash Distribution Phase (as each of them is defined in “Related Party Transactions—ROFO and Call Option Agreement”) for the generation of renewable or conventional electricity and the distribution and transmission of electricity, as well as any other energy-related infrastructure in start-up phase or cash distribution phase, existing as of the date of the agreement or to be developed or acquired in the future (the “New ROFO Assets”), in each case subject to any third party rights restricting their transferability (such as first offer rights, first refusal rights, call options and tag and drag along rights) or any required third party consent, permit or authorization (from public or private entities, such as financing entities) (the “ROFO Restrictions”) and except for any assets over which a sale or mandate agreement has already been executed by ACS SI as of the date of the agreement; and (ii) a call option over the Spanish Initial ROFO Assets currently in operation in which ACS SI owns a 100% interest (the “Call Option Assets”) at a strike price based on an agreed enterprise value which has been fixed for the years 2015, 2016 and 2017, depending on the year in which the call option is exercised, for each of the project companies that owns the Call Option Assets (the “ROFO and Call Option Agreement”).

In addition, we agreed with ACS SI that we shall jointly control the relevant project companies that own the Call Option Assets since the date on which the ROFO and Call Option Agreement enters into force. See “Related Party Transactions—ROFO and Call Option Agreement”. Because the strike price of each Call Option Asset shall be determined on the basis of a fixed enterprise value which will not be subject to any adjustment in connection with the market value of the assets at the time of exercise of the call option, the option will be recognized in our financial statements as a derivative financial instrument and recorded at fair value. In accordance with the mechanics of the exercise of the option, we believe that the option will never be recognized as a loss because in the event that the option is “out of the money” we will not execute such call option and, consequently, no asset acquisition will be made pursuant to the call option. As such, no further impact on the balance sheet would be considered until the relevant companies are acquired.

Based on the acquisition opportunities available to us, which include the ROFO Assets as well as other third-party acquisitions we may pursue, we believe that we will have the opportunity to grow our recurrent cash available for distribution in a manner that would allow us to further increase our cash dividends per Share over time. Prospective investors should read “Cash Dividend Policy” and “Risk Factors”, including the risks and uncertainties related to our growth strategy, in their entirety.

Factors Affecting the Comparability of Our Financial Condition and Results of Operations

Asset Transfer

Pursuant to the Asset Transfer that took place on October 31, 2014, Saeta Yield acquired each of the Asset Companies and the profit participating loans and subordinated loans related to them from certain subsidiaries of the ACS Group. Due to the recent formation of Saeta Yield in its present form, the only representative financial data of Saeta Yield available are the Interim 2014 Audited Consolidated Financial Statements as of and for the ten months ended October 31, 2014, which have been prepared in accordance with IFRS-EU.

Given the limited historical financial information of Saeta Yield, and for the purpose of providing a comparative period for the Interim 2014 Audited Consolidated Financial Statements, we have included in this prospectus certain limited Interim 2013 Unaudited Aggregated Financial Information in respect of the Asset Companies for the ten months ended October 31, 2013, which has been compiled from unaudited individual management financial information for each of the Asset Companies prepared in accordance with Spanish GAAP. We also incorporate by reference herein the Annual Audited Asset Company Financial Statements as of and for the years ended December 31, 2013, 2012 and 2011, prepared in accordance with Spanish GAAP, because we believe such information may assist in showing some of the broad trends related to Saeta Yield and the Asset Companies’ business.

We do not believe that there are significant differences between IFRS-EU applied to our Interim 2014 Audited Consolidated Financial Statements and Spanish GAAP as applied to the Annual Audited Asset Company Financial Statements and the accounting policies applied to the unaudited individual management financial information of the Asset Companies from which the Interim 2013 Unaudited Aggregated Financial Information was prepared, but there are significant differences between the accounting methods applied to the consolidated financial statements and those applied to the individual financial statements and information from the Asset Companies. As a consequence, our Interim 2014 Audited Consolidated Financial Statements are not directly comparable to the aggregation of the Annual Audited Asset Company Financial Statements or the Interim 2013 Unaudited Aggregated Financial Information, and investors are cautioned not to place undue reliance on the Interim 2013 Unaudited Aggregated Financial Information, which has not been audited or reviewed. See “Presentation of Financial Information”.

The consolidated results of operations and financial condition of Saeta Yield are not directly comparable with the individual results of operations and financial condition for the Asset Companies or any aggregated information prepared therefrom, because, among other reasons:

- (i) the consolidated financial statements reflect inter-company eliminations, in particular in relation to intra-group debt between Saeta Yield and the Asset Companies and related interests as described below in “—Financing—Intragroup Loans”;
- (ii) due to the different accounting methods applied to consolidated and individual financial statements, the consolidated financial statements calculate depreciation and amortization over 20 years for wind farms and 25 years for solar thermal plants, whereas the individual Annual Audited Asset Company Financial Statements calculate depreciation and amortization over a period of 18 years for both wind farms and solar thermal plants, except for Manchasol 2 Central Termosolar Dos, S.L., which calculates depreciation and amortization over a period of 18 years in its individual financial statements, and Parque Eólico Tesosanto, S.L., which previously calculated depreciation and amortization over a period of 15 years, which period was retroactively amended in January 2014 to a period of 18 years in its individual financial statements; accordingly, depreciation and amortization charges are greater in the individual financial information;
- (iii) the differences in depreciation and amortization calculation discussed above also affect the impairment tests of the projects in that accumulated depreciation and the project’s useful life are both components of the impairment test calculation; and
- (iv) the differences in depreciation and amortization calculation and the differences in impairment discussed above also lead to different tax effects.

Factors Affecting Our Results of Operations

Regulation

While we believe the relevant required authorizations, permits, and approvals for our existing activities have been obtained and that our activities are operated in substantial compliance with applicable laws and regulations, we remain subject to a varied and complex body of laws and regulations that both public officials and private parties may seek to enforce. We also note that in Spain there are various layers of regulation at the state, regional and/or local levels with which owners of wind and solar thermal assets must comply. See “Regulation” for a description of the primary industry-related regulations applicable to our activities.

The regulatory framework applicable to the Spanish electricity sector has changed significantly in recent years. In particular, the approval of a new set of laws and regulations since the end of 2012 has significantly changed the remuneration scheme available to our wind and solar thermal assets.

Under current regulations, we generate revenues through the sale of renewable energy electricity into the Spanish wholesale market, operated by the Iberian Electricity Market Operator, OMIE, at prevailing market prices, as well as through the receipt of additional regulated incentives paid by the Spanish electricity system through the Spanish regulator, *Comisión Nacional de los Mercados y de la Competencia* (CNMC).

Our solar thermal power plants receive two monthly payments from the CNMC comprised of: (i) a fixed monthly payment based on installed capacity, which is designed to recoup our initial investment costs related to the plant's construction, and (ii) a variable monthly payment based on net electricity produced, which is designed to recoup our operating and maintenance costs. Our wind farms receive one monthly payment from the CNMC, a fixed monthly payment based on installed capacity. The calculation of these regulated payment amounts is based on a number of factors established by the Spanish government, which are subject to revision every six or three years, depending upon the parameters, and are designed to allow us to earn a reasonable rate of return in respect of our initial investments and our costs related to each facility. We are entitled to receive these regulated payments throughout the applicable useful lives of our plants, as established under the regulations, and our receipt of these payments is subject to a number of conditions including minimum and maximum plant operating hour requirements.

Below is a more detailed discussion of the different regulations which have impacted our results of operations over the course of the period reflected in the Annual Audited Asset Company Financial Statements, incorporated by reference herein, and the Interim 2014 Consolidated Financial Statements:

- Prior to January 1, 2013: Prior to 2013, the remuneration for electricity produced by our wind and solar thermal assets was based on the previous feed-in tariff regime. Renewable energy producers were able to choose to sell electricity either (i) at a regulated feed-in tariff (the "Regulated Tariff") or (ii) at the Spanish wholesale market price of electricity plus a premium equal to the difference between the regulator's expected wholesale market price and the specified feed-in tariff for each type of plant (the "Premium"). We chose to sell electricity at the Premium. See "Regulation—Previous Regulatory Regime".
- January 1, 2013-July 13, 2013: Effective January 1, 2013, the approval of Royal Decree-law 2/2013 prevented renewable energy producers from receiving the Premium. Consequently, producers had to decide between selling the electricity (i) for the Regulated Tariff or (ii) at the Spanish wholesale market price (without the Premium). During this period, we chose to sell electricity for the Regulated Tariff. See "Regulation—Previous Regulatory Regime".
- January 1, 2013 and thereafter: Also effective January 1, 2013, Law 15/2012 of December 27, 2012 ("Law 15/2012") affected our operating solar thermal plants that use natural gas because these plants were no longer entitled to receive the Regulated Tariff on electricity produced from natural gas sources. As a result, since January 1, 2013, we have only received the Spanish wholesale market price for any electricity produced using natural gas at these facilities, but not any regulated payments.

In addition, Law 15/2012, introduced a 7% tax on the total revenue earned by electricity producers from the power produced at their facilities. Substantially all of our revenue is subject to this tax, which is incurred as a component of our other operating expenses. See "Regulation—Spanish Framework—Tax on Electricity Sales".

- July 14, 2013 and thereafter: On July 12, 2013, the approval of the 2013 Royal Decree-law introduced the new regulatory regime, which would subsequently be implemented through the 2014 Royal Decree and the 2014 Revenue Order. This regime provides for payments consisting of the Spanish wholesale market price of electricity plus (i) remuneration for investment per unit of installed capacity, and (ii) in the case of solar thermal plants, remuneration for operating and maintenance expenses per unit of power. The 2013 Royal Decree-law implemented a transitory settlement regime that provided that payments during the period until the effective date of the 2014 Royal Decree and 2014 Revenue Order would be made in accordance with the former Regulated Tariff. After the effectiveness of the 2014 Royal Decree and 2014 Revenue Order, any amounts received during the transitory regime in excess of or below the regulated payments provided for in the 2014 Royal Decree and 2014 Revenue Order would be reimbursed by or paid to renewable producers. See "Regulation—Spanish Framework—Transitory Regime Applicable to Renewable Energy Facilities Already in Operation".

Based on the above, our Annual Audited Asset Company Financial Statements for the year ended December 31, 2013 were prepared taking into consideration (a) for the period from January 1, 2013 until July 13, 2013, the Regulated Tariff option, and (b) for the period from July 14, 2013 until December 31, 2013, the provisional parameters for the new remuneration regime set forth in the draft 2014 Royal Decree and the draft 2014 Revenue Order, which became available in February 2014, notwithstanding the transitory framework.

- In June 2014, following the implementation of the 2014 Royal Decree pursuant to the 2014 Revenue Order, the final remuneration parameters were approved. Our Interim 2014 Audited Consolidated Financial Statements for the ten months ended October 31, 2014 were prepared using the parameters set forth in the 2014 Revenue Order. See “Regulation—Spanish Framework”.

All of these regulatory changes have had a generally negative net effect on our revenues compared to the previous feed-in tariff regime in effect prior to January 1, 2013, as the remuneration received under that regime was larger than the regulated payments we are eligible to receive under the current regime. Further, as a result of these reductions in revenue, we were required to impair three of our facilities during 2012 and seven of our facilities during 2013. However, in the future, we look forward to more stable and predictable revenues under the current regulations.

Project operations and generation

Our revenues are affected by the volume of the electricity we generate and sell. Under the 2013 Electricity Act and the 2014 Royal Decree and 2014 Revenue Order, renewable energy producers in Spain receive priority dispatch, meaning that, under the same economic conditions, the energy they produce is purchased by the Spanish wholesale market prior to energy produced from non-renewable energy producers. This helps to ensure that all of the electricity we produce will be sold on the market.

Our ability to generate electricity in an efficient and cost-effective manner is impacted by our ability to maintain and utilize the electrical generation capacity of our wind and solar thermal facilities. The volume of electricity generated and sold by our facilities during a particular period is also impacted by the number of facilities that have commenced commercial operations (See “—Commencement of operations of facilities”) as well as scheduled and unexpected repair and maintenance required to keep our projects operational. For example, planned technical shut downs for maintenance and repair at the Manchosal 2 solar thermal plant over the course of several weeks in 2013 contributed to a decrease in revenues for our solar thermal sector. The volume of electricity generated and sold by our projects may be negatively impacted when any projects experience higher than normal downtime as a result of equipment failures, electrical grid disruption or curtailment, weather disruptions or other events beyond our control.

Commencement of operations of facilities

The comparability of our results of operations is influenced by the number of projects that become operational during a particular year. The number of projects becoming operational and the length of lead times for projects under construction significantly affect our revenue and operating profit, which makes the comparison of periods difficult. Once a project receives its provisional acceptance certificate (which we refer to as “reaching PAC”) from the EPC contractor and provided that it has already received its administrative start up certificate to operate (which we refer to as start-up date or “SUD”), its revenues, expenses and depreciation/amortization are reflected on the income statement of the relevant Asset Company.

At the date of this prospectus, all of our facilities are fully operational and have reached PAC. Our most recent projects to commence operations were the Valcaire wind farm, which reached PAC in December 2012, and the Casablanca solar thermal plant, which reached PAC in January 2014. In the future, we intend to purchase operational assets.

The following table sets forth our assets and the month and year in which they received the administrative start up certificate to operate (reached SUD) and received the provisional acceptance certificate (reached PAC):

Business Line	Asset	Capacity (MW per hour)⁽¹⁾	Status	PAC	SUD
Wind	Serón 1	50.0	Operational	December 2008	October 2008
	Serón 2	10.0	Operational	July 2008	May 2008
	Tijola	36.8	Operational	October 2008	July 2008
	Colmenar 2	30.0	Operational	February 2008	December 2007
	La Noguera	29.9	Operational	August 2008	April 2009
	Las Vegas	23.0	Operational	February 2009	November 2008
	Los Isletes	25.3	Operational	December 2009	August 2009
	Abuela Santa Ana	49.5	Operational	September 2008 and August 2009	June 2008 and July 2009 ⁽²⁾
	La Caldera	22.5	Operational	January 2009	January 2009
	Sierra de las Carbas	40.0	Operational	June 2009	June 2009
	Tesosanto	50.0	Operational	August 2011	August 2011 – June 2012 ⁽³⁾
	Viudo I	40.0	Operational	January 2012	January 2012
	Viudo II	26.0	Operational	January 2012	January 2012
	Santa Catalina – Cerro Negro	41.5	Operational	January 2012	January 2012
	Monte Gordo	48.0	Operational	December 2010	December 2010
Valcaire	16.0	Operational	December 2012	November 2012	
Solar Thermal	Extresol 1	50.0	Operational	December 2009	December 2009
	Manchasol 2	49.9	Operational	December 2011	June 2011
	Casablanca	49.9	Operational	January 2014	June 2013

Notes:—

- (1) Installed Capacity. Maximum administrative authorization of Serón 1: 49.5 MW; Serón 2: 10 MW; Tijola: 36 MW; Colmenar 2: 28 MW; La Noguera: 28.9 MW; Las Vegas: 22 MW; Los Isletes: 25.3 MW; Abuela Santa Ana: 49.5 MW; La Caldera: 22.5 MW; Sierra de las Carbas: 40 MW; Tesosanto: 50 MW; Viudo I: 40 MW; Viudo II: 26 MW; Santa Catalina-Cerro Negro: 41.5 MW; Monte Gordo: 48 MW; Valcaire: 16 MW; Extresol 1: 50 MW; Manchasol 2: 49.9 MW; Casablanca: 49.9 MW.
- (2) 37.5 MW reached SUD in June 2008 and 12 MW reached SUD in July 2009.
- (3) 46 MW reached SUD August 2011 and 4 MW reached SUD in June 2012.

Seasonality

The amount of electricity our wind and solar thermal facilities produce is dependent on the amount of wind and sunlight (irradiation), respectively, where the assets are located. All of our assets are located in Spain, and, although climate conditions vary by location, they are affected by the same seasonal patterns overall. With regard to our wind assets, actual wind patterns vary over the course of a year depending upon the respective location of each asset, but winds are generally stronger in the winter, with 37% of yearly production produced during the Spanish winter months (January, February and March). With regard to our solar thermal plants, because shorter daylight hours in the winter months result in less irradiation, the generation of our solar thermal assets will vary depending on the season, with 47% of yearly production occurring in the Spanish summer months (June, July and August).

Historically, seasonality had a higher impact on our revenues, with the more windy and sunny months resulting in higher revenue from wind and solar thermal facilities, respectively. The new regulatory regime has significantly reduced the effect of seasonality on our revenues. Currently and since July 14, 2013, due to the regulatory change, annually approximately 60% of the revenues from our wind farms and approximately

70% of the revenues from our solar thermal plants are received monthly through the regulated payments for investment, which are the same amount each month. As such, under the new regulatory regime, the majority of our revenues are not subject to seasonality or to changes in market prices. See “—Factors Affecting Our Results of Operations—Regulation” and “Regulation”. For the remainder of our revenues, because we operate both wind farms and solar thermal plants, the impact of seasonality on us can be mitigated by virtue of each asset type’s low revenue period corresponding to the other asset type’s peak revenue period.

Capital expenditures

In the past, we have financed our assets primarily through project finance debt from one or more financial institutions. However, our newest assets, the Valcaire wind farm and the Casablanca solar thermal plant, were built using sponsor funds and without project financing. See “—Liquidity and Capital Resources—Capital expenditures” for our capital expenditures on a historical basis.

Interest rates

Our assets have significant project financing indebtedness. To mitigate interest rate risk associated with our floating rate debt, we primarily use long-term interest rate swaps, which offer protection against fluctuations of the reference rate of such debt (i.e. EURIBOR). We estimate that currently approximately 75% of our interest cost exposure is effectively hedged. Nevertheless, our results before income tax can be affected by changes in interest rates with respect to the unhedged portion of our floating rate indebtedness, which typically bears a spread over EURIBOR.

Description of Key Revenue and Expense Components

The following provides a description of the key components of the revenues and expenses in the results of operations for the periods presented in the Interim 2014 Audited Consolidated Financial Statements included in this prospectus and the Annual Audited Asset Company Financial Statements incorporated by reference in this prospectus.

Revenues

All of our revenues consist of revenues generated from the generation and sale of electricity as described for each period in “—Factors Affecting Our Results of Operations—Regulation” above.

Capitalized expenses of in-house work on assets

Capitalized expenses of in-house work on assets includes the capitalization of construction and improvement costs. Capitalized expenses of in-house work on assets is measured at accumulated cost (external costs plus in-house costs, determined on the basis of in-house materials consumption, labor and general manufacturing costs, allocated using absorption rates similar to those used for the measurement of inventories). Such costs are initially reflected in the “Cost of materials used and other external expenses” line item (described below). Once the cost is capitalized (thereby increasing assets in the statement of financial position), such capitalized amount is reflected in the income statement as an income under “Capitalized expenses of in-house work on assets”.

Cost of materials used and other external expenses

Cost of materials used and other external expenses mainly include expenses and purchases of materials to be used in the daily operation of our renewable energy plants.

Other operating expenses

Other operating expenses consists mainly of expenses associated with operation and maintenance services provided by Cobra and its affiliates under the O&M contracts, the 7% tax on the production of electricity, and day-to-day maintenance, as well as expenses related to research and development, leases, independent professional services, insurance premiums, banking services, miscellaneous services and other taxes.

Depreciation and amortization charge

Depreciation and amortization charge primarily consist of depreciation expenses to our renewable energy plants, calculated on the straight-line method over the useful life for each plant, which is 20 years for wind farms and 25 years for solar thermal plants in the Interim 2014 Audited Consolidated Financial Statements and 18 years for both wind farms and solar thermal plants in the Annual Audited Asset Company Financial Statements except for Manchasol 2 Central Termosolar Dos, S.L., which calculates depreciation and amortization over a period of 18 years in its individual financial statements, and Parque Eólico Tesosanto, S.L., which previously calculated depreciation and amortization over a period of 15 years, which period was retroactively amended in January 2014 to a period of 18 years in its individual financial statements; accordingly, depreciation and amortization charges are greater in the individual financial information.

However, after reaching PAC, solar thermal plants undergo a trial period over an average of 18 months during which they are temporarily depreciated on the basis of their power production, rather than using the straight-line method.

Impairment of and gains or losses on disposal of non-current assets

Impairment of and gains or losses on the disposal of non-current assets consist primarily of charges due to a decrease in the recoverable amount of our assets below their carrying amount, as determined by impairment testing, which is discussed in detail in note 3 to the Interim 2014 Audited Consolidated Financial Statements, included elsewhere in this prospectus, and note 4 to each of the Annual Asset Company Financial Statements, as of and for the years ended December 31, 2013, 2012 and 2011, incorporated by reference in this prospectus. During 2012 and 2013, these amounts primarily related to decreases in the recoverable amount of our renewable energy facilities as a result of the impact of the regulatory changes discussed in “—Factors Affecting Our Results of Operations—Regulation” above.

Capitalized borrowing costs

For the Annual Audited Asset Company Financial Statements, borrowing costs capitalized on assets includes financing expenses related to assets for which construction lasts longer than one year and which can be capitalized within such construction period (thereby increasing assets in the statement of financial position). Such capitalized amount is reflected in the income statement as an income under “Capitalized borrowing costs”. Our 2014 Interim Unaudited Consolidated Financial Statements do not include capitalized borrowing costs because all of the Asset Companies that form part of Saeta Yield are in operation.

Financial costs

Financial costs include interest expense on project finance and other indebtedness, derivative expenses, VAT credit expenses and other financial expenses.

Business Line Reporting

We organize our business into the following two lines based upon the type of activity:

- Wind; and
- Solar Thermal.

Key Performance Indicators

In addition to the factors described under “—Factors Affecting Our Results of Operations”, we closely monitor the following key drivers of our business lines’ performance to plan for our needs, and to adjust our expectations, financial budgets and forecasts appropriately.

Key performance indicator	Ten-month period ended October 31,		Year ended December 31,		
	2014	2013	2013	2012	2011
Wind					
Installed capacity (MW per hour) ⁽¹⁾	538.5	538.5	538.5	538.5 ⁽²⁾⁽³⁾	411.0
GWh produced ⁽¹⁾	894.2	922.2	1,128.7 ⁽²⁾	976.2 ⁽³⁾	646.7
Solar Thermal					
Installed capacity (MW per hour) ⁽¹⁾	149.8 ⁽⁴⁾	99.9	99.9	99.9	99.9 ⁽⁵⁾
GWh produced ⁽¹⁾	406.2 ⁽⁴⁾	258.3	281.4	334.7 ⁽⁵⁾	201.4

Notes:—

- (1) For comparison purposes, installed capacity and production for each plant are calculated once the plant has reached both PAC and SUD, beginning at the later of the two dates.
- (2) The Santa Catalina-Cero Negro, Viudo 1 and Viudo 2 wind farms reached SUD in January 2012, adding 41.5 MW, 40.0 MW and 26.0 MW of installed capacity per hour, respectively; the extension of the Tesosanto wind farm reached SUD in June 2012, adding 4.0 MW of installed capacity per hour.
- (3) The Valcaire wind farm reached PAC in December 2012, adding 16.0 MW of installed capacity per hour; the effect of Valcaire's commercial operations was not significant in 2012, but it led to the increase in GWh produced in 2013.
- (4) The Casablanca solar thermal plant reached PAC in January 2014, adding 49.9 MW of installed capacity per hour.
- (5) The Manchasol 2 solar thermal plant reached PAC in December 2011, adding 49.9 MW of installed capacity per hour; the effect of Manchasol 2's commercial operations was not significant in 2011, but it led to an increase in GWh produced in 2012.

Results of Operations

The table below illustrates the consolidated results of operations of Saeta Yield for the ten-month period ended October 31, 2014:

	For the ten months ended October 31, 2014
	(in thousands of euro)
Revenue	181,495
Capitalized expenses of in-house work on assets	1,113
Cost of materials used and other external expenses	(509)
Staff costs	(299)
Other operating expenses	(52,771)
Depreciation and amortization charge	(63,514)
Impairment and gains on the disposal of non-current assets	23,947
Operating income	89,462
Finance income	971
Financial costs	(48,660)
Financial result	(47,689)
Profit/(Loss) of companies accounted for using the equity method	(44)
Profit/(Loss) before tax	41,729
Income tax	(9,902)
Profit/(Loss) attributable to the parent	31,827

Comparison of the Ten Months Ended October 31, 2014 and October 31, 2013

Comparability of interim consolidated financial statements and aggregated financial information

As described above, our Interim 2014 Audited Consolidated Financial Statements reflect the effect of the Asset Transfer. In order to present certain historical financial information for the ten-month period ended October 31, 2013, we have chosen to include certain limited unaudited aggregated financial information of the Asset Companies for the ten months ended October 31, 2013, which has been compiled from unaudited management financial information of each of the Asset Companies for the ten months ended October 31, 2013.

The interim audited consolidated financial information for Saeta Yield, prepared in accordance with IFRS-EU, is not directly comparable with the interim unaudited aggregated financial information for the Asset Companies, which represents the aggregation of the unaudited individual financial information of each of the Asset Companies prepared in accordance with the accounting principles of Spanish GAAP. We do not believe that there are significant differences between Spanish GAAP accounting principles and IFRS-EU as applied to our financial statements for the periods included in this prospectus, but there are significant differences in the accounting methods applied to the consolidated financial statements and the individual financial statements, from which the aggregated information is prepared. See “Presentation of Financial Information” and “—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—Asset Transfer”. We have included a discussion of Revenue and Adjusted EBITDA for these periods because the above-referenced differences in accounting methods do not significantly affect these items. Additionally, our Interim 2014 Audited Consolidated Financial Statements accounted for the remuneration for electricity produced by our wind and solar thermal assets on the basis of the new regulatory regime (i.e. using the new parameters set forth in the 2014 Revenue Order) whereas the Interim 2013 Unaudited Aggregated Financial Information was prepared on the basis of the previous Regulated Tariff option. See “—Factors Affecting Our Results of Operations—Regulation”.

Revenue and Adjusted EBITDA by business line

The following tables set forth the consolidated revenue, Adjusted EBITDA and volumes sold of Saeta Yield for the ten months ended October 31, 2014 and the aggregated revenue, Adjusted EBITDA and volumes sold for the Asset Companies for the ten months ended October 31, 2013 by business line:

Revenue by business line	Ten months ended October 31,			
	2014		2013	
	(consolidated/IFRS-EU) (audited)		(aggregated)⁽¹⁾ (unaudited)	
	thousands of euro	% of total revenue	thousands of euro	% of total revenue
Wind.....	78,794	43.4%	75,948	50.4%
Solar Thermal.....	102,701	56.6%	74,866	49.6%
Total revenue.....	181,495		150,814	

Note:—

- (1) The interim aggregated financial information for the Asset Companies has been prepared from unaudited individual management financial information for each of the Asset Companies prepared in accordance with Spanish GAAP.

Adjusted EBITDA by business line	Ten months ended October 31,			
	2014		2013	
	(consolidated/IFRS-EU) (audited)		(aggregated) ⁽¹⁾ (unaudited)	
	thousands of euro	% of segment revenue	thousands of euro	% of segment revenue
Wind.....	54,853	69.6%	51,381	67.7%
Solar Thermal.....	74,226	72.3%	53,488	71.4%
Other.....	(50)	-	-	-
Total Adjusted EBITDA.....	129,029	71.1%	104,869	69.5%

Note:—

- (1) The interim aggregated financial information for the Asset Companies has been prepared from unaudited individual management financial information for each of the Asset Companies prepared in accordance with Spanish GAAP.

Business Line	Volume sold	
	Ten months ended October 31,	
	2014	2013
Wind (GWh).....	894.2	922.2
Solar thermal(GWh).....	406.2	258.3
Total GWh sold	1,300.4	1,180.5

Wind. Revenue increased by 3.8% to €78.8 million for the ten months ended October 31, 2014, compared with €75.9 million for the ten months ended October 31, 2013. Adjusted EBITDA reached €54.9 million for the ten months ended October 31, 2014, which represented an increase of €3.5 million with respect to the ten months ended October 31, 2013.

Solar thermal. Revenue increased by 37.1% to €102.7 million for the ten months ended October 31, 2014, compared with €74.9 million for the ten months ended October 31, 2013. The increase was mainly attributable to the commencement of commercial operations of the Casablanca solar thermal plant, which reached PAC in January 2014, in addition to the differences in the remuneration schemes during the two periods. See “—Factors Affecting Our Results of Operations—Regulation”. Adjusted EBITDA reached €74.3 million for the ten months ended October 31, 2014, which represented an increase of €20.8 million with respect to the ten months ended October 31, 2013.

Total Revenue. As a result of the factors described above, total revenue increased by 20.3% to €181.5 million during the ten months ended October 31, 2014 compared with €150.8 million for the corresponding period in 2013.

Capacity and volume sold. In 2014, the Casablanca solar thermal plant added 50.0 MW to the total capacity in operation for the consolidated wind farms and solar thermal plants. Total installed capacity (MW) increased from 638.5 MW in 2013 to 688.3 MW as of October 31, 2014 and the total electricity output increased to a total of 1,300.4 GWh from 1,180.5 GWh over the same period, mainly due to the addition of Casablanca. The increase was partially offset by a decrease in electricity output from wind farms, which decreased to 894.2 GWh for the ten months ended October 31, 2014 from 922.2 GWh in the corresponding period, due to less windy conditions during the first ten months of 2014 compared to the first ten months of 2013, mainly at the Al Andalus Wind Farms.

Liquidity and Capital Resources

Our principal liquidity requirements are to service our project financing, pay cash dividends to shareholders, acquire new assets in connection with our growth strategy including pursuant to the ROFO and Call Option Agreement (see “Business—Our Business Strategy”) and hedge against the impact of seasonal changes in cash flows. Historically, our operations have been largely financed by project-level borrowings to satisfy their capital expenditure requirements. As a normal part of our business, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness, depending on market conditions. Changes in our operating plans, lower than anticipated revenues, increased expenses, acquisitions, dividend payments or other events may cause us to seek additional debt or equity financing in future periods.

There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions. See “—Risk Factors—Relating to our Indebtedness—We are subject to liquidity risk” for a discussion of certain risks related to our financing and liquidity policy. In addition, any of the items discussed in detail under “Risk Factors” in this prospectus may also significantly impact our liquidity.

Liquidity position

As of October 31, 2014, our cash and cash equivalents and current financial assets were €123.6 million. Following the consummation of this Offering, we expect to have an adjusted cash position of approximately €187.1 million at the consolidated level. See “Capitalization and Indebtedness”. At the Holdco level (Saeta Yield), we will have approximately €50 million in cash on the settlement of this Offering, and expect to have an undrawn €80 million new revolving credit line, as further described in “—Sources of liquidity”, below.

Sources of liquidity

Following the consummation of this Offering, we expect our ongoing sources of liquidity to include cash on hand, cash generated from our operations, project financing arrangements, corporate debt and the issuance of additional equity securities, as appropriate, given market conditions.

Following the consummation of this Offering we plan to enter into a €80 million revolving credit line. We are currently negotiating the terms of this revolving credit line with the Underwriters. We cannot assure you that we will be able to enter into this revolving credit line on favorable terms or at all.

Our ability to meet our debt service obligations and other capital requirements, including capital expenditures, as well as acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control.

We believe that our existing liquidity position and cash flows from operations will be sufficient to meet our requirements and commitments for the foreseeable future, to finance growth and to distribute dividends to our investors. Based on our current level of operations, we also believe our cash flow from operations, available cash and available borrowings under our financing agreements will be adequate to meet our future liquidity needs for at least the next twelve months.

Capital expenditures

Our capital expenditures have been focused mainly on construction costs associated with our renewable energy plants. Our capital expenditures on a historical basis for the ten months ended October 31, 2014 are as follows:

	For the ten months ended October 31, 2014,
	(in millions of euro)
Solar Thermal	1,014
Wind	1,434
Total historical capex⁽¹⁾	2,448

Note:—

(1) Derived from the consolidated statement of cash flows of Saeta Yield for the ten month ended October 31, 2014.

For a discussion of our capital expenditures on a future basis, see “Business—Our Business Strategy”.

Cash dividends to investors

We intend to distribute to holders of our Shares in the form of a quarterly distribution most of the expected recurrent cash available for distribution generated. The recurrent cash available for distribution is likely to fluctuate, and in some cases significantly, from quarter to quarter as a result of the seasonality of our assets, the terms of our financing arrangements, maintenance and outage schedules and other factors. See “Cash Dividend Policy”.

Financing

Our assets have been financed through syndicated loans at the project level and intragroup loans from us to each of the Asset Companies in the form of subordinated loans and participative loans.

Project Level Financings

The following table set out the specific provisions of the syndicated loan contracts entered into by certain of our Asset Companies:

Asset Company	Total Amount (€k)	Current			Non-current			Project Finance					Derivative contracts		
		Outstanding amount as of October 31, 2014 (€k)	Outstanding interest as of October 31, 2014 (€k)	Outstanding derivative interest as of October 31, 2014 (€k)	Outstanding amount as of October 31, 2014 (€k)	Financing Arrangement Costs (€k)		Date incurred	Term	Outstanding amount as of October 31, 2014	Interest rates	Outstanding amount as of October 31, 2014			
		Total (€k)	Total (€k)	Total (€k)	Lenders	Total (€k)									
Al Andalus ⁽¹⁾ ...	255,668	17,235	843	2,619	20,697	235,096	(125)	234,971	Santander, BBVA, Bankia, Caixabank, ICO, Natixis, Sabadell, ING, BNP Paribas and EIB	July 13, 2007	July 13, 2027	Total: 252.3M Tranche A: 137.0m Tranche B: 40.9m Tranche BEI: 74.4m	<ul style="list-style-type: none"> • EURIBOR + 0.80% (since start of operations to year 15) • EURIBOR + 1.00% (year 15-18) • EURIBOR + 1.20% (year 18 and thereafter) • EIB Tranche: EURIBOR + 0.75% 	€189.2m ⁽²⁾ at 4.874% until July 13,2019	
Sierra de las Carbas	49,981	2,653	357	508	3,518	46,767	(304)	46,463	Caixabank, BBVA, Santander, Sabadell, Bankia, ICO	December 21, 2007	December 21, 2027	Total: 143.9m ⁽³⁾ Tranche A: 118.8M Tranche B: 25.1m	<ul style="list-style-type: none"> • EURIBOR + 0.80% (year 1-15) • EURIBOR + 1.00% (year 15-18) • EURIBOR + 1.20% (year 18 and thereafter) 	€54.0m at 4.456% until June 21, 2020 and €54.0m at 3.760% until December 21,2024	
Teosanto.....	64,390	3,539	265	527	4,331	60,491	(432)	60,059							
La Caldera.....	30,694	1,535	120	294	1,949	28,927	(182)	28,745							
Santa Catalina.	129,267	6,592	715	1,196	8,503	121,862	(1,098)	120,764	Santander, Bankia, Sabadell, Banco Popular, ICO, BBVA, Caixabank	August 1, 2008	June 30, 2028	Total: 128.5m ⁽⁴⁾ Tranche A: 106.4m Tranche B: 22.1m	<ul style="list-style-type: none"> • EURIBOR + 1.10% (from the date of the contract to year 2) • EURIBOR + 1.30% (year 2-15) • EURIBOR +1.40% (year 15-18) • EURIBOR + 1.50% (year 18 and thereafter) 	€96.3m ⁽⁵⁾ at 3.85% until June 30, 2021	
Monte Gordo ..	51,251	2,405	659	507	3,571	49,163	(1,483)	47,680	BBVA, Banco Popular, Santander, Abanca Corporación, Liberbank, Caixabank	February 16, 2010	December 16, 2027	Total: 51.6m	<ul style="list-style-type: none"> • EURIBOR + 3.00% (since start of operations to year 6) • EURIBOR + 3.25% (year 6-13) • EURIBOR + 3.50% (year 13 and thereafter) 	€38.7m at 3.78% until December 15, 2023	
Extresol 1.....	285,554	12,044	1,326	2,922	16,292	269,262	0	269,262	Sabadell, BBVA, Santander, Helaba, BNP Paribas, Caixa Banco ded Inuestimento, Caixa Geral de Depósitos, Bankia, Dexia Sabadell, Natixis, Portigon, Dexia Credit Local y Credit Industriel et Commercial	July 30, 2007	June 30, 2029	Total: 281.3m ⁽⁶⁾ Tranche A: 281.3m	<ul style="list-style-type: none"> • EURIBOR +0.60% / Post draw down: EURIBOR +0.95% if DSCR>1.35x • EURIBOR +1.00% if 1.25x<DSCR≤1.35x • EURIBOR +1.05% if DSCR≤1.25x 	€105.5m ⁽⁷⁾ at 4.640% until December 30, 2022 and €105.5m at 4.078% until December 30, 2022	
Manchasol 2 ...	269,119	11,552	3,153	2,770	17,475	257,491	(5,847)	251,644	Sabadell, BBVA, Santander, Helaba, Banco Popular, Bankia, Portigon, ICO, y Ca-CIB	April 3, 2009	March 29, 2029	Total: 269.0m ⁽⁸⁾ Tranche A: 269.0m	<ul style="list-style-type: none"> • EURIBOR +2.80% / Post draw down: EURIBOR +2.90% if DSCR>1.40x • EURIBOR +3.00% if 1.20x<DSCR≤1.40x • EURIBOR +3.10% if DSCR≤1.20x 	€201.8m ⁽⁹⁾ at 4.3225% until December 30, 2022	
Total	1,135,924	57,555	7,438	11,343	76,336	1,069,059	(9,471)	1,059,588							

Notes:—

- (1) Al Andalus comprises the Serón 1, Serón 2, Tijola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms
- (2) Pursuant to the Al Andalus Derivative Resetting the derivative contract will be amended at a fixed rate of 0.5%, with an estimated break cost of €30.6 million.
- (3) This amount represents the aggregated outstanding amount of La Caldera of €30.5 million, Sierra de las Carbas of €49.4 million and Teosanto of €64.0 million.
- (4) Pursuant to the Early Debt Repayment, €7.4 million will be repaid and the adjusted outstanding amount as of October 31, 2014 would have been €121.1 million.
- (5) Pursuant to the Partial Cancellation of Derivative Contracts, €5.6 million will be cancelled with an estimated break cost of €1.2 million.
- (6) Pursuant to the Early Debt Repayment, €79.0 million will be repaid and the adjusted outstanding amount as of October 31, 2014 would have been €202.3 million.
- (7) Pursuant to the Partial Cancellation of Derivative Contracts, €59.3 million will be cancelled with an estimated break cost of €14.6 million.
- (8) Pursuant to the Early Debt Repayment, €54.5 million will be repaid and the adjusted outstanding amount as of October 31, 2014 would have been €214.5 million.
- (9) Pursuant to the Partial Cancellation of Derivative Contracts, €40.9 million will be cancelled with an estimated break cost of €10.1 million.

Debt Service

The following table sets out the debt maturities of our project level financing as of October 31, 2014. We expect payments will be made with cash generated from the applicable project to which the financing relates.

Repayment schedule by business line as of October 31, 2014 ⁽¹⁾	Total	Up to October 31, 2015	Between November 1, 2015 and December 31, 2016	Between January 1, 2017 and December 31, 2018	January 1, 2019 and thereafter
(in thousands of euro)					
Wind	576,266	33,957	45,771	75,343	421,195
Solar Thermal	550,348	23,598	37,760	56,993	431,997
Total	1,126,614	57,555	83,531	132,336	853,192

Notes:—

(1) Does not include accrued but unpaid interest of €18.8 million and financing arrangement costs of €9.5 million.

The following table presents the debt maturity schedule as of October 31, 2014, as adjusted for the Early Debt Repayment.

Repayment schedule by business line as of October 31, 2014 ⁽¹⁾	Total	Up to October 31, 2015	Between November 1, 2015 and December 31, 2016	Between January 1, 2017 and December 31, 2018	January 1, 2019 and thereafter
(in thousands of euro)					
Wind	568,866	34,096	46,232	74,807	413,731
Solar Thermal	416,848	20,587	28,382	42,820	325,059
Total	985,714	54,683	74,614	117,627	738,790

Note:—

(1) Does not include accrued but unpaid interest of €18.8 million and financing arrangement costs of €9.5 million.

Financial Covenants

The project financing loans include customary representations and undertakings to the lenders, as well as financial covenants that are tested annually in respect of the relevant financial year, except for the Al Andalus project financing which is tested bi-annually in respect of the relevant previous 12 month period. The principal financial covenants in the project level financing for each of our Asset Companies are summarized in the table below.

Asset	Default DSCR ⁽¹⁾	Distribution DSCR ⁽²⁾	DSRA ⁽³⁾	Equity / Debt ⁽⁴⁾	Share Capital / (Share Capital + PPL) ⁽⁵⁾	Time restrictions on cash distributions
Wind farms						Cash to be distributed should be deposited in a distribution restricted account before the January 31 st of that same year and will be
Al Andalus ⁽⁶⁾	1.05x	1.10x ⁽⁷⁾	6 months	15% / 85%	25.0%	
La Caldera.....	1.03x	1.10x	6 months	10% / 90%	25.0%	
Sierra de las Carbas.....	1.03x	1.10x	6 months	10% / 90%	25.0%	

Asset	Default DSCR ⁽¹⁾	Distribution DSCR ⁽²⁾	DSRA ⁽³⁾	Equity / Debt ⁽⁴⁾	Share Capital / (Share Capital + PPL) ⁽⁵⁾	Time restrictions on cash distributions
Tesosanto	1.03x	1.10x	6 months	10% / 90%	25.0%	effectively drawn down once the distribution covenants and ratios are fulfilled and the borrower delivers a separate report issued by the borrower's auditors: (i) setting out the procedures used to calculate the covenants and ratios; and (ii) reviewing the application of the formulae certified by the borrower
Santa Catalina	1.03x	1.10x	6 months	20% / 80%	25.0%	
Monte Gordo	1.05x	1.15x	6 months	32.9% / 67.1%	25.0%	No time period restrictions
Valcaire	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solar thermal plants						
Extresol 1	1.00x	1.15x	6 months	10% / 90%	25.0%	Between the July 1 st and the
Manchasol 2	1.00x	1.20x	6 months	20% / 80%	25.0%	September 30 th
Casablanca	n.a.	n.a.	n.a.	n.a.	25.0%	n.a.

Notes:—

- (1) Default DSCR means the debt service coverage ratio for any testing period below which (or at which, in the case of Al Andalus) the loan will be in default. The DSCR is defined under our project level financings as the ratio between the cash flow available (operating revenues plus financial income minus operating expenses, changes in working capital and income tax) and the debt service (principal, interest, fees and amounts payable under the related hedging contracts) as calculated by the borrower. In the case of financial year testing periods, the borrower has to deliver a separate report issued by the borrower's auditors setting out the procedures used to calculate the Default DSCR and reviewing the application of the formulae certified by the borrower.
- (2) Distribution DSCR means the debt service coverage ratio for any financial year that must be exceeded (or matched in the case of Extresol 1 and Manchasol 2) prior to any distribution to shareholders. The DSCR is defined under our project level financings as the ratio between the cash flow available (operating revenues plus financial income minus operating expenses, changes in working capital and income tax) and the debt service (principal, interest, fees and amounts payable under the related hedging contracts) as calculated by the borrower. The borrower has to deliver a separate report issued by the borrower's auditors setting out the procedures used to calculate the Distribution DSCR and reviewing the application of the formulae certified by the borrower.
- (3) DSRA means the debt service reserve account. During the operation period, the DSRA must be funded with the cash flows generated from each project in an amount equivalent to the debt service for the period indicated.
- (4) Equity/Debt means the minimum ratio between total equity and debt that must be maintained.
- (5) Share Capital/(Share Capital + PPL) means the minimum ratio between share capital and profit participating loans and subordinated loans.
- (6) Al Andalus comprises the Serón 1, Serón 2, Tijola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.
- (7) In order to make cash distributions, the Al Andalus Asset Company must also maintain a loan life coverage ratio ("LLCR") higher than 1.15x. The LLCR is defined as the ratio of (i) (A) the net present value of available cash flows projected through the loan's maturity using a discount rate equal to the average cost of the loan plus (B) the DSRA amount over (ii) the outstanding loan amount. The borrower has to deliver a separate report issued by the borrower's auditors setting out the procedures used to calculate the LLCR and reviewing the application of the formulae certified by the borrower.

Pursuant to our project financings, cash distributions are permitted every year subject to the fulfillment by the relevant Asset Company of its distribution debt service coverage ratio (the "Distribution DSCR Covenant") and the fulfillment of other conditions, which we believe are customary in the Spanish project finance market. Failure to meet any of the other financial covenants (the "Default Financial Covenants") is an event of default and would also prevent distributions to shareholders.

As of the date of this prospectus, we believe that each of the Asset Companies is in compliance with the Default Financial Covenants but none of them currently meets the Distribution DSCR Covenants (which are measured by reference to 2014). Following the Early Debt Repayment, we expect to comply with all Default Financial Covenants and Distribution DSCR Covenants measured by reference to 2015 and 2016.

Liens

All of our project financing debt, including the related hedging contracts, is secured by a security package. The principal security interests granted under each of the Asset Company's project level financings are set out in the following tables:

Wind farms

	Security interests granted by the Asset Companies	Security interests granted by Saeta Yield
Al Andalus	<ul style="list-style-type: none"> • Promissory mortgage over all of the project's fixed assets; • Promissory pledge over all receivables arising from the EPC, O&M, insurance and sale of energy contracts; • Pledge over the hedging contracts, the Sponsor's Commitments Contract and Commitment's Letters; • Pledge over all the project's bank accounts; • Pledge over all receivables from tax authorities arising from VAT settlements. 	<ul style="list-style-type: none"> • Pledge over the Asset Company shares.
La Caldera.....	<ul style="list-style-type: none"> • Promissory mortgage over all of the project's fixed assets; 	<ul style="list-style-type: none"> • Pledge over the Asset Company shares.
Sierra de las Carbas.	<ul style="list-style-type: none"> • Promissory pledge over all receivables arising from the EPC, O&M, insurance and sale of energy contracts; 	
Tesosanto	<ul style="list-style-type: none"> • Pledge over the hedging contracts, the Sponsor's Commitments Contract and Commitment's Letters; • Pledge over all the project's bank accounts; • Pledge over all receivables from tax authorities arising from VAT settlements. 	
Santa Catalina	<ul style="list-style-type: none"> • Promissory mortgage over all of the project's fixed assets; • Pledge over all receivables arising from all the project's contracts (including the sale of energy) and financing documents; • Pledge over the hedging contracts, the Sponsor's Commitments Contract and Commitment's Letters; • Pledge over all the project's bank accounts. 	<ul style="list-style-type: none"> • Pledge over the Asset Company shares.
Monte Gordo.....	<ul style="list-style-type: none"> • Pledge over all the project's bank accounts; • Pledge over all receivables arising from all the project's contracts (including the sale of energy) and financing documents; • Promissory mortgage over all of the project's fixed assets. 	<ul style="list-style-type: none"> • Pledge over the Asset Company shares.

Solar thermal plants

	Security interests granted by the Asset Companies	Security interests granted by Saeta Yield	Security interests granted by the EPC Contractor
Extresol 1	<ul style="list-style-type: none"> • Pledge over all the project's bank accounts; • Pledge over all receivables arising from all the project's contracts (including the sale of energy) and financing documents; • Pledge over all receivables from tax authorities arising from VAT settlements; • Pledge over its quotas in AIE Vaguadas • Promissory mortgage over all of the project's fixed assets; 	<ul style="list-style-type: none"> • Pledge over the Asset Company shares. 	<ul style="list-style-type: none"> • Pledge over the credit rights of the EPC contractor under the subcontracting agreements (until the final acceptance of the plant) • Pledge over the revenues account from payments to the contractor (from the final acceptance of the plant);

	Security interests granted by the Asset Companies	Security interests granted by Saeta Yield	Security interests granted by the EPC Contractor
Manchasol 2.....	<ul style="list-style-type: none"> • Pledge over all the project's bank accounts; • Pledge over all receivables arising from all the project's contracts (including the sale of energy) and financing documents; • Promissory mortgage over all of the project's fixed assets; 	<ul style="list-style-type: none"> • Pledge over the Asset Company shares. 	<ul style="list-style-type: none"> • Pledge over the credit rights of the EPC contractor under the subcontracting agreements (until the final acceptance of the plant) • Pledge over the revenues account from payments to the contractor (from the final acceptance of the plant);

Shareholders' Commitments

After the commercial operational date ("COD") of our projects, the relevant equity commitments of its sponsors are lifted. However, as the new shareholders of the Asset Companies, pursuant to the Asset Transfer, we have assumed certain undertakings and information obligations to the project finance lenders, which we believe are customary in the Spanish project finance market, including certain commitments to provide additional funding, through equity or subordinated debt, to each of the Asset Companies should certain construction related contingencies materialize, in particular, in the event of construction cost overruns. We consider it unlikely that these contingencies will materialize given that all our projects have reached COD.

Certain subsidiaries of ACS SI, as the former shareholders of the Asset Companies and guarantors, have agreed to remain jointly and severally liable with us to the project finance lenders in respect of certain obligations to make contributions, in the form of equity or subordinated debt, if certain contingencies arise, including in the event of cost overruns in the construction of certain plants.

In addition, following the Asset Transfer, Saeta Yield and its subsidiaries constitute a tax group for purposes of Spanish Corporate Income Tax ("CIT"), from 2016 onwards, and will pay Spanish CIT due as a single taxpayer on a consolidated basis. In accordance with the procedure normally applied to Spanish tax groups, Saeta Yield as parent will guarantee and pay to each Asset Company, as applicable, an amount equal to the tax credit corresponding to any net operating losses ("NOLs") generated by such Asset Company from which the group benefits or may benefit because of the tax consolidation of such Asset Company in our tax group. The total tax credit due to each Asset Company is calculated by applying the current tax rate corresponding to each assessment of the tax to that Asset Company's negative taxable income. In the context of the project financings, Saeta Yield has assumed this guarantee for all of the Asset Companies except for Casablanca, La Caldera, Tesosanto, Sierra de las Carbass and Valcaire, assuming the guarantee originally given by the ACS tax group.

In connection with the Offering, the lenders under our project level financings have consented to the loss of control by the ACS Group of the relevant Asset Company as a result of the Offering subject to, among other conditions, the Early Debt Repayment, the Partial Cancellation of Derivative Contracts and the Al Andalus Derivative Resetting occurring no later than two business days following Admission. We have also agreed with the lenders that the acquisition of control, direct or indirect, of the relevant Asset Company by an entity which does not belong to the ACS Group will be an acceleration event under the loans.

The sale of Shares either pursuant to the Offering or the Saeta Yield SPA, as the case may be, does not trigger an acceleration event under our project level financing agreements.

Intragroup Loans

The following tables set out the specific provisions of the intragroup subordinated credit loans and participative loans we have made to our wind farms:

Wind farms

Subordinated Credit Loans

Subordinated credit loans are loans granted by Saeta Yield to certain Asset Companies that in the event of insolvency or liquidation of the Asset Company can only be repaid after the repayment of the secured and senior liabilities pursuant to Spanish Insolvency Law (*Ley Concursal*).

	Lender	Date Incurred	Term	Outstanding as of October 31, 2014	Interest Rate	Effective Interest rate for the ten months ended October 31, 2014
Al Andalus ⁽¹⁾	Saeta Yield	April 6, 2006	July 31, 2027	€26.3m	Syndicated loan interest + 2%	3.3%
La Caldera.....	Saeta Yield	June 22, 2008	March 31, 2028	€0.1m	Syndicated loan interest + 2%	1.9%
La Caldera.....	Saeta Yield	June 22, 2008	March 31, 2028	€0.1m	Syndicated loan interest + 2%	1.9%
Santa Catalina	Saeta Yield	April 15, 2008	June 30, 2028	€5.0m	EURIBOR + 1%	2.0%
Monte Gordo.....	Saeta Yield	February 16, 2010	December 15, 2027	€0.7m	Syndicated loan interest	3.3%

Note:—

- (1) Andalus comprises the Serón 1, Serón 2, Tijola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.

Participative Loans

Participative loans are loans granted by Saeta Yield to certain Asset Companies pursuant to which the interest paid depends on the borrower's financial performance, measured by indicators such as net income, revenues and total equity. In case of insolvency or liquidation, the repayment of these loans is also subordinated to secured and senior liabilities, pursuant to article 20 of the Royal Legislative Decree 7/1996 regarding Participative Loans.

	Lender	Date Incurred	Term	Outstanding as of October 31, 2014	Interest Rate	Effective Interest rate for the ten months ended October 31, 2014
Al Andalus ⁽¹⁾	Saeta Yield	December 23, 2010	July 13, 2027	€20.2m	Syndicated loan interest + 2% if net profit < €1.0m Syndicated loan interest + 3% if net profit > €1.0m	3.3%
Al Andalus ⁽¹⁾	Saeta Yield	July 8, 2013	December 31, 2016	€12.2m	Syndicated loan interest + 2% if EBT < 0 Syndicated loan interest + 3% if EBT > 0	3.3%
Al Andalus ⁽¹⁾	Saeta Yield	June 19, 2014	June 30, 2016	€3.9m	Syndicated loan interest + 2% if EBT < 0 Syndicated loan interest + 3% if EBT > 0	3.3%
La Caldera.....	Saeta Yield	December 23, 2010	March 31, 2028	€1.7m	Syndicated loan interest + 1% if EBIT < 0 Syndicated loan interest + 2% if EBIT > 0	1.9%
La Caldera.....	Saeta Yield	December 23, 2010	March 31, 2028	€1.1m	Syndicated loan interest + 1% if EBIT < 0 Syndicated loan interest + 2% if EBIT > 0	1.9%
Sierra de las Carbas.	Saeta Yield	December 21, 2012	March 31, 2028	€3.1m	Syndicated loan interest + 1% if EBIT < 0 Syndicated loan interest + 2% if EBIT > 0	2.0%
Sierra de las Carbas.	Saeta Yield	December 21, 2012	March 31, 2028	€1.9m	Syndicated loan interest + 1% if EBIT < 0 Syndicated loan interest + 2% if EBIT > 0	2.0%

	<u>Lender</u>	<u>Date Incurred</u>	<u>Term</u>	<u>Outstanding as of October 31, 2014</u>	<u>Interest Rate</u>	<u>Effective Interest rate for the ten months ended October 31, 2014</u>
Tesosanto	Saeta Yield	December 21, 2012	March 31, 2028	€5.3m	Syndicated loan interest + 1% if EBIT < 0 Syndicated loan interest + 2% if EBIT > 0	2.0%
Tesosanto	Saeta Yield	December 21, 2011	March 31, 2028	€3.4m	Syndicated loan interest + 2%	2.0%
Santa Catalina	Saeta Yield	June 19, 2014	April 1, 2015	€24.4m	Syndicated loan interest + 2% if EBIT + financial expense + tax > [(syndicated loan interest + 2%) * outstanding of the loan]	2.0%
Santa Catalina	Saeta Yield	April 1, 2014	April 1, 2015	€17.4m	Syndicated loan interest + 2% if EBIT + financial expense + tax > [(syndicated loan interest + 2%) * outstanding of the loan]	2.0%
Monte Gordo.....	Saeta Yield	July 8, 2013	December 31, 2016	€13.6m	Syndicated loan interest if EBT < 0 Syndicated loan interest + 1% if EBT > 0	3.3%
Valcaire.....	Saeta Yield	May 29, 2013	May 29, 2018	€19.9m	EURIBOR + 2% over net profit if EBIT < €0.5m EURIBOR + 2% + 1% over net profit if EBIT > €0.5m	3.2%

Note:—

- (1) Al Andalus comprises the Serón 1, Serón 2, Tijola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.

Solar thermal plants

The following tables set out the specific provisions of the subordinated credit loans, the participative loans and the restricted loan entered into between us and our solar thermal plants.

Subordinated Credit Loans

	<u>Lender</u>	<u>Date Incurred</u>	<u>Term</u>	<u>Outstanding as of October 31, 2014</u>	<u>Interest</u>	<u>Effective Interest rate for the ten months ended October 31, 2014</u>
Extresol 1	Saeta Yield	July 30, 2007	August 30, 2029	€17.1m	Syndicated loan interest + 2%	3.4%
Manchasol 2	Saeta Yield	April 3, 2009	April 29, 2029	€3.7m	Syndicated loan interest + 2%	5.5%
Casablanca	Saeta Yield	July 8, 2014	July 8, 2019	€200.2m	EURIBOR + 2%	1.2%

Participative Loans

	<u>Lender</u>	<u>Date Incurred</u>	<u>Term</u>	<u>Outstanding as of October 31, 2014</u>	<u>Interest</u>	<u>Effective Interest rate for the ten months ended October 31, 2014</u>
Extresol 1	Saeta Yield	June 19, 2014	June 30, 2016	€6.5m	Subordinated loan interest+ 2% if EBT < 0 Subordinated loan interest+ 3% if EBT > 0	3.4%
Manchasol 2.....	Saeta Yield	June 19, 2014	June 30, 2016	€24.5m	Syndicated loan interest + 2%	5.5%
Casablanca	Saeta Yield	April 2, 2013	April 2, 2018	€6.7m	1% over the net profit less legal reserve if EBITDA > €1.5m	1.2%
Casablanca	Saeta Yield	December 5, 2011	When the disinvestment takes place.	€39.5m	EURIBOR + 3%	1.2%

Restricted Loan⁽¹⁾

	<u>Lender</u>	<u>Date Incurred</u>	<u>Term</u>	<u>Outstanding as of October 31, 2014</u>	<u>Interest</u>	<u>Effective Interest rate for the ten months ended October 31, 2014</u>
Cobra Sistemas y Redes, S.A. (Borrower)	Extresol 1	July 1, 2011	June 30, 2029	€35.4m ⁽²⁾	Syndicated loan interest + 2%	Syndicated loan interest + 2%

Note:—

- (1) Loan granted by Extresol 1 as lender to Cobra Sistemas y Redes, S.A. as borrower, according to the terms of the Extresol 1 project financing.
- (2) This amount will be settled by Cobra Sistemas y Redes, S.A. concurrently with the Offering.

Transfers from Subsidiaries

Our liquidity depends on the ability of our subsidiaries to advance loans or to pay cash dividends to us. Substantially all of our renewable energy assets are held through special purpose subsidiaries which borrow funds to finance or refinance our facilities. Certain of our financings restrict the payment of dividends. See “—Financing—Financial Covenants”.

The amount of distributions payable by our subsidiaries to us is subject to, among other restrictions, general limitations imposed by Spanish corporate laws. See “Description of Share Capital—Dividend and Liquidation Rights”. Distributions paid to us by our subsidiaries may also be subject to withholding tax. Historically, the impact of these restrictions and taxes has not had a material effect on our liquidity or the liquidity of the former shareholders of our Asset Companies.

Off-Balance Sheet Arrangements

As of October 31, 2014, we had no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Both the preparation of our Interim 2014 Audited Consolidated Financial Statements in accordance with IFRS-EU and the Annual Audited Asset Company Financial Statements in accordance with Spanish GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the specific circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

An understanding of the accounting policies for these items is important to understand our Interim 2014 Audited Consolidated Financial Statements and the Annual Audited Asset Company Financial Statements. The most critical accounting policies, which reflect significant management estimates and judgment to determine amounts in our financial information, are as follows:

- The useful life of property, plant and equipment and intangible assets, as well as the non-current assets in projects
- The assessment of impairment losses on certain assets
- The amount of certain provisions
- The fair value of certain financial instruments
- The probability of occurrence of the amount of liabilities of uncertain amount or contingent liabilities
- The results for tax purposes of the various Group companies that will be reported to the tax authorities in the future
- The recovery of deferred tax assets

Some of these accounting policies require the application of significant judgment by management to select the appropriate assumptions to determine these estimates. These assumptions and estimates are based on our historical experience, forecasts and other circumstances and expectations as of the close of the financial period. The assessment is considered in relation to the global economic situation of the industries and regions where we operate, taking into account future development of our businesses. By their nature, these judgments are subject to an inherent degree of uncertainty; therefore, actual results could materially differ from the estimates and assumptions used. In such cases, the carrying values of assets and liabilities are adjusted.

Although these estimates and assumptions are being made using all available facts and circumstances, it is possible that future events may require management to amend such estimates and assumptions in future periods.

Our significant accounting policies are fully described in Note 3 to the Interim 2014 Audited Consolidated Financial Statements, included elsewhere in this prospectus, and Note 4 to each of the Annual Audited Asset Company Financial Statements as of and for the years ended December 31, 2013, 2012 and 2011, incorporated by reference in this prospectus.

Quantitative and Qualitative Disclosure about Market Risk

Our activities are exposed to market risk and credit risk. Risk is managed by our finance department in accordance with mandatory internal management rules. The internal management rules provide written policies for the management of overall risk, as well as for specific areas, such as interest rate risk, credit risk, liquidity risk, use of hedging instruments and derivatives and the investment of excess cash.

In particular, we are subject to market risk (including interest rate risk, which arises from changes in future cash flows from borrowings bearing interest at floating rates as a result of fluctuations in market interest rates), liquidity risk and price risk. See “Risk Factors—Risks Related to our Indebtedness”. We believe that we have limited credit risk, as we maintain our cash and cash equivalents in financial institutions with high levels of credit. Additionally, we believe that we have limited counterparty risk because as of the date of this prospectus all of our revenues are regulated.

In terms of interest rate risk, the most significant impact on our financial statements results from changes in EURIBOR, which is generally the reference interest rate for our floating rate debt. In the event that EURIBOR had risen by 25 basis points as of October 31, 2014, with other variables remaining constant, the effect in the consolidated income statement would have been a loss of €0.7 million and an increase in hedging reserves of €2.1 million. The increase in hedging reserves would be mainly due to an increase in the fair value of interest rate swaps designated as hedges.

Moreover, in the event that EURIBOR had risen or decreased by 100 basis points as of October 31, 2014, taking into account the existing hedging instruments with other variables remaining constant, we would have experienced the following effects on our results:

<u>Interest rate change (basis points)</u>	<u>Effect on results (before tax)</u>
100	2.817
(100)	(2.817)

Weighted Average Cost of Capital (WACC)

We have performed a sensitivity analysis of the result of changes in the weighted average cost of capital (WACC) discount rate (which is considered to be the most relevant hypothesis and is sensitive to future variations) on impairment tests, obtaining the following results:

- An increase of the WACC in each project of 0.5% would lead to an additional impairment provision of €16.0 million instead of a €24.0 million reversal.

- A decrease of the WACC in each project of 0.5% would lead to a higher impairment reversal of €42.6 million.

Recent Developments

Recent trading

Our operations since October 31, 2014 have been largely in line with the period as of and for the ten months ended October 31, 2014. We have achieved the requisite minimum operating hour requirements to receive the specific remuneration from the Spanish electricity system through the CNMC for all of our wind and solar thermal assets. See “—Factors Affecting our Results of Operations—Regulation”. We expect our performance in November and December will be in line with our internal expectations as the majority of our revenues and costs are based on highly visible factors such as the remuneration scheme set by regulation and costs specifically provided for in our existing contracts (i.e., our O&M and financing agreements).

Repayment of debt

On November 28, 2014, after fulfilling the requirements to distribute restricted cash, we repaid the following amounts of subordinated debt: €2.2 million related to the La Boga II project financing and €9.0 million related to the Al Andalus project financing. Additionally, since October 31, 2014 we have repaid debt principal under our project financings of €19.5 million.

INDUSTRY AND MARKET OPPORTUNITY

Overview

The renewable energy industry has experienced significant transformation over the last decade on the back of policy initiatives to promote green energy and protect the environment. These support mechanisms have played a crucial role in driving down costs and allowing technological advances.

The environmental regulatory framework for many countries is set by The Kyoto Protocol to the United Nations Framework Convention on Climate Change (the “Kyoto Protocol”) as they committed to reduce their carbon emissions by 2012. The Kyoto Protocol has been extended to 2020 by the Doha amendment. In Europe there has been a strong support from the EU member states to foster renewable energy, as evidenced by the Renewable Energy Directive (Directive 2009/28/EC) (the “Renewables Directive”) which mandates renewable energy use within the European Union. The Renewables Directive requires that by 2020, 20% of the energy consumed within the European Union is to be sourced from renewable energy. This measure was adopted within the context of the European Union’s plan on climate change, adopted by the European Parliament in December 2008 (the “EU Plan on Climate Change”), which among other things provides that by 2020, emissions of greenhouse gases should be reduced by 20% from 1990 levels, energy efficiency should be increased to 20% and 20% of total energy consumption should come from renewable energy sources.

On October 23, 2014, the European Council published its conclusions regarding the “2030 Climate and Energy Policy Framework”, which set out the European Union’s climate and energy goals to be achieved by 2030. Among others things, the framework proposes that by 2030, emissions of greenhouse gases should be reduced by 40% from 1990 levels, energy efficiency should be increased to 27% and 27% of total energy consumption should come from renewable energy sources.

According to estimates in the “World Energy Outlook 2013” of the International Energy Agency (“IEA”), global subsidies to renewable energy will amount over U.S.\$220 billion per year by 2035, compared to an estimated U.S.\$101 billion in 2012. From 2013 to 2035, the cumulative subsidies to renewable are expected to amount over U.S.\$4.7 trillion, approximately a 0.15% of the cumulative global GDP.

The principal sources for renewable electricity generation are hydro, wind, solar (photovoltaic and solar thermal being the most common technologies), bioenergy and geothermal.

Investment in renewable energy has increased rapidly, from U.S.\$60 billion in 2004 to U.S.\$310 billion in 2014, according to Bloomberg New Energy Finance (“Global Trends in Clean Energy Investment” January 9, 2015). It is believed that the increase in investment is due to policy interventions as well as to a decline in coal-fired generation and to higher fossil fuel prices. This trend of investment in renewable energy is expected to continue in order to accommodate growing demand worldwide. Bloomberg New Energy Finance forecasts that out of the U.S.\$7.7 trillion to be invested in new generating capacity from 2013 to 2030, 66% (U.S.\$ 5.1 trillion) will be in renewables. According to the “World Energy Outlook 2013” of the IEA, 3,111 GW of renewable energy will be installed worldwide by 2035, representing approximately 63% of total installed capacity in OECD countries and approximately 45% of total installed capacity in non-OECD countries. According to the IEA, wind, solar and hydro energy are expected to drive future growth in renewable energy, particularly in non-OECD regions such as China or Latin America which are expected to invest heavily in renewables in order to meet their growing electricity demand.

Global energy demand is expected to increase by 1.2% per year from 2011 through 2035, according to the IEA, while fossil-based energy sources are expected to become scarcer. The following table provides the cumulative gross capacity additions by region and source for the period between 2013 and 2035:

Cumulative Gross Capacity Additions by Region and Source 2013-2035

	Coal	Gas	Oil	Nuclear	Bio-energy	Hydro	Wind	Geo-thermal	Solar PV	Solar Thermal	Marine	Total	% Ren. ⁽¹⁾
GW													
Americas	34	266	8	23	49	60	231	12	104	13	2	802	58.7%
Europe	52	156	5	31	49	66	325	4	165	9	9	870	72.1%
Asia-Oceania	32	102	8	29	15	21	55	8	98	3	3	374	54.3%
OECD Countries	117	525	21	83	113	147	611	24	367	24	13	2,046	63.5%
E. Europe/ Eurasia	84	177	1	51	10	29	21	3	7	0	0	384	18.2%
Asia-Oceania	902	353	11	150	94	370	534	11	302	18	1	2,745	48.5%
Middle East	1	153	31	7	4	12	26	0	32	14	0	281	31.3%
Africa	70	87	11	5	10	61	18	2	26	11	0	302	42.2%
Latin America	8	79	9	5	17	120	36	2	17	3	0	295	66.1%
Non – OECD Countries	1,065	850	63	219	134	593	635	18	385	45	1	4,007	45.2%
Total	1,182	1,374	84	302	247	740	1,246	42	752	70	14	6,052	51.4%

Source: World Energy Outlook 2013

Note:—

(1) Including Wind, Hydro, Bioenergy, Geothermal, Solar Photovoltaic, Solar Thermal and Marine

This investment effort has been translated into an increasing contribution from renewables to electricity generation, reaching 7% in OECD countries as of 2011 (approximately 20% including hydro energy) and the IEA expects such contribution to increase to 22% by 2035 (approximately 34% including hydro energy). The IEA expects the shift towards low-carbon technologies to result in renewable energy (including hydro energy) becoming the largest electricity generation source globally by 2035.

Electricity Generation by Source and Scenario

	2000	2011	2020E	2035E	CAGR 2011-20	CAGR 2011-35
TWh						
Coal	3,093	3,618	3,529	2,775	(0.3%)	(1.1%)
Gas	770	2,630	2,855	3,398	0.9%	1.1%
Oil	697	345	149	84	(8.9%)	(5.7%)
Nuclear	1,729	2,087	2,300	2,412	1.1%	0.6%
Hydro	1,182	1,388	1,490	1,615	0.8%	0.6%
Other renewables	157	728	1,504	2,820	8.4%	5.8%
OECD Countries	7,629	10,796	11,827	13,104	1.0%	0.8%
<i>Renewables share (excl. Hydro).....</i>	<i>2.1%</i>	<i>6.7%</i>	<i>12.7%</i>	<i>21.5%</i>		
<i>Renewables share (incl. Hydro)</i>	<i>17.6%</i>	<i>19.6%</i>	<i>25.3%</i>	<i>33.8%</i>		
Coal	1,333	5,522	7,089	9,537	2.8%	2.3%
Gas	960	2,217	3,128	4,915	3.9%	3.4%
Oil	635	717	652	472	(1.1%)	(1.7%)
Nuclear	283	497	1,100	1,881	9.2%	5.7%
Hydro	963	2,102	3,065	4,212	4.3%	2.9%
Other renewables	15	263	1,138	2,965	17.7%	10.6%
Non – OECD Countries	4,189	11,317	16,172	23,983	4.0%	3.2%
<i>Renewables share (excl. Hydro).....</i>	<i>0.4%</i>	<i>2.3%</i>	<i>7.0%</i>	<i>12.4%</i>		
Total	11,818	22,113	27,999	37,087	2.7%	3.8%
<i>Renewables share (excl. Hydro).....</i>	<i>1.5%</i>	<i>4.5%</i>	<i>9.4%</i>	<i>15.6%</i>		

Source: World Energy Outlook 2013

We believe that an additional incentive for investment in renewable energy will be the combined effect of a sharp reduction in technology costs and the expected increase in wholesale electricity price, closing the gap (or making renewable energy even more competitive) with levelized energy cost. According to the “World Energy Outlook 2013” power wholesale prices are expected to increase, driven by rising gas prices as well as increasing emissions permit. On the other hand, unit costs of the main renewable sources are expected to decrease over time due to a combination of reduced capital costs, economies of scale and technological advancements to harness more of the resource.

Increasing environmental consciousness, reducing carbon and greenhouse gas emissions, increasing focus on security of energy supply in many developed countries and the related tightening of environmental regulation are important factors that we expect to bolster global demand and provide an impetus to our sustainable development focus. According to the “World Energy Outlook 2013”, the deployment of renewables is expected to save approximately 4.1 gigatons of CO₂ emissions in 2035 compared with the 2010 fuel mix at the same level of total generation. Renewables are also expected to help reduce local air pollution and emissions of other pollutants, such as sulfur dioxide and nitrogen oxides.

Wind Sector

Among the different sources of renewable energy, wind technology has experienced the most significant development, with 318GW of installed capacity worldwide as of 2013, according to the Global Wind Energy Council (“GWEC”), becoming a tested and mature technology with lower construction costs and one of the lowest levelized costs. Due to favorable investment conditions and growing energy demand in developing countries as well as increasing environmental awareness, wind technology is expected to become one of the main drivers of new power generation capacity with a total investment of approximately U.S.\$2 trillion from 2014 to 2035, according to the “World Energy Investment Outlook 2013” of the IEA.

Description

Wind power transforms the energy derived from the wind into electricity.

Air generates kinetic energy that can be transformed into electricity with a wind turbine. In a wind turbine, the blades are joined to the rotor of a generator, so when pushed by the aerodynamic effect, the blades make the generator rotor turn, producing electrical energy through the powertrain. However, not all the energy derived from the wind can be used, as wind energy only operates with horizontal wind currents provided that their speed is, in general terms, greater than 3 m/s and less than 25 m/s, with a maximum power output at around 15 m/s.

The electricity produced in wind farms is evacuated to distribution substations through electrical lines. Finally, those distribution substations transport the energy to the final user.

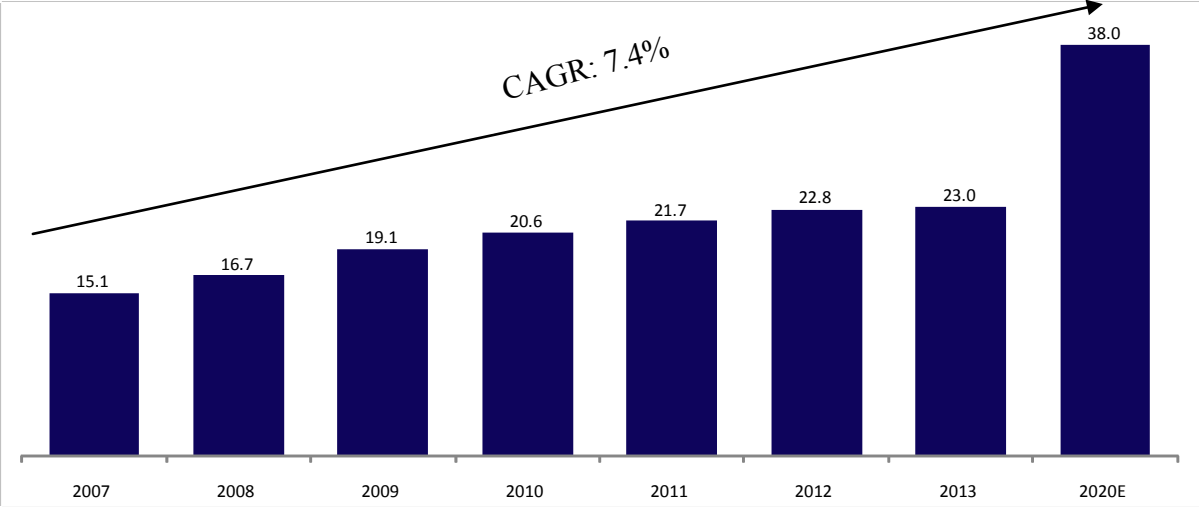
Wind is a source of energy that is naturally variable; wind generally does not blow at a constant speed throughout a given day or on a month-to-month basis. As a result, the amount of electricity generated on a daily or monthly basis is also variable or intermittent. However, long-term historical site-specific measurements for wind power allow for an annual average or “mean” wind speed, enabling the use of statistical analyses to estimate electricity generation.

Spanish Market Overview

Spain has one of the most developed wind sectors in the world, ranking fourth in terms of installed capacity as of 2013, with 23.0 GW of total wind installed capacity, according to the “Global Wind Statistics 2013” of GWEC. The development of the wind sector in Spain is the result of a determined effort from governmental authorities to promote renewable energy. The Development Plan for Renewable Energy (2005-2010) aimed to generate 29.4% of electricity from renewable sources and wind power installed capacity of 20,155 MW by 2010. The new national action plan for renewable energy (“Spain’s National Renewable Energy Action Plan 2011-2020”) has set a new target of 20% of total energy consumption by

2020 and wind power expected installed capacity to reach 38 GW that same year, in line with the EU Plan on Climate Change.

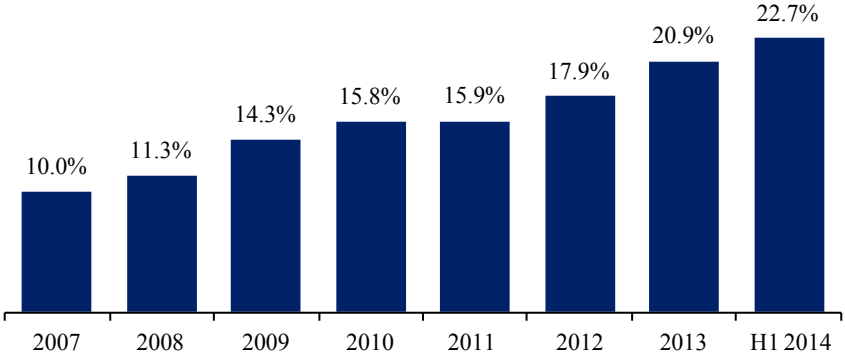
Cumulative Installed Wind Capacity Evolution in Spain (GW)



Source: Asociación Empresarial Eólica (“Eólica 2014”) and Spanish National Action Plan for Renewable Energy

Following significant investment, wind technology represented the main source of electricity generation in the country during the first half of 2014.

Wind Electricity Generation Market Share in Spain (%)

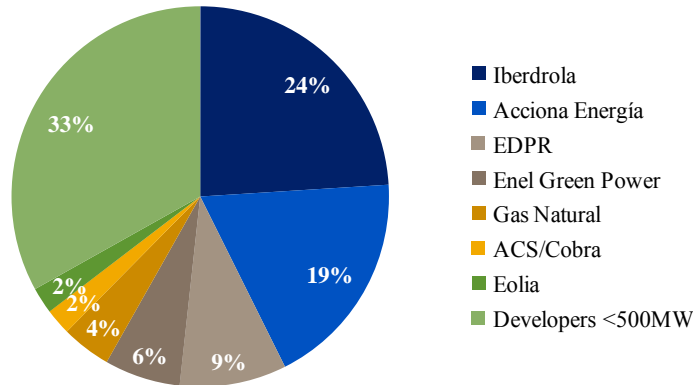


Source: Red Eléctrica de España

The Spanish wind energy market is relatively fragmented with five players owning 62% of the total installed capacity, while players owning less than 500 MW represent 33%, equivalent to 7.6 GW.

2013 Wind Installed Capacity Breakdown by Company in Spain

Total Capacity: 22.9GW



Source: Global Wind Energy Council ("Global Wind Statistics 2013") Asociación Empresarial Eólica ("Eólica 2014")

There is also further consolidation potential in the Spanish wind energy sector, as approximately one-third of the installed capacity is owned by a significant number of small corporates or individuals with less than 500 MW of capacity and 15% of the installed capacity is owned by corporate or individuals with less than 150 MW. The market could experience a period of consolidation in order to reduce the number of players, lower risks and reduce costs.

Global Growth Opportunities

We believe the wind power sector offers significant growth opportunities due to its potential to become one of the main growth drivers of installed power capacity in the world. Wind energy has emerged as a mature technology that is competitive with fossil-based energy alternatives. In addition, the cost of turbines has decreased significantly over the last years, making wind technology competitive compared to other renewable forms of energy.

According to the "World Energy Outlook 2013", approximately 1,250GW of wind capacity is expected to be installed between 2013 and 2035, representing approximately 20% of total installed energy capacity in the world. Future growth in wind is mainly expected to come from China (approximately 385 GW), India (approximately 100 GW), Europe (approximately 325 GW) and the Americas (approximately 231 GW). "World Energy Outlook 2013" forecasts that wind installed capacity (both onshore and offshore) will increase at an average annual rate of 7% between 2011 and 2035.

A number of Latin American governments are looking to wind power to support their emerging economies, to alleviate variations in hydropower and other seasonal electricity sources, and to reduce the threat posed by insecure imported energy sources.

Latin America has abundant wind resources, much of which remains untapped in many countries. According to the Global Wind Energy Council, in 2013 the Latin American market installed over 1GW of new wind capacity, reaching a total installed capacity of 4.8 GW. MAKE Consulting forecasts a 20% compounded annual growth rate in Latin America. MAKE Consulting also predicts that, for the first time, the majority of new wind capacity brought online in the Americas will occur outside of the U.S. market. "World Economic Outlook 2013" estimates that by 2035, wind power production in all of Latin America, including Mexico, will reach a capacity of 39.5 GW.

Although approximately 90% of the capacity additions are onshore, offshore wind installations are expected to gradually increase in importance. In general terms, offshore wind installations enjoy higher capacity factors than onshore wind farms. The offshore wind sector has emerged as a proper large-scale industry with multi-MW turbines currently being developed, especially in Europe, and is attracting the attention of international investors seeking to deploy large sums of capital into renewable energy generation.

The IEA predicts that by 2018, offshore wind capacity will reach 28GW, over a four-fold increase from 6.6GW in 2013, according to “The European offshore wind industry - key trends and statistics 2013” of the European Wind Energy Association (“EWEA”). Europe, led by the United Kingdom, Germany and Denmark, is driving much of the growth, representing almost two-thirds of the total cumulative capacity by 2018. China would account for approximately 28% of the total installed capacity, while the United States, Japan and Korea would account for most of the rest.

The offshore wind industry is moving rapidly to overcome some of the challenges of bringing down the cost of offshore wind energy. As the industry develops and gains expertise, manufacturers are being able to design larger and more efficient scale turbines and improve overall development and production lead times. See “Risk Factors—Risks Related to the Operation of Our Assets—The power generation industry is characterized by intense competition from both traditional and renewable energies companies and our competitive position could be adversely affected by changes in technology, prices, industry standards and other factors”. The leading offshore manufacturers include Siemens, Vestas-MHI, Gamesa-Areva and Senvion. Although challenges remain, especially as projects move further offshore (as more complex technical solutions are required for wind farms developed in deep water), significant capacity is expected to be installed over the next five years, mainly in northern Europe, including in the United Kingdom and Germany, and in the Far East, including China, South Korea and Japan.

Solar Sector

Solar energy is one of the largest sources of renewable energy and the market for solar energy has become increasingly prominent in recent years. Among the different types of renewable energy, solar energy has become a technologically proven option. The two technologies that rely on solar power as a primary source of electricity generation are (i) solar thermal, also known as Concentrating Solar Power, or CSP, which transforms solar heat into steam and electricity; and, (ii) photovoltaic (“PV”) which transforms the photon energy in solar radiation directly into electricity.

According to the “Renewables 2014: Global Status Report” of the Renewable Energy Policy Network for the 21st Century (“REN21”), installed photovoltaic capacity totaled over 139GW, while solar thermal power plants for electricity generation represented 3.4GW of installed capacity, representing approximately 2.4% of the total solar sector. Global installed capacity of solar thermal power has increased nearly 10-fold since 2004, and during the five-year period from 2008 to 2013, total global capacity increased at an average annual rate of approximately 50%.

Description

Solar thermal technology uses different mirror and reflector configurations to transform the sun’s energy into high temperature heat that can then be converted into usable forms of energy. When light rays travel parallel to the axis of a spherical mirror they are reflected and converge in the focus of that spherical mirror. As all the different light rays converge in a single point, their light energy is concentrated on it, heating a fluid that produces steam to feed a steam cycle that produces electricity. This technology has experienced significant development in the last decade. Solar thermal technology requires a high level of direct solar irradiation to be feasible.

The solar radiation is collected by an array of mirrors and reflectors called a “solar collector field” that concentrates the rays into a “solar receiver”. The solar receiver is the part of the system that transforms the solar radiation into heat and transports it to an energy conversion system, which converts the heat into usable forms of energy such as electricity or heat.

Solar thermal power is a more complex, technological and EPC driven technology compared to PV. With a scale above 50 MW, solar thermal power is the only solar alternative to utility-scale fossil fuel power generation. The most important factor that distinguishes solar thermal power technology is its “dispatchability”, or the ability to adapt production to demand, which is essential for electrical grids. PV and wind are intermittent sources of renewable power; therefore, they cannot generate power at all times and require back-up capacity and can unbalance the electrical grid. In contrast to PV and wind, solar thermal power plants achieve dispatchability through thermal inertia inherent in the heat transfer fluid used, the

addition of thermal energy storage and/or hybridization with conventional fuels, like gas or biomass. This feature increases solar thermal power returns by dispatching power at times of higher prices, increasing the plant's capacity factors with continuous operations in times of transitory solar radiation shortage, and improving the efficiency and competitiveness of solar thermal power plants while decreasing levelized costs of electricity.

At the date of this prospectus, there are four main solar thermal power systems

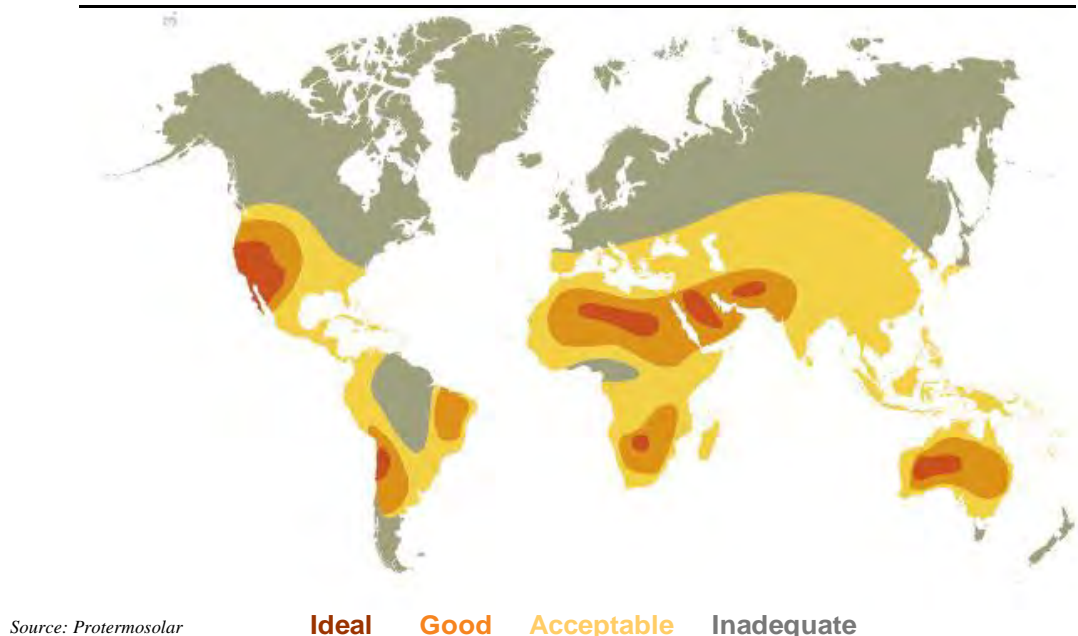
- parabolic trough;
- tower;
- compact linear Fresnel reflector (CLFR); and
- dish Stirling.

Our solar thermal assets use parabolic trough technology. The parabolic trough is the simplest and most developed solar thermal power system, consisting of large rows of solar collector elements that concentrate the light onto an integral receiver tube. Parabolic trough systems consist of parallel rows of mirrors (reflectors) curved in one dimension to focus the sun's rays. The mirror arrays can be more than 100 meters long with the curved surface that is five to six meters across. Stainless steel pipes (absorber tubes) with a selective coating serve as the heat collectors. The coating is designed to allow pipes to absorb high levels of solar radiation while emitting very little infrared radiation. The pipes are insulated in an evacuated glass envelope. The reflectors and the absorber tubes move in tandem with the sun as it crosses the sky. Synthetic oil is the fluid used to transfer heat from collector pipes to heat exchangers, where water is preheated, evaporated and then superheated into steam. The superheated steam runs a turbine, which drives a generator to produce electricity. After being cooled and condensed, the water returns to the heat exchangers. Some of the solar thermal power plants have seven or more hours of storage capacity by using molten salts storage technology, other plants have around three hours of capacity and some plants have no storage capacity other than the plant's thermal inertia.

One of the key characteristics in a solar thermal power plant is the technological requirement of high direct solar radiation, measured as direct normal radiation (DNI) in a surface perpendicular to the ray incidence. Consequently, solar thermal plants should be built only in regions with a high annual direct solar irradiation. The so-called Sunbelt (approximately 35° latitude north and south) indicates the best suitability for solar thermal power plants. Suitable regions are, for example, the Southwest of the United States, Spain, North and South African countries, the Middle East or Australia.

Alternatively, PV technology transforms the photon energy in solar radiation directly into electrical energy by using semiconducting materials. Solar panels use cells consisting of one or two layers of semiconducting material, usually silicon. When sunlight hits the cell an electric field is created across layers, causing electricity to flow, PV systems can be designed to sell any surplus energy back to electricity grid but energy produced using this technology is not dispatchable.

Classification of Suitable Regions for solar thermal power Projects



Spanish Market Overview

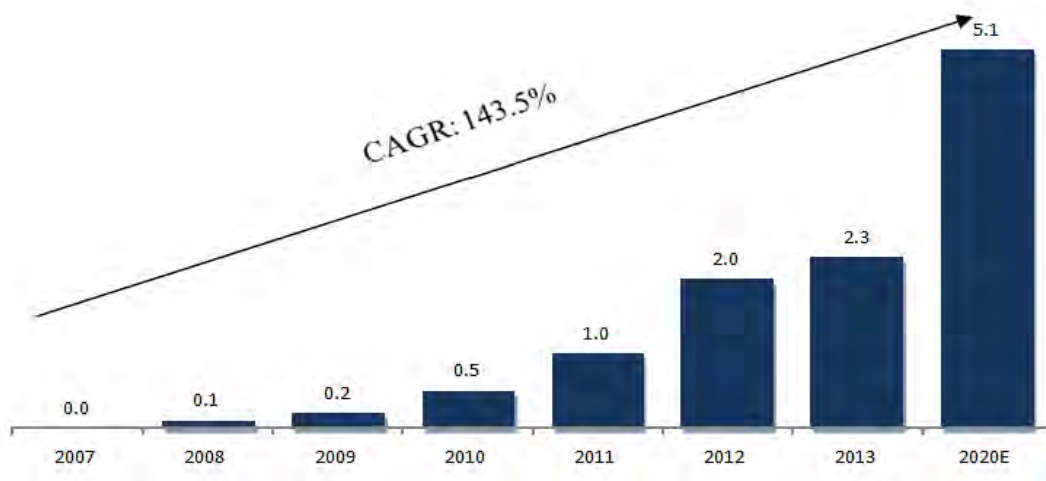
Spanish solar thermal power policy prompted the development of a world-leading solar thermal power industry in a relatively short period of time. Thanks to the supportive feed-in-tariff schemes put in place, Spain added 2.3GW of new solar thermal power capacity in the 2007-2013 period, representing approximately 70% of the world's installed capacity, according to REN21. There are currently 50 solar thermal power plants in operation in Spain. The development of the solar thermal power sector is the result of an optimal orography and climatic conditions, together with a strong effort from governmental authorities to promote renewable energy.

The Spanish government has supported the development of the solar thermal power industry in the context of the European Union objectives on consumption of electricity coming from renewable energy sources. Thus, although the regulation approved in 2007 (which is no longer applicable) initially targeted 500 MW of installed capacity, however 4GW of plants were announced in 2009, of which 2.3GW have been approved for construction and 1.7GW have been abandoned, according to "The Role of Public Finance in CSP" of the Climate Policy Initiative (August 2014).

In 2013, Spain continued to add to its existing solar thermal power capacity with 350 MW of new capacity, representing an 18% increase. Parabolic trough remained the dominant technology, representing 100% of the solar capacity that came on line during the year, according to REN21.

The new national action plan for renewable energy ("Spain's National Renewable Energy Action Plan 2011-2020") has set a new target of 20% of total energy consumption by 2020 and solar thermal power expected installed capacity to reach 4.8GW that same year.

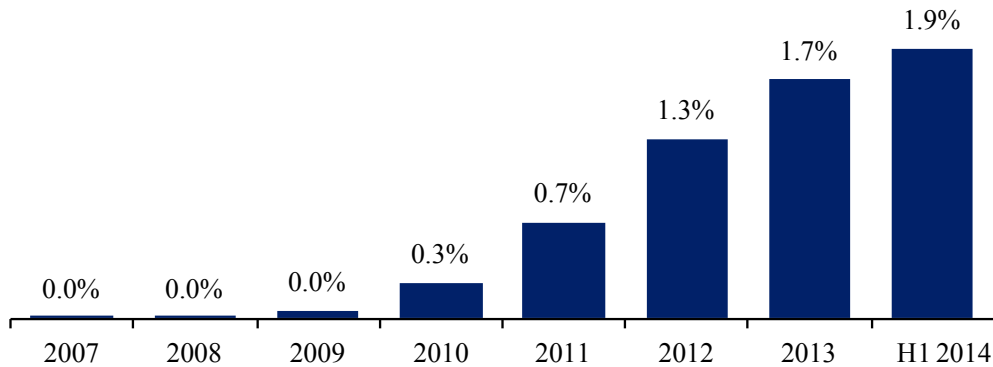
Cumulative Installed Solar Thermal Power Capacity Evolution in Spain (GW)



Source: Red Eléctrica Española and Spanish National Action Plan for Renewable Energy

The importance of solar thermal power in Spain has gradually increased over the recent years. While the solar thermal power plants commissioned under the 2007 regime contributed to approximately 700GWh of electricity in 2010, representing 0.3% of the energy generated in the year, in 2013 they contributed over 4,000GWh of electricity, representing 1.7% of the energy generated. In the first half of 2014, solar thermal power represented almost 2% of the energy generated in the country.

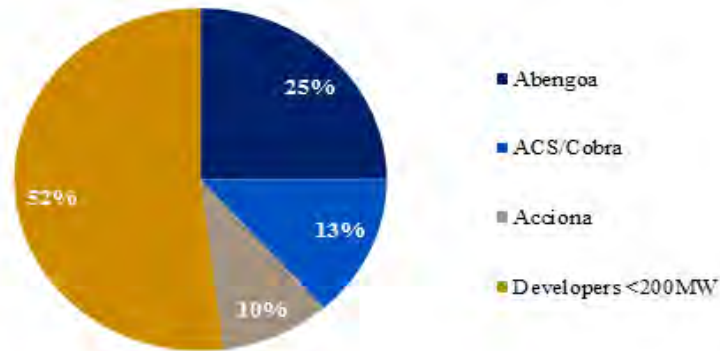
Solar Thermal Power Generation Market Share in Spain (%)



Source: Red Eléctrica Española. Mainland Spain

The Spanish solar thermal power market is dominated by three players owning approximately half of the country's installed capacity: Abengoa, ACS/Cobra and Acciona Energía.

2013 Solar Thermal Installed Capacity Breakdown by Company in Spain
 Total Capacity: 2.3GW



Source: Red Electrica de España, company disclosure

Global Growth Opportunities

The economic and financial crisis has led to a slowdown in established markets, in particular in Spain following the recent regulatory changes. The United States, where over 20 large projects are in promotion or early development, has also been impacted as solar thermal power projects are increasingly competing with solar photovoltaic projects. As such, global markets are shifting towards emerging regions, although as at the date of this prospectus, Spain and the United States remain as the dominant solar thermal power markets. The Middle East and North Africa region is showing particular promise with large developments in Morocco, the United Arab Emirates and Israel. Other active regions where solar thermal power projects are being developed at a significant scale include Australia, South Africa, Thailand, China, India, Chile and Mexico.

According to the “Annual Renewable Energy Outlook 2013” of Frost & Sullivan, solar thermal power installed capacity will reach 22.7GW by 2020, a six-fold increase from 2013 year-end, which represented 3.4GW of installed capacity. By 2020, 74% of the world’s installed capacity is expected to be concentrated in three geographies: North America (34%), the countries within the European Union (30%) and China (10%).

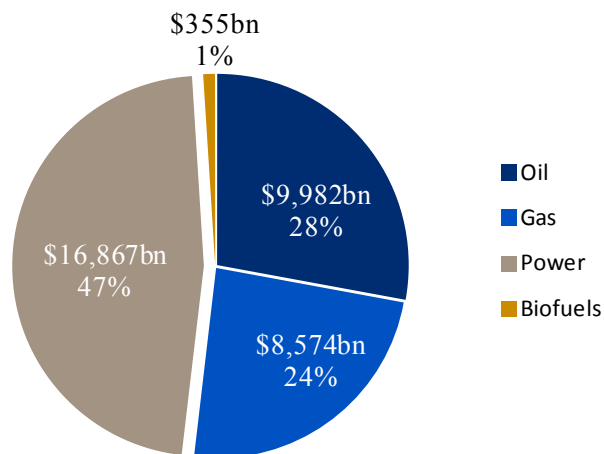
Solar thermal power developers are also working on reducing costs by developing larger panels and improving technology. Larger plants in the range of 150 MW-200 MW are emerging (North America, UAE, etc.), while Spain’s sector was traditionally limited to 50 MW for regulatory reasons. Further costs reductions are expected due to its ability to incorporate thermal storage, to be largely fully dispatchable as well as decreasing capital and O&M costs. Lowering levelized costs of energy could also help achieve grid parity, making solar thermal power more competitive without government incentives and reducing regulatory risk.

Electric Transmission

The potential for growth and development in the electric transmission sector arises from several factors: (i) increasing global demand for electricity, (ii) inadequate and insufficient electrical grid capacity, (iii) construction of new power plants and demand-response facilities and (iv) the need to connect new renewable energy generation plants, which are typically built in remote areas, to consumption centers. Due to the unique need to locate renewable power plants in remote areas, new renewable power plants will require additional electric transmission infrastructure to bring electrical power to consumption centers.

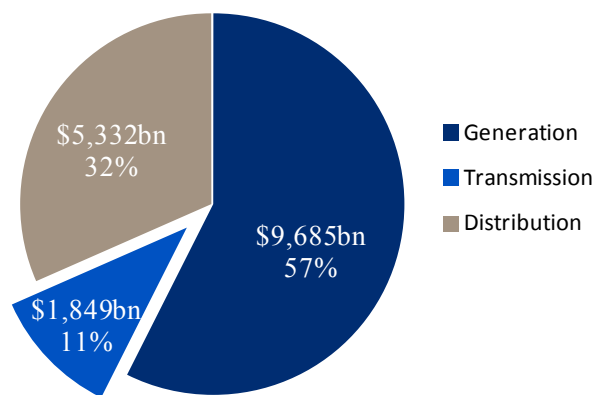
According to the International Energy Association, total investment of U.S.\$1.8 trillion is expected in the electric transmission sector worldwide between 2012 and 2035. The below charts present the predicted investment in global energy supply in terms of power source and type between 2012 and 2025:

Investment in Global Energy Supply (2012-2035)



Source: IEA

Investment in Global Energy Supply Infrastructure (2012-2035)



Source: World Energy Outlook 2012 OECD / IEA 2012

Electric Transmission in Peru

In Peru, the National Interconnected Electric System (*Sistema Eléctrico Interconectado Nacional*, the “SEIN”), provides electricity to most consumers and stand-alone systems cover the rest of the country.

The SEIN is divided in fifteen different operative areas that are consolidated into the north, center and south regions. Power lines in these regions belong to three categories:

- National Transmission System (*Sistema de Transmisión Troncal Nacional*), with 500 kV electric transmission lines or electric transmission lines connecting two operative areas;
- Regional Transmission System (*Sistema de Transmisión Troncal Regional*), with electric transmission lines with voltages between 138–220 kV inside an operative area; and

- the Local Transmission System (*Sistema de Transmisión Local*), with electric transmission lines connecting power plants or loads to the SEIN.

Transmission activities are carried out by ten main private companies according to the National Interconnected System Economic Operation Committee (*Comité de Operación Económica del Sistema Interconectado Nacional*, the “COES SINAC”).

The most important entities in the regulation, expansion and management of the transmission sector in Peru are:

- the COES SINAC, which is composed of all of the agents of the SEIN to coordinate the operation of the transmission system;
- the Energy and Mining Ministry (*Ministerio de Energía y Minas*, the “MINEM”), with the Electricity General Direction (*Dirección General de Electricidad*), which is in charge of developing policies and analysis, evaluating and awarding electricity rights (including electricity transmission and distribution concessions); and
- the Investment Supervisor Entity for Energy and Mining (*Organismo Supervisor de la Inversión en Energía y Minería*), which is responsible for regulating and supervising the electric, mining and hydrocarbons companies.

Peru recently approved a transmission plan to improve the SEIN between 2013 and 2022. The plan includes both development of new electric transmission lines and re-powering of already existing electric transmission lines. The MINEM estimates that total investment will be U.S.\$1,240 million. We believe this transmission improvement plan will continue to generate opportunities for growth in this area.

BUSINESS

About Saeta Yield

We are a total return oriented company formed to own, operate and acquire assets for the generation of renewable or conventional electricity and the distribution and transmission of electricity, as well as any other energy-related infrastructure, in each case with contracted or regulated revenues. Initially, our assets consist of wind farms and solar thermal plants in Spain. In the future, we intend to expand our presence by acquiring other assets of the type described above, both in Spain and internationally.

We believe we are well positioned for investors seeking a total return, by combining the distribution of a substantial portion of the regulated, recurring and long-term cash flow generation from a portfolio of low-risk and high-quality energy assets with accretive dividend growth mainly through a ROFO and Call Option Agreement with a worldwide leading contractor that provides us with preferential access to the energy infrastructure related assets owned or to be developed in the future.

Additionally, we intend to capitalize on favorable trends in the power generation and electric transmission sector globally, including energy scarcity and a focus on the reduction of carbon emissions. To that end, we believe that our cash flow profile, coupled with our scale and platform to access to attractive opportunities, will offer us a lower cost of capital than that of a traditional engineering and construction company or independent energy producer and provide us with significant competitive advantage with which to execute our growth strategy.

With this business model, our objective is to pay a growing cash dividend to our shareholders that is sustainable on a long-term basis. We target a payout ratio of 90% of our expected recurrent cash available for distribution and will seek to increase such cash dividends over time through accretive acquisitions of energy infrastructure-related assets. We will focus on high-quality, operational and long-life facilities with creditworthy counterparties or regulated revenues that we expect will produce stable, predictable and long-term cash flows.

We own 19 assets, comprising 688.3 MW of renewable energy generation capacity, consisting of 16 wind farms and three solar thermal plants located throughout Spain. As of October 31, 2014, our adjusted net financial debt was €799 million, all structured through project financing. See “Capitalization and Indebtedness—Net Financial Debt” for a description of the adjustments. Approximately 75% of our project-level debt is hedged against changes in interest rates through an underlying fixed rate on the debt instrument or through interest rate swaps, caps or similar hedging instruments.

Pursuant to the ROFO and Call Option Agreement, ACS SI has granted to us (i) a right of first offer over the interest and respective subordinated debt of ACS SI and its controlled subsidiaries in the Initial ROFO Assets and any New ROFO Assets, in each case subject to any ROFO Restrictions and except for any assets over which a sale or mandate agreement has already been executed by ACS SI as of the date of the agreement; and (ii) a call option over the Call Option Assets at a strike price based on an agreed enterprise value which has been fixed for the years 2015, 2016 and 2017, depending on the year in which the call option is exercised, for each of the project companies that owns the Call Option Assets. In addition, we agreed with ACS SI that we jointly control the relevant project companies that own the Call Option Assets since the date on which the ROFO and Call Option Agreement enters into force. See “Related Party Transactions—ROFO and Call Option Agreement”.

Based on the acquisition opportunities available to us, which include the ROFO Assets as well as other third-party acquisitions we may pursue, we believe that we will have the opportunity to grow our recurrent cash available for distribution in a manner that would allow us to further increase our cash dividends per Share over time. Prospective investors should read “Cash Dividend Policy” and “Risk Factors”, including the risks and uncertainties related to our growth strategy, in their entirety.

Purpose of Saeta Yield

Through this Offering, ACS SI and Saeta Yield intend to create enhanced value for our shareholders by seeking to achieve the following objectives:

- offer a total return oriented company with stable, predictable, recurrent and growing dividends;
- create a company with a competitive source of equity capital to benefit from the acquisition of long-term contracted or regulated revenue assets developed by ACS SI and other third-parties assets; and
- align strategic interests, creating a long-term partner that will benefit from ACS SI's expertise in developing greenfield projects while reinforcing ACS SI's growth strategy by scaling up its concessional business.

ACS SI intends to maintain a significant participation in Saeta Yield, as ACS SI views Saeta Yield as a core pillar in its strategy in the development of energy infrastructure.

History

Saeta Yield was incorporated under the laws of Spain in Madrid on May 26, 2009 pursuant to a notarized deed of incorporation, under number 7,064 of the public notary's official records and registered with the Commercial Registry of Madrid under volume 26,842, page 14 and sheet M-483,710. It was incorporated with the legal name of El Recuenco Eólica, S.L. by Urbaenergía and Energías Ambientales de Soria, S.L., subsidiaries of ACS SI. Saeta Yield has been inactive since its formation until the execution of the Asset Transfer.

On October 24, 2014, Saeta Yield was transformed into a Spanish public limited company (*sociedad anónima*), increased its share capital to €63,010 and changed its name to Saeta Yield, S.A.

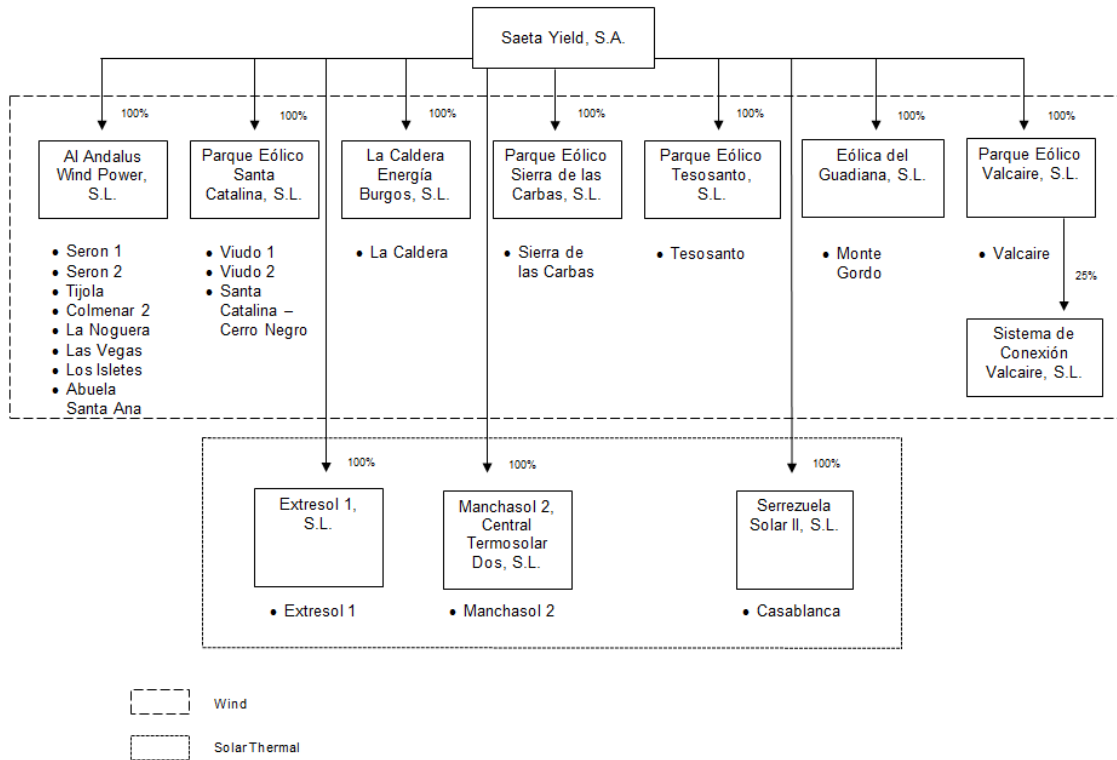
On October 31, 2014, Saeta Yield approved two capital increases amounting to €153.2 million and €459.7 million, respectively, in order to obtain the necessary funds to carry out the Asset Transfer. The capital increases were paid for by subsidiaries of ACS SI on October 31, 2014 and November 20, 2014, respectively.

Asset Transfer

Pursuant to the Asset Transfer, which took place on October 31, 2014, Saeta Yield acquired each of the Asset Companies and the profit participating loans and subordinated loans related to them from certain subsidiaries of ACS SI. Payment of the Asset Transfer took place on October 31, 2014, November 20, 2014, November 27, 2014, December 10, 2014 and December 23, 2014 upon fulfilment of certain conditions precedent (the authorization from certain public entities and the consent from certain financing entities).

Corporate Structure

The following summary chart sets forth our corporate structure and the renewable assets held by each of our Asset Companies:



About ACS, Actividades de Construcción y Servicios, S.A.

The ACS Group has a vast professional experience in the industry of infrastructure development, for both civil and industrial engineering projects. The ACS Group has more than 220,000 employees worldwide, develops its activity on five continents and operates in over 65 countries. The ACS Group's three main business areas are (i) construction (civil works, contract mining and concessions, among other things), (ii) urban waste and facility management (integral industrial and urban waste management) and (iii) industrial services (support services and integrated projects in energy, oil and gas, among others). The ACS Group was founded in 1942 and its shares are listed on the Spanish Stock Exchanges.

In 2013, the ACS Group reported a total revenue of €38.4 billion and EBITDA of €3.0 billion. The ACS Group's total backlog as of September 30, 2014 accounted for €66.1 billion, out of which €7.7 billion corresponded to industrial services activities related to the construction and maintenance of energy facilities, oil and gas assets and industrial installations, including the development of several industrial projects for Pemex (refineries and off-shore platforms) in Mexico for €900 million, the Illanga Termosolar Plant in South Africa for €500 million, several petrochemical plants in the Ras Al Khais industrial complex in Saudi Arabia for more than €1 billion and certain electrical power plants and transmission lines in South America for €300 million.

About ACS, Servicios Comunicaciones y Energía, S.L.

ACS SI is a wholly owned subsidiary of ACS, focused on the development, construction, maintenance and operation of energy, industrial, civil, and mobility infrastructures. ACS SI has over 40,000 employees and operates in more than 55 countries. ACS SI maintains a diverse portfolio including (i) renewable energy

sources and environmental products, (ii) industrial engineering and plants, (iii) network, installation, assembly and services and (iv) technology and systems.

The main business areas of ACS SI are developed through its two principal subsidiaries, Cobra, which is focused on the development, construction, maintenance and operation of energy, industrial and mobility infrastructures, and Dragados Industrial, S.A., which provides civil engineering and construction services for off-shore platforms, modular plants, large-scale equipment and metallic structures, both in Spain and internationally.

ACS SI had total sales volume in 2013 of €7.1 billion and EBITDA of €937 million. ACS SI has increased its backlog during recent years. Total backlog for the nine months ended September 30, 2014 and the years ended December 31, 2013, 2012 and 2011 accounted for, €7.7 billion, €7.4 billion, €7.2 billion and €6.9 billion, respectively.

About Grupo Cobra Gestión de Infraestructuras, S.A.

Cobra is a wholly owned subsidiary of ACS SI which in turn is a wholly owned subsidiary of ACS. Cobra offers ancillary services for electricity, gas and water distributors, communications and railways, installation and assembly of systems involved in electricity, climate control and control systems for industrial and municipal services security systems, and construction and maintenance of industrial plants for electricity generation, oil and gas, desalination and water treatment plants. Cobra Instalaciones y Servicios, S.A. (“CIS”), a wholly owned subsidiary of Cobra, has directly or indirectly through its subsidiaries carried out all of the engineering, procurement and construction (“EPC”) agreements, and is the contractor for all of the operation and maintenance (“O&M”) contracts, for our wind farms and solar thermal plants. Following Admission, Cobra, through its subsidiaries, will continue to carry out its contracts with each of the Asset Companies.

Overview of Our Initial Portfolio

We, as Saeta Yield, own a portfolio of 19 renewable energy assets in Spain with an installed capacity of 688.3 MW, all of which are fully operational and receive regulated revenues from the Spanish electricity system in addition to revenues from sales on the Spanish wholesale market. All of the recurrent cash available for distribution from these assets is denominated in euro. See “—Description of Our Initial Portfolio” for details on project financing limitations on distributions.

Our current assets and operations are organized into the following two renewable energy business lines:

- **Wind:** Our wind assets consist of 16 wind farms located throughout Spain, with a combined gross capacity of 538.5 MW, which produced total revenues of €78.8 million in the ten months ended October 31, 2014.
- **Solar Thermal:** Our solar thermal assets consist of three solar thermal plants located throughout Spain with a combined gross capacity of 149.8 MW, which produced total revenues of €102.7 million in the ten months ended October 31, 2014.

The following table provides an overview of our wind farms and solar thermal plants:

Characteristics of Initial Portfolio

	Asset Company (Owner)	Interest	Currency	Location	Installed Capacity (MW)	Authorized Capacity ⁽¹⁾ (MW)	Status	Counterparty	Revenue 10 months ended Oct. 31, 2014 (€millions)	PAC	SUD	Regulatory useful life remaining (years)
Wind Farm												
Serón 1	Al Andalus Wind Power, S.L.			Almería	50.0	49.5			7.2	December 2008	October 2008	14
Serón 2				Almería	10.0	10.0			1.4	July 2008	May 2008	14
Tijola				Almería	36.8	36.0			5.2	October 2008	July 2008	14
Colmenar 2				Almería	30.0	28.0			3.3	February 2008	December 2007	13
La Noguera				Almería	29.9	28.9			4.3	August 2009	April 2009	15
Las Vegas				Cádiz	23.0	22.0			3.2	February 2009	November 2008	14
Los Isletes				Cádiz	25.3	25.3			3.7	December 2009	August 2009	15
Abuela Santa Ana				Albacete	49.5	49.5			7.9	September 2008 and August 2009	June 2008 – July 2009 ⁽²⁾	14/15
Santa Catalina – Cerro Negro	Parque Eólico Santa Catalina, S.L.	100%	EUR	Valencia	41.5	41.5	Operational	Spanish wholesale market/electricity system		January 2012	January 2012	18
Viudo I				Valencia	40.0	40.0			13.7	January 2012		18
Viudo II				Valencia	26.0	26.0				January 2012		18
La Caldera	La Caldera Energía Burgos, S.L.			Burgos	22.5	22.5			3.6	January 2009	January 2009	15
Sierra de las Carbás	Parque Eólico Sierra de las Carbás, S.L.			Zamora	40.0	40.0			6.8	June 2009	June 2009	15
Tesosanto	Parque Eólico Tesosanto, S.L.			Salamanca	50.0	50.0			8.0	August 2011	August 2011 – June 2012 ⁽³⁾	17/18
Monte Gordo	Eólica del Guadiana, S.L.			Huelva	48.0	48.0			8.1	December 2010	December 2010	16
Valcaire	Parque Eólico Valcaire, S.L.			Granada	16.0	16.0			2.5	December 2012	November 2012	18
Total wind					538.5	533.2			78.8			

	Asset Company (Owner)	Interest	Currency	Location	Installed Capacity (MW)	Authorized Capacity⁽¹⁾ (MW)	Status	Counterparty	Revenue 10 months ended Oct. 31, 2014 (€millions)	PAC	SUD	Regulatory useful life remaining (years)
Solar Thermal Plant												
Extresol 1	Extresol 1, S.L.			Badajoz	50.0	50.0			33.6	December 2009	December 2009	20
Manchasol 2	Manchasol 2 Central Terminosolar Dos, S.L.	100%	EUR	Ciudad Real	49.9	49.9	Operational	Spanish wholesale market/electricity system	35.0	December 2011	June 2011	22
Casablanca	Serrezuela Solar II, S.L.			Badajoz	49.9	49.9			34.1	January 2014	June 2013	24
Total solar thermal					149.8	149.8			102.7			
Total wind and solar thermal					688.3	683.0			181.5			

Notes:—

- (1) We only receive regulated revenues corresponding to the authorized capacity (or maximum administrative authorization) of each plant, as set out on an individual basis per plant by the regional authorities in the respective regions where each plant is located. The authorized capacity is in some cases less than the installed capacity of the plant. The reasons vary for the difference between installed and authorized capacity of a certain plant, the most common being that the equipment (wind turbines or solar panels) is manufactured with standard capacities. For example, there are standard wind turbines with 2MW each, and so a wind farm with an authorized capacity of 49.5 MW will necessarily purchase 50 MW of turbines, creating a difference between the installed and authorized capacity. In other cases, the authorization is a set amount, such as 1.9 MW per wind turbine, in which case for each 2 MW turbine on the wind farm, there would be a 0.1 difference between the installed and authorized capacity. Another reason for the difference is that a facility may have a certain installed capacity, but be unable to feed all the energy produced into the Spanish electricity grid. In this case, the relevant authorities will authorize only the capacity that it is able to be fed into the grid. Electricity generation plants are not allowed to generate electricity beyond their authorized capacity. Therefore, no return may be received for the capacity generated in excess of that one authorized.
- (2) 37.5 MW reached SUD in June 2008 (Abuela Santa Ana 1) and 12 MW in July 2009 (Abuela Santa Ana 2).
- (3) 46 MW reached SUD in August 2011 (Tesosanto 1) and 4 MW in June 2012 (Tesosanto 2)

The following map sets forth the location of our renewable energy assets:



Our Business Strategy

Our primary business strategy is to own, invest in and operate contracted or regulated revenue assets with a recurrent and long-term revenue and cash flow profile and to maintain a sound but flexible financial position in order to sustainability increase the dividends we distribute to our shareholders over time. Our plan for executing this strategy includes the following key components:

Focus on contracted renewable energy and other energy-related assets with long-term contracted or regulated revenues

We intend to focus on owning and operating these types of assets, for which we possess deep know-how, extensive experience and proven systems and management processes, as well as the critical mass to benefit from operating efficiencies and scale.

Increase cash available to grow our dividend per Share through the acquisition of new assets in the renewable energy and other energy-related assets

We expect the ROFO and Call Option Agreement to provide us with access to a large number of acquisition opportunities that will allow us to achieve accretive growth over the next few years. Additionally, we intend to analyze other potential acquisitions from third parties. We believe that our know-how and operating expertise in our key markets, together with critical mass of assets and the access to capital provided by being a listed company will permit us to successfully realize our growth plans. For more information on the ROFO and Call Option Agreement see “Related Party Transactions—ROFO and Call Option Agreement”.

Mutually beneficial relationship with ACS SI and GIP

The creation of a long-term partnership intended to allow us to benefit from ACS SI’s expertise in developing greenfield projects and GIP’s infrastructure management experience and investment expertise, in order to provide further visibility to the development of new projects in the long term. DevCo is a company resulting from the joint venture of ACS and GIP, which will be dedicated to the development of greenfield renewable projects and which will benefit from the combination of the expertise of ACS, a worldwide leading project development firm, and the support from one of the leading infrastructure funds worldwide.

In addition, our partnership with ACS SI will set a milestone in ACS SI’s growth strategy, reinforcing the growth of ACS SI’s concessional business while providing ACS SI with financing from our dividends. ACS SI will focus on its traditional business (EPC and O&M) while we will provide a low capital vehicle to hold operating assets, building a partnership with ACS SI to develop future projects. We will therefore be able to focus on producing a return to our shareholders through our renewable energy assets with the support and proven track record of ACS SI behind us.

Not only we will benefit from the partnership with ACS and GIP, but we will also have their support as they are the largest shareholders in Saeta Yield

Leverage on Cobra’s operational knowhow to improve the operation of the assets in our current portfolio

All of the assets in our initial portfolio are operated and maintained, through existing O&M agreements, by subsidiaries of Cobra, which is in turn a wholly owned subsidiary of ACS SI. we expect that this relationship will help us maintain the performance levels and the relatively low operating costs which our assets have demonstrated in the past and maintain long term and stable cash flow generation for distribution to shareholders. We expect that the operational experience acquired from Cobra will allow us to rapidly reach ramp-up operations for assets after the receipt of the relevant start-up certificates. Such rapid functionality upon receipt of the relevant start-up certificate should allow new assets to contribute to increased cash flow generation.

Shareholder-oriented financial strategy

We intend to focus on maximizing the cash generation potential of the assets currently held in our portfolio. With cash received from our regulated revenue assets, we intend to distribute quarterly dividends of substantially all cash available subject to provisions to allow for the prudent management of our business.

Maintain a sound and disciplined capital structure policy with financial flexibility

We intend to analyze all available funding sources to select the best mix for our shareholders going forward. Our current capital structure is mainly based on credit facilities at the project level. We intend to regularly review alternatives to finance future acquisitions and refinance our existing debt, in order to minimize costs and adapt our debt maturity profile to our operating assets profile in order to maximize cash distributions to our shareholders over time. Additionally, we intend to maintain financial flexibility by holding cash in Saeta Yield and incurring revolving credit facilities at Saeta Yield level. We anticipate that these instruments, together with our access to the capital markets through our condition as a listed company, should provide us with the flexibility to accomplish future acquisitions and to maintain our shareholder remuneration policy throughout the year.

Our Growth Strategy

Our growth strategy is focused on renewable energy and other energy infrastructure related assets (including electricity transmission lines and gas transmission networks, for example) with long-term contracted or regulated revenues. We intend to grow our recurrent cash available for distribution and, in turn, dividend per Share, by optimizing the operations of our existing assets and by acquiring and operating new long-term contracted or regulated revenue assets which generate stable cash flows, both from third parties and from ACS SI under the ROFO and Call Option Agreement (and, once it has acceded to the ROFO and Call Option Agreement, from DevCo) and from third parties. ACS SI has informed us of its intention for Saeta Yield to serve as a vehicle for owning, operating and acquiring contracted or regulated assets. ACS SI and DevCo may assist us in pursuing such acquisitions by presenting acquisition opportunities to us. In general, we expect to acquire only assets that are developed and operational, and we expect ACS SI to continue to pursue construction and development opportunities for its own account. Under the ROFO and Call Option Agreement, neither ACS SI nor DevCo is obligated to sell any of the ROFO Assets to us by any date or to accept any offer we make for any ROFO Asset, except for the Call Option Assets or unless our offer matches the price, terms and conditions contained in ACS SI or DevCo's proposal, if ever made to us). As a result, we do not know when, if ever, ACS SI or DevCo will offer or sell to us any of the ROFO Assets (except for the Call Option Assets). See "Related Party Transactions—ROFO and Call Option Agreement" for a description of the main terms of the ROFO and Call Option Agreement.

We intend to leverage ACS SI and GIP's capabilities to develop, finance, build and operate assets in our target sectors, which we expect may generate accretive growth for our shareholders if purchased by Saeta Yield. We intend to use the following criteria to evaluate prospective acquisitions and execute our accretive growth strategy, initially under the ROFO and Call Option Agreement and from third parties:

- high quality offtakers, with long-term contracted or regulated revenues, ideally longer than 20 years;
- attractive project financing, either proposed or in place at each project;
- assets that fit within the management and operational know-how in systems and processes at Saeta Yield;
- focus on regions and countries that provide growth opportunities while balancing security and risk considerations, including the European Union, the United States and Latin America; and
- preference for revenues denominated in a strong currency, in the absence of which, we would implement an ad-hoc hedging policy to support the stability of cash flows.

Our agreements with ACS SI and DevCo will not prohibit ACS, ACS SI or DevCo from acquiring developing or operating, without the participation of Saeta Yield, contracted or regulated revenue assets that fall within the business strategy of Saeta Yield. See "Risk Factors—Risks Related to Our Relationship with the ACS Group and ACS SI—Existence of potential conflict of interest between Eyra and Cobra and us that may be resolved in a manner that is not in our best interests".

Through the ROFO and Call Option Agreement, we expect to benefit from ACS SI and DevCo's knowhow in selecting and developing profitable turnkey projects. We may also have access to new energy projects with long term contracted or regulated revenues within our target sectors that we expect to feed our accretive growth strategy, increase the cash flow generation on an ongoing basis and maintain a balanced portfolio.

Leveraging our own experience and that of ACS SI and GIP in selecting, developing, financing and operating attractive assets aligned with our industrial focus and strategy, we will aim to maintain a steady pipeline of new projects in the markets that we consider key for expansion in order to continue contributing growth to Saeta Yield.

The Initial ROFO Assets comprise certain wind, solar thermal, power thermal and electric transmission energy assets in Spain, Peru, Mexico, Portugal and Uruguay. The Call Option Assets comprise the Extresol 2, Extresol 3 and Manchazol 1 Spanish solar thermal plants.

See “—Description of the Initial ROFO Assets” for a description of the main characteristics of the Initial ROFO Assets and “Related Party Transactions—ROFO and Call Option Agreement” for a description of the main terms of the ROFO and Call Option Agreement.

Our Competitive Strengths

We believe that the following are our competitive strengths, which put us in a good position to successfully execute our business strategies:

High quality, initial asset portfolio with stable performance

Our current assets consist of fully operational wind and solar thermal plants with long term regulated remuneration schemes that incorporate cutting-edge technology. Our assets have a superior overall track record of performance, which has historically resulted in a minimum availability of 99% of power production in our wind farms over the last five years and 106% of power production in solar thermal plants over the past three years. This has historically ensured a predictable cost structure for the plants. Our availability track record has also historically resulted in production levels and capacity factor exceeding the minimum required by regulation to receive the remuneration scheme. Our initial portfolio assets benefit from long term regulated remuneration schemes (16 years for wind farms and 22 years for solar thermal plants).

Through our solar thermal plants, Cobra was the first EPC contractor in Spain to incorporate thermal storage technology with an average of 7.5 hours. Such ability allows our solar thermal plants to produce 30% more energy than plants with the same capacity but without storage infrastructure. Additionally, this storage capacity allows us to choose the time during which we sell our electricity to the wholesale market. This means we can obtain higher wholesale market prices than if we were to sell the electricity at daily peak times.

Cash flow visibility underpinned by a new regulatory framework in Spain

We believe our current portfolio of wind and solar thermal assets will provide a stable and predictable cash flow to our shareholders, following the new Spanish electricity regulatory framework under the 2013 Royal Decree-law, 2013 Electricity Act, the 2014 Royal Decree and the 2014 Revenue Order. See “Regulation—Spanish Framework”. Together, these laws and regulations are a revision of the electricity law from 1997 and establish the new regulatory regime for the renewable energy sector in Spain. The new regime aims to supply electricity to Spain at a lower cost while maintaining financial and economic balance in the Spanish electricity system. We believe these new regulations will help to resolve the economic imbalances of the system and bring stability to the energy sector in Spain.

Platform to benefit from accretive growth opportunities through contracted and regulated assets in attractive markets

We have signed a ROFO and Call Option Agreement with ACS SI, which shall enter into force on the date of Admission (to which DevCo will accede following the completion of certain conditions precedent), which we envisage will give us access to new energy and energy infrastructure related projects with long term contracted or regulated revenues within our target sectors to feed our accretive growth strategy and increase our cash flow generation on an ongoing basis, while allowing us to maintain a balanced portfolio.

As part of the ROFO and Call Option Agreement, an initial pool of assets has been identified, which meet our target sector criteria and which are either in operation or under construction or development (Initial ROFO Assets). We also own a call option over the Spanish Initial ROFO Assets which are in operation and in which ACS SI owns a 100% interest.

The alliance between ACS and GIP for the creation of DevCo in order to develop new renewable energy projects, will reinforce the platform to which we have access to continue growing on an accretive basis.

Portfolio of multi-technology assets strategically positioned

Our portfolio of assets uses renewable technologies that we expect to benefit from long-term trends in the electricity sector, generating low or no emissions. In addition, the ROFO Assets that we may acquire serve markets where we expect growth in demand in the future. As a result, we believe that we may be able to benefit from in the future from opportunities to repower some of our assets at the end of their lives.

Optimal capital structure to fund accretive acquisitions and maximize return to our shareholders

As of October 31, 2014, our net financial debt was €1,012 million, all structured through project financing. Our adjusted net financial debt as of October 31, 2014 was €799 million. See “Capitalization and Indebtedness—Net Financial Debt” for a description of the adjustments. This level of indebtedness represents our net debt divided by the annualized Adjusted EBITDA for the ten months ended October 31, 2014 of 5.2x. Approximately 75% of our interest rate exposure is hedged. Following the Early Debt Repayment, the Partial Cancellation of Derivative Contracts and the Al Andalus Derivative Resetting, we expect our current capital structure, combined with our stable cash flow generation, to meet the covenants in our project finance agreements. For more information on the Early Debt Repayment, the Partial Cancellation of Derivative Contracts and the Al Andalus Derivative Resetting, see “Capitalization and Indebtedness”.

In order to maximize cash extraction from plants and optimize the cash distribution to shareholders, we have made contributions to the Asset Companies in the form of subordinated loans and participative loans, totaling approximately €459 million as of October 31, 2014. This structure is intended to help to maximize the cash efficiency, as the current interest payments and principal repayments to be made by the Asset Companies should provide liquidity on an ongoing basis. We expect that these subordinated loans and participated loans, the dividend payments from the Asset Companies and the creation of restricted loans between the Asset Companies and Saeta Yield should give rise to cash payments to Saeta Yield.

Under the new CIT Act, however, financial expenses derived from participative loans granted after June 20, 2014 by companies which belong to the same corporate group, as defined by Article 42 of the Spanish Commercial Code (without taking into consideration the tax residence or the obligation to prepare consolidated annual accounts), will not be generally deductible for CIT purposes.

After considering the adjustments concurrent with the Offering, our capital structure is complemented by a sound liquidity position amounting to €134 million of adjusted consolidated cash as of October 31, 2014 (excluding the €53 million in the debt service reserve account), including €50 million of cash and a revolving credit facility of €80 million at the Saeta Yield corporate level, which we are currently negotiating with the Underwriters. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources”. We intend to lever on our liquidity position to hedge against seasonality’s impact on our revenue generation in order to pay the quarterly dividend to our shareholders and provide a cushion to fund initial accretive growth acquisitions.

Saeta Yield counts on additional sources to obtain financing to fund future growth, such as the following revenues: (i) Saeta Yield is currently unlevered, leaving room to obtain financing supported by a stable cash flow business credit profile; (ii) Valcaire and Casablanca are debt free, leaving us room to lever the plant with project financing ; and (iii) Saeta Yield may raise fund by accessing the equity capital markets.

Sponsor with a unique reputation and track record worldwide combined with support from one of the leading independent infrastructure funds in the world

According to Engineering News Record Global Sourcebook 2013, the ACS Group is a recognized worldwide leading construction company, and was the largest international contractor in 2013 with U.S.\$44.1 million in revenues and a strong position in the power development sector, where the ACS Group was also ranked as the third largest developer worldwide.

We believe our relationship with ACS SI and Cobra, which both have longstanding track records and strong reputations in the market, will provide us with significant benefits, including a proven platform to source the future growth of our company. Additionally, the alliance between ACS and GIP is expected to grant a strong visibility on our future access to new projects.

We expect that our agreements with ACS SI and Cobra will provide the following benefits:

- **ROFO and Call Option Agreement:** Through the ROFO and Call Option Agreement we should have access to new energy and energy infrastructure related projects with long term contracted or regulated revenues within our target sectors that will feed our accretive growth strategy by increasing the cash flow generation on an ongoing basis and maintaining a balanced portfolio.
- **Construction expertise:** The ACS Group is the most geographically diverse contractor worldwide (ranking within the top four contractors in Asia, Europe, the United States and Latin America) and the sixth largest global contractor group worldwide, according to the Engineering News Record Global Sourcebook 2013.

ACS, through its subsidiaries, has been recently awarded important contracts to build, develop and/or operate different infrastructures around the world, such as the Lima Subway line for €3,900 million, the Sydney Light Train expansion for €2,200 million, the Ottawa Light Train development for €700 million, the Orbital Highway in Qatar for €700 million, the A7 highway connecting Hamburg and Bordseshold for €400 million and an Ohio highway in the United States for €500 million.

- **Track record in developing projects and pipeline:** ACS SI has a strong track record, having developed 1,400 MW of wind farms, 500 MW of solar thermal plants, more than 10,200 km of transmission lines. ACS SI has also developed more than 8,000 MW of conventional energy projects for third parties in an EPC role. We expect that ACS SI will be a source of a significant pipeline of contracted or regulated revenue projects in operation which will support the future growth of our company.

ACS SI has extensive experience in investing in the energy sector, with more than €4.5 billion invested in the renewable energy sector (€1.5 billion in wind farms and €3.0 billion in solar thermal plants), and approximately €2.4 billion in transmission lines in the last 10 years.

In addition to the initial asset portfolio contributed to Saeta Yield and the Initial ROFO Assets, ACS SI also currently operates and/or is developing, among other assets, (i) 36.6% stake in a 110MW solar thermal plant in the United States (ii) interest in two wind farms in Spain with a total installed capacity of 13.5 MW; (iii) four transmission lines in Brazil totaling 2,136 km; (iv) one electrical substation in Brazil; (v) solar thermal plants in Spain with a total installed capacity of 100 MW through minority interests; (vi) one thermal plant in Peru with a total installed capacity of 223 MW; and (vii) gas storage and combustion cycle plants.

ACS SI's expertise is not limited only to power but extends to water, railways, communication and industrial plants.

- **Expertise in developing pioneer projects:** ACS SI has been at the forefront of innovation on many projects, such as being the first company to build solar thermal plants with 7.5 hours of storage, developing an innovative configuration of a hybrid solar plant which combines energy generation with other energy sources, decreasing the costs in tower plants making plants with over 100 MW capacity feasible, developing a new off-shore wind turbine foundation system that helps reduce EPC costs for off-shore wind farms, establishing the first charging stations for electric vehicles in different Spanish cities. We rely on their expertise to remain at the forefront of technological innovation for our wind and solar thermal assets.
- **GIP, one of the world's leading independent infrastructure funds with approximately U.S.\$20 billion of assets under management:** The agreement between ACS and GIP as shareholders in a company dedicated to the development of greenfield renewable projects will provide us with ongoing access to new projects through the ROFO and Call Option Agreement. The combination of ACS' project development expertise and GIP's investment capabilities is expected to result in a source of new projects development, providing further visibility on our long term accretive growth.

GIP's investment in Saeta Yield and DevCo as a core investor reinforces our business model.

- **Cobra Operation & Maintenance expertise:** Cobra is the industrial services branch of ACS SI, and is recognized in its own right as a company covering the full value chain through turnkey projects (project development, engineering, EPC and O&M). Cobra's capabilities, combined with ACS SI's multidisciplinary expertise, represents a unique platform for the operation of our assets and for future growth of our company. Our O&M agreements with Cobra provides that Cobra, with large experience on this field, will continue to efficiently operate and support our assets. Cobra has extensive experience in the operation and maintenance of wind farms and solar thermal plants. Cobra is a recognized O&M operator of solar thermal plants, having produced more than 4.5TWh since 2009, out of which approximately 1.5TWh have been produced with thermal storage.
- **Financing expertise:** Together, the ACS Group and ACS SI have raised €14.0 billion (of which over €4 billion were raised through the capital markets) in financing since 2011, both through recourse and non-recourse financing and through capital markets and bank financing. The ACS Group has strong experience in project finance, with more than €5.0 billion raised in project financings since 2003 and a proven track record of bank line renewals. The ACS Group, through its operating companies, is currently negotiating over €6 billion in project financing for more than 20 awarded projects. We believe that the ACS Group and ACS SI's expertise in financial structuring, together with their capacity to access to the key decision makers through longstanding, diverse banking relationships with more than 200 credit entities internationally and their ability to optimize the capital structure and minimize financing requirements can assist us in financing our growth projects.
- **ACS Control Center:** ACS SI, through Centro de Control Villadiego, S.L. ("Centro de Control Villadiego"), owns and operates a control center (referred to below as "CECOVI") capable of remotely supervising and operating its renewable energy facility clients. CECOVI allows the facilities to increase their availability and overall production by minimizing periods of downtime. CECOVI also fulfills the legal requirement that all Spanish renewable energy facilities be associated with a control center, which is connected with the main control center of the Spanish electricity system operator (Red Eléctrica de España, S.A.U. ("REE")) and capable of (i) receiving instant information from these facilities in relation to power, voltage and connection status, among other things, and (ii) remotely regulating production. Currently CECOVI operates approximately 1,500 MW of renewable energy power plants, owned mainly by ACS SI but also including third party clients. Each of the Asset Companies in our portfolio has entered into a Control Center Services Agreement with Centro de Control Villadiego, S.L. and benefits from its supervision and operational services. See "Related Party Transactions—Control Center Services Agreements".

Win-win relationship with ACS SI and GIP

We believe our partnership with ACS SI and GIP will create a virtuous circle in which ACS SI will focus on its traditional businesses of new projects development and construction (EPC) and operation and maintenance (O&M) and GIP will bring global experience in the management of infrastructure and renewable power generation assets, providing us with access to significant accretive growth opportunities, while providing ACS SI and DevCo with access to a low cost of capital vehicle and a source of external financing for operating assets. We will benefit from the delta between the internal return rate required by ACS SI and DevCo on their projects and expected lower cost of equity in Saeta Yield, meaning that our acquisition of projects from ACS SI is expected to be accretive to both parties.

This virtuous circle represents a mutually beneficial relationship, which will align our interests with the interests of our sponsor. From our perspective, the relationship with ACS SI will provide us preferential access to the existing and future project pipeline of a worldwide leading developer. From ACS SI's perspective, Saeta Yield will set a milestone in its growth strategy, reinforcing the growth of ACS SI's concessional business while providing ACS SI with financing from our dividends.

Additionally, the mutually beneficial partnership between us and our sponsors will be reinforced by ACS SI and GIP's participation in our share capital.

Experienced and separate management team combined with a strong and independent corporate governance structure

Our management team has extensive experience in the renewable energy sector, having participated in the full value chain through renewable turnkey projects. We believe that their technical experience, together with extensive experience in finance, will help us maximize generation of cash flow available to our shareholders while driving future growth through accretive acquisitions. Furthermore, our management team has not only demonstrated technical experience in managing wind and solar assets, they also have a background in developing and managing other technologies such as electric grid connection, which will support the future growth of our portfolio.

Our management team will be fully dedicated to our operations and independent from the ACS Group and ACS SI. They will see their financial incentives entirely aligned with the performance of Saeta Yield and in particular the delivery of adequate returns to our shareholders. Corporate governance principles in place will help avoid conflicts of interest between us and the ACS Group and ACS SI.

Our management team will be reinforced with a strong corporate governance structure, establishing independence from our sponsor. In order to implement such independence, we have governance mechanisms in place to prevent any value transfer to our sponsor, including the following, among others: (i) a majority of the members of our Board of Directors are independent, as are a majority of the members of our Audit Committee and Appointment and Compensation Committees; (ii) ACS SI representatives must abstain from any vote of our Board of Directors on the related party transactions, with ACS SI representatives abstaining from voting. See “Board of Directors and Management” and “Related Party Transactions”.

Attractive tax profile

Beginning in 2016, Saeta Yield and all of its Asset Companies are expected to pay CIT in Spain as a tax group in accordance with the Spanish tax consolidation regime (*Régimen de Consolidación Fiscal*), which allows for compensation of profit and loss that could be generated by the different project companies in the tax year, and also offsets the effect in taxable income of subordinated loans remuneration, subject to the general limitations provided in the Spanish Corporate Income Tax Law (the “CIT Law”).

In addition, a significant portion of the cost incurred in the construction of Manchasol 2, Tesosanto, Viudo I, Viudo II, Cerro Negro, Monte Gordo and Casablanca, consisting mainly of the cost incurred from 2009 to March 2012, is entitled to the tax incentive of accelerated depreciation in accordance with general Spanish tax legislation not specific to renewable assets.

The joint use of both the tax consolidation and accelerated depreciation tax regimes provides a significant tax payment deferral. We do not expect to pay any amount for CIT from 2016 to 2021. Certain payments may become due on account of CIT, to be later reimbursed by the tax authorities in the short term. See “Regulation—Spanish Framework—Tax on Electricity Sales”.

Under this scheme we do not expect to generate net operating losses (“NOLs”) for tax purposes from 2016 forward, so the limits on the NOL compensation recently enacted in the Spanish tax legislation (i.e. according to which NOLs can be used to compensate up to 70% of the future taxable income) will not affect us, except for some non significant individual NOLs generated by Asset Companies before 2015 (mainly Casablanca which has NOLs amounting to €32.9 million as of December 31, 2013). Furthermore, most of the Assets Companies previously belonged to the ACS tax group and were transferred to Saeta Yield pursuant to the Asset Transfer, so their NOLs have been offset up to 2013 in ACS tax group.

Description of Our Initial Portfolio

Revenues

Our revenues for the ten months ended October 31, 2014 amounted to €181.5 million.

Our total revenue from wind energy for the ten months ended October 31, 2014 amounted to €78.8 million and our total revenues from solar thermal energy for the same period amounted to €102.7 million. All of our revenues consist of revenues generated from the generation and sale of electricity as described for

each period in “Management’s Discussion and Analysis of Financial Condition and Result of Operations Factors Affecting Our Results of Operations—Revenues” above.

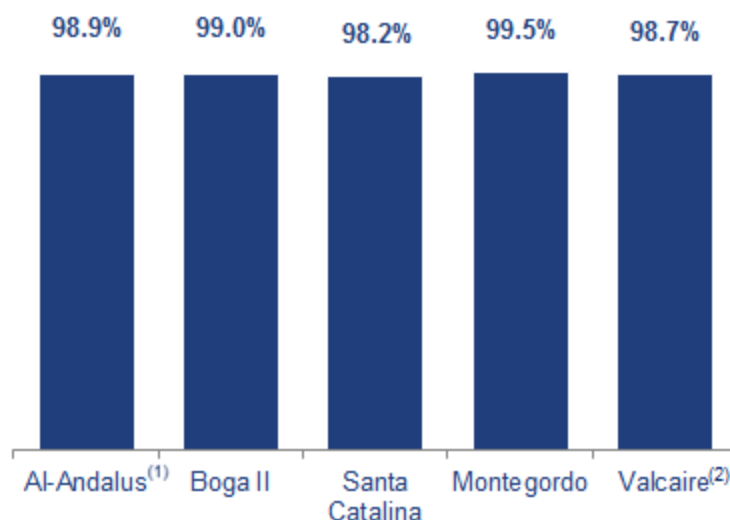
All of our renewable energy plants in Spain sell the power they produce into the Spanish wholesale market, managed by OMIE and receive additional payments from the Spanish electricity system through the Spanish regulator, CNMC. According to the 2013 Electricity Act, the addition of expected revenues from the wholesale market plus regulated payments should allow all our renewable energy installations to obtain a pre-tax rate of return of 7.39% for the first regulatory period (2014-2019) (the reasonable rate of return). The reasonable rate of return of 7.39% recognized under the new remuneration scheme is calculated for each plant type, taking into account certain standard investment and operating costs. However, in practice, the reasonable rate of return that each plant actually receives may be higher or lower than that 7.39% to the extent that its investment and operating costs are higher or lower than the standard costs that have been taken into account for the plant types in which each have been categorized (for example, if a developer has been very efficient in its investment, its return could be higher than the 7.39% recognized in the regulations. Conversely, for a developer that has acquired a plant at a price higher than the standard investment costs or whose investment has been less efficient, would be expected to have a lower rate of return). This return may be reviewed by the Spanish government every six years, with the first review scheduled for in December 2019, and will be based on the cost of Spanish long-term sovereign bonds plus a spread. See “Regulation”.

In addition to the revenues from the sale of electricity in the Spanish wholesale market, our solar thermal power plants receive two monthly payments from the Spanish electricity system in order to achieve the Reasonable Rate of Return provided by the current regulations. These payments are comprised of: (i) a fixed monthly payment based on installed capacity which is designed to recoup our initial investment cost related to the plant’s construction, and (ii) a variable monthly payment based on net electricity produced which is designed to recoup our operation and maintenance costs. Our wind power assets receive only one monthly payment from the CNMC, the fixed monthly payment based on installed capacity. They do not receive the variable payment, as it is expected that they will recover the operating expenses by selling the electricity in the market. Further, there is a maximum number of production hours per year beyond which no variable payment is received by our solar thermal assets. The regulation also includes a minimum number of annual hours of generation, under which each plant would receive no regulated investment remuneration, and another higher threshold below which regulated payments would be reduced to a certain annual amount. Barring major operational issues, we do not expect any of our plants to fail to achieve these minimum levels of production. See “Regulation”.

Wind Assets

Wind turbines harness the natural force of the wind to power to produce electricity. The energy in the wind turns three propeller-like blades around a rotor, which is located within the nacelle, or the box at the top of the turbine. Within the nacelle, the rotor is connected to a shaft which in turn spins a generator that uses magnetic fields to convert rotational energy into electrical energy. Wind turbines are mounted on a tower, normally 30 meters (100 feet) or more above the ground, so they can take advantage of faster and less turbulent wind. Electricity moves from the turbine to a transformer, which converts the energy generated into usable energy for distribution. This conversion can be as great as from 700V at the turbine to 33,000V for distribution. The converted energy then is sent to a power substation connected to the Spanish power grid for distribution throughout the country.

Our 16 wind farms are all located onshore in geographical areas with stable winds, which are strongest in the winter months. They have an average operational life of three years from the start-up date. During the period from July 2013 to June 2014, our wind turbines had an average availability of 98.9%. The following chart shows the average availability of our wind farms during the period from July 2013 to June 2014:



Notes:—

- (1) Al Andalus comprises Serón 1, Serón 2, Tijola, Colmenar 2, La Noguera, Las Vegas, Los Isletes and Abuela Santa Ana; “Boga II” refers to La Caldera, Sierra de las Carbas and Tesosanto.
- (2) Average availability during the period from December 2013 – June 2014

Share Capital Structure

Saeta Yield is the sole shareholder of all the Asset Companies that own our wind farms.

Remuneration Scheme

The following table sets forth the remuneration scheme of the wind assets as set out in the 2014 Royal Decree and 2014 Revenue Order.

2014 Revenue Order Code	Plants	MW	Remuneration to investment (€k/MW)	Spanish Wholesale Market Price (€/MWh) ⁽¹⁾		
			2014-2016 ⁽²⁾	2014	2015	2016
IT-00657	Colmenar 2	28.0	74.3	42.9	44.0	44.2
IT-00658	Serón 1, Serón 2, Tijola, Las Vegas, Abuela Santa Ana 1 ⁽³⁾	155.0	107.2	42.9	44.0	44.2
IT-00659	La Noguera, Los Isletes, La Caldera, Sierra de las Carbas, Abuela Sta. Ana 2 ⁽³⁾	128.7	115.6	42.9	44.0	44.2
IT-00660	Monte Gordo	48.0	124.8	42.9	44.0	44.2
IT-00661	Teosanto 1 ⁽⁴⁾	50.0	109.1	42.9	44.0	44.2
IT-00662	Viudo I, Viudo II, Sta. Catalina, Valcaire, Teosanto 2 ⁽⁴⁾	127.5	105.0	42.9	44.0	44.2

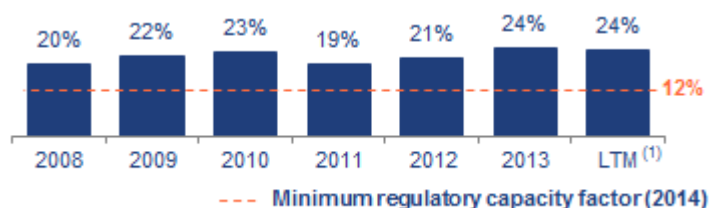
Notes:—

- (1) This market price is the estimate contained in the 2014 Revenue Order. The actual market price we receive could be higher or lower than estimated. From January 1, 2014 through November 30, 2014, the actual market price was lower than the estimated price in the 2014 Revenue Order.
- (2) Annual amounts applicable during the whole first statutory half-period (i.e. in years 2014, 2015 and 2016).

- (3) 37.5 MW were commissioned in June 2008 (Abuela Santa Ana 1) and an extension of 12 MW was commissioned in July 2009 (Abuela Santa Ana 2).
- (4) 46 MW were commissioned in August 2011 (Tesosanto 1) and an extension of 4 MW was commissioned in June 2012 (Tesosanto 2).

Capacity Factor

The 2014 Revenue Order states that for renewable energy plants to receive their regulated payments, they need to operate for an annual minimum total number of hours (1,050 hours for wind farms and 1,632 hours for solar thermal plants). The annual capacity factor represents the actual hours of a plant’s operation as a percentage of the maximum total number of hours it theoretically could be in operation during the same period, or 8,760 hours (24 hours a day multiplied by 365 days a year). Thus, the annual capacity factor to be achieved in accordance with the 2014 Revenue Order is the minimum number of annual hours stated in the 2014 Revenue Order divided by 8,760, or 12% for wind farms and 19% for solar thermal plants. As each of our wind farms and solar thermal plants has historically operated in excess of the minimum annual operating hours needed to receive their regulated revenues in accordance with the 2014 Revenue Order, their actual capacity factors have also been higher than those necessary to receive regulated revenues. The following chart sets forth the total average capacity factor of our combined wind farms since 2008:



Note:—

- (1) Capacity factor for the twelve months ending June 30, 2014.

Performance Overview

The following table sets forth the production and average annual availability for each of our wind farms for the years ended December 31, 2008-2014.

Wind Asset	2008		2009		2010		2011		2012		2013		2014		Average Production ⁽³⁾
	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	Production (MWh) ⁽¹⁾	Average Annual Availability (%) ⁽²⁾	
Serón 1.....	23,486		91,099	97.7	96,015	98.0	81,677	98.9	88,118	99.0	104,257	98.9	98,253	99.1	83,272
Serón 2.....	11,765	94.4	15,685	98.8	18,855	98.5	14,956	98.7	18,066	99.4	22,373	99.4	20,224	98.9	16,646
Tijola.....	17,879	94.8	68,900	97.6	66,865	98.2	54,361	98.9	65,424	98.6	78,444	99.2	74,944	99.1	60,437
Colmenar 2....	40,068	96.0	43,454	97.2	39,549	93.8	33,559	98.3	40,712	96.2	48,354	96.0	44,357	97.5	41,371
La Noguera ...			31,867	97.3	55,213	98.5	47,552	99.0	50,396	98.5	53,603	98.5	54,634	97.2	48,871
Las Vegas.....			43,668	98.0	50,905	98.5	52,132	98.6	37,863	99.1	45,221	99.1	37,065	99.2	44,475
Los Isletes			4,010		54,989	97.7	55,657	98.9	42,978	99.0	48,401	99.2	42,048	99.0	41,347
Abuela Santa Ana.....	30,206		99,347	98.2	108,805	99.0	88,522	99.3	104,880	99.4	122,447	98.9	117,188	99.1	95,914
Santa Catalina – Cerro Negro.....									72,854	98.4	78,304	98.4	80,293	98.8	77,150
Viudo I.....									61,161	97.7	72,468	97.5	74,099	99.1	72,555
Viudo II.....									46,793	98.8	49,534	97.6	49,662	97.0	48,663
La Caldera.....			52,087	97.9	47,702	98.5	43,655	99.1	48,639	99.2	53,555	98.8	50,390	99.0	49,337
Sierra de las Carbas.....			66,532	97.3	99,102	99.4	86,093	99.1	98,298	99.2	105,663	98.9	104,782	98.6	93,412
Tesosanto							45,069	97.7	113,361	99.4	132,460	99.4	124,285	99.7	103,795
Monte Gordo.							43,434	98.8	84,497	99.2	76,428	99.3	86,073	99.6	72,608
Valcaire.....									2,207		37,233		40,277	98.7	38,756 ⁽⁴⁾
Total wind....	123,404		516,649		638,000		646,667		976,247		1,128,745		1,086,524		

Notes:

- (1) January-December 2014
- (2) January-November 2014
- (3) Average production over period presented in the case of each plant
- (4) Average production over 2013 and 2014

Project Level Financing, Debt Service, Covenants and Intragroup Loans

The description of the project financings entered into by our Asset Companies owning our wind assets, their relevant covenants and the intragroup loans entered into by each of such Asset Companies is described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financing”. Our Asset Companies have remained current on the payments under each of their project financings.

Al Andalus – Serón 1, Serón 2, Tíjola, Colmenar 2, La Noguera, Las Vegas, Los Isletes and Abuela Santa Ana

Overview

Serón 1, Serón 2, Tíjola, Colmenar 2, La Noguera, Las Vegas, Los Isletes and Abuela Santa Ana (the “Al Andalus Wind Farms”), are our eight on-shore wind farms facilities owned by Al Andalus Wind Power, S.L. (the “Al Andalus Asset Company”). The wind farms are located in Almería and Cádiz, which are both in Andalucía in southern Spain, and Albacete, which is Castilla La Mancha in central Spain. All of the Al Andalus Wind Farms are currently operative and represent a total installed capacity of 255 MW. The Al Andalus Wind Farms reached COD on July 29, 2011, with effects from August 16, 2011.

Serón 1 and Serón 2 are located in Serón, which is approximately 83 kilometers (51 miles) northwest of the city of Almería. Serón 1 has an installed capacity of 50 MW (with a maximum administrative authorization of 49.5 MW) with 21 Gamesa G90 wind turbines and four Gamesa G87 wind turbines. Each turbine has a nominal capacity of 2 MW. Serón 2 has an installed capacity of 10 MW with five Gamesa G90 wind turbines. Each turbine has a nominal capacity of 2 MW. Serón 1 reached SUD on October 7, 2008, preceded by Serón 2 on May 21, 2008.

Tíjola is located in Tíjola, which is approximately 92 kilometers (57 miles) north of the city of Almería. Tíjola has an installed capacity of 36.8 MW (with a maximum administrative authorization of 36 MW) with 16 Siemens SWT 2.3-93 wind turbines. Each turbine has a nominal capacity of 2.3 MW. Tíjola reached SUD on July 28, 2008.

Colmenar 2 is located in Fiñana and Abrucena, which are approximately 65 kilometers (40.3 miles) north of the city of Almería. Colmenar 2 has an installed capacity of 30 MW (with a maximum administrative authorization of 28) with 10 Vestas Eólicas, S.A. (“Vestas”) V90 wind turbines. Each turbine has a nominal capacity of 3 MW. Colmenar 2 reached SUD on December 13, 2007.

La Noguera is located in Turrillas and Lucainena Torres, approximately 51 kilometers (31.6 miles) north of the city of Almería. La Noguera has an installed capacity of 29.9 MW (with a maximum administrative authorization of 28.9 MW) with 13 Siemens SWT 2.3-93 wind turbines. Each turbine has a nominal capacity of 2.3 MW. La Noguera reached SUD on April 16, 2009.

Las Vegas is located in Medina-Sidonia, approximately 42 kilometers (26 miles) east of the city of Cádiz. Las Vegas has an installed capacity of 23 MW (with a maximum administrative authorization of 22 MW) with 10 Siemens SWT 2.3-93 wind turbines. Each turbine has a nominal capacity of 2.3 MW. Las Vegas reached SUD on November 27, 2008.

Los Isletes is located in Jerez de la Frontera, approximately 33 kilometers (26 miles) north of the city of Cádiz. Los Isletes has an installed capacity of 25.3 MW with 11 Siemens SWT 2.3-93 wind turbines. Each turbine has a nominal capacity of 2.3 MW. Los Isletes reached SUD on August 25, 2009.

Abuela Santa Ana is located in Pozo Lorente, approximately 34.5 kilometers (27 miles) north east of the city of Albacete. Abuela Santa Ana has an installed capacity of 49.5 MW with 33 General Electric GE 1.5 SLE wind turbines. Each turbine has a nominal capacity of 1.5 MW. Abuela Santa Ana reached SUD on June 6, 2008 (37.5 MW, Abuela Santa Ana 1) and July 27, 2009 (12 MW, Abuela Santa Ana 2).

Engineering, Procurement and Construction Agreement

The construction of the Al Andalus Wind Farms of Abuela Santa Ana, Serón 1, Serón 2 and Tíjola was carried out by Eyra, and construction of the Al Andalus Wind Farms of El Colmenar 2, La Noguera, Las

Vegas and Los Isletes was carried out by *Urbaenergía*, both subsidiaries of *Cobra*, under a fixed price arms-length EPC contract that included customary technical guarantees, such as the obligation to meet specific quality standards, a two-year efficiency guarantee based on a continuous performance testing and a two-year performance guarantee linked to wind farm availability, both of which expired between 2010 and 2011.

Connection and Transmission

Serón 1

Serón I is connected to the *Endesa Distribución Eléctrica S.L.* (“*Endesa*”) distribution grid at the 132 kV Serón substation, owned by *Endesa*.

Serón 2 and Tijola

The evacuation facilities are shared between Serón 2 and Tijola and connect the wind farms to the *Endesa* distribution grid at the *Endesa*-owned 132 kV Serón substation.

Colmenar 2

The Colmenar 2 evacuation facilities belong to *Sistema Eléctrico de Conexión Huéneja, S.L.* (“*SECH*”) (5.345% of which is owned by *Urbaenergía*, with the remainder owned by producers in the area). These facilities connect the wind farm to the 400 kV Huéneja substation, owned by *REE*, passing first through the 220/30 kV Las Torrecillas substation and the 400/220 kV S1-Huéneja substation, both owned by *SECH*. The Huéneja substation is part of the Spanish transmission grid.

La Noguera

The La Noguera evacuation facilities are owned by the *Al Andalus Asset Company* and connect La Noguera to the 132/20 kV Turrillas substation, which is owned by *Endesa* and forms part of the *Endesa* distribution grid.

Las Vegas

The Las Vegas evacuation facilities are owned by the *Comunidad de Bienes Promotores Zede Arcos* (“*Zede Arcos*”) (8.31% of which is owned by the *Al Andalus Asset Company*) and connect to the *REE*-owned 400/220 kV Arcos substation, passing first through the 220/20 kV Medina Norte and Arcos Sur substations, both of which are also owned by *Zede Arcos*. The Arcos substation forms part of to the Spanish transmission grid.

Los Isletes

The Los Isletes evacuation facilities are also owned by *Zede Arcos* and connect Los Isletes to the 400/220 kV Arcos substation, passing first through the 220/20 kV Paterna substation. The Arcos substation forms part of the Spanish transmission grid.

Abuela Santa Ana

The Abuela Santa Ana evacuation facilities are owned by the *Al Andalus Asset Company* and connect Abuela Santa Ana to the 132/20 kV Mahora substation, which is owned by the *Iberdrola Distribución Eléctrica, S.A.U.* (“*Iberdrola*”) distribution company and forms part of to the *Iberdrola* distribution grid.

Operation and Maintenance

Of the *Al Andalus Wind Farms*, Serón 1, Serón 2, Tijola and Abuela Santa Ana have O&M agreements with *Eyra* and Colmenar 2, Las Noguera, Los Isletes and Los Vegas have O&M contracts with *Urbaenergía*, which is also a subsidiary of *Cobra*. All of the O&M agreements have the same terms and conditions, covering the operation of the wind farm and maintenance activities, such as scheduled and unscheduled turbine maintenance, supply of spare parts, wind farm monitoring and reporting services. *Eyra* or *Urbaenergía*, as applicable, guarantees the availability of the wind farms at specified percentages between 95% and 97%, as applicable. These agreements include penalties if the availability of the asset during any

given year does not reach the guaranteed availability. These penalties are limited to a decrease of availability up to 90%. Eyra and Urbaenergía have subcontracted with the relevant wind turbine manufacturers who shall provide wind turbine O&M services for their respective project site (e.g. Gamesa for Serón 1 and Serón 2, Siemens for Tijola, La Noguera, Las Vegas and Los Isletes, Vestas for Colmenar, General Electric for Abuela Santa Ana).

The price for all the Al Andalus Wind Farms is €10.66 per MWh. The applicable consumer price index (“CPI”) will be upgraded on an annual basis. The costs of this agreement for the ten month period ended October 31, 2014 amounted to €4.1 million. Each of the agreements can be terminated in the event of default of any of the obligations under the agreements, unsatisfactory performance and insolvency of any of the parties.

Services Agreement

Saeta Yield has entered into a Services Agreement with the Al Andalus Asset Company, by which we will provide certain administrative and day-to-day management services to them. We will receive a services fee equal to 2% of the combined revenue of the Al Andalus Wind Farms.

Other Operating Costs

Other operating costs, which include all costs except for O&M costs, generation tax and management fee, amounted to €4.2 million in the ten months ended October 31, 2014.

Santa Catalina – Cerro Negro, Viudo I and Viudo II

Overview

Santa Catalina-Cerro Negro (which comprises Muela Santa Catalina and Cerro Negro wind farms), Viudo I and Viudo II, (together, the “Santa Catalina Wind Farms”), are three on-shore wind farms facilities owned by Parque Eólico Santa Catalina, S.L. (the “Santa Catalina Asset Company”). The Santa Catalina Wind Farms are located in Valencia in the east of Spain. All of the Santa Catalina Wind Farms are currently operational and represent a total installed capacity of 107.5 MW. The Santa Catalina Wind Farms reached COD on April 10, 2014.

Santa Catalina-Cerro Negro is located in Alpuente, which is approximately 86 kilometers (52.8 miles) northwest of the city of Valencia. Santa Catalina has an installed capacity of 41.5 MW with 17 General Electric GE 1.5 SLE wind turbines (Santa Catalina) and 8 Gamesa G90 wind turbines (Cerro Negro). The General Electric and Gamesa turbines have a nominal capacity of 1.5 MW and 2 MW, respectively. Santa Catalina-Cerro Negro reached SUD on January 30, 2012.

Viudo I and Viudo II are located in La Yesa, which is approximately 81.6 kilometers (50.7 miles) northwest of the city of Valencia. Viudo I has an installed capacity of 40 MW with 16 General Electric GE 2.5 XL wind turbines. Each turbine has a nominal capacity of 2.5 MW. Viudo II has an installed capacity of 26 MW with 13 Gamesa G90 wind turbines. Each turbine has a nominal capacity of 2 MW. Viudo I and Viudo II reached SUD on January 30, 2012.

Engineering, Procurement and Construction Agreement

The construction of the three wind farms was carried out by Urbaenergía, under a fixed price arms-length EPC contract that includes customary technical guarantees, such as the obligation to meet specific quality standards, a one-year efficiency guarantee based on continuous performance testing and a two-year performance guarantee linked to wind farm availability, both of which expired in January 2014.

Connection and Transmission

Santa Catalina-Cerro Negro

The Santa Catalina-Cerro Negro evacuation facilities connect the Santa Catalina wind farm to the 132 kV Villamarchante substation, which is owned by Iberdrola and forms part of to the Iberdrola distribution

grid. These evacuation facilities include the 132 kV Alpuente substation and a 132 kV high voltage line (“HVL”), both owned by Eyra.

Viudo I and Viudo II

The Viudo I and Viudo II evacuation facilities connect these wind farms to the 132 kV Villamarchante substation, which is owned by Iberdrola and belongs to the Iberdrola distribution grid. These facilities include the 132 kV La Yesa substation and a 132 kV HVL, both owned by Eyra.

Operations and Maintenance

These three wind farms have signed O&M agreements with Urbaenergía for the provision of O&M services. All of the O&M agreements have the same terms and conditions, covering the operation of the wind farm and maintenance activities, such as scheduled and unscheduled turbine maintenance, a supply of spare parts, wind farm monitoring and reporting services. Urbaenergía guarantees 97% availability for all three wind farms (except during 2015 for Viudo I and Cerro Negro where it guarantees 95% availability) and shall pay a penalty if the availability of the asset during any given year does not reach the guaranteed availability. This penalty is limited to a decrease of availability below 90% for the Viudo I and Santa Catalina facilities and limited to 15% of the remuneration perceived by the operator for the Viudo II facility. Urbaenergía subcontracted with the wind turbine manufacturer, General Electric for Santa Catalina and Viudo I and Gamesa for Cerro Negro and Viudo II, for the provision of wind turbine O&M services.

Urbaenergía provides the O&M services to all the Santa Catalina Wind Farms at a price of €8.96 per MWh. The applicable CPI will be adjusted upward on an annual basis. The total costs under this agreement for the ten month period ended October 31, 2014 amounted to €1.5 million. Each of the O&M agreements can be terminated in the event of default of any of the obligations under the agreements, unsatisfactory performance and insolvency of any of the parties.

Services Agreement

Saeta Yield has entered into a Services Agreement with the Santa Catalina Asset Company, by which we will provide certain administrative and day-to-day management services to them. We will receive a service fee equal to 2% of the combined revenue of the Santa Catalina Wind Farms.

Other Operating Costs

Other operating costs, which include all costs except for O&M costs, generation tax and management fee, amounted to €1.3 million in the ten months ended October 31, 2014.

La Caldera

Overview

La Caldera is an on-shore wind farm facility. The wind farm is owned by La Caldera Energía Burgos, S.L. (the “La Caldera Asset Company”).

La Caldera is operational, as at the date of this prospectus, and is located in Villadiego, which is approximately 39 kilometers (24.2 miles) northwest of the city of Burgos. La Caldera has an installed capacity of 22.5 MW with 15 General Electric GE 1.5 SLE wind turbines. The turbines have a nominal capacity of 1.5 MW. La Caldera reached SUD on January 19, 2009 and COD on July 18, 2012.

Engineering, Procurement and Construction Agreement

The construction of the wind farms was carried out by Eyra, under a fixed price arms-length EPC contract that includes customary technical guarantees, such as the obligation to meet specific quality standards, a two-year efficiency guarantee based on a continuous performance test and a two-year performance guarantee linked to wind farm availability, both of which expired on February 1, 2009.

Connection and Transmission

La Caldera evacuation facilities connect the wind farm to the REE-owned 400 kV La Lora substation, passing first through 132/20 kV La Caldera substation (50% of which is owned by La Caldera) and 400/132 kV La Coculina substation (4.07% of which is owned by La Caldera). The connection between the La Caldera and La Coculina substations is through a 132 kV HVL (2.78% of which is owned by La Caldera). The La Lora substation forms part of the Spanish transmission grid.

Operations and Maintenance

This wind farm has entered into an O&M agreement with Eyra. The O&M agreement covers the operation of the wind farm and maintenance activities, such as scheduled and unscheduled turbine maintenance, a supply of spare parts, wind farm monitoring and reporting services. Eyra guarantees the 95% availability of the wind farm and shall pay a penalty if the availability of the asset during any given year does not reach the guaranteed availability. This penalty is limited to a decrease of availability up to 90%. Eyra subcontracted with the wind turbine manufacturer, General Electric, for the provision of wind turbine O&M services.

Eyra provides the O&M services to La Caldera at a price of €10.66 per MWh. The applicable CPI will be adjusted upward on an annual basis. The total costs under this agreement for the ten month period ended October 31, 2014 amounted to €0.4 million. The O&M agreement can be terminated in the event of default of any of the obligations under the agreement, unsatisfactory performance and insolvency of any of the parties.

Services Agreement

Saeta Yield has entered into a Services Agreement with the La Caldera Asset Company, by which we will provide certain administrative and day-to-day management services to them. We will receive a services fee equal to 2% of the revenue of La Caldera wind farm.

Other Operating Costs

Other operating costs, which include all costs except for O&M costs, generation tax and management fee, amounted to €0.3 million in the ten months ended October 31, 2014.

Sierra de las Carbas

Overview

Sierra de las Carbas is an on-shore wind farm facility. The wind farm is owned by Parque Eólico Sierra de las Carbas, S.L. (the “Sierra de las Carbas Asset Company”).

Sierra de las Carbas is currently operational, as at the date of this prospectus, and is located in Ferrerueta de Tabara, which is approximately 47 kilometers (29.2 miles) northwest of the city of Zamora. Sierra de las Carbas has an installed capacity of 40 MW with 20 Vestas V90 wind turbines. Each turbine has a nominal capacity of 2 MW. Sierra de las Carbas reached SUD on June 4, 2009 and COD on July 18, 2012.

Engineering, Procurement and Construction Agreement

The construction of the wind farms was carried out by Urbaenergía, under a fixed price arms-length EPC contract that included customary technical guarantees, such as the obligation to meet specific quality standards, a two-year efficiency guarantee based on continuous performance testing and a two-year performance guarantee linked to wind farm availability, both of which expired on June 6, 2011.

Connection and Transmission

The Sierra de las Carbas evacuation facilities connect the wind farm to the REE-owned 220 kV Ricobayo substation, passing first through the 132 kV Peñanebina substation (owned by Energías Renovables de Peñanebina, S.L.) and the 132 kV Peñaroldana substation (owned by other wind farms in the

area together with Gecal and Energías Renovables de Ricobayo). The Ricobayo substation forms part of the Spanish transmission grid.

Operations and Maintenance

Sierra de las Carbas has entered into an O&M agreement with Urbaenergía. The O&M agreement covers the operation of the wind farm and maintenance activities, such as scheduled and unscheduled turbine maintenance, a supply of spare parts, wind farm monitoring and reporting services. Urbaenergía guarantees the 97% availability of the wind farm and shall pay a penalty if the availability of the asset during any given year does not reach the guaranteed availability. This penalty is limited to a decrease of availability below 90%. Urbaenergía subcontracted with the wind turbine manufacturer, Vestas, for the provision of wind turbine O&M services.

Urbaenergía provides the O&M services to Sierra de las Carbas at a price of €10.66 per MWh. The applicable CPI will be adjusted upward on an annual basis. The total costs under this agreement for the ten month period ended October 31, 2014 amounted to €1.1 million. The O&M agreement can be terminated in the event of default of any of the obligations under the agreement, unsatisfactory performance and insolvency of any of the parties.

Services Agreement

Saeta Yield has entered into a Services Agreement with the Sierra de las Carbas Asset Company, under which we provide certain administrative and day-to-day management services to and receive a services fee equal to 2% of the revenue of Sierra de las Carbas wind farm.

Other Operating Costs

Other operating costs, which include all costs except for O&M costs, generation tax and management fee, amounted to €0.2 million in the ten months ended October 31, 2014.

Tesosanto

Overview

Tesosanto is an on-shore wind farm facility owned by Parque Eólico Tesosanto, S.L. (the “Tesosanto Asset Company”).

Tesosanto is currently operative and is located between Santiz and Palacios del Arzobispo, which are approximately 35 kilometers (21.7 miles) northwest of the city of Salamanca. Tesosanto has an installed capacity of 50 MW with 25 Vestas V90 wind turbines. Each turbine has a nominal capacity of 2 MW. Tesosanto reached SUD on August 18, 2011 (46 MW), adding 4 MW of capacity on June 15, 2012 and COD on July 18, 2012.

Engineering, Procurement and Construction Agreement

The construction of the wind farms was carried out by Urbaenergía, under a fixed price arms-length EPC contract that included customary technical guarantees, such as the obligation to meet specific quality standards, a two-year efficiency guarantee based on continuous performance testing and a two-year performance guarantee linked to wind farm availability, both of which expired on August 8, 2013.

Connection and Transmission

The Tesosanto evacuation facilities connect the wind farm to the REE-owned 220 kV Santiz substation through the 220/20 kV Tesosanto substation, owned by the Tesosanto Asset Company. The Santiz substation forms part of the Spanish transmission grid.

Operations and Maintenance

Tesosanto has entered into an O&M agreement with Infraestructuras Energéticas Castellanas, S.L. (“Ineca”), a subsidiary in which the ACS Group owns a 51% stake. Construcciones y Obras Llorente, S.A.

owns the remaining 49% stake. The O&M agreement covers the operation of the wind farm and maintenance activities, such as scheduled and unscheduled turbine maintenance, a supply of spare parts, wind farm monitoring and reporting services. Ineca guarantees the 95% availability of the wind farm and shall pay a penalty if the availability of the asset during any given year does not reach the guaranteed availability. This penalty is limited to a decrease of availability below 90%. Ineca subcontracted with the wind turbine manufacturer, Vestas, for the provision of wind turbine O&M services.

Ineca provides the O&M services to Tesosanto at a price of €10.66 per MWh. The applicable CPI will be adjusted upward on an annual basis. The total costs under this agreement for the ten month period ended October 31, 2014 amounted to €1.2 million. This O&M agreement can be terminated in the event of default of any of the obligations under the agreement, unsatisfactory performance and insolvency of any of the parties.

Services Agreement

Saeta Yield has entered into a Services Agreement with the Tesosanto Asset Company, under which we provide certain administrative and day-to-day management services to them and receive a services fee equal to 2% of the revenue of Tesosanto wind farm.

Other Operating Costs

Other operating costs, which include all costs except for O&M costs, generation tax and management fee, amounted to €0.7 million in the ten months ended October 31, 2014.

Monte Gordo

Overview

Monte Gordo is an onshore wind farm facility owned by Eólica del Guadiana, S.L. (the “Monte Gordo Asset Company”).

Monte Gordo is currently operational, at the date of this prospectus, and is located in Ayamonte, approximately 47 kilometers (29.2 miles) west of the city of Huelva. Monte Gordo has an installed capacity of 48 MW with 24 Vestas V90 wind turbines. Each turbine has a nominal capacity of 2 MW. Monte Gordo reached SUD on December 16, 2010 and COD on January 17, 2012, with effects from December 15, 2011.

Engineering, Procurement and Construction Agreement

The construction of the wind farms was carried out by Urbaenergía, S.L., under a fixed price arms-length EPC contract that included customary technical guarantees, such as the obligation to meet specific quality standards, a two-year efficiency guarantee based on continuous performance testing and a two-year performance guarantee linked to wind farm availability, both of which expired on December 17, 2012.

Connection and Transmission

The Monte Gordo evacuation facilities connect the wind farm to the Endesa-owned 220/66 kV Costa de la Luz substation, passing through the 66/20 kV Monte Gordo substation and a 66 kV HVL, both of owned by the Monte Gordo Asset Company. The Costa de la Luz substation forms part of the Endesa distribution grid.

Operations and Maintenance

The wind farm has entered into an O&M agreement with Urbaenergía. The O&M agreement covers the operation of the wind farm and maintenance activities, such as scheduled and unscheduled turbine maintenance, a supply of spare parts, wind farm monitoring and reporting services. Urbaenergía guarantees the 97% availability of the wind farm and shall pay a penalty if the availability of the asset during any given year does not reach the guaranteed availability. This penalty cannot exceed an annual amount equal to 100% of the price during the first two years and 30% of the price thereafter. Urbaenergía subcontracted with the wind turbine manufacturer, Vestas, for the provision of wind turbine O&M services.

Urbaenergía provides the O&M services to Monte Gordo at a price of €10.4/MWh with a minimum price per turbine of €41,696. The applicable CPI will be adjusted upward on an annual basis. The total costs under this agreement for the ten month period ended October 31, 2014 amounted to €0.7 million. The O&M agreement can be terminated in the event of default of any of the obligations under the agreement, unsatisfactory performance and insolvency of any of the parties.

Services Agreement

Saeta Yield has entered into a Services Agreement with the Monte Gordo Asset Company, under which we provide certain administrative and day-to-day management services to them and receive a services fee equal to 2% of the revenue of Monte Gordo wind farm.

Other Operating Costs

Other operating costs, which include all costs except for O&M costs, generation tax and management fee, amounted to €0.7 million in the ten months ended October 31, 2014.

Valcaire

Overview

Valcaire is an onshore wind farm facility owned by Parque Eólico Valcaire, S.L. (the “Valcaire Asset Company”).

As of the date of this prospectus, Valcaire is operational and is located in Padul, approximately 24 kilometers (14.9 miles) south of the city of Granada. Valcaire has an installed capacity of 16 MW with 8 Vestas V100 wind turbines. The turbines have a nominal capacity of 2 MW. Valcaire reached SUD and COD on November 15, 2012.

Engineering, Procurement and Construction Agreement

The construction of the wind farms was carried out by EYRA Instalaciones y Servicios S.L. (“EYRA Instalaciones y Servicios”) under a fixed price arms-length EPC contract that includes customary technical guarantees, such as the obligation to meet specific quality standards, a two-year efficiency guarantee based on continuous performance testing and a two-year performance guarantee linked to wind farm availability, both of which expired on December 26, 2014.

Connection and Transmission

The Valcaire evacuation facilities connect the wind farm to the Endesa-owned 132 kV Fargue-Orgiva HVL, through the 132/30 kV Valcaire substation, which is owned by Sistema de Conexión Valcaire, S.L. (25% of which is owned by the Valcaire Asset Company). The Endesa-owned 132 kV HVL forms part of the Endesa distribution grid.

Operations and Maintenance

Valcaire has entered into an O&M agreement with EYRA Instalaciones y Servicios, for the provision of O&M services for a five-year term, renewable on an annual basis (except with prior two months notice from one of the parties). The O&M agreement covers the operation of the wind farm and maintenance activities, such as scheduled and unscheduled turbine maintenance, a supply of spare parts, wind farm monitoring and reporting services. The O&M agreement contains customary technical guarantees, such as two-year repairs guarantee. EYRA Instalaciones y Servicios subcontracted with the wind turbine manufacturer, Vestas, for the provision of wind turbine O&M services

EYRA Instalaciones y Servicios charges us €43,051 per turbine and per year for the O&M services provided at Valcaire. The applicable CPI will be adjusted upward on an annual basis by a minimum of 3% per year. There was no cost of this agreement for the ten month period ended October 31, 2014 because during the first two years following the PAC, the cost of the O&M service is covered by the EPC

contractor's guarantee. The O&M agreement can be terminated in the event of force majeure, default of any of the obligations under the agreement, unsatisfactory performance and insolvency of any of the parties.

Services Agreement

Saeta Yield has entered into a Services Agreement with the Al Andalus Asset Company, by which we will provide certain administrative and day-to-day management services to them. We will receive a services fee equal to 2% of the revenue of Valcaire wind farm.

Other Operating Costs

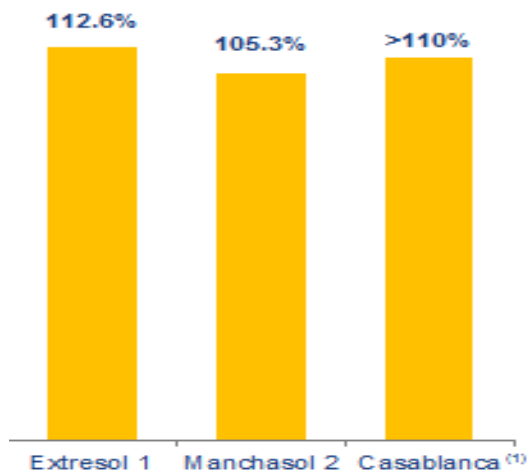
Other operating costs, which include all costs except for O&M costs, generation tax and management fee, amounted to €0.5 million in the ten months ended October 31, 2014.

Solar Thermal Assets

All of our solar thermal assets consist of solar thermal plants, which rely on a conventional parabolic trough shaped mirror concentrating solar power system to generate electricity. The solar energy collected by mirrors in the collectors is used to heat up a thermo-oil heat transfer fluid ("HTF") in a closed-loop system that, in turn, heats water to create steam to drive a conventional steam turbine. Once generated, electricity is transmitted to the distribution grid or the transmission network and through them to the end consumers.

Each of our solar thermal assets employs a two-tank molten salt thermal energy storage system that provides an additional 7.5 hours of energy to increase its efficiency. Heat storage is an easy and efficient process, which makes solar thermal power attractive for large-scale dispatchable energy production. Heat can be stored during the day and then converted into electricity at night, or may be used for selling the stored energy during a time of favorable market prices.

Our solar thermal plants have an average operational life of three years starting from the start-up date. In 2013 and 2014, they had an average performance of 109% as compared to the expected output for a given climate and irradiation conditions and natural gas consumption during 2013 and 2014. The following chart presents the performance of our solar thermal plants from November 1, 2013 to November 1, 2014.



Note:—

- (1) Performance from November 2013 to November 2014 This performance ratio measures the real output obtained vs. the expected output the plant should have obtained under similar climate and irradiation conditions and natural gas consumption.

Engineering, Procurement and Construction

Each of our solar thermal assets entered into an EPC agreement, on arms-length terms, with CIS. These EPC agreements include customary technical guarantees, such as the agreement to meet specific quality standards, the commitment of the constructor to obtain a 100% guaranteed efficiency based on 12-month continuous performance testing. In the case of Casablanca, however, we do not have guaranteed efficiency due to a project-specific agreement with CIS as EPC contractor which allowed for a lower contract price, as we were confident in the level of the EPC performance based upon our existing solar thermal assets.

Operation and Maintenance

All of our solar thermal assets have entered into O&M agreements with CIS. CIS was the first company to build and operate a solar thermal plant with molten salts storage capacity in Spain and has operated solar thermal plants since 2008. These agreements also include customary technical guarantees, such as the achievement of an annual performance level and other commitments, such as, not exceeding the maximum electricity and water consumption. If the efficiency of the asset during any given year does not reach a guaranteed annual efficiency (100% or 100.1% depending on the plant, minus the acceptable deviation range), the operator must pay a penalty amount. Such penalty is calculated as follows (i) if the effective efficiency of the asset is between 100% and 96% minus the acceptable deviation, €150,000 for every 1% below the guaranteed annual efficiency minus the acceptable deviation range and (ii) if the effective efficiency of the asset is less than 96% of the guaranteed annual efficiency minus the acceptable deviation range, €300,000 for every 1% below the guaranteed annual efficiency minus the acceptable deviation range. This penalty cannot exceed an amount equal to 50% of the price perceived by the operator. Efficiency of the asset is calculated based on the parameters of a specific electronic program attached to the EPC contract.

The agreement also includes a bonus paid to the operator. If the efficiency of the asset for any given year reaches an effective annual efficiency (guaranteed minimum efficiency plus the acceptable deviation range) of 100%-104%, the Asset Company must pay the operator €150,000 for every 1% above the guaranteed minimum annual efficiency plus the acceptable deviation range. If the effective efficiency of the asset is more than 104% of the minimum guaranteed annual efficiency plus the acceptable deviation range the Asset Company must pay the operator €300,000 for every 1% above the guaranteed minimum annual efficiency plus the acceptable deviation range. The maximum of this bonus is €400,000 a year. In addition to the bonus, all these O&M agreements contain a fixed price. The fixed prices for Extresol 1, Manchasol 2 and Casablanca are €4.8 million per year, €4.9 million per year, and €5.2 million per year, respectively all updated on an annual basis to the CPI index. The costs of these agreements for the ten month period ended October 31, 2014 amounted to €12.4 million.

Each O&M agreement is a 22-year, all-in contract that expires on the 22nd anniversary of the SUD. Each of the O&M agreements can be terminated in the event of default on any of the obligations under the agreement, unsatisfactory performance and insolvency of any of the parties.

Services Agreement

Saeta Yield has entered into a Services Agreement with each of our solar thermal Asset Companies, under which we will provide certain administrative and day-to-day management services to each of the Asset Companies and receive a services fee equal to €300,000 per year from each of our solar thermal plants.

Other Operating Costs

Other operating costs, which include all costs except for O&M costs, generation tax and management fee, amounted to €2.2 million, €3.0 million and €3.7 million in the ten months ended October 31, 2014 in Extresol 1, Manchasol 2 and Casablanca solar thermal plants, respectively.

Share Capital Structure

Saeta Yield is the sole shareholder of all the Asset Companies that own our solar thermal plants.

Remuneration Scheme

The following table sets forth the remuneration scheme of the solar thermal assets as set out in the 2014 Royal Decree and 2014 Revenue Order.

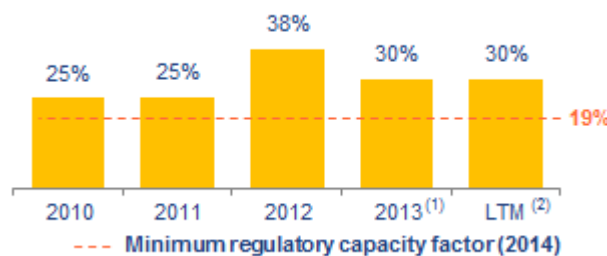
2014 Revenue Order Code	Plants	MW	Remuneration to Investment (€/MW) ⁽¹⁾	Remuneration to Operation (€/MWh)			Spanish Wholesale Market Price Assumed by Regulation (€/MWh) ⁽²⁾		
			2014-2016	2014	2015	2016	2014	2015	2016
IT-00607	Extresol 1	50.0	526.3	37.3	36.7	37.3	49.2	50.6	50.8
IT-00609	Manchasol 2	49.9	557.7	38.0	37.4	38.1	49.2	50.6	50.8
IT-00611	Casablanca	49.9	549.8	37.8	37.2	37.8	49.2	50.6	50.8

Note:—

- (1) Annual amounts applicable during the whole first statutory half-period (i.e. in years 2014, 2015 and 2016)
- (2) This market price is the estimate contained in the 2014 Revenue Order. The actual market price we receive could be higher or lower than estimated. From January 1, 2014 through November 30, 2014, the actual market price was lower than the estimated price in the 2014 Revenue Order.

Capacity Factor

The 2014 Revenue Order states that for renewable energy plants to receive their regulated payments, they need to operate for an annual minimum total number of hours (1,050 hours for wind farms and 1,632 hours for solar thermal plants). The annual capacity factor represents the actual hours of a plant's operation as a percentage of the maximum total number of hours it theoretically could be in operation during the same period, or 8,700 hours (24 hours a day multiplied by 365 days a year). Thus, the annual capacity factor to be achieved in accordance with the 2014 Revenue Order is the minimum number of annual hours stated in the 2014 Revenue Order divided by 8,760, or 12% for wind farms and 19% for solar thermal plants. As each of our wind farms and solar thermal plants has historically operated in excess of the minimum annual operating hours needed to receive their regulated revenues in accordance with the 2014 Revenue Order, their actual capacity factors have also been higher than those necessary to receive regulated revenues. The following chart presents the average annual capacity factor of our solar thermal assets since 2010:



Notes:—

- (1) 2013 capacity factor does not include Casablanca
- (2) Capacity factor for twelve months ending June 30, 2014.

Performance Overview

The following table presents the production and average annual availability of our solar thermal plants for the years ended December 31, 2010-2014:

Solar Thermal Assets	2010		2011		2012		2013		2014		Average Annual Production ⁽¹⁾
	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	Production (MWh)	Average Annual Availability (%)	
Extresol 1.....	108,133	—	160,057	107.5	168,932	108.8	143,723	112.6	137,535	112.9	—
Manchasol 2.....	—	—	41,306 ⁽²⁾	—	165,695	91.2	122,227	105.3	139,191	106.9	—
Casablanca.....	—	—	—	—	—	—	15,504	—	140,450 ⁽³⁾	117.0	—
Total solar thermal...	108,133		201,363		334,627		281,454		417,450		

Notes:—

- (1) Average annual production is not included because the different annual productions are not comparable (different uses of gas from one year to another).
- (2) The production for Manchasol 2 for 2011 includes only the period from July to December.
- (3) The production for Casablanca for 2013 includes only the period from October to December.

Project Level Financing, Debt Service, Covenants and Intragroup Loans

The description of the project financings entered into by our Asset Companies owning our solar thermal assets, their relevant covenants and the intragroup loans entered into by such Asset Companies is described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financing”. Our Asset Companies have regularly attended the payments under each of the project financings.

Extresol 1

Overview

Extresol 1 is a 50 MW (both installed capacity and maximum administrative authorization) concentrating solar thermal plant owned by Extresol 1, S.L. (the “Extresol 1 Asset Company”). Extresol 1 is located in the municipality of Torre de Miguel Sesmero, Badajoz, Spain, in a complex shared with two solar thermal plants owned by Cobra, which are included in the Initial ROFO Assets, Extresol 2 and Extresol 3, which are owned, respectively, by Extresol 2, S.L. (the “Extresol 2 Asset Company”) and Extresol 3, S.L. (the “Extresol 3 Asset Company”). The construction of Extresol 1 commenced in October 2007 and Extresol 1 reached SUD in December 2009 and COD in December 2010.

The common infrastructures used by Extresol 1, Extresol 2 and Extresol 3 are currently being transferred to a mutual association owned by the Extresol 1 Asset Company, the Extresol 2 Asset Company and the Extresol 3 Asset Company, and such transfers are expected to be completed within twelve months from the date of this prospectus.

Connection and Transmission

At present, the electricity produced by Extresol 1 is evacuated through the Endesa-owned 66 kV HVL to Alvarado substation.

In the near future, we anticipate that the system operator, REE, will require Extresol 1 to change its connection from the Endesa distribution grid to the Spanish transmission grid. At that time, the evacuation facilities (shared among Extresol 1, Extresol 2, Extresol 3 and two other solar thermal plants owned by third parties) will be connected to the 66/220 kV La Albuera substation, ownership of which is shared among Extresol 1, Extresol 2 and Extresol 3. From the La Albuera substation to the 220 kV Vaguadas substation, owned by REE, the evacuation facilities are shared between Extresol 1, Extresol 2, Extresol 3 and two other

solar thermal plants owned by third parties. The Vaguadas substation is owned by REE and forms part of the Spanish transmission grid.

Manchasol 2

Overview

Manchasol 2 is a 49.9 MW (both installed capacity and maximum administrative authorization) concentrating solar thermal plant owned by Manchasol 2 Central Termosolar Dos, S.L. (the “Manchasol 2 Asset Company”). Manchasol 2 is located in the municipality of Alcázar de San Juan, Ciudad Real, Spain in a complex shared with Manchasol 1, which is included in the Initial ROFO Assets and owned by Manchasol 1 Central Termosolar Uno, S.L. (the “Manchasol 1 Asset Company”). The construction of Manchasol 2 commenced in April 2009 and Manchasol 2 reached SUD in June 2011 and COD in January 2015.

The common infrastructures used by Manchasol 1 and Manchasol 2 are currently being transferred to a mutual association owned by the Manchasol 1 Asset Company and the Manchasol 2 Asset Company, and such transfers are expected to be completed within twelve months from the date of this prospectus.

Connection and Transmission

The evacuation facilities connect Manchasol 1 and Manchasol 2 to the Puerto substation, through an HVL owned by MS1 to the 220/400 kV Carroyuelas substation, which is owned by REE and forms part of the Spanish transmission grid.

Casablanca

Overview

Casablanca is a 49.9 MW (both installed capacity and maximum administrative authorization of 49.9 MW) solar thermal plant owned by Serrezuela Solar II, S.L. (the “Casablanca Asset Company”) and located in the municipality of Talarrubias, Badajoz, Spain. The construction of Casablanca commenced in November 2011 and Casablanca reached SUD and COD in June 2013.

Connection and Transmission

Casablanca is connected through an HVL owned by SSII to the 220/400 kV Mesa de la Copa substation, owned by the Sistema de Evacuación Valdecaballeros, S.L. (“SEV”) (of which the Casablanca Asset Company owns 14.3%). From this point, a 400 kV HVL, also owned by SEV, connects to the 400 kV Valdecaballeros substation which is owned by REE and belongs to the Spanish transmission grid.

Counterparties and Contracts

The electricity produced by our wind and solar thermal plants is sold to the Spanish wholesale market run by the Iberian Electricity Market Operator, OMIE.

Producers of electricity from renewable sources also receive an additional amount from the Spanish electricity system, used to cover a portion of their investment and operating and maintenance costs that they cannot recover at the market price. This amount paid to them as part of the Spanish electricity system is delivered to them by the Spanish regulator, CNMC, which is responsible for settling and paying all electricity system costs.

Ultimately, the counterparties for producers of electricity from renewable sources, which includes our wind farms and solar thermal plants, are the wholesale market on which the power is sold and the Spanish electricity system, which pays such plants an additional amount, so that they can recoup their investment and operating and maintenance costs with the Reasonable Rate of Return stipulated in current applicable regulations.

As such, the risk of non-payment of revenues is diversified between the Spanish wholesale market and the Spanish electricity system, and there are certain circumstances that mitigate that risk. In respect of revenues received from the wholesale electricity market, OMIE only collects amounts paid by suppliers that

buy the electricity for delivery to electricity producers through a settlement system. If any of the suppliers fails to pay for the electricity it purchases, OMIE would enforce the security by the debtor provided to cover any possible non-payment. If the guarantee is not sufficient, the unpaid amount would be divided among all the producers that sell energy, who would then receive less than the market price for their energy. Therefore, the risk of payment below the market price is shared across the market. In respect of the amounts received from the Spanish electricity system, if at the end of a year an electricity producer has not received the amounts to which it is entitled, under the 2013 Electricity Act such producers have the right to recover those amounts from the Spanish electricity system over the next five years, plus interest at a market rate. Furthermore, if the Spanish electricity system were unable to pay producers due to higher costs than revenues, the Spanish government might be required to take the necessary regulatory measures to ensure that the system has sufficient funds to pay all of its regulated costs, including payments to renewable energies producers. See “Regulation”.

Tax Consolidation Regime

According to Spanish tax legislation, a group of companies may elect to apply the tax consolidation regime (*Régimen de Consolidación Fiscal*), and be subject to CIT as a single taxpayer. The tax group must include the Spanish parent company and all the Spanish subsidiaries in which the parent company owns a minimum interest of 75% (70% in case of a listed company).

From January 1, 2015, Saeta Yield would operate as parent company of the tax group and all of our Asset Companies would fulfil the requirements to be included in the group. Legislation states that requirements must be fulfilled from the first to the last day in the tax year, and the corresponding agreements should be taken by the board of directors of each of the companies that will form part of the tax group during the tax year prior to the one in which the tax consolidation regime will apply. Therefore the tax consolidation regime cannot be effective for the 2015 calendar year as Saeta is part of the tax group which dominant company is ACS until the Offering and thus it is expected that the tax consolidation regime will be effective in 2016.

According to the Resolution dated October 9, 1997 issued by the Spanish Accounting and Auditing Institute (*Instituto de Contabilidad y Auditoría de Cuentas*) companies taxed under the tax consolidation regime must offset the NOLs generated by one company against the NOLs used by another company of the tax group in which case, the relevant tax credit/debt (or an effective payment of it) should be recognized. Saeta Yield and the Asset Companies will comply and benefit from such accounting requirements.

ACS will assume from Saeta Yield any cost or expense that may arise as a result of any Asset Company (belonging to the tax group headed by ACS through the end of 2014) being declared as jointly and severally liable for the CIT due and/or penalty corresponding to any of the companies that has been part of the tax group headed by ACS, as far as such costs or expenses have not been generated by the Assets Companies.

Tax Depreciation Regime

Tax depreciation prior to 2015 is governed by Royal Decree 4/2004, of March 5, 2004, which approved the previous Spanish Corporate Income Tax Act (“2004 CIT Act”). According to the 11th additional disposition of 2004 CIT Act, approved by Royal Decree Law 6/2010, of April 9, 2010 (“Royal Decree Law 6/2010”), accelerated depreciation is permitted on investments in new material assets and investment properties used for economic activities (“Depreciation Assets”) acquired between January 1, 2009 and December 31, 2010. Eligibility for the accelerated depreciation tax incentive for Depreciation Assets pursuant to Royal Decree Law 6/2010 requires that the taxpayer company maintain the same average number of employees for 24 months following the commencement of the tax period in which the Depreciation Assets came into operation as it had had for the 12 months prior to such date.

Subsequently, the 11th additional disposition of 2004 CIT Act was further amended by Royal Decree Law 13/2010, of December 3, 2010 (“Royal Decree Law 13/2010”), which permitted accelerated depreciation of Depreciation Assets acquired between January 1, 2011 and December 31, 2015 without any requirement as to the company’s average number of employees.

Although the original legislation established a criterion for accelerated depreciation (without limitation to the book to tax year yearly adjustments), Royal Decree 12/2012, of March 30, 2012, eliminated the tax incentive for investments made after March 31, 2012, and established a quantitative limit in the book to tax yearly adjustment for the previous investments, to be applied specifically in the tax years 2012 through 2015. Thus, for the tax years 2012 through 2015, taxpayers are permitted to apply accelerated depreciation to Depreciation Assets acquired between January 1, 2009 and March 31, 2012, subject to the following limitations:

- *Depreciation Assets acquired between January 1, 2009 and December 31, 2010:* the accelerated depreciation tax incentive is limited to 40% of the base tax before amortization or depreciation and before the offset of tax loss carryforwards for taxpayers, and is subject to the average employment level requirement (as regulated by the 11th additional disposition of 2004 CIT Act pursuant to Royal Decree Law 6/2010); and
- *Depreciation Assets acquired between January 1, 2011 and March 31, 2012:* the accelerated depreciation tax incentive is limited to 20% of the base tax before amortization or depreciation and before the offset of tax loss carryforwards for taxpayers, and is not subject to any average employment level requirement (as regulated by the 11th additional disposition of 2004 CIT Act pursuant to Royal Decree Law 13/2010).

The above limitations will apply to us in 2015. However, according to the new CIT Act which will enter into force in 2015, the above-mentioned limits have not been extended. Thus, tax depreciation for the investments made up to March 31, 2012 will be free and without limitation from 2016 onwards.

Regulatory and Environmental Matters

See “Regulation”.

Insurance

We have contracted insurance policies which cover employee-related accidents and injuries, property damage, machinery breakdowns, fixed assets, facilities and liability deriving from our activities. The property damage policies which we have contracted include business interruption coverage. We also have insurance policies which cover directors’ and officers’ liability in addition to third-party insurance. We maintain the types and amounts of insurance coverage that we believe are consistent with customary industry practices in Spain. We are unaware of any material issue that would invalidate our currently held insurance policies. The coverage provided by each of the insurance policies we have contracted is based on the terms and conditions included in each specific policy. All of our assets are fully covered by our insurance policies.

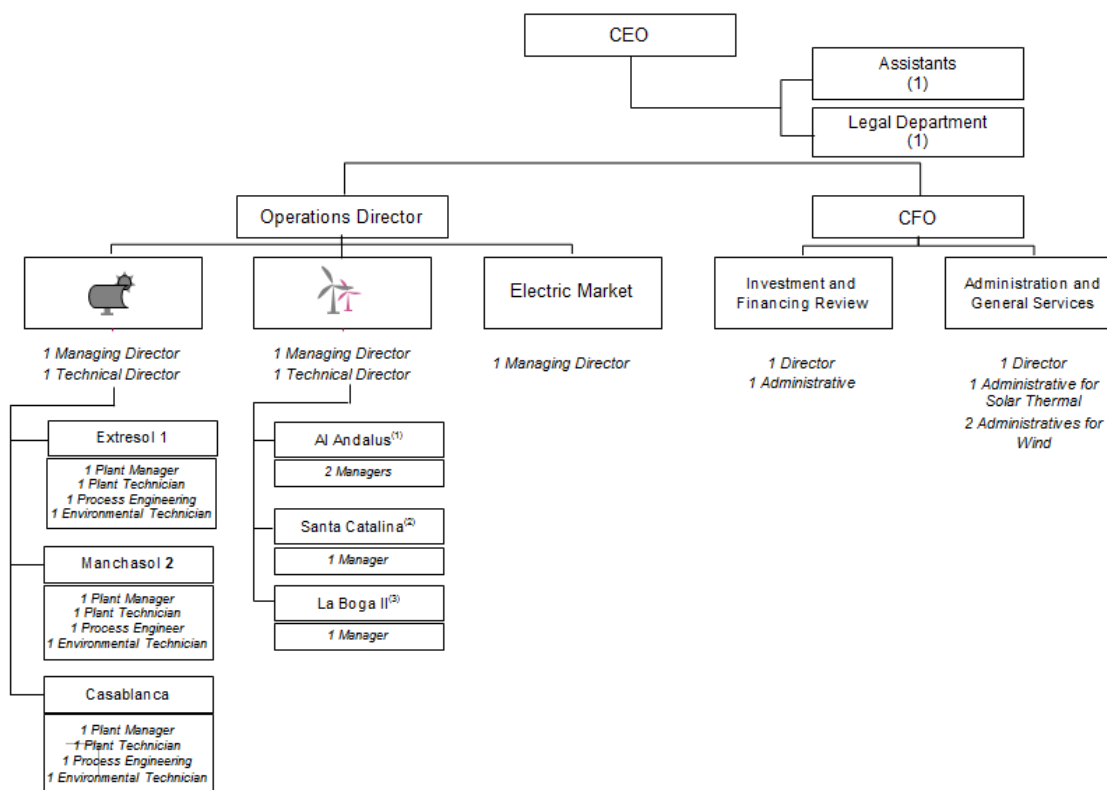
Employees

Saeta Yield did not have any employees before the Asset Transfer. Prior to the Asset Transfer, the Asset Companies, pursuant to a Services Agreement in the case of the wind farms, were managed by Eyra through its solar thermal and wind divisions. Each of those divisions are lead by a general director with the support of a technical director. Each of the projects (or group of projects with common characteristics and location) were assigned a plant manager and in the case of the solar thermal plants, they were also assigned certain employees for providing technical, maintenance, legal, land management and environmental compliance services.

As of the date of this prospectus, we have 26 employees of the 32 positions Saeta Yield we will have (including the management team). These 32 future employees will work in the following capacities across our business lines:

- twelve work in common services for both wind and solar thermal business activities;
- fourteen work in exclusively solar thermal activities; and
- six work in exclusively wind activities.

The chart below shows the current organizational structure of our employees:



Note:—

- (1) Al Andalus comprises Serón 1, Serón 2, Tíjola, Colmenar 2, La Noguera, Las Vegas, Los Isletes and Abuela Santa Ana. For this purpose Valcaire and Eólica del Guadiana are also included in Al Andalus.
- (2) Santa Catalina comprises Santa Catalina-Cerro Negro, Viudo I and Viudo II.
- (3) La Boga II comprises La Caldera, Sierra de las Carbas and Tesosanto.

The CEO, CFO and COO are the members of Saeta Yield’s senior management team. The CFO and COO report directly to the CEO. For further discussion of the our management team, see “Board of Directors and Management”.

The CEO is supported by an assistant and a legal advisor, who gives general advice regarding civil and commercial law in addition to contract review and other duties. The internal audit and risk management functions are carried out by the CEO of Saeta Yield supported by the legal advisor, which is independent from the financial department. For a more detailed information about this function see “Board of Directors and Management—Board Committees—Audit Committee”.

The CFO is supported by two directors, one responsible for investment and financing and one responsible for administration and general services. The investment and financing director analyzes acquisition opportunities, supervises risk control policies, oversees relations with banks, monitors financial drivers and ensures compliance with lender requirements. The administration and general services director oversees accounting, tax and audits, reporting requirements, treasury management as well as charges and payments.

The COO oversees the three main operational divisions: solar thermal, wind and electric market. Each business line (wind and solar thermal) has a managing director and a technical director. In addition, the

electricity market managing director manages and controls the sale of electricity. At the level of the plants, each of the Asset Companies has at least one manager, who coordinates the plant's team, and various supporting staff.

Among the main activities conducted by Saeta Yield's employees are (i) defining the way in which the plants must be operated; (ii) overseeing daily production and availability; (iii) calculating the plant's performance, as a whole or for each generator individually (in the case of wind farms); (iv) managing insurance policies and producing reports for the insurance company in case of plant incidents; (v) managing and negotiating contracts and relations with third parties such as O&M contracts, security of the plant, land and rental agreements, natural gas and electricity supply, relations with the local and regional authorities, waste management, legal and financing counsel, specific studies and projects, etc. and (vi) managing the monthly billing of the company.

During 2014 our only employee was the CFO, who was hired on November 19, 2014. The rest of our employees were hired on January 16, 2015. Our aggregate staff budget for 2015 is set at €2,5 million.

All O&M operations of our facilities are outsourced and performed by subsidiaries of Cobra as described for each facility in “—Description of Our Initial Portfolio”, above.

Saeta Yield has entered into a Services Agreement with each of our Asset Companies, by which we will provide certain administrative and day-to-day management services to each of the Asset Companies, such as accounting, administration, payment management, local legal and tax support, local institutional, monitoring of the performance of the asset, communication services technical and general support services.

Saeta Yield has also entered into a Transitional Services Agreement with Eyra, a wholly owned subsidiary of Cobra, by virtue of which Eyra, directly or through its subsidiaries, will provide certain administrative and support services to us during the six months following its execution date, November 24, 2014, extendable for subsequent six months periods at the discretion of Saeta Yield. See “Related Party Transactions—Transitional Services Agreement”.

Properties

See “Business—Description of Our Initial Portfolio”.

Legal Proceedings

All the legal or administrative proceedings in which we are a party have arisen in the ordinary course of our business and, as we are confident that none of them will have a negative outcome for us, we have not recognized any provisions in this respect. However, due to the nature of such proceedings, we are not able to predict the ultimate outcomes, but even if finally the outcome were to be negative, we do not expect that they would have, either individually or in the aggregate, a material adverse effect on our financial position or results of operations.

We are currently a party to the following legal and administrative proceedings, both of which involve the Manchasol 2 Asset Company:

- An administrative proceeding brought by the City Council of Alcázar de San Juan against the Manchasol 2 Asset Company in the amount of €3.8 million and relating to a subsidy paid by the City Council of Alcázar de San Juan to the Manchasol 2 Asset Company. On November 25, 2014 the City Council of Alcázar de San Juan resolved that the formal evidence presented regarding the destination of the subsidy was insufficient. The Manchasol 2 Asset Company believes that it fulfilled its duties in regard to the subsidy and appealed the ruling on January 2, 2015. The City Council of Alcázar de San Juan has one month from such date to rule on the appeal. If the appeal is dismissed, the Manchasol 2 Asset Company will have to repay the subsidy that it received. However, if the Manchasol 2 Asset Company files a claim before a judicial court, the repayment of the subsidy may be suspended until such time as the court makes its ruling in relation to the claim.

In the event that the administrative proceeding, or any subsequent legal proceeding, determines that sufficient evidence was presented in relation to the destination of the subsidy and, consequently, the Manchasol 2 Asset Company is not required to repay any amount, the Ministry of Industry, Energy and Tourism may subsequently classify the subsidy in question to have been an investment in support of constructing the asset, the effect of which being to proportionally reduce the applicable remuneration to investment due to Manchasol 2. The remuneration to investment covers the return on the investment made by the asset company, exclusive of subsidies or benefits received from public entities.

- An administrative proceeding brought by the Spanish tax authorities in relation to the settlements of the tax on electricity sales for the years ended December 31, 2012, 2011, 2010 and 2009 with a total aggregate amount of €0.6 million. The difference between the Manchasol 2 Asset Company's and the tax authorities' assessment of taxes due arose because the Manchasol 2 Asset Company was not registered in the territorial register of special taxes and, therefore, it did not hold a Certificate of Economic Activities (*Certificado de Actividades Económicas*) during the period in question. A Certificate of Economic Activities entitles the holder to apply a suspension regime under the Spanish tax on electricity sales, which allows the taxpayer to apply an exemption under which it is not necessary to apply any Spanish tax on electricity sales.

In addition to the settlement described above, and also as a consequence of the Manchasol Asset 2 Company not holding a Certificate of Economic Activities, the Customs and Special Taxes Unit (*Unidad Especial de Aduanas e Impuestos Especiales*) issued a penalty against the Manchasol 2 Asset Company in the amount of €3.1 million on March 13, 2014, which was subsequently imposed on December 13, 2014. On January 9, 2015 the Manchasol 2 Asset Company filed a claim against the Customs and Special Taxes Unit regarding this penalty with the Central Economic Administrative Tribunal (*Tribunal Económico-Administrativo Central*). The action is ongoing.

As stated above, if the final outcome of the proceedings were negative, we do not expect these proceedings to have a material adverse effect on our financial position or results of operations. However, in order to mitigate such potential risk, and in the event of a final negative outcome, Cobra Gestión de Infraestructuras, S.A.U. has committed to provide additional funding, through subordinated debt, to the Manchasol 2 Asset Company amounting to (i) the total amount to be paid as fines, indemnities, penalties, sentences and any other payment obligation deriving from liability, culpability or conviction in relation to the proceedings described above and (ii) the total amount to be paid for the costs related to any interest of the Manchasol 2 Asset Company (including any kind of subsidy) which, as a consequence of the proceedings described above, results in a unfavorable outcome for Saeta Yield.

Overview of Initial ROFO Assets

The following chart shows the main characteristics of the Initial ROFO Assets (including the Call Option Assets) that will be offered to us by ACS SI pursuant to the ROFO and Call Option Agreement.

Characteristics of Initial ROFO Assets

Initial ROFO Asset	Type	Location	ACS SI Interest	Capacity (MW)/ Distance (KM)	Remuneration Scheme	Counterparty/ Offtaker	Rating (S&P)	Status	SUD/COD ⁽¹⁾	Contract/ Regulation Maturity	Currency	Call Option Enterprise Value
2016												
Extresol 2 ⁽²⁾	Solar Thermal Plant	Badajoz, Spain	100%	50 MW ⁽³⁾	Regulated	Spanish wholesale market/electricity system	n/a	In operation	December 2010	2035	EUR	€265m (2015) €255m (2016) €245m (2017)
Extresol 3 ⁽²⁾	Solar Thermal Plant	Badajoz, Spain	100%	50 MW ⁽³⁾	Regulated	Spanish wholesale market/electricity system	n/a	In operation	July 2012	2037	EUR	€275m (2015) €265m (2016) €255m (2017)
Marcona	Wind Farm	Nazca, Peru	51.0% ⁽⁴⁾	32 MW	PPA	Peru Energy and Mines Ministry	BBB+	In operation	April 2014	2034	USD	n/a
Tres Hermanas	Wind Farm	Nazca, Peru	51.0% ⁽⁴⁾	97 MW	PPA	Peru Energy and Mines Ministry	BBB+	Under construction	December 2015 (expected)	2035	USD	n/a
2017												
Oaxaca ⁽²⁾	Wind Farm	Oaxaca, Mexico	100%	102 MW	PPA	CFE	BBB+	In operation	September 2012	2032	USD	n/a
Manchasol 1 ⁽²⁾	Solar Thermal Plant	Ciudad Real, Spain	100%	50 MW ⁽³⁾	Regulated	Spanish wholesale market/electricity system	n/a	In operation	December 2010	2035	EUR	€275m (2015) €265m (2016) €255m (2017)
Cajamarca ⁽²⁾	Electric Transmission Line	Cajamarca, Peru	100%	400 KM	Regulated	Peru Energy and Mines Ministry	BBB+	Under construction	May 2016 (expected)	2046	USD	n/a
Kiyu ⁽²⁾	Wind Farm	San José, Uruguay	100%	49 MW	PPA	UTE	AAA ⁽⁵⁾	Under construction	December 2015 (expected)	2039	USD	n/a
Lestenergia ⁽²⁾⁽⁶⁾	Wind Farm	Castelo Branco and Guarda, Portugal	74.5% ⁽⁷⁾	124 MW ⁽⁸⁾	Regulated	EDP	BB+	In operation	2006-2009	2021-2024 ⁽⁹⁾	EUR	n/a

Notes:—

- (1) Spanish assets (Extresol 2, Extresol 3 and Manchasol 1) reflect SUD while the non-Spanish assets reflect the COD or expected COD.
- (2) Subject to the refinancing of the project level financing or/and the authorization from public authorities and financing entities.
- (3) Installed Capacity. Maximum administrative authorization of each of Extresol 2, Extresol 3 and Manchasol 1 is 49.9 MW.
- (4) Remaining 49.0% share capital is owned by Sigma Sociedad Administradora de Fondos de Inversión, S.A. (“Sigma”). Sigma has a call option, a right of first refusal, a tag along right and a drag along right over ACS SI’s interest in these assets. The call option is exercisable at any time, but only if certain conditions are met, within the 18 months following COD.
- (5) Rating by Fitch for the national rating. Uruguay sovereign rating of BBB.

- (6) Lestenergia is composed of six wind farms: Penamacor 1 (20 MW) with COD in June 2006; Penamacor 2 (14.7 MW) with COD in September 2007; Penamacor 3A (20 MW) with COD in June 2006; Penamacor 3B (25.2 MW) with COD in September 2007; Penamacor 3B Extensión (14.7 MW) with COD in January 2009; and Sabugal (29.2 MW) with COD in April 2009.
- (7) CIS, a wholly owned subsidiary of Cobra (a wholly owned subsidiary of ACS SI) owns 74.54% of PROCME and GESTRC, SGPS, S.A. owns the remaining 25.46% of PROCME. PROCME is the sole shareholder of Tecneira Tecnologías Energéticas, S.A., which is the sole shareholder of Lestenergia.
- (8) Lestenergia has an option to increase capacity by 20 MW.
- (9) Option to extend the asset life for an additional 5 to 7 year period after the end of the period of guaranteed remuneration upon the commitment to contribute to the sustainability of the National Electric System (SEN) through the payment of a compensation from 2013 to 2020.

The following map sets forth the location of the Initial ROFO Assets:



Description of the Initial ROFO Assets

The assets described below are those available for purchase by Saeta Yield pursuant to the ROFO and Call Option Agreement, and may or may not be acquired between the date of this prospectus and December 31, 2017, but which Saeta Yield does not own as of the date of this prospectus. All of the Initial ROFO Assets are owned wholly or in part by ACS SI as shown above under “Overview of Initial ROFO Assets—Characteristics of Initial ROFO Assets”.

Extresol 2, Extresol 3 and Manchasol 1

Overview

Extresol 2, Extresol 3 and Manchasol 1 are fully operational solar thermal plants located in Spain which reached SUD in December 2010, July 2012 and December 2010, respectively.

Each of the solar thermal assets has a total installed capacity and maximum administrative authorization of 49.9 MW, with a solar field of 510,120 m², and employs a two-tank molten salt thermal energy storage system that provides an additional 7.5 hours of energy to increase its efficiency.

Remuneration Scheme

The remuneration regime applicable to the Spanish solar thermal plants is described in “Regulation”. The 2014 Revenue Order sets out the following remuneration scheme for the three Spanish solar thermal plants included in the Initial ROFO Assets:

Code	Plants	MW	Remuneration to Investment	Remuneration to Operation			Spanish Wholesale Market Price Assumed by Regulation		
			(€/MW)	(€/MWh)			(€/MWh)		
			2014-2016	2014	2015	2016	2014	2015	2016
IT-00608	Extresol 2 and Manchasol 1	49.9	532.8	37.5	36.9	37.6	49.2	50.6	50.8

Code	Plants	MW	Remuneration to Investment (€/MW)	Remuneration to Operation (€/MWh)			Spanish Wholesale Market Price Assumed by Regulation (€/MWh)		
			2014-2016	2014	2015	2016	2014	2015	2016
IT-00610	Extresol 3	49.9	546.7	37.7	37.2	37.8	49.2	50.6	50.8

Operation and Maintenance

CIS maintains and operates each of the solar thermal plants for a fixed price, indexed to the CPI, and a variable price based on performance, with a €400,000 cap per year. The fixed prices are €4.0 million per year (2008 terms), €4.6 million per year (2010 terms) and €4.0 million per year (2008 terms) for Extresol 2, Extresol 3 and Manchasol 1, respectively.

Capital Expenditures

The total capital expenditures for the construction period of the Spanish solar thermal plants were €355.6 million (Extresol 2), €347.3 million (Extresol 3) and €358.4 million (Manchasol 1).

Financing

The financing of each of the Spanish solar thermal plants is summarized in the following table:

	Lender	Date Incurred	Term	Maximum Amount	Interest rates
Extresol 2.....	Banco Sabadell, BBVA, Santander, Espiritu Santo, BNP Paribas, Banco Popular Bancantabria Inversión, S.A., E.F.C., Helaba, Liberbank, Abanca, Calyon	September 24, 2009	June 30, 2016 (with possible extension to March 24, 2029)	€288.4m	<ul style="list-style-type: none"> • EURIBOR +3% (before start of commercial operation) • EURIBOR +3.25% (from start of commercial operation to year 3) • EURIBOR +3.5% (year 4 until June 30, 2016) • EURIBOR+4% (from June 30, 2016)
Extresol 3.....	Banco Sabadell, Santander, ICO, KfW IPEX-Bank GmbH, Landesbank, Unicaja, Natixis.	April 15, 2011	April 15, 2018 (with possible extension to December 30, 2030)	€287m	<ul style="list-style-type: none"> • EURIBOR +3.15% (before start of commercial operation) • EURIBOR +3.15% (since start of commercial operation to year 3) • EURIBOR +3.25% (year 4 until April 15, 2018) • EURIBOR+3.5% (from April 15, 2018)
Manchasol 1 .	Banco Sabadell, Santander, Banco Popular, Bankia, BNP Paribas, Caixa Geral de Depósitos, Dexia Sabadell, KfW IPEX-Bank GmbH West LB AG.	October 24, 2008	April 24, 2029	€273.1m	<ul style="list-style-type: none"> • EURIBOR +1.75% / Post draw down: • EURIBOR +1.75% if DSCR>1.40x • EURIBOR +1.85% if 1.20x<DSCR≤1.40x • EURIBOR +1.95% if DSCR≤1.20x

Oaxaca

Overview

Oaxaca is an on-shore wind farm facility located in Oaxaca, Mexico. The wind farm is currently in operation and reached COD on September 2012.

The wind farm has an installed capacity of 102 MW, with 51 Vestas V-80 wind turbines. The turbines have a nominal capacity of 2.0 MW. The wind farm's production in 2013 was 269,260 MWh and the production in the ten months ended October 31, 2014 was 243,120 MWh.

Remuneration Scheme

Oaxaca is remunerated under a 20-year power purchase agreement ("PPA") with the Mexican Comisión Federal de Electricidad ("CFE") at a contract price of U.S.\$79.1/MWh for the first 180 months, and U.S.\$38.2/MWh for the following 60 months. 20% of the contract price is indexed to the U.S. Producer Price Index ("PPI"). During the PPA term, the energy cannot be sold to the market or to a third party as it is sold on an exclusive basis to the CFE. After the expiration of the contract, the project company who owns the wind farm may enter into another PPA with a third party if the machinery still has useful life and there is no obligation to dismantle.

Operation and Maintenance

Recursos Eólicos de Mexico operates and maintains this wind farm at a price of U.S.\$71,707 per turbine per year, indexed to U.S. inflation with a minimum inflation of 3.5%. This O&M contract has a duration of 10 years with a term of November 28, 2020.

Capital Expenditures

The total capital expenditures for the construction period of the Oaxaca wind farm were U.S.\$218 million.

Financing

The financing structure of the Oaxaca wind farm is composed of 69.3% senior debt (U.S.\$147.8 million) and 30.7% equity (U.S.\$32.75) and subordinated debt (U.S.\$32.75 million). The interest rate of the €147.8 million senior debt is a floating rate based on LIBOR plus a fixed margin. The margin varies depending on the maturity of the loan: the margin is set at 3.25% until the COD date, and then increases to 3.50% from the COD until December 31, 2012, 3.75% from January 1, 2013 until December 31, 2015 and 4% after January 1, 2016. The maturity date of the loan is September 22, 2018.

Taxation

The local corporate tax rate in Mexico is 30%. The financial expenses, including shareholders' subordinated debt, are tax deductible. The double taxation agreement between Mexico and Spain sets a 5% tax rate on dividends (conditional upon a minimum direct shareholding of 25%) and a 15% tax rate on shareholders' loan interest.

Marcona and Tres Hermanas

Overview

Marcona and Tres Hermanas are two on-shore wind farms facilities located in Nazca, Peru. Marcona is currently in operation and reached COD in April 2014. Tres Hermanas is currently under construction and it is expected to reach COD in December 2015.

Marcona has an installed capacity of 32 MW, with 8 Siemens SWT 3.0-108 wind turbines of 3.15 MW and 3 Siemens SWT 2.3-108 wind turbines of 2.3 MW. The committed production in the PPA is 148,378 MWh per year.

Tres Hermanas has an installed capacity of 97 MW, with 25 Siemens SWT 3.15-108 wind turbines of 3.15 MW and 8 Siemens SWT 2.3-108 wind turbines of 2.3 MW. The committed production in the PPA is 415,760 MWh per year.

ACS SI owns 51.0% of the share capital of each wind farm, with the remaining 49.0% owned by Sigma Sociedad Administradora de Fondos de Inversión, S.A. ("Sigma"). Sigma has a call option, a right of first refusal, a tag along right and a drag along right over ACS SI's interest in these assets. The call option is exercisable at any time, but only if certain conditions are met, within the 18 months following COD.

Remuneration Scheme

Marcona and Tres Hermanas are both remunerated under a 20-year PPA with the Peruvian Ministry of Energy and Mines. The electricity is sold at spot price of U.S.\$65.52/MWh (Marcona) and U.S.\$69.0/MWh (Tres Hermanas), updated by the Producer Price Index for U.S. Finished Goods Less Food and Energy but only if it varies by more than 5% from the previous update.

Operation and Maintenance

The operation and maintenance of each of the wind farms is provided by Cobra Infraestructuras Internacional for U.S.\$921,000 per year (Marcona) and U.S.\$2.4 million per year (Tres Hermanas).

Capital Expenditures

The total capital expenditures for the construction period of the Marcona wind farm were U.S.\$100 million and for the Tres Hermanas wind farm are expected to be U.S.\$320 million.

Financing

The financing of Marcona consists of approximately 80% senior debt (U.S.\$64.1 million) and subordinated debt from lenders (U.S.\$12.2 million) and 20% equity and subordinated debt from shareholders. The senior debt is divided in seven tranches. The first tranche earns a fixed rate and the remaining tranches earn a different floating rate based on the LIBOR plus a spread. The maturity date of the loan is November, 2031.

The financing of Tres Hermanas is currently under negotiation but it is expected to have similar financing terms as those of Marcona.

Taxation

The local corporate tax rate in Peru was 30% until 2014, but the government recently enacted some amendments to the income tax law, which are aimed at reducing the corporate tax rate from 30% to 26% in 2019. Pursuant to this amendment, the corporate tax rates for the years between 2015 and 2019 are set as follows: 28% in 2015 and 2016; 27% in 2017 and 2018; and 26% in 2019. This reduction in the corporate tax rate is accompanied by an increase in the dividends tax rate, as follows: 6.8% in 2015 and 2016; 8% in 2017 and 2018; and 9.3% in 2019. Financial expenses are tax deductible, provided that the financing is related to any activity proper to the debtor's business purpose (i.e. the financing must be related to the generation of income by the debtor).

Cajamarca

Overview

Cajamarca is a transmission line located in Cajamarca, Peru. Cajamarca is currently under development and it is expected to reach COD on May 2016.

Cajamarca is a 400 km transmission line of 220 KW, with four substations.

Remuneration Scheme

The Cajamarca transmission line has a regulated remuneration scheme, under a 30-year regulated tariff based on availability, with an investment remuneration of U.S.\$13.3 million per year and an O&M remuneration of U.S.\$2.9 million per year. The remuneration is indexed to the U.S. Finished Goods Less Food and Energy Index, but only if it varies by more than 5% from the previous update. The counterparty is the Peruvian Energy and Mines Ministry.

Operation and Maintenance

The operation and maintenance of the transmission line is currently under negotiation. We expect Cobra Peru, S.A. to provide operation and maintenance services for an estimated fee of approximately U.S.\$2.7 million per year.

Capital Expenditures

The total capital expenditures for the construction period of the Cajamarca transmission line are expected to be \$174.5 million.

Financing

The financing of Cajamarca is currently under negotiation, but we expect it to be in line with other financing structures in Peru, which consists of approximately 80% senior debt and 20% equity and subordinated debt. The financing agreements are expected to be finalized in February 2015.

Taxation

See description in “—Marcona and Tres Hermanas—Taxation”, relating to relevant taxation in Peru.

Kiyu

Overview

Kiyu is an on-shore wind farm facility located in San José, Uruguay. Kiyu is currently under construction and it is expected to reach COD on December 2015.

The wind farm has an installed capacity of 49.2 MW, with 16 Vestas V112 wind turbines. The turbines have a nominal capacity of 3.075 MW.

Remuneration Scheme

Kiyu has entered into a 24-year power purchase agreement (“PPA”) with Uruguayan Administration of Factories and Electrical Transmissions (“UTE”) at a contract price of \$63.5/MWh, partially indexed to local PPI and U.S. PPI.

Operation and Maintenance

The operation and maintenance of the wind farm is provided by Taxway, S.A. at a price of U.S.\$10,000 per turbine per year (for the first two years), U.S.\$76,942.5 per turbine per year (from year three to five) and U.S.\$85,000 per turbine per year (from year six to ten). The prices are 65% indexed to U.S. PPI and 35% to the Uruguayan CPI.

Capital Expenditures

The total capital expenditures for the construction of the Kiyu wind farm were \$117 million.

Financing

The financing structure is composed of 72% senior debt (U.S.\$84.4 million) and 28% equity (U.S.\$16.6 million) and subordinated debt (U.S.\$16.6 million). The interest rate of the senior debt is a floating rate based on LIBOR plus a fixed margin. The margin varies based on the year of the loan: margin of 3.00% will be applied from the signing of the loan agreement until November 6, 2017 and will increase to 3.25% from November 7, 2017 until November 6, 2020, to 3.50% from November 7, 2020 until November 6, 2023, to 3.75% from November 7, 2023 until November 6, 2026 and top out at 4.00% from November 6, 2016 until maturity. The maturity date of the loan is November 5, 2029.

Taxation

The local corporate tax rate in Uruguay is 25%. In Uruguay, there is currently a corporate income tax exemption for activities of generation of electricity from non-traditional renewable sources, including wind energy projects of 90%, 60% and 40% for fiscal years starting between July 2009 to December 2017; January 2018 to December 2020; and January 2021 to December 2023, respectively.

The financial expenses, including those of shareholders’ subordinated debt, are tax deductible but subject to the rule of the proportion of the rates and to the assets’ structure of the local company. The double taxation agreement between Uruguay and Spain sets a 0% rate tax on dividends (conditional upon a minimum direct shareholding of 75%) and a 10% tax rate on interest.

Lestenergia

Overview

Penamacor 1, Penamacor 2, Penamacor 3, Penamacor 3B, Penamacor 3B Extensión and Sabugal are six wind farms owned by Lestenergia, Exploração de Parques Eólicos, S.A. (the “Lestenergia Wind Farms”). The Lestenergia Wind Farms are located in Castelo Branco and Guarda, Portugal, and represent a total installed capacity of 123.8 MW.

All of the Lestenergia Wind Farms are in operation as of the date of this prospectus. Penamacor 1 has an installed capacity of 20MW with 10 Gamesa G83 wind turbines of 2.0MW; Penamacor 2 has an installed capacity of 14.7MW, with 7 Suzlon S.88 wind turbines of 2.1MW; Penamacor 3A has an installed capacity of 20MW with 10 Gamesa G83 wind turbines of 2.0MW; Penamacor 3B has an installed capacity of 25.2MW, with 12 Suzlon S.88 wind turbines of 2.1MW; Penamacor 3B Extensión has an installed capacity of 14.7MW, with 7 Suzlon S.88 wind turbines of 2.1MW and Sabugal has an installed capacity of 29.2MW, with 12 Suzlon S.88 wind turbines of 2.1MW and 2 Vestas V90 of 2MW. The total production in 2012 was 286,239MWh and the production in 2013 was 294,476MWh.

Remuneration Scheme

The Lestenergia Wind Farms are remunerated under a feed-in tariff regime, regulated in Portuguese regulation DL 225/2007, under which wind farms are entitled to a guaranteed remuneration for a total production of 33GWh per installed MW, or a maximum period of 15 years, whichever comes first. Lestenergia has chosen to extend its regulatory life for an additional seven years in exchange for an annual payment of €5,800/MW from 2013 to 2020 for the sustainability of the Portuguese National Electric System.

Operation and Maintenance

The operation and maintenance is provided by Tecneira, Tecnologías Energéticas S.A. for the wind farms Penamacor 1, Penamacor 2, Penamacor 3A and Penamacor 3B and by Construção e Manutenção Electromecânica, S.A. (CME) for the wind farms Penamacor 3B Extension and Sabugal. The O&M fee for all the wind farms is 2.5% of the effective monthly generation of the plant. Additionally, there is an O&M cost of €42,285 per year per turbine.

Capital Expenditures

The total capital expenditures for the construction of the Lestenergia Wind Farms were €204 million.

Financing

The financing structure is composed of 82.4% (€162.3 million) senior debt and 17.6% (€10.3 million) equity and subordinated debt (€24.5 million). The interest rate of the senior debt is a floating rate based on EURIBOR plus a fixed margin. The margin varies between 1.65% and 1.85%, depending on the DSCR achieved.

Taxation

The local corporate tax rate in Portugal is 21% from 2015. The financial expenses, including shareholder subordinated debt, are tax deductible.

REGULATION

We operate in the renewable energy sector in Spain, which is subject to extensive regulation that may affect our results of operation and financial condition.

There are various layers of regulation at the European, state, regional and local level. The scope, nature and extent of regulation may differ among the various regions and/or localities.

The following is a description of the main industry-related regulations that are currently in force in Spain and apply to wind and solar thermal technologies.

European Framework and Spanish Targets in the Renewable Sector

On November 26, 1997, the European Union published a report (the “White Paper”), which outlined a strategy and a Community-wide action plan aimed at doubling energy production from renewable sources in the European Union from 6% in 1996 to 12% by 2010. The White Paper proposed a number of measures to promote the use of renewable energy sources, including measures designed to provide renewable energy sources better access to the electricity market. The Kyoto Protocol, ratified by the EU and its Member States on May 31, 2002, imposed a target of reducing EU emissions of greenhouse gases by 8% by 2012.

On March, 2007 the European Council approved the Climate and Energy Package which defined a set of legislation which aimed to ensure the European Union could meet ambitious climate and energy targets by 2020. These targets, known as the “20-20-20” targets, set three key objectives for 2020: (i) A 20% reduction in EU greenhouse gas emissions from 1990 levels; (ii) Raising the share of EU energy consumption produced from renewable resources to 20%; and (iii) A 20% improvement in the EU's energy efficiency. This legislative package was adopted by the European Parliament on December 2008.

Directive 2009/28/EC on the Promotion of the Use of Energy from Renewable Sources (the “2009 Renewable Energy Directive”), set national overall targets for each Member State consistent with at least 20% of total EU energy consumption coming from renewable energy sources by 2020. In order to comply with these mandatory renewable energy targets, all EU Member States, including Spain, were required to develop a national action plan, called a National Renewable Energy Action Plan 2011-2020 (“NREAP”). Spain's NREAP was issued on June 30, 2010 and sent to the European Commission.

In its NREAP, Spain set a target of 22.7% Renewable Energy Share in Final Energy Consumption by 2020.

In 2011, a new Renewable Energies Plan, referred to as REP 2011-2020, was developed by the European Parliament and the Council of the European Union, which added a new target to the 2009 Renewable Energy Directive: a minimum of 10% of transportation energy consumption to be supplied from renewable energy sources in each Member State by 2020.

In Spain, these targets mean that energy from renewable sources should represent at least 20% of total energy consumption by 2020, consistent with the EU target, with a minimum of 10% of transportation consumption to be derived from renewable sources by that same year.

Article 3.3.(a) of the 2009 Renewable Energy Directive states that in order to reach the targets set for 2020, Member States may apply support schemes and incentives for renewable energy. These support systems or incentives are different in each country, but the most common are:

- (i) *Green certificates*. Producers of renewable energy receive a “green certificate” for each MWh they generate, and suppliers of energy have an obligation to purchase part of the energy that they supply from renewable sources.
- (ii) *Investment grants and direct subsidies*. These help defray the costs of installing renewable energy generation plants.
- (iii) *Tax exemptions or relief*. These include cash grants in lieu of tax credits and accelerated depreciation, among others.

- (iv) *System of direct support of prices.* These include regulated tariffs and premiums and involve a regulatory guarantee to purchase energy generated by a renewable energy plant for an allotted period of time at a fixed tariff per kWh, for a maximum annual number of hours, so that the producer is ensured a reasonable return on its investment.

On October 24, 2014, the European Council published its conclusions regarding the “2030 Climate and Energy Policy Framework”, which set out the European Union’s climate and energy goals to be achieved by 2030. Among others things, the framework proposes that by 2030, emissions of greenhouse gases should be reduced by 40% from 1990 levels, energy efficiency should be increased to 27% and 27% of total energy consumption should come from renewable energy sources.

Spanish Framework

The applicable legal framework in Spain for both wind farms and solar thermal plants is set out in the following legal sources:

- (i) Royal Decree-law 9/2013, of July 12, 2013 containing emergency measures to guarantee the financial stability of the electricity system (the “2013 Royal Decree-law”). This Decree establishes the remuneration principles to be applied to, among others, renewable energy facilities that were already in operation on the date on which it came into force.
- (ii) Law 24/2013, of December 26, on the Electricity Sector (the “2013 Electricity Act”). This law sets out the general rules applicable to the entire electricity sector, and incorporates the main principles set forth by Royal Decree-law 9/2013 in respect of the renewable energy sector.
- (iii) Royal Decree 413/2014, of June 6, governing electricity production from renewable energy sources, combined heat and power and waste (the “2014 Royal Decree”). The 2014 Royal Decree implements the rules contained in both the 2013 Electricity Act and the 2013 Royal Decree-law regarding the specific remuneration regime applicable to, among others, renewable energy facilities.
- (iv) Order IET/1045/2014, of June 16, establishing the remuneration parameters applicable to existing electricity generation plants using renewable energy sources, combined heat and power and waste (the “2014 Revenue Order”).

Change of Remuneration System Applicable to Renewable Energy Facilities by the 2013 Royal Decree-law and the 2013 Electricity Act

The 2013 Royal Decree-law introduced a change in the economic regime applicable to all existing electricity production facilities using renewable energy sources that were entitled to receive regulated payments under the previous remuneration regime prior to July 14, 2013. The purpose of the 2013 Royal Decree-law, which came into force on July 14, 2013, was to adopt a set of measures to ensure the sustainability of the electricity system and, in particular, to combat the shortfalls between the electricity system’s revenues and costs (referred to as the “tariff deficit”, as further explained below).

The measures adopted were focused, among others, on the following areas: (i) the legal and financial regime for existing electricity production facilities using renewable energy sources, co-generation and residual waste; (ii) the remuneration regime for transport and distribution activities; (iii) Spain’s guarantee of the so-called “Securitization Fund” to cover the tariff deficit; and (iv) certain aspects related to capacity payments, assumption of the cost of the subsidized tariff and a review of access fees.

The grounds set forth in the 2013 Royal Decree-law were subsequently adopted under the 2013 Electricity Act.

The 2013 Royal Decree-law and the 2013 Electricity Act established an entirely new remuneration system applicable to, among others, all renewable energy facilities, abolishing the previous feed-in-tariff system. This new regime applies to facilities already in operation at the time the 2013 Royal Decree-law

entered into force, as is the case for our assets, as well as facilities that entered into operation following its enactment.

Main Rights and Obligations under the 2013 Electricity Act and the 2014 Royal Decree

The 2013 Electricity Act recognizes the following rights for renewable energy producers:

- (i) *Priority of access and connection to transmission and distribution networks.* Producers of electricity from renewable energy sources will have priority in obtaining access and connecting to the grid, subject to the terms set forth in the regulations, on the basis of objective, transparent and non-discriminatory criteria.
- (ii) *Priority of dispatch.* Producers of electricity from renewable sources will have priority over conventional generators in dispatching their energy under equal market conditions, subject to the safe operation of the national electricity system and based on transparent and non-discriminatory criteria.
- (iii) *Entitlement to a specific payment scheme.* As explained below, producers of electricity from renewable sources may receive a specific remuneration not to exceed the amount necessary to cover the standard initial investment and operating costs (not including investments or costs arising from regulations not applicable in the entire Spanish territory or other costs unrelated to the production of electricity) and achieve a reasonable return on investment. This enables the renewable producers to operate in the market with other producers, including non-renewable technologies.

The main obligations of the renewable energy electricity producers under the 2013 Electricity Act include requirements to:

- (i) Place offers to sell the energy that they produce in the wholesale market (in accordance with their registered installed capacity) through the system operator, OMIE, to the extent that the electricity is not sold through bilateral contracts or other means excluded from the wholesale market managed by OMIE.
- (ii) Maintain the plant's planned production capacity. Power lines and other ancillary facilities necessary to evacuate the electricity produced (including connections with the transmission or distribution network and transformers) are considered part of the production facility. Enter into the relevant arrangements and pay the corresponding fees, whether directly or through their representatives, to the transmission and/or distribution companies to which the renewable energy facilities are connected in order for the electricity produced to be dispatched into the grid.
- (iii) Be registered on the relevant public registers, as explained immediately below.

Registration on Public Registers

The 2013 Electricity Act and the 2014 Royal Decree require that all electricity generation facilities be registered on the official register of electricity production plants maintained by the Ministry of Industry, Energy and Tourism.

The autonomous regions may keep their own registers of those electricity generation plants authorized by them (i.e. regarding plants with an installed capacity which does not exceed 50 MW). The registration details of these plants are provided to the Ministry of Industry, Energy and Tourism electronically.

All of our wind and solar thermal facilities are duly registered with the relevant registers of (a) the corresponding autonomous regions where they are located and (b) the Ministry of Industry, Energy and Tourism.

Specific Payment Regime Register for Renewable Energy Facilities

To receive their facility-specific reimbursement, renewable energy facilities are required under the 2013 Electricity Act and the 2014 Royal Decree to be listed on a new register named the Specific Payment

System Register (*Registro de Régimen Tributativo Específico*). Unregistered plants will only receive the wholesale market price for the electricity sold in the Spanish wholesale market.

The first transitional provision of 2014 Royal Decree states that renewable energy facilities recognized under the previous economic regime, as in the case of all our wind and solar thermal facilities, will automatically be included in the Specific Payment System Register.

Change of Remuneration System Applicable to Renewable Energy Facilities by the 2013 Royal Decree-law and the 2013 Electricity Act

The 2013 Royal Decree-law introduced a change in the payment system applicable to all existing electricity production facilities using renewable energy sources that were entitled to receive remuneration under the previous remuneration regime before July 14, 2013. The purpose of the 2013 Royal Decree-law, which came into force on July 14, 2013, was to adopt a set of measures to ensure the sustainability of the electricity system and, in particular, to combat the shortfalls between the electricity system revenues and costs (referred to as the “tariff deficit”, further explained below).

The measures adopted were focused primarily on the following areas: (i) the legal and financial regime for existing electricity production facilities using renewable energy sources, co-generation and residual waste; (ii) the remuneration regime for transport and distribution activities; (iii) Spain’s guarantee of the so-called “Securitization Fund” to cover the tariff deficit; and (iv) certain aspects related to capacity payments, assumption of the cost of the subsidized tariff and a review of access fees.

The grounds set forth in the 2013 Royal Decree-law were subsequently adopted in the 2013 Electricity Act.

The 2013 Royal Decree-law and the 2013 Electricity Act established an entirely new remuneration system applicable to, among others, all renewable energy facilities, abolishing the previous feed-in-tariff system. This new regime applies to facilities already in operation at the time the 2013 Royal Decree-law entered into force, as is the case for our assets, as well as facilities which enter operation following its enactment.

The 2013 Royal Decree-law implemented a transitional settlement regime that provided that regulated payments during the period until the effective date of the 2014 Royal Decree and 2014 Revenues Order would be made in accordance with the former remuneration regime. After the 2014 Royal Decree and 2014 Revenue Order came into effect, any amounts received during the transitional settlement regime in excess of or below the new regulated payments provided for in the 2014 Royal Decree and 2014 Revenue Order would be reimbursed by or paid to renewable producers. See “Regulation—Spanish Framework—Transitional Regime Applicable to Renewable Energy Facilities Already in Operation”.

In our case, the wind farms should receive €3.8 million and solar thermal plants should pay a net total of €5.0 million, as adjusted following the implementation of the 2014 Revenue Order. The return in the case of solar thermal plants is offset by the payments we receive in relation to the remuneration on investment and on remuneration on operation. These amounts are being received or returned, as the case may be, in nine monthly payments which began in July 2014. In accordance with the regulation, all payments should be fully settled in March 2015. As of the date of this prospectus, six of the nine payment periods have passed, corresponding to a total revenue of €2.5 million for our wind farms and a total expense of €3.3 million for our solar thermal plants. Due to the regulatory payment schedule, which requires cancellation of payment two months following the date the payment is due, we have to date received a total of €2.1 million for our wind farms and paid a total of €2.8 million for our solar thermal plants.

Calculation of the Remuneration to be Received by Existing Wind and Solar Thermal Assets

The principle driving the new economic regime is that the renewable energy producers are entitled to obtain a reasonable return on investment (see “—Reasonable Rate of Return”). In order to reach this Reasonable Rate of Return on investment, renewable energy producers may receive, in addition to the price obtained in the Spanish wholesale market, a specific remuneration that covers the costs (investment and

operation) that they are unable to recover on the Spanish electricity market, where they have to compete with non-renewable technologies.

According to these criteria, producers will receive:

- (i) a market remuneration (in €/MWh produced) equivalent to the renewable production sold every hour to the wholesale market price;
- (ii) a regulated remuneration on operation (in €/MWh produced, up to a cap of production hours per year), which has been calculated to cover, when appropriate, the standard operating costs (defined according to a standard installation applicable in each case) not recovered through the sale of electricity at the expected wholesale market price. This supplementary specific remuneration must be sufficient to reach the minimum level necessary to cover all the costs which, unlike conventional technologies, producers cannot recover in the market. Operating expenses include, as applicable, the cost of land, electricity, gas and water bills, management, security, corrective and preventive maintenance, market representation costs, the Spanish tax on special real properties, insurance, applicable generation charges (including a €0.5/MWh access fee to be paid by electricity producers) and a generation tax equal to 7% of total revenue. Wind farms are not entitled to operating remuneration; and
- (iii) a return on investment per unit of installed capacity (in €/MW of installed capacity), which covers, when appropriate, the investment costs for each standard installation (without any relation whatsoever to the amount of power they generate), which cannot be recovered through the sale of the energy on the market in question.

The 2014 Revenue Order establishes a number of parameters for calculating the return on investment and the return on operation for renewable facilities. The most relevant parameters are (i) the standard value of the initial investment; (ii) the estimated daily and intra-day market price received; (iii) the number of hours of operation annually; (iv) the estimated future revenues from the market; and (v) the estimated future operating cost.

In addition, the 2014 Revenue Order establishes a number of remuneration parameters for each type of renewable facility, the most relevant parameters being (i) return on investment; (ii) return on operation; (iii) regulatory useful life; (iv) minimum number of operating hours; (v) operation threshold; (vi) maximum number of operating hours for the purposes of receiving the return on operation; and (vi) upper and lower annual limits of the market price.

Reasonable Rate of Return

For plants that were already operating and entitled to receive incentives at the time the 2013 Royal Decree-law entered into force, the Reasonable Rate of Return is 7.398% pre-tax, and will apply until December 31, 2019 (when the first statutory period ends). See “—Statutory Periods and Half-periods: Revision of the Remuneration Parameters”. This rate of return was determined by reference to market yields for the 10-year Spanish government bond during the 10 years prior to July 14, 2013, plus a spread of 300 basis points (“bps”).

Annex III of the 2014 Revenue Order specifies that the 10-year average yield for the 10-year bond is 4.398%, which, increased by 300 bps, results in 7.398% per annum.

Statutory Periods and Half-periods: Revision of the Remuneration Parameters

The 2014 Royal Decree establishes statutory periods of six years, with the first statutory period running from July 14, 2013 (the date of entry into force of the 2013 Royal Decree-law) to December 31, 2019. Each statutory period is divided into two statutory half-periods of three years. The first such half-period runs from July 14, 2013 to December 31, 2016.

This “statutory period” mechanism aims to set forth how and when the government is entitled to revise the different parameters used to determine the remuneration to be received by the renewable energy

facilities. Neither the parameters of the regulatory useful life nor the standard value of the initial investment can be modified.

Every year the government is entitled to update the cost of fuel for those renewable energy or CHP assets that use fuel in their operations and that, therefore, have a variable cost linked to commodities energy prices.

End of Statutory Half-period

At the end of each statutory half-period the Spanish government may amend (i) the net investment value, and consequently, the remuneration per investment to be received, in accordance with the difference, whether positive or negative, between the actual average wholesale market price and the estimated average wholesale market price for the preceding period; as well as (ii) the estimates on revenues to be achieved by the renewable energy facilities during the next half-period to come (taking into account the estimates on the average wholesale market price for such half-period). Remuneration per investment is calculated by reference to the estimated revenues of the renewable energy facilities, thus taking into account an estimate of the average wholesale market price throughout the period.

End of Statutory Period

At the end of each statutory period, the Spanish government may amend the following:

- (a) the pending net investment value and remuneration to investment, in this case not only to adjust it in respect of the wholesale market price deviations from estimates, but also
- (b) the estimated operating costs, and
- (c) the rate of return (currently 7.398% for our assets).

More precisely, the rate of return may be revised every six years based on “the cyclical situation of the Spanish economy and the profitability of the power generation business in view of the Spanish economy and electricity demand” (our own translation).

Before the start of a new statutory period (i.e. from the second statutory period onwards) a revised Reasonable Rate of Return can be established for each type of facility (as identified in the 2014 Revenue Order) calculated as the average yield on Spanish government 10-year bonds on the secondary market in the 24 months preceding from the month of May prior to the commencement of the new statutory period (e.g. the second statutory period beginning on January 1, 2020) plus a spread.

This spread is based on the following criteria: (a) appropriate profit for this specific type of technology and the electricity generation business as a whole, considering the financial condition of the Spanish electricity system and Spanish prevailing economic conditions; and (b) borrowing costs for an efficient and well run electricity generation company using renewable energy sources with regulated payment systems within Europe.

Renewable installations only receive the specific remuneration until they reach their regulatory useful life, at which time they cease to receive the return on investment and the return on operation. Such installations can continue to sell the energy generated to the market.

Market Prices and Market Risk Assumed by the Producer

Market price estimates are made by reference to the annual average price of the future arrangements negotiated in the Iberian Energy Derivatives Exchange (OMIP) in the six months preceding the start date of the relevant statutory half-period.

If the real annual average hourly wholesale market prices in the daily and intra-day wholesale markets actually achieved deviate significantly from the estimated wholesale market prices in a given statutory half-period, the remuneration per investment to be received by the corresponding facilities are adjusted upwards or downwards, as the case may be. Such “adjustment for market price deviation” is made every statutory half-period (i.e. every three years).

The regulation provides for two floors (LI1 and LI2) and two caps (LS1 and LS2), as determined by the Ministry of Industry, Energy and Tourism, for how potential deviations from the estimated wholesale market price will be compensated. Risk shifts from the Spanish government to producers of energy depending upon where such risk falls on the scale between the established floors and caps as follows:

- (i) For market risk within the first band, i.e. between the estimated market price and LS1 or LI1, producers bear the market risk;
- (ii) For market risk that deviates beyond the second band, producers compensate the electricity system if prices are above LS2 or are compensated by the electricity system if prices are below LI2, by means of a corresponding adjustment to be applied in the next statutory half-period (pursuant to certain formulas included in the 2014 Royal Decree); and
- (iii) For market risk between the first and second band, i.e. between LS1 and LS2 and LI1 and LI2, producers share 50% of such risk with the electricity system.

The estimated market price and the caps and floors for the first statutory half-period, are based upon the average price from the derivative market for future arrangements negotiated in the Iberian Energy Derivatives Exchange (OMIP) for the period from July to December 2013, as published by OMIE, which was €51.29/MWh. Based on that amount, the 2014 Revenue Order sets out the following bands and values for the first statutory half-period:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 and onwards</u>
LS2.....	56.21	57.52	57.75	60
LS1.....	52.21	53.52	53.75	56
Estimated market prices (€/MWh).....	48.21	49.52	49.75	52
LI1.....	44.21	45.52	45.75	48
LI2.....	40.21	41.52	41.75	44

These values are then modified by an adjusting coefficient (*coeficiente de apuntamiento*), which varies depending on the type of technology. For wind power it is 0.8889 and for solar thermal it is 1.0207.

Detail of Payment Factors for Wind Farms and Solar Thermal Plants

Following the methodology set out by the 2014 Royal Decree, the specific remuneration to be received by each renewable energy facility is calculated by reference to its corresponding standard. The 2014 Revenue Order sets out more than 1,500 types of facilities for which it has calculated standard payment factors.

In order to determine the standard the following factors must be considered: specific technology used, capacity of the plant, year of start-up of operations and any other differentiating factor deemed necessary to be considered for the purposes of establishing the payment system.

The 2014 Revenue Order identifies six types of solar thermal plants depending on their type of technology: (i) parabolic trough collectors without a storage system, (ii) parabolic trough collectors with a storage system, (iii) central or tower receivers without a storage system, (iv) central or tower receivers with a storage system, (v) fresnel linear collectors and (vi) solar-biomass hybrids.

The 2014 Revenue Order identifies the following factors applicable to each wind or solar thermal facility:

- (i) *Useful life of the plant.* Useful life is 20 years for wind farms and 25 years for solar thermal plants.
- (ii) *Return on investment.* Considering the net investment value determined on the basis of a standard cost per MW built following the 2014 Royal Decree criteria (as explained above), an amount is set

per unit of power, which enables investment costs that cannot be recovered through the wholesale market price to be recouped over the whole useful life of the facility.

- (iii) *Operating remuneration.* Regarding solar thermal plants, an amount is set per unit of power and hour that, added to the wholesale market price, enables the producer to recoup all the plant's operating and maintenance costs.
- (iv) *Maximum number of operating hours.* The so-called "operating payment" will be received by the relevant solar thermal plants up to a maximum number of hours, which is different for each type of facility identified in the 2014 Revenue Order.
- (v) *Minimum operating hours.* Wind and solar thermal plants which operate above the operating threshold mentioned below but operate fewer hours than the annual minimum established by the 2014 Revenue Order per type of facility would receive a lower return on investment and, if applicable, lower operating payment.
- (vi) *Operating threshold.* Wind and solar thermal plants must operate a minimum number of hours per year to be entitled to receive the return on investment and operating payment.

The payment factors established in respect of our wind assets are set forth below:

Wind Asset	Id. Code	Regulatory Useful Life	Remaining Useful Life of the Asset	Authorized Installed Capacity	Remuneration on Investment		Operating Remuneration 2014 (€/MWh)	Maximum Regulatory Hours	Minimum Regulatory Hours	Operating Threshold
					2014-2016	(€/MW) ⁽¹⁾				
Serón 1	IT-00658	20	14	49.5	107,220	0.000	N/A	1,050	630	
Serón 2	IT-00658	20	14	10.0	107,220	0.000	N/A	1,050	630	
Tijola.....	IT-00658	20	14	36.0	107,220	0.000	N/A	1,050	630	
Colmenar 2.....	IT-00657	20	13	28.0	74,254	0.000	N/A	1,050	630	
La Noguera.....	IT-00659	20	15	28.9	115,550	0.000	N/A	1,050	630	
Las Vegas.....	IT-00658	20	14	22.0	107,220	0.000	N/A	1,050	630	
Los Isletes	IT-00659	20	15	25.3	115,550	0.000	N/A	1,050	630	
Abuela Santa Ana (1) ⁽²⁾ ...	IT-00658	20	14	37.5	107,220	0.000	N/A	1,050	630	
Abuela Santa Ana (2) ⁽²⁾	IT-00659	20	15	12.0	115,550	0.000	N/A	1,050	630	
La Caldera	IT-00659	20	15	22.5	115,550	0.000	N/A	1,050	630	
Sierra de las Carbas	IT-00659	20	15	40.0	115,550	0.000	N/A	1,050	630	
Tesosanto (1) ⁽³⁾	IT-00661	20	17	46.0	109,114	0.000	N/A	1,050	630	
Tesosanto (2) ⁽³⁾	IT-00662	20	18	4.0	104,995	0.000	N/A	1,050	630	
Viudo I.....	IT-00662	20	18	40.0	104,995	0.000	N/A	1,050	630	
Viudo II.....	IT-00662	20	18	26.0	104,995	0.000	N/A	1,050	630	
Santa Catalina – Cerro Negro.....	IT-00662	20	18	41.5	104,995	0.000	N/A	1,050	630	
Monte Gordo	IT-00660	20	16	48.0	124,803	0.000	N/A	1,050	630	
Valcaire	IT-00662	20	18	16.0	104,995	0.000	N/A	1,050	630	

Notes:—

- (1) Annual amounts applicable during the whole first statutory semi-period (i.e. in years 2014, 2015 and 2016).
- (2) 37.5 MW were commissioned in June 2008 (Abuela Santa Ana 1) and 12 MW in July 2009 (Abuela Santa Ana 2).
- (3) 46 MW were commissioned in August 2011 (Tesosanto 1) and 4 MW in June 2012 (Tesosanto 2).

The payment factors established in respect of our solar thermal assets are set forth below:

Solar Thermal Asset	Id. Code	Regulatory Useful life	Remaining Useful Life of the Asset	Authorized Installed Capacity	Return on	Operating Remuneration 2014 (€/MWh)	Maximum Regulatory Hours	Minimum Regulatory Hours	Operating Threshold
					Investment 2014-2016 (€/MW)				
Extresol 1.....	IT-00607	25	20	50.0	526,314	37.292	2,720	1,632	952
Mancha sol 2.....	IT-00609	25	22	49.9	557,683	38.003	2,720	1,632	952
Casablanca.....	IT-00611	25	24	49.9	549,818	37.785	2,720	1,632	952

The data contained in the above tables (other than with respect to the useful life of the plants and installed capacity) comes from the Annexes of the 2014 Order Revenue. In addition to market revenues, facilities receive a return on investment and payment for operating costs. The return on investment is calculated using the net investment value, as determined on the basis of a standard cost per MW based on the 2014 Royal Decree criteria (see “—Calculation of the Remuneration to be Received by Existing Wind and Solar Thermal Assets”). An amount is then set per unit of power to enable the producer to recover investment costs that cannot be recovered through the wholesale market price. The return on investment is not tied in any way to the plant’s production. By contrast, payments for operating costs (which only solar thermal plants receive) are set per unit of power and hour such that, when added to the wholesale market price, the producer can recover all of the plant’s operating and maintenance costs. Payments for operating costs are linked to the plant’s production, as it is assumed that higher production yields higher costs. Both payments are made monthly by the CNMC. See “—Calculation of the Remuneration to be Received by Existing Wind and Solar Thermal Assets”.

Transitory Regime Applicable to Renewable Energy Facilities Already in Operation

The 2013 Royal Decree-law provides that the new remuneration scheme for renewable energy facilities would be applied from July 14, 2013, but only once the implementing regulations (i.e. the 2014 Royal Decree and the 2014 Revenue Order) were put in place, which did not happen until June 2014. The 2013 Royal Decree-law and 2014 Royal Decree provide that (i) from July 14, 2013 until the date on which the 2014 Royal Decree became effective, settlements corresponding to renewable energy facilities already operating would be made in accordance with the former Regulated Tariff regime and (ii) there would be an adjustment mechanism for the reimbursement of those amounts received in excess of or below the regulated amount by the renewable producers as a result of the application of the transitory regime, as described below.

In this sense, Transitional Provision Three of Royal Decree-law 9/2013 provides for the adjustment of the amounts actually received during this transitory period so that renewable producers reimburse the excess or default earnings achieved during the July 2013-June 2014 period by means of corresponding adjustments to nine settlements of the electricity system applicable to the relevant facilities, commencing with settlement No. 7/2014. The total amount corresponding to this adjustment will be equally distributed among these nine settlements. However, the adjustment is capped at 50% of the total amount to be received under each of the affected settlements.

Notwithstanding the above, under no circumstances will amounts received by producers for electricity generated before July 14, 2013 be required to be returned or reimbursed under the new system.

In our case, the wind farms should receive €3.8 million and solar thermal plants should pay a net total of €5.0 million, as adjusted following the implementation of the 2014 Revenue Order. The return in the case of solar thermal plants is offset by the payments we receive in relation to the remuneration on investment and on remuneration on operation. These amounts are being received or returned, as the case may be, in nine monthly payments which began in July 2014. In accordance with the regulation, all payments should be fully settled in March 2015. As of the date of this prospectus, six of the nine payment periods have passed, corresponding to a total revenue of €2.5 million for our wind farms and a total expense of €3.3 million for our solar thermal plants. Due to the regulatory payment schedule, which requires

cancellation of payment two months following the date the payment is due, we have to date received a total of €2.1 million for our wind farms and paid a total of €2.8 million for our solar thermal plants.

Regime Applicable to New Renewable Projects

The entitlement to receive a regulated remuneration for renewable energy facilities developed after the entry into force of the new regime in June 2014, will be established by public tender processes, which will be called by the Spanish authorities if needed in order to meet the 20% renewable target set out in the European Union policy.

Until such competitive proceedings are organized, new facilities may be developed and constructed outside the regulated remuneration scheme and will only receive the market price (although there are some exceptions and specific provisions applicable to non-mainland renewable energy facilities included in the 2013 Electricity Act).

Generally, the authorizations, permits, licenses and registrations required for new renewable energy facilities to be constructed and operated do not differ from those required from wind farms and solar thermal plants already operating.

Previous Regulatory Regime

Prior to January 1, 2013, electricity production facilities using renewable energy sources received revenues tied to the amount of electricity produced. This involved receiving feed-in tariffs, in €/kWh, that were split into two components: (i) the wholesale market price of electricity and (ii) an equivalent premium (the “Premium”), consisting of the difference between the wholesale price and the set feed-in tariff for each type of plant (feed in tariff = wholesale market price + equivalent Premium). This revenue was received for a maximum annual number of hours and for a pre-determined number of years, depending on the technology used in each case. For any additional hours produced, producers received the wholesale market price.

The approval of Royal Decree-law 2/2013 in February 2013 prevented renewable energy producers from receiving the Premium and consequently producers had to decide between selling the electricity (i) for the Regulated Tariff or (ii) at the wholesale market price (without Premium). Furthermore, such Royal Decree-law 2/2013 amended the update coefficient for the annual review of the Regulated Tariff, changing the reference to underlying inflation rather than to the Spanish Consumer Prices Index (“CPI”). This regime was applicable until the approval of the 2013 Royal Decree-law.

Access Fee to be Paid by Electricity Producers

Royal Decree-law 14/2010 was also passed in order to solve the problem of the tariff deficit, which reached approximately €28 billion as of December 2013.

The First Transitional Provision of Royal Decree-law 14/2010 states that the owners of electricity production facilities must pay a fee to the transmission and distribution companies for access to the electricity grid from January 1, 2011. Such access was previously free of charge. The access fee was set out on a temporary basis as follows: (i) calculated at €0.5 per MWh delivered to the network or (ii) any other amount that the Ministry of Industry, Energy and Tourism establishes.

Royal Decree 1544/2011 implemented the First Transitional Provision of Royal Decree 14/2010 and confirmed the interim access fee imposed on electricity producers (€0.5 per MWh), subject to the adoption of a final method for calculating the access fee, which has not yet been approved.

Financing the Tariff Deficit

Since 2000, and with the sole exceptions of the years 2003 and 2004, the regulated revenue collected by the electricity system has been insufficient to finance the regulated costs of the system, and, accordingly, the so-called “tariff deficit” has appeared.

The main regulated revenues of the electricity system are:

- (i) The third party access tariffs charged to the suppliers (or, in certain cases, directly to the consumers) by network owners (transmission and distribution of electricity) are the main “system revenues”. Under the 2013 Electricity Act, access charges are approved by the Government Economic Affairs Subcommittee (*Comisión Delegada del Gobierno para Asuntos Económicos*), at the proposal of the Spanish Ministry of Industry, Energy and Tourism Agency (*Ministerio de Industria, Energía y Turismo*, “MINETUR”) and after a non-binding report issued by the Spanish energy regulatory body, CNMC. Access charges are reviewed on an annual basis.
- (ii) Law 15/2012, of 27 December, on tax measures for energy sustainability (“Law 15/2012”), introduced new taxes applicable to energy producers and other entities involved in the energy sector and modifies the hydrocarbons tax. The proceeds from these taxes are allocated to finance the costs of the electricity system.

The main regulated costs of the electricity system are:

- (i) The payments to network owners (distribution and transmission companies);
- (ii) The incentives paid to producers using renewables, cogeneration and waste;
- (iii) The extra charges for electricity power supply in the Canary Islands, the Balearic Islands, Ceuta and Melilla; and
- (iv) The tariff deficit return that has been financed during the previous years.

The 2013 Electricity Act states that from January 1, 2014, the tariff deficit will be financed by the companies that receive regulated payments on a pro-rata basis, including distributors, transporters, producers of electricity from renewable energy sources, companies receiving payments for availability of production capacity and others (as opposed to the previous regime, under which only the 5 most significant electric utility companies were obliged to finance the tariff deficit). Each of these entities will temporarily fund the tariff deficit in proportion to the costs that they represent for the electricity system in a given year.

There are two types of tariff deficit, provisional and final, and the mechanism to recoup each one is different. Such different mechanisms are related to the settlement procedure of the regulated activities, which consists mainly of distribution and transmission of electricity in Spain, and is managed by the CNMC:

- (i) All sector agents provide the CNMC with information on their electricity system revenues and costs on a monthly basis. Each natural year, there are 14 provisional settlements and one final settlement approved in December of the following year. There are 14 provisional settlements (one per month of the corresponding year and two further on the months of January and February of the following year) due to the fact that transmission and distribution companies charge access fees corresponding to each calendar year on invoices submitted from January of the relevant year to February of the following year.
- (ii) In each settlement, transmission and distribution companies include the amounts received from their suppliers/consumers corresponding to the third party access tariffs.
- (iii) The CNMC settles its accounts by either depositing, or receiving the difference between, the amounts collected and the payments recognized in favor of each of them, respectively. These are the main revenues of the Spanish electricity system.
- (iv) If revenues are not sufficient to cover all system costs, there is a “provisional tariff deficit”. The provisional deficit which appears in each of the 14 provisional settlements is financed by the “agents subject to the settlement system” in proportion to the payments they receive in each monthly settlement. “Agents subject to the settlement system” are those who receive settlement of their payments with a charge to the various system cost items, directly or through the system operator or distributors (such as renewable energy producers).
- (v) The last regulated activities settlement approved by the CNMC for November 2014 shows that of the revenues for the months of January to November 2014, each agent has only received 78.92% of what it is due. However, it is expected that this percentage will increase in the upcoming

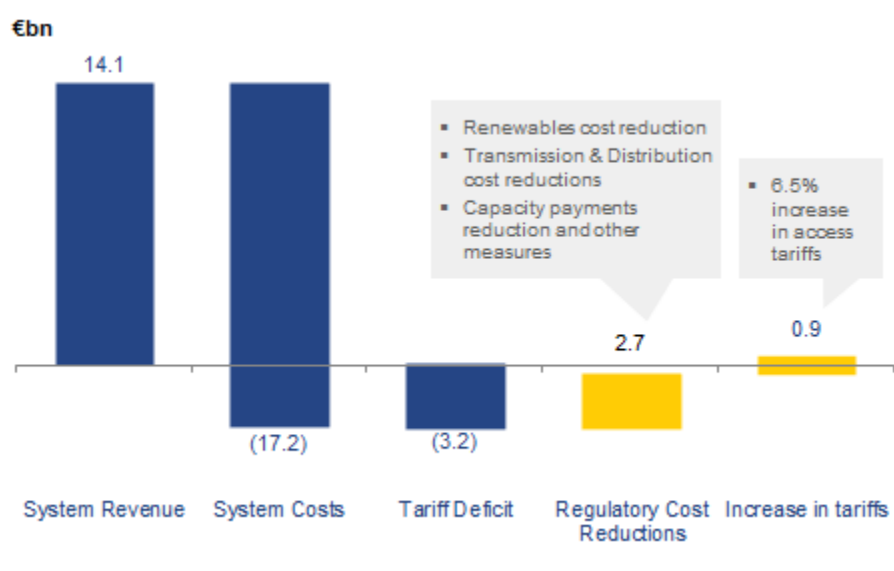
settlements, to the extent that the electricity system revenues grow (particularly those as a result of collecting the taxes created by Law 15/2012).

- (vi) The “final tariff deficit” results from the final settlement approved in December of the following year and will also be financed proportionally by those subject to the settlement system. These amounts are entitled to recover amounts paid in the corresponding settlements within the five years after the deficit arose. The amounts paid for this reason will be repaid plus interest on terms equivalent to the market.

The final settlements corresponding to the years 2008 to 2012 have still not been approved (the deadline under the previous regime was the 31st of March of the following year, which means that, in the worst case, said approval has been delayed more than six years).

The final tariff deficit cannot exceed 2% of the estimated system revenues for each year. Furthermore, the accumulated debt due to previous years’ deficit also cannot exceed 5% of the estimated system revenues for that period. If these thresholds are exceeded, the Government is forced to review the access fees so that the system revenues increase accordingly.

The composition of the tariff deficit in 2013 and the impact of the new measures is illustrated in the chart below:



Notes:—

- (1) ■ Composition of the tariff deficit in 2013. Source: CNMC report on electricity sector provisional settlement N°14 of 2013.
- (2) ■ Impact of the new measures. Source: Ministry of Industry, Energy and Tourism (July 12, 2013).

In this respect, and according to the following CNMC’s reports: (i) Responding Report to the Data Request by the Directorate General for Energy Policy and Mines for the Elaboration of the Revenues and Costs Scenario of the Electric System for 2015 (INF/DE/0139/14) (*Informe de Respuesta a la Solicitud de Datos por Parte de la Dirección General de Política Energética y Minas para la Elaboración del Escenario de Ingresos y Costes del Sistema Eléctrico para 2015*) and (ii) the Order Proposal in Relation to the Determination of the 2015 Energy Access Tolls Report (IPN/DE/0014/14) (*Informe Sobre la Propuesta de Orden por la que se Determinan los Peajes de Acceso de Energía Eléctrica para 2015*):

- (i) The Ministry of Industry, Energy and Tourism estimates the tariff surplus to amount to €33 million for 2015.

- (ii) Electricity demand is expected to grow 0.6% according to the CNMC, 0.7% according to the *Ministry of Industry, Energy and Tourism* and 2.3% according to REE.

Decommissioning

All of the Asset Companies hold long-term leases on the property on which they operate, which will remain in force for at least the whole of the assets' statutory useful lives (20 years for wind farms and 25 years for solar thermal plants). At the end of those leases, unless they are extended, the Asset Company must return the land to its respective owners in the same condition as when originally leased. This means each Asset Company must dismantle the facilities and equipment at the plants, which involves additional costs for which provisions must be made in advance. In principle, the point of dismantling is still many years away for our Asset Companies, as the plants are in the first few years of their statutory useful lives. Our wind farms have an average operational life of 5 years since SUD, with an average remaining regulatory life of 16 years, in each case weighted by installed capacity. Our solar thermal plants have an average operational life of 3 years since SUD, with an average remaining regulatory life of 22 years, in each case weighted by installed capacity.

Tax on Electricity Sales

On December 27, 2012, the Spanish Parliament approved Law 15/2012, which became effective on January 1, 2013. The aim of Law 15/2012 is also to help solve the problem of the tariff deficit.

Law 15/2012 establishes a tax triggered by the sale of electricity and affects all electricity producers in Spain. The tax, a flat rate of 7%, is levied on the total revenue achieved by the electricity producers from the power produced at each of their facilities.

Thus, every calendar year, the owners of wind farms and solar thermal plants must pay 7% of the total amount they are entitled to receive in connection with their electricity production activity, measured as the net output generated.

The effect of this tax on our results of operations is described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Regulation".

Regulation Regarding Derivative Transactions

We have entered into derivative transactions in connection with financing agreements. Derivative transactions are subject to new and extensive regulation.

The following is a description of the main regulations that as of the date of this prospectus apply to us in relation to the derivative transactions that have been entered into in connection with financing agreements.

European Market Infrastructure Regulation (EMIR)

European Regulation 648/2012, known as the European Market Infrastructure Regulation (EMIR), introduces new requirements to improve transparency and reduce risks associated with the derivatives market. EMIR came into force on August 16, 2012, although the main requirements are being progressively implemented from 2013 to 2018. As of the date of this prospectus, EMIR requires, inter alia, all EU derivatives market participants who enter into any form of derivative transaction, including interest rate derivative transactions, to report all derivative transactions to a trade repository and implement new risk mitigation techniques (including timely confirmation of transactions, portfolio reconciliation, dispute resolution and daily valuation). When fully in force, EMIR will also require, with respect to certain entities, the clearing through a central counterparty of over-the-counter derivatives that are subject to a mandatory clearing obligation, and the exchange of collateral for all non-cleared over-the-counter derivative transactions.

BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

Directors

The nine members of our board of directors, their positions within the board of directors, their category as directors and, where relevant, the shareholder they represent, as well as the person acting as our non-director secretary (*Secretario no Consejero*), are detailed in the table below. As of the date of this document, all of the directors have been appointed by our general shareholders' meeting and the non-director secretary has been appointed by our board of directors.

Name	Date of first appointment	Expiry date of appointment	Age	Title	Shareholder represented	Category ⁽¹⁾
José Luis Martínez Dalmau.....	January 20, 2015	January 20, 2019	51	Executive Director / Chairman	Eyra	Executive Director
Honorato López Isla.....	January 27, 2015	January 27, 2019	67	Non Executive Director	-	Independent Director
José Barreiro Hernández.....	January 27, 2015	January 27, 2019	56	Non Executive Director	-	Independent Director
Daniel B. More.....	January 27, 2015	January 27, 2019	58	Non Executive Director	-	Independent Director
Paul Jeffery.....	January 27, 2015	January 27, 2019	59	Non Executive Director	-	Independent Director
Cristobal González Wiedmaler.....	January 20, 2015	January 27, 2019	50	Director	Eyra	Proprietary Director
Cristina Aldámiz-Echevarría González de Durana.....	January 20, 2015	January 27, 2019	44	Non Executive Director	Eyra	Proprietary Director
Epifanio Lozano Pueyo.....	January 20, 2015	January 27, 2019	49	Non Executive Director	Eyra	Proprietary Director
Alfonso Aguirre Díaz-Guardamino.....	January 20, 2015	January 27, 2019	49	Non-Executive Secretary	Eyra	Proprietary Director
Catalina Miñarro Brugarolas.....	January 20, 2015	Indefinite	51	<i>Secretario no Consejero</i>		

Note:—

- (1) The categories of directors have been determined by applying the definitions set out in the Spanish Companies Act, which has been recently amended by Law 31/2014, 2015 on the improvement of corporate governance of listed companies.

According to the Saeta Yield SPA, the Selling Shareholder has agreed to request two of its proprietary directors to resign from our board of directors in order to allow the appointment by our general shareholders meeting or our board of directors, at the Co-Sponsor Closing Date or as soon as practicable thereafter, and subject to the Co-Sponsor Conditions Precedent, of two proprietary directors proposed by the Co-Sponsor, and to vote in favor of the appointment of the two proprietary directors nominated by the Co-Sponsor. The two proprietary directors representing the Selling Shareholder that will be resigning in the event that the Co-Sponsor Agreements are closed are expected to be Mr. Lozano Pueyo and Mr. Alfonso Aguirre Díaz-Guardamino.

As of the date of this prospectus, the identities of the GIP non executive directors who will replace Mr. Lozano Pueyo and Mr. Alfonso Aguirre Díaz-Guardamino on our board of directors are to be decided. The resignation of Mr. Lozano Pueyo and Mr. Alfonso Aguirre Díaz-Guardamino and the identity of the new two non executive proprietary directors of GIP will be announced through the publication of a relevant fact disclosure (*hecho relevante*).

Pursuant to the Spanish Companies Act, a director is categorized as “independent” if he or she has been appointed based on his or her personal and professional conditions and is able to perform his or her duties without being impaired by his or her relationships with us, our significant shareholders or our senior management. The Spanish Companies Act sets out a series of objective criteria which may prevent a director from being categorized as “independent”.

The biographies for each of the directors following Admission are set out below:

Mr. José Luis Martínez Dalmau

Mr. Martínez Dalmau is our Chairman and Chief Executive Officer, and oversees all corporate development as well as the performance of our portfolio assets.

Mr. Martínez Dalmau has significant experience in operations, institutional relations, business development, corporate governance, commercial agreements and regulatory acumen. He managed energy projects in the ACS Group during six years prior to the date of this prospectus. Additionally, Mr. Martinez Dalmau has been in charge of all the renewable assets constructed and operated by the ACS Group during that period, which now form part of Saeta Yield. He simultaneously acted as CEO of ACS subsidiary, Escal UGS S.L., a Spanish gas storage company representing an investment of over €1.7 billion.

Before joining ACS, Mr. Martínez Dalmau served as CEO of Mobipay España S.A., a company that offers mobile payment services; as e-business manager for the mobile services of Banco Santander, S.A.; as advisor of the Spanish Ministry of Infrastructure Development with an active role in the liberalization process of the Spanish telecommunications market; and as engineer for Telefónica S.A. and Alcatel Lucent España, S.A. He has been a member of the board of directors of several companies, including Retevisión, the second largest Spanish telecom operator at the time, and AENA, S.A., the world’s largest airport operator.

Mr. Martínez Dalmau has a Master's degree in Business Administration from the IESE Business School and a degree in Telecommunications from the Universidad Politécnica de Madrid.

Mr. Honorato López Isla

Mr. López Isla is a non executive independent director. He joined Union Fenosa, S.A. (a Spanish company dedicated to the production and distribution to end users of gas and electricity which was part of the IBEX 35 until 2008, when it was acquired by Gas Natural SDG, S.A.) in 1972 where he developed all his professional career and become Chief Executive Officer.

Mr. López Isla has a Degree in Civil Engineering from the Escuela Técnica Superior de Madrid and a Post-Graduate Degree in Senior Management by IESE Business School.

Mr. José Barreiro Hernández

Mr. Barreiro Hernández is a non executive independent director. He has significant experience managing and overseeing large limited companies. Before joining Saeta Yield, Mr. Barreiro Hernández served as managing director of Banco Bilbao Vizcaya Argentaria, S.A. for more than fourteen years. He has been a member of the board of directors of several companies, including AIAF, the Spanish Fixed Income Market, Iberclear, the Spanish Clearing and Settlement System for Government Securities, BME (Bolsas y Mercados Españoles), CNCB (China Citic bank Corporation). He has been also a member of foundations and schools such as Fundación de Estudios Financieros and Vermont Academy.

Mr. Barreiro has a Degree in Economics from the Universidad Complutense de Madrid, specializing in macro economy and a Diploma in tax and Fiscal Law from the Instituto de Estudios Financieros (Madrid).

Mr. Daniel B. More

Mr. More is a non executive independent director. He was formerly a Managing Director at Morgan Stanley, leading the firm’s global efforts in Utility Mergers and Acquisitions. He has been an investment banker since 1978 and has specialized in the energy sector since 1986. He retired from Morgan Stanley in March 2014 and has served on the board of directors of the New York Independent System Operator (the

“NYISO”) since April 2014. The NYISO is responsible for the reliable operation of New York State’s nearly 11,000 miles of high voltage transmission and over 500 electric power generators.

Mr. More’s experience includes a focus on financing renewable energy. He has also worked with an array of regulated industry clients, including investor-owned utilities, co-operatives and municipal electric systems. He has extensive international energy experience, working with energy sector clients on six continents.

Mr. More earned a Master of Business Administration in Finance from the Wharton School of the University of Pennsylvania and a Bachelor of Arts in Economics from Colby College.

Mr. Paul Jeffery

Mr. Jeffery is a non executive independent director. He was formerly a Managing Director in the Investment Banking Division and Head of the European Power, Utilities and Infrastructure (“PUI”) team at Barclays Capital (“Barclays”). Mr. Jeffery joined Barclays in 1972 and has focused on the utility sector since 1996. During his 15 years as Head of the PUI team, Mr. Jeffery had an oversight role in virtually every Investment Banking transaction Barclays executed in the European PUI sector. Mr. Jeffery retired from Barclays in 2012 and, since 2014, has served on the boards of directors of the Scotia Gas Networks (Southern Gas Networks plc and Scotland Gas Networks plc) and UK Power Networks (Eastern Power Networks plc, London Power Networks plc and South Eastern Power Networks plc) which own and operate the regulated gas and electricity distribution networks, respectively, in the United Kingdom.

Mr. Cristobal González Wiedmaler

Mr. González Wiedmaler is a non executive proprietary director. He joined ACS in 2000 and he serves as the CFO of the ACS and holds a place in the board of several companies within the ACS Group. He has a strong financial and management background and a deep knowledge in the financial development of project financings. In addition to ACS, Mr. González has developed his professional career in other companies such as Hewlett-Packard Española, S.A., Grupo Terratest and Cimyson, I.C.O.S, S.A., Hong Kong Brach.

Mr. González Wiedmaler has a Degree in Physics from the Universidad Complutense de Madrid, specializing in Automated Calculated Systems.

Ms. Cristina Aldámiz-Echevarría González de Durana

Ms. Aldámiz-Echevarría González de Durana is a non executive proprietary director.

She joined ACS in 2001 and she serves as the Head of Corporate Development and Controller in the ACS Group. She has extensive experience in financial, commercial and management matters, as well as in merger and acquisition transactions. She has been a director of TBI Limited, an international airport infrastructure service company and a director of Clece, S.A. a multiservice company, subsidiary of the ACS Group.

Ms. Aldámiz-Echevarría González de Durana has a degree in Economics and Business from the Deusto Business School.

Mr. Epifanio Lozano Pueyo

Mr. Lozano Pueyo is a non executive proprietary director. He joined the ACS Group in 1992 and has been the corporate general manager of ACS Servicios Comunicacions y Energia, S.L. since 2012. Prior to his current role, he held various directorial positions at the Cobra Group over the course of 13 years, serving as the director of facilities management, director of internal audit and director of systems and administration.

Mr. Lozano Pueyo has a Degree in Economics and Business Administration from the Universidad Autónoma de Madrid.

Mr. Alfonso Aguirre Díaz-Guardamino

Mr. Aguirre Díaz-Guardamino is a non executive proprietary director. He has served as the chief legal counsel of ACS SI since 2000, and has been with the ACS Group since 1997. He served as the legal counsel

of the company that is now Dragados, S.A. for two years prior to his current role. Mr. Aguirre Díaz-Guardamino previously served as an legal counsel to Auxini, S.A. before and through its merger into ACS, and as council to the board of directors at Sacyr, S.A.

Mr. Aguirre Díaz-Guardamino has a Master in Legal Construction and Real Estate Companies from the Universidad Politécnica de Madrid and a Law Degree from the Universidad San Pablo C.E.U. de Madrid.

Ms. Catalina Miñarro Brugarolas

Ms. Miñarro Brugarolas is the non-director secretary (*secretaria no consejero*). She is an attorney of the state (*abogada del estado*) with significant experience in accounting and financial institutional matters (including implementation of the Euro and reports about public debt issues). She has been an independent member of Mapfre, S.A., secretary of the National Paradors Company of Spain and secretary of the Euro Transmission Company of Spain. She has been the president of the State Attorney’s Association of Spain.

Ms. Miñarro Brugarolas has a Degree in Law from the Universidad Complutense de Madrid. She has been a member of the Spanish State bar (*Abogacía General del Estado*) since 1988.

The table below sets out all entities in which the members of the board of directors have been appointed as members of administrative, management or supervisory bodies, or in which they have held partnerships positions at any time during the five year period preceding the date of this document, indicating whether or not each person is still a member of any such bodies or holds any shares in any such entities. Our board of directors will include in the agenda of the first general shareholders’ meeting to be held after Admission the express authorization for certain directors to participate in boards of companies that have a similar corporate purpose to Saeta Yield.

Director	Entity	Sector	Position/Title	In office
José Luis Martínez Dalmau				
	Carta Valley Wind Power Usa, LLC	Renewable Energies	Treasurer and Secretary of the Board	No
	Eyra Wind Power USA, Inc	Renewable Energies	Treasurer and Secretary of the Board	No
	Red Top Wind Power, LLC	Renewable Energies	Treasurer and Secretary of the Board	No
	Parque Eólico Valdehiero, S.L.	Renewable Energies	Director	No
	Parque Eólico Las Tadeas, S.L.	Renewable Energies	Director	No
	Parque Eólico Cortado Alto, S.L.	Renewable Energies	Eyra Intalaciones y Servicios, S.L. representative as Director	No
	Parque Eólico La Val, S.L.	Renewable Energies	Eyra Intalaciones y Servicios, S.L. representative as Director	No
	Energías Renovables de Ricobayo, S.A.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Sistema Electrico de Conexion Valcaire S.L.	Renewable Energies	Parque Eólico Valcaire, S.L. representative as Director	No
	Sistema Electrico De Conexión Hueneja, SL	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Riansares Eólicas, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Calvache Eolica SI	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Berea Eolica SI	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Torre De Miguel Solar, S.L.	Renewable Energies	Joint Administrator	No
	Energía De La Loma, S.A.	Renewable Energies	Energía y Recursos Ambientales, S.L. representative as Director	No
	EPC Plantas Fotovoltaicas Lesedi y Letsatsi S.L.	Holding Company	Chairman and Chief Executive Officer	No
	Electra De Montanchez, S.A	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Invexta Recursos, S.L.	Hydrocarbon	Chief Executive Officer	No

Director	Entity	Sector	Position/Title	In office
		exploration and exploitation and scientific research		
	Escal Ugs, S.L.	Hydrocarbon Storage	Chief Executive Officer	Yes
Honorato López Isla				
	Auxiliar del Transporte y de la Construcción, S.L.	Real Estate	Sole Shareholder	Yes
	Smartener, S.L.		50.53% stake	Yes
	Maldonado Renovables, S.L.	Renewable Energies	50.53% stake	Yes
	Doble Río, S.L.		50.53% stake	Yes
	Alarde Sociedad de Energía, S.A.	Renewable Energies	President. 25.23% stake	Yes
	Eólica Galenova, S.L.	Renewable Energies	Attorney	Yes
	Fergo Galicia, S.A.	Real Estate	President. 20% stake	Yes
	SAT Godeval	Wine Industry	Director	Yes
	R Cable y Telecomunicaciones de Galicia, S.A.	Telecommunications	President	Yes
José Barreiro Hernández				
	Banco Bilbao Bizcaya Argentaria, S.A.	Banking	Member of the Management Committee	Yes
	Bolsas y Mercados Españoles, S.A.	Stock Exchanges	Director	Yes
	Desarrollo Urbanístico Chamartín (DUCH)	Real Estate	Director	Yes
	Fundación de Estudios Financieros	Fundation	Director	Yes
	China Citic Bank Corporation	Banking	Director	Yes
	Citic International Financial Holdings	Holding Company	Director	Yes
	Citic Bank International	Banking	Director	Yes
	Vermont Academy	Academic	Director	Yes
	Strategic Value Partners	Non-Profit Organization	Director	Yes
Paul Jeffery				
	Southern Gas Networks plc	Energy	Non Executive Director	Yes
	Scotland Gas Networks plc	Energy	Non Executive Director	Yes
	Eastern Power Networks plc	Energy	Non Executive Director	Yes
	London Power Networks plc	Energy	Non Executive Director	Yes
	South Eastern Power Networks plc	Energy	Non Executive Director	Yes
Daniel B. More				
	New York Independent System Operator (NYISO)	Energy	Member of the Audit and Compliance Committee; Member of the Reliability and Markets Committee	Yes
	Colby College	Education	Member of the Board of Overseers	No
Cristobal González Wiedmaler				
	Hydro Management, S.L.	Desalination Plants	Director	Yes
	Invexta Recursos, S.L.	Hydrocarbon exploration and exploitation and scientific research	Director	Yes
	Escal UGS, S.L.	Hydrocarbon Storage	Director	Yes
	Iberoamericana de Hidrocarburos, S.A. de C.V.	Oil & Gas	Director	Yes

Director	Entity	Sector	Position/Title	In office
		Infrastructures		
	Monclova Pirineos Gas, S.A. de C.V.	Oil and Gas Infrastructures	Director	Yes
	Consortio Especializado en Medio Ambiente, S.A. de C.V.	Environmental Services	Director	Yes
	Andasol 1 Central Termosolar Uno, S.A.	Renewable Energies	Director	No
	Andasol 2 Central Termosolar Dos S.A.	Renewable Energies	Director	No
	Expansion Trasmisao de Energia Electrica, S.A.	Electricity Transmission Lines	Director	No
	Expansion Trasmisao Itumbiara Marimbondo, S.A.	Electricity Transmission Lines	Director	No
	Cachoeira Paulista Transmissora de Energia, S.A.	Electricity Transmission Lines	Director	No
	Itumbiara Transmissora de Energia, S.A.	Electricity Transmission Lines	Director	No
	Vila do Conde Transmissora de Energia, S.A.	Electricity Transmission Lines	Director	No
	Porto Primavera Transmissora de Energia, S.A.	Electricity Transmission Lines	Director	No
	Serra da Mesa Transmissora de Energia, S.A.	Electricity Transmission Lines	Director	No
Cristina Aldámiz-Echevarría González de Durana				
	TBI, Limited	Infrastructure Management	Director	No
	Clece, S.A.	Multiservice	Director	No
Epifanio Lozano Pueyo				
	Cobra Inversiones y Gestión, S.A.	Holding Company	Cobra Instalaciones y Servicios, S.A. representative as Sole Director	Yes
	Invexta Recursos, S.L.	Hydrocarbon exploration and exploitation and scientific research	Director	Yes
	Dragados Industrial, S.A.	Industrial Facilities	ACS Servicios Comunicaciones y Energías,S.L.U. representative as Sole Director	Yes
	Grupo Cobra South Africa LTD	Holding Company	Director	Yes
	Dragados Offshore, S.A.	Metallic Structures	Director	Yes
	Btob Construcciones Ventures, S.L.	Administrative Management Services	Dragados Industrial, S.A. representative as Sole Director	Yes
	Gestión Inteligente de Cargas, S.L.	Management Services	Cobra Instalaciones y Servicios, S.A. representative as Sole Director	Yes
	Dragados Industrial Canada Inc	Electric Facilities	President and Secretary	Yes
	Dragados Industrial Netherland, B.V.	Industrial Facilities	Dragados Industrial, S.A. representative as Sole Director	Yes
	Energías Mexicanas, S.L.U.	Energy Development and Operation	Sole Administrator	Yes
	Miramar Energías, S.L.U.	Energy Development and Operation	Sole Administrator	Yes
	Aztec Energy Holding, S.L.U.	Energy Development and Operation	Sole Administrator	Yes

Director	Entity	Sector	Position/Title	In office
	Cobra Infraestructuras Internacional, S.A.	Electric Facilities	Cobra Instalaciones y Servicios, S.A. representative as Sole Director	Yes
	Cobra Ingeniería de Montajes, S.A.	Industrial Facilities	Cobra Internacional, S.L. representative as Sole Director	Yes
	Cobra Instalaciones y Servicios Internacional, S.L.	Industrial Facilities	Cobra Inversiones y Gestión, S.L. representative as Sole Director	Yes
Alfonso Aguirre Díaz-Guardamino				
	Escal UGS, S.L.	Hydrocarbon Storage	Non-Director Secretary	Yes
	Berea Eólica, S.L.	Renewable Energies	Non-Director Secretary	Yes
	Calvache Eólica, S.L.	Renewable Energies	Non-Director Secretary	Yes
	Desarrollos Energéticos Asturianos, S.L.	Renewable Energies	Non-Director Secretary	Yes
	Energías Renovables de Ricobayo, S.A.	Renewable Energies	Non-Director Secretary	Yes
	Parque Eólico las Tadeas, S.L.	Renewable Energies	Non-Director Secretary	Yes
	Riansares Eólica, S.L.	Renewable Energies	Non-Director Secretary	Yes
	Hydro Management, S.L.	Desalination	Non-Director Secretary	Yes
	Serpista, S.A.	Handling	Non-Director Secretary	Yes
Catalina Miñarro Brugarolas				
	Mapfre, S.A.	Insurance	Director	Yes
	Mapfre Empresas, S.A.	Insurance	Director	Yes
	National Paradors State Company of Spain	Tourism	Secretary of the Board of Directors	Yes
	Proemi, S.L.	Real Estate		Yes
	Proyectos Comerciales y Urbanísticos, S.A.	Real Estate		Yes
	Confital Internacional, S.A.	Real Estate		Yes
	Rentas y Alquileres Arrando, S.A.	Real Estate		Yes
	Gestión y Desarrollo del Confital, S.A.	Real Estate		Yes
	La Tembladera, S.A.	Hunting, Trapping and Related Service Activities		Yes

Professional address

All members of the board of directors designate our registered address as their professional address for the purposes of this document.

Corporate Governance

Board of Directors

Authority of the Board of Directors

The Spanish Companies Act provides that the board of directors is responsible for the management, administration and representation of a company in respect of its business matters, subject to the provisions of the by-laws (*estatutos sociales*) and except for those matters expressly reserved to the general shareholders' meetings.

Reserved matters

Pursuant to articles 249bis and 529ter of the Spanish Companies Act, our by-laws and the Regulations of the board of directors, the following matters must be approved by the board of directors in full and,

subject to certain exceptions, may not be delegated to any board committee or to any of our attorneys or representatives:

- Supervision of the operation of committees formed by, and actions of, delegated bodies and any appointed executives.
- Drawing up the company's general policies and strategies.
- Authorization or dispensation from the obligations resulting from the duty of loyalty in accordance with article 230.
- Its own organization and operation.
- Drawing up the annual accounts and their submission to shareholders.
- Drafting any type of report required by law from the managing body provided that the transaction to which the report relates cannot be delegated.
- Appointment and removal of managing directors of the company, and stipulation of the contractual terms of their appointment.
- Appointment and removal of executives directly reporting to the board or to any of its members, and the stipulation of basic conditions for their contracts, including remuneration.
- Decisions relating to directors' remuneration, within the statutory framework, and as the case may be, the remuneration policy approved by shareholders.
- Calling general meetings of shareholders and preparing the agenda and proposed resolutions.
- Agreeing policy relating to own shares.
- Any powers delegated by shareholders to the board of directors, save where expressly authorized by shareholders to delegate those powers further.
- Approval of the strategic and business plan, management goals and annual budgets, investment and financing policy, corporate social responsibility and dividend policy.
- Determination of risk control and management policy, including tax risks, and oversight of internal information and control systems.
- Drawing up the corporate governance policy of the company and of the group of which it is the parent company; its organization and functioning and, in particular, approval and amendment of its own rules.
- The approval of financial information which, due to being listed, the company must periodically publish.
- Definition of the structure of the group of companies of which the company is the parent.
- Approval of investments or transactions of all kinds which due to their high value or specific characteristics are of particular tax risk or strategic nature, save where these are approved by shareholders.
- Approval of the creation or acquisition of interests in special purpose vehicles or entities domiciled in tax havens and any other similar transactions or operations which due to their complexity could make the company and its group less transparent.
- Approval, subject to a report from the audit committee, of transactions between the company or companies in its group with directors, in the terms of articles 229 and 230 of the Spanish Companies Act, or with shareholders that individually or in concert with others hold a significant interest, including shareholders represented on the company's board of directors or the boards of other companies forming part of the same group or with persons related to them. The directors concerned or who represent or who are related to the shareholders concerned must remove

themselves from discussions and voting on the resolution in question. Only transactions that meet all three of the following conditions will be exempt from this requirement for approval:

1. transactions under standard agreements applied en masse to a large number of clients,
 2. transactions at prices or tariffs generally set by the party acting as supplier of the good or service involved, and
 3. transactions whose value does not exceed one percent of the company's annual revenues.
- Drawing up the company's tax strategy.

In cases of emergency, duly justified, decisions on the above matters may be adopted by delegated bodies or persons. Such decisions must be ratified at the first board meeting after they are made.

Corporate Governance Law and Recommendations

The Spanish Companies Act, as amended by Law 31/2014, 2015 on the improvement of corporate governance of listed companies ("Corporate Governance Improvement Law"), sets out certain legal provisions mandatorily applicable to Spanish listed companies on the Spanish Stock Exchanges. We believe that we comply with the requirements of the Corporate Governance Improvement Law.

Additionally, the Spanish Unified Corporate Governance Code (*Código Unificado de Buen Gobierno de las Sociedades Cotizadas*) sets out certain recommendations on corporate governance to be considered ("comply or explain") by the companies listed on the Spanish Stock Exchanges. As a company with limited operating history, we believe that we substantially comply with the recommendations of the Spanish Unified Corporate Governance Code, in its 2013 restatement. Nevertheless, we are committed to follow strict corporate governance policies and we intend to adapt our practices as appropriate to all the principles of good governance contained in the Spanish Unified Corporate Governance Code, as soon as possible after Admission, in a consistent manner.

Our corporate practices vary from these recommendations in the following ways:

- Recommendation 13 is partially fulfilled. The recommendation establishes that the nature of each director should be explained to the general shareholders' meeting. The nature of each of the directors is contained in this prospectus and is known to the current shareholders. However, given that we have not been listed prior to the Admission and have a limited operating history, we have not prepared any annual corporate governance report. In order to fulfill with this recommendation, we intend to explain the nature of each of the directors at the first shareholder's meeting taking place after admission.
- Recommendation 24 is partially fulfilled. The recommendation establishes that we should organize (i) induction programs for new directors to acquaint them with the working with Saeta Yield and our corporate governance rules and (ii) refreshment programs for existing directors to keep them updated about the latest corporate governance developments. As we have limited operating history, and we have not been listed prior to Admission, we have not set out formal instruction or refreshment programs for our directors, although we have informed our directors and make them aware of our corporate governance rules.
- Recommendation 26 is partially fulfilled. The recommendation establishes that in listed companies, directors should be appointed by the general shareholders' meeting preceded by proposals, in case of independent directors, or reports, in case of the rest of directors, of the appointments and remuneration committee. As the directors were appointed before Admission, we did not have an appointment and remuneration committee, so we were not able to fulfill this recommendation. We have sent all the information in respect of the directors to the appointment and remuneration committee. We intend to follow this recommendation for any future appointment.

- Recommendation 44 is not fulfilled. The recommendation establishes that listed companies should have a risk management policy. Given that we have not been listed prior to Admission and we have limited operating history, a control and risk management policy has not been approved yet. We intend to approve it in the near future.

Composition of the Board of Directors and appointment of Directors

Our by-laws provide for a board of directors consisting of between five and fifteen members. In accordance with the resolution approved by our general shareholders' meeting on January 27, 2015, it is currently composed of nine members, with four of them independent and one executive director. Directors are elected by shareholders to serve for a term of four years and may be re-elected to serve for an unlimited number of terms. If a director does not serve a full term, the board of directors may fill the vacancy by appointing a replacement director to serve until the next general shareholders' meeting subject to subsequent approval at a general shareholders' meeting (*nombramiento por cooptación*). Any natural or legal person may serve on the board of directors, except for persons specifically prohibited by applicable law. A director may be removed from office by the shareholders at a general shareholders' meeting, even if such removal is not included on the agenda for that general shareholders' meeting.

We believe that the corporate governance structure of four independent directors out of a total of nine will help avoid any potential conflicts of interest and will allow us to have stronger decision-making processes. ACS SI representatives will not vote on matters that represent or could represent a conflict of interest, including the evaluation of assets offered to us under the ROFO and Call Option Agreement. Additionally, Mr. Martínez Dalmau has resigned from his positions at each of the ACS Group companies in which he held an administrative, management or supervisory bodies position before the Offering in order to avoid any potential conflict of interest except for his position as CEO in Escal Ugs, S.L, owner of Project Castor, where due to the special situation in which the company is involved he will retain his role on a temporary basis. In the context of the ongoing investigation around Project Castor (as to whether seismic movements recorded in the north of the Castellón province and south of the Tarragona province could be related with gas injections), the first instance and examining court of Vinarós has started preliminary proceedings to take statements from the defendants (all the members of Escal's board of directors and certain public officials), including José Luis Martínez Dalmau as CEO of Escal.

Pursuant to the Spanish Companies Act and the regulations of our board of directors, directors are required to report to the board of directors any circumstances that may give rise to a conflict of interest as soon as they become aware of such circumstances. Directors should abstain from voting on matters in which they may have a personal interest, whether directly or indirectly. Additionally, the directors should abstain from engaging in commercial or professional transactions with Saeta Yield, without having first informed and received approval for the transactions from the board of directors, which shall request a report from the Audit Committee. Such authorizations shall not be necessary if all of the following conditions are met in respect of the relevant transactions: (a) the transaction is entered into pursuant to an agreement with standard conditions applied to a wide range of clients; (b) the transaction is entered into for a price generally applied by the party acting as supplier, and (c) the transaction does not exceed one per cent of the company's annual turnover. Additionally, directors cannot engage in activities, whether direct or indirect, that have, whether completely or partially, a business objective, or engage in activities, similar to ours, except with the express authorization of the general shareholders' meeting.

Directors must tender their resignation to the board of directors, which may accept such resignation, in its discretion, under the following circumstances: (i) when the director ceases to hold the executive office position to which such member's appointment as director was related; (ii) where the director had been appointed to represent a shareholder that transfers all of its shares; (iii) where the director had been appointed to represent a shareholder that transfers part of its shares and such transfer requires the removal of any of the non-executive nominee directors appointed by such transferring shareholder pursuant to Spanish corporate regulations with respect to proportional rights of appointment of directors (*derecho de representación proporcional*); (iv) when such director's participation in the board of directors is contrary to applicable law for reasons of ineligibility or incompatibility; (v) where the director breaches his or her duties

resulting in: (x) a serious infringement; or (y) a resolution of the board of directors at the proposal of the Appointments and Compensation Committee or with a prior report issued by such committee; or (vi) where the director's participation in the board of directors may be contrary to the corporate benefit of Saeta Yield.

The chairman of the board of directors is elected from among the members of the board of directors. One or more vice-chairmen, who act as chairman in the event of the chairman's absence or incapacity, may be elected among the members of the board of directors. The secretary and, where applicable, the vice-secretary of the board of directors, need not be directors. The board of directors appoints our executive officers and authorized signatories and supervises Saeta Yield's operations. Moreover, the board of directors is entrusted with preparing shareholders' meetings and implementing shareholders' resolutions.

The chairman of the board of directors may call a meeting of the board of directors whenever he or she considers necessary or convenient. The chairman of the board of directors is also required to call a meeting of the board of directors at the request of one-third of the members of the board of directors and, in the case that the chairman does not call such meeting within one month of such request, those directors would be entitled to call the meeting directly. If the chairman of the board of directors is also an executive director, the board shall appoint an independent member of the board as coordinator director (*consejero coordinador*) and grant him the authority to request the chairman to call a board meeting and to request the inclusion of new items in the meeting's agenda. Mr. Honorato López Isla was appointed as coordinator director by the board of directors on January 27, 2014. Our by-laws provide that the majority of the members of the board of directors (attending in person or represented by proxy by another director) constitutes a quorum. Except as otherwise provided by law, resolutions of the board of directors are approved by an absolute majority of the directors attending or represented at a board meeting.

Board Committees

Audit Committee

The members of the Audit Committee are appointed by the board of directors. The Audit Committee is comprised of five members of the board of directors, taking into account the appointees' knowledge and experience in accountancy, auditing and risk management standards.

All of the members of the Audit Committee must be non-executive directors and at least two of them must be independent directors. The chairman of the Audit Committee must be an independent director.

The organization of the Audit Committee is regulated by our by-laws and the Regulations of the board of directors.

The Audit Committee is responsible for:

- reporting to the general shareholders' meeting on any matters within the Audit Committee's authority;
- supervising the efficiency of our internal controls, internal audit and risk management systems, and discussing with our external auditors any significant weaknesses in the internal control systems identified during the audit process;
- overseeing the process of drafting and filing our regulated financial information;
- making proposals to the board of directors for submission to the general shareholders' meeting regarding the appointment and terms of retention of the external auditors;
- liaising with our external auditors in order to receive information about any matters that might jeopardize such auditors' independence and any other matters related to the audit process and to any other legal communications regarding the auditing and technical standards applied to auditing;
- issuing an annual report prior to the completion of the auditors' report containing the Audit Committee's opinion on the independence of the appointed external auditors and describing any other services rendered by the external auditors or their related entities to us or our related entities; and

- reporting in advance to the board of directors on any matters envisaged in the legislation, by-laws and the regulation of the board of directors, and in particular, on the interim financial information to be disclosed, on the incorporation or acquisition of equity interests in companies incorporated in tax heavens and on related party transactions.

The initial members of the Audit Committee are:

Name	Title	Category
Mr. Honorato López Isla	Committee Chairman	Independent
Mr. José Barreiro Hernández	N/A	Independent
Mr. Paul Jeffery.....	N/A	Independent
Mr. Cristobal González Wiedmaler	N/A	Proprietary
Mr. Cristina Aldámiz-Echevarría González de Durana	N/A	Proprietary

The chairman of the Audit Committee is appointed by the Audit Committee to serve for a maximum term of four years. He has been appointed taken into account his knowledge and experience in accounting matters. The chairman of the Audit Committee may only be re-elected as chairman at least one year after his or her removal, although such person may continue being, or being re-elected, as member of the Audit Committee. The Audit Committee may appoint a secretary and a vice-secretary, neither of whom need to be members of the Audit Committee. The initial secretary of the Appointments and Compensation Committee will be the secretary of the board of directors.

The Audit Committee will meet at least quarterly. The Audit Committee may also meet at the request of the chairman of the Audit Committee or the chairman of the board of directors, or at the request of any two members of the Audit Committee, or whenever a meeting is necessary to fulfil the duties for which the Audit Committee has been established.

The internal audit and risk management functions are carried out by Mr. José Luis Martínez Dalmau, our CEO, supported by a legal advisor independent from the financial department. Their principal responsibilities are as follows:

- internal procedures and accounting control;
- risk management systems development;
- risk management policy implementation; and
- oversight of compliance with applicable legislation.

Appointments and Compensation Committee

The members of the Appointments and Compensation Committee are appointed by the board of directors. The Appointments and Compensation Committee is comprised of three members, all of which must be non-executive directors and at least two independent directors, one of which will be the chairman of the committee. The organization of the Appointments and Compensation Committee is regulated by our by-laws and the Regulations of the board of directors.

The Appointments and Compensation Committee is responsible for the following:

- issuing the proposals for the appointment or re-election of independent directors;
- reporting on proposals for the appointment or re-election of other types of directors;
- issuing reports for any proposal to remove a director;
- verifying the category to which each director shall be ascribed and reviewing that each member complies with the requirements set out for each category;
- evaluating the competence, knowledge and experience required within the board of directors;

- evaluating the time and resources required for directors to carry out their tasks;
- examining and organizing, in the most appropriate way, the replacement of the chairman and of our first executive (*primer ejecutivo*) and, if applicable, making proposals to the board of directors in order for such replacements to take place in an orderly and well-planned manner;
- reporting annually on the performance of the chairman of the board and our first executive;
- issuing reports for the appointment or removal of the secretary of the board of directors and the members of the senior management team, at the time such appointments and removals are proposed to the board of directors by the first executive;
- reporting to the board on matters of gender diversity, and ensuring that, when filling vacancies, the recruitment procedures are not biased so as to hinder the hiring of women, and for us to deliberately search and include women who hold the required professional profile among candidates;
- keeping and updating a register with the information which each director discloses to us;
- receiving the information submitted by directors regarding potential conflicts of interest;
- making proposals to the board on the compensation policies for directors and senior management;
- making proposals to the board on the individual compensation of executive directors and other terms of their agreement with us;
- making proposals to the board of directors in relation to the basic terms of senior management agreements; and
- overseeing compliance with the compensation policies set out within Saeta Yield.

The initial members of the Appointments and Compensation Committee are:

Name	Title	Category
Mr. José Barreiro Hernández	Committee Chairman	Independent
Mr. Daniel B. More.....	N/A	Independent
Mr. Cristobal González Wiedmaler	N/A	Proprietary

The chairman of the Appointments and Compensation Committee is appointed by the committee among its members. The initial secretary of the Appointments and Compensation Committee will be the secretary of the board of directors.

The committee chairman will call a meeting of the Appointments and Compensation Committee whenever the board of directors or the chairman of the board of directors requests the preparation of a report or the adoption of a proposal within the committee’s authority, or whenever the chairman of the board, the committee chairman, or any two committee members request such a meeting. In any event the Appointments and Compensation Committee shall meet as often as necessary for the proper discharge of its functions.

Internal Code of Conduct

On January 27, 2015, our board of directors approved the internal capital markets code of conduct (*Reglamento Interno de Conducta en los Mercados de Valores*) (the “Internal Code of Conduct”), to take effect upon Admission. The Internal Code of Conduct regulates, among other things, the directors’ and management’s conduct with regard to the treatment, use and disclosure of non-public material information relating to Saeta Yield. The Internal Code of Conduct applies to, among other persons, all members of the board of directors, senior management and employees who have access to material non-public information, as well as to our external advisors when they handle such material non-public information.

The Internal Code of Conduct, among other things:

- establishes the restrictions on, and conditions for, the purchase or sale of our securities or other financial instruments by persons subject to the Internal Code of Conduct, and by those who possess material non-public information;
- provides that persons subject to the Internal Code of Conduct shall not engage in market manipulation with respect to our securities or other financial instruments;
- provides that we shall not engage in open market acquisitions with a view to manipulating the market price of our securities or our other financial instruments, or to favoring any particular shareholder; and
- provides that persons who have a conflict of interest shall act in good faith and with loyalty toward us and our shareholders and without regard to such person's individual interests. Accordingly, such persons shall: (i) not act in their own interest at our expense or in the interest of particular shareholders at the expense of other shareholders; (ii) not participate in decisions that may affect other persons or entities with which such person has a conflict of interest; and (iii) report potential conflicts of interest to the board of directors.

Compensation of Directors

Compensation Policy

A compensation policy in relation to our directors was approved by our general shareholders' meeting on January 27, 2015 in compliance with the Spanish Companies Act, following a proposal submitted by the Appointments and Compensation Committee and approved by our new board of directors in its first meeting, held prior to the Offering. This initial compensation policy may be amended or replaced in the near future if our new board of directors considers it appropriate, with the prior proposal of the Appointments and Compensation Committee and subject to the approval of our general shareholders' meeting.

The compensation policy, as it may be amended as set out above, will be made available to our shareholders for approval in our first general shareholders' meeting after Admission.

Compensation of the directors as members of the board

Pursuant to our by-laws and the regulations of the board of directors, directors, as members of the board, shall be entitled to receive an allowance payable quarterly consisting of a fixed annual amount plus an attendance fee for each board or committee meeting attended.

The maximum aggregate amount we may pay to our directors, including both the fixed compensation and attendance fees, will not exceed €450,000 per year. The fixed annual remuneration will be higher for the chairman of the board of directors and the directors sitting on board committees, in recognition of their higher level of dedication. The annual fixed compensation for each of the directors will be €30,000 per year, except in the case of those directors belonging to one or the two committees and the chairman, who will receive an annual fixed compensation of €40,000 and €60,000, respectively. All directors will receive attendance fees of €300 per board meeting and €200 per committee meeting attended.

No compensation, apart from accrued remuneration for the period, is payable to any of our directors in the event of the lawful termination of his or her appointment, other than our CEO as set out below.

Remuneration of the Chief Executive Officer

Mr. José Luis Martínez Dalmau, in addition to compensation in for his condition as member and position as the chairman of our board of directors as described above, will initially receive annual compensation for his position as chief executive officer, which will consist of a fixed amount (€185,000) plus a variable amount (up to an additional 35%, according to the criteria and objectives to be determined by our board of directors).

Pursuant to the agreement we have entered with Mr. Martínez Dalmau, should we terminate Mr. Martínez Dalmau's contract without cause, Mr. Martínez Dalmau would be entitled to severance in an

amount to be calculated applying the criteria contemplated in the labor regulations and on the basis of his seniority as calculated from December 2008, which is in accordance with his previous contract with the ACS SI Group (by way of example, if the termination were to take place two years from the date of this prospectus, in February 2017, Mr. Martínez Dalmau would receive approximately nine months of compensation following such termination). This initial agreement with Mr. Martínez Dalmau, which our board of directors may decide to revise in the near future, does not provide for any remuneration in, or linked to, the shares of Saeta Yield and does not contain any post termination non-compete clause or any commitment as to the permanence of his position.

Management Team

Aside from the board of directors, we are managed on a day-to-day basis by our senior management.

The following table sets out the key members of our senior management and their respective ages and positions. Our senior management has extensive knowledge of Spanish regulations and experience in developing, financing, managing and operating concessional assets.

Name	Age	Title
José Luis Martínez Dalmau.....	51	Chief Executive Officer
Alvaro Pérez de Lema.....	41	Chief Financial Officer
Francisco González Hierro.....	46	Chief Operations Officer

Biographical information for each of the members of the senior management, including a brief description of each person’s business experience and education, is presented below, except for Mr. José Luis Martínez Dalmau, whose biographical information is described above:

Alvaro Pérez de Lema

Mr. Pérez de Lema has served as our Chief Financial Officer since November 2014, and oversees our financial activities and control as well as our strategic corporate development. He has significant experience in finance, portfolio management, investor relations, risk management, strategic definition, commercial agreements and public company requisites. He also has extensive knowledge of the power industry, having worked in Enel & Endesa, S.A. for the last 11 years in different positions, including Energy Portfolio Manager, Chief of Staff to the CEO, Investor Relations Officer in the U.S. and Corporate Strategy Analyst. Mr. Pérez de Lema has been a member of the board of directors of several distribution and generation international companies.

Prior to Endesa, he worked as a business and strategy consultant for three years with two international consulting firms, working with industrial and energy clients.

Mr. Pérez de Lema has a Master's degree in Business Administration at the MIT Sloan School of Management and a MS in Industrial Engineering at ICAI – Universidad Pontificia de Comillas de Madrid. He has attended the Leadership for Energy Program at Harvard University, Principles of Economics at Harvard University and Financial Statements Analysis at the University of Chicago.

Francisco González Hierro

Mr. González Hierro has served as our Chief Operating Officer and is also responsible for our O&M management. He previously served as vice president of Renewable Operations at Eyra, where he was responsible for the generation operations of the wind and solar thermal assets that now form the initial portfolio of Saeta Yield.

With more than 20 years in the energy industry, Mr. González Hierro brings skilled and diverse experience in energy plant management, engineering, operations, strategic planning, complex project management, stakeholder relations, economic analysis, O&M contracting and regulation to his role. Mr. González Hierro has been the main executive of numerous renewable plants with a total installed capacity higher than 1,500 MW of wind assets, 400 MW of solar thermal assets, more than 100 MW of cogeneration

plants and 2 MW of biomass, has managed the production and operation team of more than 90 people and has been member of multiple board of directors.

Prior to Eyra, Mr. González Hierro worked for EDP Renovaveis, S.A., first as Engineering Manager and later as Operations Manager. Prior to EDP he worked for Enagas as an engineer.

Mr. González Hierro has a Master's degree in Industrial Engineering from ICAI - Universidad Pontificia de Comillas de Madrid and is a professor at ICAI in several subjects, all related with energy production.

Mr. González Hierro has resigned from all the ACS Group companies in which he held an administrative, management or supervisory bodies position before the Offering in order to avoid any potential conflict of interest

The table below sets out all entities in which the members of the senior management have been appointed as members of the administrative, management or supervisory bodies or in which they have held partnership positions at any time during the five year period preceding the date of this document, indicating whether or not each person is still a member of any such bodies or holds any shareholdings in any such entities:

Senior

Management

Team Member	Entity	Sector	Position/Title	In office
José Luis Martínez Dalmau				
	See above			
Alvaro Pérez de Lema				
	Chilectra, S.A.	Distribution and sale of electricity	Chief Executive Officer	No
	Elcogas, S.A.	Generation of electricity	Chief Executive Officer	No
	Energie Electrique de Tahaddart, S.A.	Generation of electricity	Chief Executive Officer	No
	Energie Electrique de Tahaddart, S.A.	Generation of electricity	Chief Executive Officer	No
	Energos Renewable Energy, S.L.U.	Renewable Energies	Sole administrator ⁽¹⁾	Yes
Francisco González Hierro				
	Berea Eólica, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Calvache Eólica, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Desarrollos Energéticos Asturianos, S.L.	Renewable Energies	Director	No
	Desarrollos Energéticos Riojanos, S.L.	Renewable Energies	Director	No
	Elecdey Castilla La Mancha, S.A.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Electra de Montanchez, S.A.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Energía de la Loma, S.A.	Renewable Energies	Energía y Recursos Ambientales, S.A. representative as Director	No
	Energías Ambientales de Novo, S.A.	Renewable Energies	Director	No
	Energías Ambientales de Somozas, S.A.	Renewable Energies	Director	No
	Energías Ambientales de Vimianzo, S.A.	Renewable Energies	Director	No
	Energías Ambientales Easa, S.A.	Renewable Energies	Director	No
	Energías Renovables de Ricobayo, S.A.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Explotaciones Eólicas Sierra de Utrera, S.L.	Renewable Energies	Chairman	No
	Infraestructuras Energéticas Castellanas,	Renewable Energies	Director	No

Senior Management Team Member	Entity	Sector	Position/Title	In office
	S.L.			
	La Caldera Energía Burgos, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico Bandelera, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico Buseco, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico Cortado Alto, S.L.	Renewable Energies	Eyra Instalaciones y Servicios, S.L. representative as Director	No
	Parque Eólico la Boga, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico la Val, S.L.	Renewable Energies	Eyra Instalaciones y Servicios, S.L. representative as Director	No
	Parque Eólico Las Tadeas, S.L.	Renewable Energies	Director	No
	Parque Eólico Marmellar, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico Roderá Alta, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico Sierra de las Carbas, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico Tesosanto, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico Valcaire, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Parque Eólico Valdehiero, S.L.	Renewable Energies	Director	No
	Riansares Eólica, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Serra do Moncoso Cambas, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Sistema Eléctrico de Conexión Hueneja, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director	No
	Societat Eólica L'Enderrocada, S.A.	Renewable Energies	Director	No
	APREAN Asociación de Promotores y Productores de Energía Renovable de Andalucía	Renewable Energies	Director	Yes
	APPA Asociación de Empresas de Energías Renovables	Renewable Energies	Director	Yes

Note:—

(1) The CFO intends to wind up this company prior to Admission.

Remuneration of the management team

The aggregate annual compensation to be received by our management team, including fixed and variable amounts, will be approximately €660,000, including the compensation of Mr. Martínez Dalmau as CEO. The variable amount to be received by the CFO and the COO will be calculated according to the criteria and objectives to be determined by our board of directors.

Our initial agreements with our management team do not provide for any remuneration in, or linked to, the shares of Saeta Yield and do not contain any post termination non-compete clause or any commitment as to the permanence of the position of any of the members of the management team.

If we terminate any of the employment agreements that we have entered into with our CFO and COO without just cause (that is, unfair dismissal, as such term is defined in the Spanish Workers' Statute in force at any given time), such member of our management team will be entitled to receive the compensation in cash foreseen by the Spanish Workers' Statute in force at any given time.

Equity interests of our board of directors and senior management team in Saeta Yield

As of the date of this prospectus none of the members of our board of directors or senior management team holds any shares or other equity interest in Saeta Yield.

Professional address

All members of the senior management team designate our registered address as their professional address for the purposes of this document.

No convictions and other negative statements

To the best of our knowledge, none of the directors or the members of the Group's senior management team have, in the five years preceding the date of this document: (i) been convicted in relation to fraudulent offences; (ii) acted as directors or senior managers of entities affected by bankruptcy, receivership or liquidation; (iii) been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities, or from acting in the management or conduct of the affairs of any issuer.

RELATED PARTY TRANSACTIONS

We have entered into the following agreements with the ACS Group:

- Operation and Maintenance Contracts in respect of our plants;
- a ROFO and Call Option Agreement to gain access to a pipeline of potential acquisitions that we believe will help us to grow in the future;
- a Transitional Services Agreement; and
- Control Center Service Agreements in respect of our plants.

Operation and Maintenance Contracts

Each of the Asset Companies in our portfolio has entered into an operation and maintenance agreement with companies within the ACS Group. To have an operator from a company within Cobra was one of the requirements imposed by the lenders under our project level financings to authorize the loss of control by the ACS Group of the Asset Companies as a consequence of the Offering.

- **Term.** Contracts have remaining terms of approximately 18 years on average from the date of this prospectus for the solar thermal plants extending to each plant's useful life, and approximately one year (extendable) for the wind farms.
- **Services.** Contracts typically cover all day-to-day operation and maintenance services, including procurement of equipment, scheduling and performance of maintenance, operation of the facility, training and supervision of personnel, as well as compliance with laws and regulations, safety and security programs, environmental services and technical reporting.
- **Termination.** Typically, either party may terminate the agreement upon default by the counterparty. The relevant project-level company that owns the asset can typically terminate due to payment default, winding-up of the operator, failure of the operator to perform material obligations and, in some cases, for failure to reach certain performance ratios, the imposition of fines or penalties in excess of certain threshold amounts or force majeure. The operator can typically terminate in the event of payment default, winding-up of the project company, failure of the project company to perform material obligations and, in some cases, force majeure.
- **Compensation.** Solar thermal plants have a fixed price plus a capped performance-based bonus and unlimited performance-based penalty for the O&M operator, determined by plant performance. Wind farms have a set price per amount of energy produced with a penalty for the O&M operator in the case of low availability.

ROFO and Call Option Agreement

We and ACS SI, a wholly owned subsidiary of ACS, have entered into an exclusive ROFO and Call Option Agreement dated January 29, 2015, which shall enter into force on the date of Admission, pursuant to which ACS SI has granted to us:

(i) a right of first offer ("ROFO") over the interest and respective subordinated debt of ACS SI and its controlled subsidiaries in (a) certain identified energy assets that are in operation or under construction (the "Initial ROFO Assets") and (b) any existing or future assets in Start-up Phase or Cash Distribution Phase (as each of them as defined below) for the generation of renewable or conventional electricity and the distribution and transmission of electricity, as well as any other energy-related infrastructure in Start-up Phase or Cash Distribution Phase, existing as of the date of the agreement or to be developed or acquired in the future (the "New ROFO Assets" and, together with the Initial ROFO Assets, the "ROFO Assets"), in each case subject to any third party rights restricting their transferability (such as first offer rights, first refusal rights, call options and tag and drag along rights) or any required third party consent, permit or authorization (from public or private entities, such as financing entities) (the "ROFO Restrictions") and

except for any assets over which a sale or mandate agreement has already been executed by ACS SI as of the date of the agreement; and

(ii) a call option (“Call Option”) over the Call Option Assets (i.e. over the shares of the project companies that own the Call Option Assets and the respective subordinated debt of ACS SI and its controlled subsidiaries), at a strike price based on an agreed enterprise value fixed for the years 2015, 2016 and 2017, depending on the year in which the call option is exercised, for each of the project companies that owns the Call Option Assets as set out below.

The Initial ROFO Assets comprise certain wind, solar thermal and electricity transmission assets in Spain, Peru, Mexico, Portugal and Uruguay. The Call Option Assets (within the Initial ROFO Assets) comprise the Extresol 2, Extresol 3 and Manchazol 1 solar thermal plants. We have not purchased the ROFO Assets prior to the Offering because these assets were not yet able to make regular distributions to its shareholders or because of the existence of any ROFO Restriction impeding such transfer. For a more detailed description of the characteristics, indebtedness, O&M contracts and counterparties of the Initial ROFO Assets, which we have identified as the next assets to potentially be acquired by Saeta Yield, see “Business—Description of the Initial ROFO Assets”.

With respect to the “ROFO Assets”:

- the “Start-up Phase” commences on the date on which the relevant ROFO Asset (a) has received the provisional acceptance certificate (reached PAC) and the administrative start up certificate to operate (reached SUD); or (b) has commenced to generate recurrent revenues; and
- the “Cash Distribution Phase” commences on the date that the project company that owns the relevant asset is able to make regular distributions to its shareholders from that asset’s revenues, subject to, if applicable, any covenants or restrictions under the relevant project financings (and without being predictable disruptions arising from such conditions or restrictions).

Accession of DevCo to the ROFO and Call Option Agreement

Pursuant to the DevCo SPA and the ROFO and Call Option Agreement, and subject to the fulfillment of certain conditions precedent, DevCo will accede on the Co-Sponsor Closing Date to the ROFO and Call Option Agreement, assuming *vis-à-vis* us the same rights and undertakings as ACS SI and its controlled subsidiaries. DevCo will be entitled to acquire from ACS SI, by no later than June 30, 2016, the Initial ROFO Assets, which include the Call Option Assets, provided that such assets shall continue to remain subject to our ROFO and Call Option rights after their acquisition by DevCo.

Joint Control of Call Option Assets

In addition, pursuant to the ROFO and Call Option Agreement, we have agreed with ACS SI to share joint control with ACS SI (or DevCo, when it accedes to the ROFO and Call Option Agreement), as applicable, over the project companies that own the Call Option Assets since the date on which the ROFO and Call Option Agreement enters into force. By virtue of this joint control agreement (i) we will appoint two of the five members of the board of directors of such project companies, and any resolutions to be passed by such board of directors in connection with certain reserved matters will require the favorable vote of at least one of the board members proposed by us; and (ii) ACS SI or DevCo, as applicable, is obliged to obtain prior and written approval from us before taking any decision in connection with certain reserved matters as shareholder of such project companies. This joint control agreement over the Call Option Assets will be terminated if we do not execute the relevant call option within the term and before the date/s set out below.

Right of First Offer - Timing for first offer by ACS SI / DevCo

Initial ROFO Assets

The Initial ROFO Assets shall be offered for sale by ACS SI or DevCo, as applicable, to Saeta Yield no later than December 31, 2017 in any event. In this respect, ACS SI or DevCo, as applicable, shall only offer each of such assets to us at the time they may deem appropriate within the periods describe in this paragraph,

and subject to both the Start-up Phase and the Cash Distribution Phase of the relevant asset having already commenced. In this respect, if both conditions have been met, we will be offered the Initial ROFO Assets prior to December 1, 2017 and, in particular, we will be offered at least two Initial ROFO Assets during 2016 and at least two Initial ROFO Assets during the first eleven months of 2017. In the event that the foregoing two conditions are not met in respect of any Initial ROFO Assets on a stand-alone basis by November 30, 2017, ACS SI or DevCo, as applicable, will offer any such asset to Saeta Yield no later than December 31, 2017. ACS SI is only obliged to offer the Initial ROFO Assets once under the agreement.

As set out below in “—Call Option”, we will be entitled to execute the call option over the Call Option Assets during the 18-month period starting from the date on which ACS SI or DevCo send a ROFO Notice to us with respect to each Call Option Asset, provided that this notice takes place before June 30, 2016. Otherwise, we will be entitled to execute the call option over the Call Option Assets at any time between July 1, 2016 and December 31, 2017.

New ROFO Assets

Any New ROFO Asset in Start-up Phase will be offered by ACS SI and DevCo to us each time they, or their controlled subsidiaries, intend to offer any such asset for sale to a third party (while such assets are in Start-up Phase and have not commenced Cash Distribution Phase) in accordance with the procedure and timing described below.

Any New ROFO Asset in Cash Distribution Phase will be offered by ACS SI to us on the first occasion that ACS SI and DevCo, or their controlled subsidiaries, intend to offer any such asset for sale to a third party. ACS SI is only obliged to offer the New ROFO Asset in the Commercial Phase once under the agreement.

ROFO Notice

Any offer for sale of ROFO Assets shall be made in writing by ACS SI or DevCo, as applicable, to us (the “ROFO Notice”). The ROFO Notice shall include the main features of the relevant asset and the information required for us to make a preliminary assessment of our interest on the ROFO Asset, including the price that ACS SI or DevCo would like to obtain for the asset, as well as the main terms and conditions under which ACS SI or DevCo proposes to sell it to us.

Right of First Offer - Timing for response by Saeta Yield and closing

Once we receive the ROFO Notice, if we notify ACS SI or DevCo, as applicable, within 15 business days that we are interested in the relevant asset, a 60 business-day negotiation period will commence, during which we would (i) carry out a customary due diligence over the asset offered and (ii) negotiate the price and the rest of the terms of our potential purchase of the asset.

If ACS SI or DevCo, as applicable, accepts our purchase offer for the relevant asset, we will have a 60-business day period to complete the acquisition. In the event that any third party consent or authorization is required for completion the acquisition, we will have a 30-business day period to complete the acquisition after obtaining any such consent or authorization.

Right of First Offer – Post offering restrictions

If we do not make an offer or respond within the above 15-business days period or ACS SI or DevCo do not accept our offer for any ROFO Asset:

(i) in the case of (a) an Initial ROFO Asset and/or (b) a New ROFO Asset offered to us once in Cash Distribution Phase, ACS SI and DevCo shall be entitled to sell, transfer, dispose or re-contract such asset to a third party (a) during the following 18-month period, only under terms, conditions and price globally more favorable to ACS SI or DevCo than those notified to us in the ROFO Notice, and (b) from the expiration of such 18-month period, under the terms and conditions that ACS SI or DevCo may deem convenient; and

(ii) in the case of a ROFO Asset in Start-up Phase (not having reached Cash Distribution Phase), ACS SI or DevCo shall be entitled to sell, transfer, dispose or re-contract such ROFO Asset to a third party (a) during the following 3-month period, only under terms, conditions and price globally more favorable to ACS

SI than those notified to us in the ROFO Notice, and (b) from the expiration of such 3-month period, only if ACS SI or DevCo has previously given to us the opportunity to exercise again our ROFO right. ACS SI and DevCo will be obligated to accept our offer for the relevant asset if the same matches the price and the terms and conditions proposed by ACS SI or DevCo in the ROFO Notice.

Call Option

We will be entitled to exercise the call option over the Call Option Assets (i.e. over the shares in the project companies that owns the Call Option Assets and the respective subordinated debt of ACS SI and its controlled subsidiaries) during the 18-month period starting from the date on which ACS SI or DevCo, as applicable, has sent to us a ROFO Notice with respect to each Call Option Asset, provided that this notice takes place before June 30, 2016. Otherwise, we will be entitled to exercise the call option over the Call Option Assets at any time between July 1, 2016 and December 31, 2017.

ACS SI and Saeta Yield have convened that the strike price of the call option is determined on the basis of a fixed enterprise value that they have agreed for the years 2015, 2016 and 2017, depending on the year in which the call option is exercised, for each of the project companies that owns the relevant Call Option Asset, which is as set out in the following table (enterprise value which will not be subject to any adjustment in connection to the market value of the assets at the time of exercise of the Call Option):

Call Option Asset	Owner	ACS SI Interest	Enterprise value (millions)		
			2015	2016	2017
Extresol 2.....	Extresol 2, S.L.	100%	€265	€255	€245
Extresol 3.....	Extresol 3, S.L.	100%	€275	€265	€255
Manchasol 1.....	Manchasol 1 Central Termosolar Uno, S.L.	100%	€275	€265	€255

The parties have agreed to negotiate in good faith the strike price of the shares in the project companies that own the Call Option Assets at the time that we exercise the call option, which shall be calculated on the basis of the corresponding agreed enterprise value and in accordance to customary market practices. If an agreement regarding the strike price is not reached within 30 business days, an independent expert will determine the strike price and his decision will be final and binding on both ACS SI or DevCo, as applicable, and us.

Pursuant to the above ACS SI and DevCo will not be obliged to sell any of the ROFO Assets to us by any date or at all, except for the Call Option Assets if the call option is exercised by Saeta Yield (as set out below), or to accept any offer we make for any ROFO Asset, except for the ROFO Assets in respect of which our offer matches the price and terms and conditions contained in ACS SI or DevCo’s proposal, which shall be determined by ACS SI or DevCo at their sole discretion.

The execution of the Call Option is subject to the fulfillment of certain conditions imposed by the relevant financing entities, including reaching certain agreements with such entities and ACS SI and/or its controlled subsidiaries assuming certain undertakings vis-à-vis said project finance lenders.

Term

The ROFO and Call Option Agreement will have an initial term of five years from the completion of this Offering. We will be entitled to unilaterally extend the term of the ROFO and Call Option Agreement for additional three-year periods, with a maximum of two extensions; however, we will lose our right to extend the term of the ROFO and Call Option Agreement in the event that, after having been offered at least four ROFO Assets by ACS SI and/or DevCO in the previous two years, we do not acquire at least one of such assets.

Transitional Services Agreement

Under the Transitional Services Agreement entered into between Saeta Yield and Eyra on November 24, 2014, Eyra will provide or arrange for the provision of day-to day operations by an appropriate service provider of the following services:

- land management: surface rights and easement right for evacuation;
- maintenance of compliance with applicable laws and other regulation;
- supervision of timely calculation and payment of taxes, as well as filing of all tax returns; and
- health & safety services for plants.

The Transitional Services Agreement will have an initial term of six months, extendable for subsequent six-month periods at the discretion of Saeta Yield.

We will pay a semi-annual transitional services fee of €200,000.

Control Center Services Agreements

According to 2014 Royal Decree, all renewable energy facilities exceeding 5MW must be associated with a remote control center, which is connected with the main control center of the Spanish electricity system operator (REE). Each of the Asset Companies in our portfolio has entered into a control center services agreement (a “Control Center Services Agreement”) with Centro de Control Villadiego, a wholly owned subsidiary of the ACS SI, through which ACS SI owns and controls the ACS Control Center. Each of these agreements arranges for the provision of remote supervision and operation of the relevant asset, incident reporting, issuance of related reports, unavailability reports and communication services. All Control Center Services Agreements can be terminated upon default of the counterparty. In the case of each Asset Company, this default includes (i) not providing sufficient information about the relevant Asset to Centro de Control Villadiego and (ii) not following the instructions of Centro de Control Villadiego regarding the construction and performance of the relevant Asset. All Asset Companies have entered Control Center Services Agreements for a period of five years, except for the Monte Gordo Asset Company and the Valcaire Asset Company, which have entered agreements for twenty-five and a fifteen-year periods, respectively. The price for each Control Center Services Agreement is determined as a set price per MW of energy produced (ranging from 0.3158 €/MW to 0.384€/MW).

Review and Approval of Related Party Transactions

Pursuant to the Spanish Companies Act and the regulations of our board of directors, any material transaction between us and any related party will require a favorable report from the Audit Committee and approval of such transaction by the disinterested members of our board of directors (directors with any conflict of interest must abstain from voting).

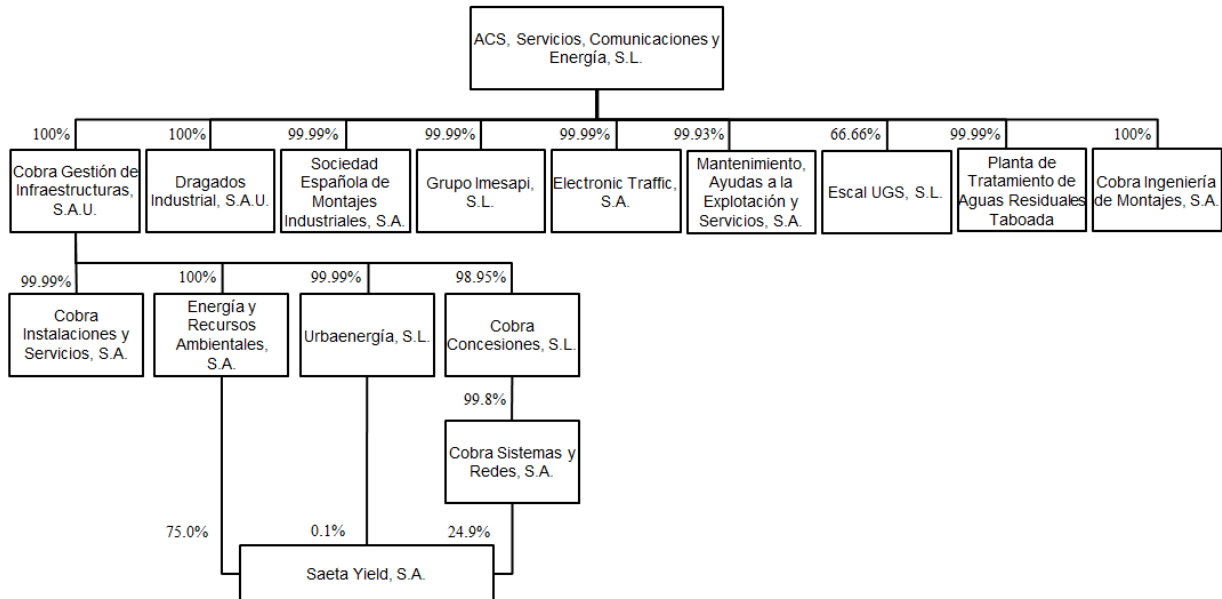
Moreover, on January 27, 2015, our board of directors, with the abstention of the proprietary directors and based on the previous favorable report issued by the Audit Committee (also with the abstention of the proprietary directors) (i) ratified the O&M contracts, the Transitional Service Agreement and the Control Center Service Agreements entered into by us and the ACS SI Group prior to the Offering and concluded that these agreements have been entered into in arms-length terms; and (ii) approved the subscription by Saeta Yield of the ROFO and Call Option Agreement.

PRINCIPAL SHAREHOLDERS AND SELLING SHAREHOLDER

Major Shareholders

As of the date of the prospectus, ACS SI indirectly owns a 100% interest in Saeta Yield through Eyra (75%), Cobra Sistemas y Redes, S.A. (24.9%) and Urbaenergía (0.1%) (together, the “Principal Shareholders”).

The following corporate chart sets out the direct and indirect interest stakes of the ACS SI Group in Saeta Yield:



Pursuant to the Offering, the Selling Shareholder is offering 41,604,234 existing ordinary shares of Saeta Yield (the “Initial Offer Shares”), representing 51% of the share capital of Saeta Yield after the Equity Contribution.

Pursuant to the Equity Contribution, concurrently with the Offering and subject to determination of the Offering Price, the Selling Shareholder will subscribe for 20,013,918 new Shares of Saeta Yield on the business day following the date of determination of the Offering Price.

The following table sets forth certain information with respect to the ownership of Saeta Yield prior to the Offering and after the Offering (assuming the subscription of the Equity Contribution by the Selling Shareholder) but does not reflect any purchase of Shares by the Co-Sponsor as described under “Co-Sponsor Transaction, Background and Agreements” below.

	Shares owned prior to the Offering		Number of Shares subscribed pursuant to the Equity Contribution	Number of Shares initially being offered	Shares owned after the Offering			
					No exercise of the over-allotment option		Full exercise of the over-allotment option	
	Number	%			Number	%	Number	%
Energía y Recursos Ambientales, S.A.	46,172,260	75	20,013,918	41,604,234	24,581,944	30.13	20,421,520	25.03
Cobra Sistemas y Redes, S.A.	15,327,750	24.9	-	-	15,327,750	18.79	15,327,750	18.79
Urbaenergía, S.L.	63,000	0.1	-	-	63,000	0.08	63,000	0.08
Public	-	-	-	-	41,604,234	51.00	45,764,658	56.10
Total	61,563,010	100	20,013,918	41,604,234	81,576,928	100	81,576,928	100

For a description of the transactions between the Company and the Company's shareholders, see "Related Party Transactions", above.

On the date of Admission, there will not be any shareholders' agreements in force regulating the exercise of voting rights at the general shareholders meeting or restricting or conditioning the free transfer of Shares, on the terms described in article 530 of the Spanish Companies Act, except for the ones described below in "Share Sale and Purchase Agreement relating to Saeta Yield—Reserved Matters" that will enter into force on the Co-Sponsor Closing Date.

Upon Admission, we will not be directly or indirectly controlled by the Principal Shareholders.

Co-Sponsor Transaction, Background and Agreements

The Selling Shareholder and Urbaenergía have entered into an agreement with a special purpose company that is an indirect, wholly owned subsidiary of the limited partnerships that comprise Global Infrastructure Partners II, one of the funds managed by Global Infrastructure Management, LLC ("GIP" or the "Co-Sponsor"), pursuant to which the Co-Sponsor has agreed to purchase Shares from the Selling Shareholder and Urbaenergía after the Offering, representing up to 24.4% of the share capital of Saeta Yield after the Equity Contribution, conditional upon the Admission Condition and the Antitrust Condition.

The following table sets forth the ownership of Saeta Yield prior to the Offering and after the Offering (assuming the subscription of the Equity Contribution by the Selling Shareholder) reflecting the purchase of Shares by the Co-Sponsor:

	Shares owned prior to the Offering		Number of Shares subscribed pursuant to the Equity Contribution	Number of Shares initially being offered	Shares owned after the Offering			
					No exercise of the over-allotment option		Full exercise of the over-allotment option	
	Number	%			Number	%	Number	%
Energía y Recursos Ambientales, S.A.	46,172,260	75	20,013,918	41,604,234	4,740,173	5.81	2,659,961	3.26
Cobra Sistemas y Redes, S.A.	15,327,750	24.9	-	-	15,327,750	18.79	15,327,750	18.79
Urbaenergía, S.L.	63,000	0.1	-	-	-	-	-	-
Co-Sponsor	-	-	-	-	19,904,771	24.40	17,824,559	21.85
Public	-	-	-	-	41,604,234	51.00	45,764,658	56.10
Total	61,563,010	100	20,013,918	41,604,234	81,576,928	100	81,576,928	100

In connection with the purchase of Shares, the Co-Sponsor has agreed to purchase from Cobra SyR, a subsidiary of ACS SI, a number of shares representing 49% of the share capital of a company (“DevCo”), which will hold indirectly (i) the Call Option Assets (through the following stakes in the relevant project companies: Extresol 2, S.L. (50%), Manchasol 1, Central Termosolar 1, S.L. (50%) and Extresol 3, S.L. (100%); the remaining stakes in such companies will be subject to a call option in favor of DevCo, to be exercised on or before December 31, 2015), (ii) 100% of the subordinated debt granted to such project companies, (iii) the rights and obligations related to the DevCo pipeline agreed between the parties, and (iv) any additional new renewable assets that DevCo will acquire from the ACS SI group (including the remaining ROFO Assets, subject to the ROFO Restrictions) or develop in the future (together, the “DevCo Assets”), all on the terms described below under “Share Sale and Purchase Agreement relating to DevCo SPA”. DevCo’s corporate purpose will be the development, construction and operation, as applicable, of the DevCo Assets with the intention to transfer them to Saeta Yield pursuant to the ROFO and Call Option Agreement, to which DevCo will accede on the Co-Sponsor Closing Date, or to any third party. The Co-Sponsor and Cobra SyR have entered into a shareholders’ agreement to regulate their future potential relationship as shareholders of DevCo.

We set out below a summary of the background of the Co-Sponsor and of the agreements entered into between the Co-Sponsor and the subsidiaries of ACS SI, all effective as of the Co-Sponsor Closing Date and conditional upon the Admission Condition and the Antitrust Condition.

The Co-Sponsor

Global Infrastructure Management, LLC (GIP) is an independent infrastructure fund manager. The funds managed by GIP invest in infrastructure assets and businesses in both OECD and select emerging market countries, targeting investments in single assets and portfolios of assets and companies in power and utilities, natural resources infrastructure, air transport infrastructure, seaports, freight railroad, water distribution and treatment and waste management.

As an infrastructure investor, GIP has a successful track record in backing its investments, supporting growth and delivering stability. GIP’s current intention is to support the growth of Saeta over time through its partnership with ACS SI in DevCo.

GIP was established in May 2006. GIP’s first fund, Global Infrastructure Partners I, completed its fund raising in May 2008 and became fully invested in 2012. In September 2012, GIP’s second fund, Global Infrastructure Partners II, completed fund raising with U.S.\$8.25 billion in investor capital commitments.

As stated in periodic regulatory filings, as of the date of this prospectus, GIP manages approximately U.S.\$21.6 billion of assets for its investors. Additionally, the companies in GIP’s fund portfolio have over U.S.\$5 billion of combined annual revenues and employ approximately 17,000 people.

GIP has offices in New York and London, with an affiliate in Sydney and portfolio company operations headquarters in Stamford, Connecticut.

The Co-Sponsor’s Investment Criteria

GIP maintains a long term investment approach focused on:

- large scale investments in assets that provide essential services and have high barriers to entry;
- investment partnerships with industry participants to take advantage of GIP’s track record of adding value to portfolio companies and its ability to deploy significant amounts of capital;
- a conservative approach to leverage and ensures that investments have appropriate risk profiles;
- creating value for its investors by improving the performance and service quality of its portfolio company assets; and

- strict investment discipline based on pricing discipline and a rigorous evaluation process that incorporates proven selection criteria, integrated due diligence teams and a strong focus on risk management and mitigation.

Share Sale and Purchase Agreement relating to Saeta Yield

Pursuant to the share sale and purchase agreement entered into between the Selling Shareholder, Urbaenergía and the Co-Sponsor on January 20, 2015, the Co-Sponsor has agreed to purchase from the Selling Shareholder and Urbaenergía a number of Shares representing up to 24.4% of the share capital of Saeta Yield after the Equity Contribution (the “Saeta Yield SPA”), conditional upon the Admission Condition and the Antitrust Condition.

Number of Shares

The number of Shares to be sold and purchased under the Saeta Yield SPA will be the aggregate of the Shares that result from the following formulas:

- 22.57% of the total number of Shares issued by Saeta Yield following the Equity Contribution less 46.25% of the Over-allotment Shares sold by the Selling Shareholder to the Underwriters upon the exercise of the Over-allotment Option (the “Initial Co-Sponsor Shares”); plus
- 1.83% of the total number Shares issued by Saeta Yield following the Equity Contribution less 3.75% of the Over-allotment Shares sold by the Selling Shareholder to the Underwriters upon the exercise of the Over-allotment Option (the “Additional Co-Sponsor Shares” and, together with the Initial Co-Sponsor Shares, the “Co-Sponsor Shares”).

Urbaenergía has committed to sell and transfer a number of Shares representing 0.1% of Saeta Yield’s share capital and the Selling Shareholder has committed to sell and transfer the remaining Co-Sponsor Shares.

Purchase Price

The aggregate consideration to be paid by the Co-Sponsor under the Saeta Yield SPA (the “Co-Sponsor Purchase Price”) for the Co-Sponsor Shares will be calculated based on the number of the Initial Co-Sponsor Shares to be transferred in accordance with the following formula:

Co-Sponsor Purchase Price = Offering Price x number of Initial Co-Sponsor Shares + (Interest – Dividends)

Where “Offering Price” the price at which the Selling Shareholder sells our Shares to qualified investors pursuant to the Offering (for the avoidance of doubt, such price will be the actual price paid by qualified investors).

“Interest” means the amount obtained by applying an annual rate of interest of 5.5% to the amount resulting from multiplying the Offering Price and the number of Initial Co-Sponsor Shares, in relation to the period between the satisfaction of the Antitrust Condition and the Co-Sponsor Closing Date.

“Dividends” mean any dividends or distributions that would have corresponded to the Co-Sponsor Shares if they had been subscribed within the Offering, which are paid or declared between the Settlement Date and the Co-Sponsor Closing Date.

In addition, the Selling Shareholder will deliver the Additional Co-Sponsor Shares to the Co-Sponsor as consideration for the following: (i) the Selling Shareholder will not incur any underwriting fees in relation to the transfer of the Co-Sponsor Shares to the Co-Sponsor, (ii) the lock-up commitment with respect to the Co-Sponsor Shares set out below, (iii) the significant investment that the Co-Sponsor is making in Saeta Yield, which the Selling Shareholder and Urbanenergía consider to have a significant influence on Saeta Yield, and (iv) the simultaneous investment that the Co-Sponsor will make in DevCo by becoming a partner of ACS SI in the development, construction and operation of energy assets that is expected to support the growth of Saeta Yield.

Conditions Precedent

The transfer of the Co-Sponsor Shares pursuant to the Saeta Yield SPA is subject to following conditions precedent:

- (1) satisfaction of Admission, provided that the Early Debt Repayment, Partial Cancellation of Derivative Contracts and Al Andalus Derivative Resetting have occurred and other intragroup financial liabilities have been paid, such that at least 51% of the Shares of Saeta Yield after the Equity Contribution have been placed in the market and sold to investors pursuant to the Offering (the “Admission Condition”); and
- (2) satisfaction of the Antitrust Condition (as described below) (together with the Admission Condition, the “Co-Sponsor Conditions Precedent”).

The parties have agreed that the Admission Condition shall be satisfied before December 31, 2015 and that the Antitrust Condition must be met no later than two months from the Admission.

Closing Date

The execution of the sale and purchase of the Shares by means of a special stock exchange transaction (*operación bursátil especial*) or such other mechanism mutually agreed by the parties shall take place within two months from the later of the Admission Condition and the Antitrust Condition (the “Co-Sponsor Closing Date”). At the request of either of the sellers, the Co-Sponsor Closing Date shall take place on the date and place notified to the Co-Sponsor by means of written notice given at least ten Business Days before the Co-Sponsor Closing Date. In any case, closing shall take place to the extent that the transaction contemplated under the DevCo SPA (as described below) shall be completed on the same date. If (i) the date of the exercise of the Over-allotment Option or (ii) the date of expiration of the Over-allotment Option (the “Option Expiration Date”) falls after the tenth Business Day of the period mentioned in the paragraph above, closing of the transaction shall take place within the ten Business Days following the date of the exercise of the Over-allotment Option or the Option Expiration Date, as the case may be.

Voting and Transfer of Shares, Shareholders Reserved Matters and Directors

The Selling Shareholder and the Co-Sponsor have agreed pursuant to the Saeta Yield SPA that each of the parties may vote freely in respect of its Shares in Saeta Yield, subject to certain reserved matters set out below. They have further agreed that such reserved matters are limited in scope, refer only to the specific matters identified therein, do not and will not represent any understanding between the parties as to the strategy of Saeta Yield or the manner in which it shall be managed, and therefore do not and will not imply any concerted action between the parties to the Saeta Yield SPA.

Additionally, the Selling Shareholder and the Co-Sponsor have agreed that each of them may freely transfer and dispose of its Shares in Saeta Yield, subject to the lock-up undertaking assumed by the Co-Sponsor as set out below.

Reserved Matters

The parties to the Saeta Yield SPA have committed that, to the extent that each of the parties maintains a stake in the share capital of Saeta Yield that is equal to or greater than 15%, the following matters (the “Shareholders Reserved Matters”) will be reserved for approval at our shareholders’ meeting:

- (1) any merger with any other public listed company or with any private company with an equity value or assets exceeding 30% of those of Saeta Yield and any spin-off (*escisión*);
- (2) any issuance of debt instruments and entry as borrower into any financing transactions in an amount higher than €200 million (excluding the existing revolving credit facilities and their renewal or extension up to an amount of €100 million) in aggregate during any 12 month period; and
- (3) any share capital increase in cash,

although neither (a) the issuance of debt instruments up to €250 million nor (b) the share capital increases up to a maximum value, in terms of proceeds, of €200 million that are approved by the board

of directors pursuant to the authorization given by our shareholders meeting before Admission shall be considered as a Reserved Matter to the effect of paragraphs (2) and (3) above.

Our general shareholders' meeting approved on January 27, 2015 to authorize our board of directors to issue debt instruments for a value of up to €500 million and new Shares up to 50% of our share capital. The board of directors may make use of these authorisations for a period of three years.

In addition, and also to the extent that the stake of each of the parties in our share capital is equal to or greater than 15% of our outstanding share capital, each of the parties have undertaken not to vote in favor of (while being entitled to abstain from voting on) any of the Shareholders Reserved Matters mentioned above in any general shareholders' meeting unless it has received written confirmation from the other party that such party is also willing to vote in favor of the relevant resolution.

Directors of Saeta Yield

The parties to the Saeta Yield SPA have acknowledged that the composition of our board of directors should seek to reflect a ratio of proprietary directors to independent directors in line with recommendation number 11 of the Spanish code of good corporate governance (*Código Unificado de Buen Gobierno de las Sociedades Cotizadas de Junio de 2013*).

Consistent with the above, the parties have agreed that to the extent that (i) each of the parties maintains its stake in our outstanding share capital mentioned in “—Reserved Matters” above, and (ii) we are managed by a board of nine directors (including four independent directors and one executive director), each of the parties will vote in favor of the appointment of two proprietary directors proposed by the other party. In the event that the total number of directors is modified, such number of proprietary directors (two) to be proposed by each of the parties will be increased or decreased proportionally.

The Selling Shareholder has further agreed to request two of its proprietary directors to resign from our board of directors in order to allow the appointment by our general shareholders meeting or our board of directors, at the Co-Sponsor Closing Date or as soon as practicable thereafter, of two proprietary directors proposed by the Co-Sponsor and shall vote in favor of the appointment of the two (2) proprietary directors nominated by the Co-Sponsor.

The agreements described above between the Selling Shareholder and the Co-Sponsor regarding the reserved matters and the appointment of directors will be considered shareholders' agreements in accordance with the terms described in article 530 of the Spanish Companies Act. As such, they will be published through a relevant fact disclosure (*hecho relevante*) and filed with the Spanish Commercial Registry once the Co-Sponsor Agreements are closed on the Co-Sponsor Closing Date.

Co-Sponsor Lock-up

Pursuant to the Saeta Yield SPA, the Co-Sponsor has agreed to a lock-up undertaking until 360 days following the Settlement Date on similar terms as the Selling Shareholder. See “Plan of Distribution—Lock-up”.

Sellers' commitments

From the date the Offering Price is published by means of the relevant significant fact (*hecho relevante*) until the Co-Sponsor Closing Date, the Selling Shareholder has entered into an undertaking not to vote in favor of any shareholders' resolution (i) for Saeta Yield to issue any debt instruments or enter into as borrower debt financing transactions other than in its ordinary course of business and, in any event, in an amount not higher than €150 million in aggregate; or (ii) passing corporate structural modifications contemplated in Law 3/2009 of April 3 (*Ley 3/2009, de 3 de abril sobre modificaciones estructurales de las sociedades mercantiles*). If any resolutions on such matters or a resolution on the execution of a share capital increase delegated by our general shareholders meeting are submitted to our board of directors within that period, the sellers shall instruct their proprietary directors on our board of directors to vote against any such resolutions.

Guarantees, Indemnity and Representations and Warranties

The Saeta Yield SPA contains certain limited representations, warranties and guarantees from each of Eyra and Urbaenergía and the Co-Sponsor. The information disclosed to the Co-Sponsor through the due diligence process has been agreed by the parties to exclude any sellers' liability, except for any breach of the title, authority and capacity representations and warranties and any losses arising from corporate income tax and value added tax.

Share Sale and Purchase Agreement relating to DevCo SPA

Pursuant to the share sale and purchase agreement entered into between the Cobra SyR and the Co-Sponsor on January 20, 2015, the Co-Sponsor has agreed to purchase from Cobra SyR a number of Shares representing 49% of the share capital of DevCo (the "DevCo SPA" and the "DevCo Transaction"), also conditional upon the Admission Condition and the Antitrust Condition.

The "Antitrust Condition" refers to obtaining the merger control clearance under European Council Regulation (EC) 139/2004 on the terms agreed under the DevCo SPA to the extent that the DevCo Transaction, and any transactions related thereto, may constitute a concentration within the scope of such EC Regulation.

Purchase price

Initial Consideration

The initial agreed consideration for the 49% interest in DevCo is €64.8 million, subject to customary adjustment mechanisms which, amongst other things, account for potential differences between preliminary and final 2014 financial accounts and equity contributions. In addition, Cobra SyR and the Co-Sponsor have agreed to contribute additional equity capital into DevCo, in relation to various refinancing and capital expenditure projects that will be undertaken prior to the time that the DevCo assets are offered for sale to Saeta under the ROFO and Call Option Agreement.

Additional Assets Consideration

No later than February 2, 2015, Cobra SyR and the Co-Sponsor intend to execute a sale and purchase agreement in respect of a certain percentage of the shares in the project companies owning the ROFO Assets other than the Call Option Assets (the "Additional Assets") and their respective subordinated debt (the "Additional Assets SPA") for an initial consideration of €55.3 million (the "Additional Assets Consideration"). Similarly, this initial consideration will also be subject to customary adjustment mechanisms along with an agreement between the two parties to contribute further equity capital as necessary, prior to offering the assets for sale to Saeta Yield.

The Additional Assets SPA shall include certain other terms and conditions, including, but not limited to, locked box undertakings, interim conduct of business rules, certain agreed seller's representations and warranties, tax guarantee and conditions precedent (which will include the need for obtaining all the permits or third party consents or approvals for the acquisition of the Additional Assets project companies by DevCo).

Representations and warranties

The DevCo SPA includes certain customary representations, warranties and guarantees from each of Cobra SyR and the Co-Sponsor.

Interim period and closing date

The transaction will close once both the Admission Condition and the Antitrust Condition have been met, on the same closing date as the Saeta Yield SPA (Co-Sponsor Closing Date) and only to the extent that the transaction contemplated under the Saeta Yield SPA is closed.

During the period between the date of the DevCo SPA and the Co-Sponsor Closing Date, Cobra SyR has agreed to certain actions, including:

- to carry out the business in the ordinary course;

- to receive the consent of the Co-Sponsor prior to certain actions that may affect DevCo's capital, debt or business, as required to protect the Co-Sponsor's economic interest during that period; and
- to ensure that there is no Leakage from December 31, 2014 to the Co-Sponsor Closing Date.

Shareholders' Agreement relating to the DevCo SPA

Cobra SyR and the Co-Sponsor have also entered into a shareholders' agreement on January 20, 2015, in order to regulate their relationship as shareholders of DevCo (the "DevCo SHA"), subject also to the Admission Condition and the Antitrust Condition.

DevCo's business

The parties to the DevCo SHA have agreed that the corporate purpose of DevCo will be the development, construction and operation, as applicable, of the DevCo Assets with the intention to transfer them to Saeta Yield pursuant to the ROFO and Call Option Agreement or to any third party. Further, the parties have agreed that ACS SI or a company of the ACS SI Group will be the EPC services provider of the project companies.

Exclusivity

The parties to the DevCo SHA have agreed to an exclusivity period during which Cobra SyR and any company of the ACS SI Group will not engage in any development activity in relation to new renewable energy assets without the prior consent of GIP (without prejudice to the provision to third parties of EPC Services only), subject to certain exceptions (e.g. if GIP or the board of directors of DevCo rejects a new business opportunity proposed by the ACS SI Group). Such exclusivity period has been agreed to be the earlier of (i) five years from the Co-Sponsor Closing Date, or (ii) the first anniversary after GIP ceases to hold at least a 20% stake in DevCo.

The termination of the exclusivity undertaking will not affect the development, construction or operation by DevCo of the assets that DevCo owns, operates or that are being developed directly or indirectly, by the date of such termination. Upon termination of the exclusivity undertaking, Cobra SyR and the other companies of the ACS SI Group will be released from their exclusivity undertakings.

Board of directors general meeting and reserved matters

Pursuant to the DevCo SHA, the board of directors of DevCo will be composed of five members who will be appointed for a period of three years. Cobra SyR will be entitled to appoint three members, including the chairman, and the Co-Sponsor will be entitled to appoint two members, as long as Cobra SyR holds more than 50% of the shares of DevCo. Additionally, Cobra SyR will appoint the secretary of the board of directors of DevCo, who may or may not be a member of the board of directors. Certain board reserved matters, including disposing of or acquiring assets, in each case in excess of €2 million in aggregate during any 12 month period, will require the approval of at least one of the Board members of DevCo appointed by the Co-Sponsor. The parties have also agreed that certain shareholders reserved matters will require the favorable vote of shareholders representing at least 76% of DevCo's share capital.

Steering Committee

A development steering committee made up of two or any other number of equal number of representatives of each of the Co-Sponsor and Cobra SyR will be set up as soon as reasonably practicable after the Closing Date (the "Development Steering Committee"). The Development Steering Committee will undertake the leadership, coordination and monitoring of DevCo's development projects. Any investment decisions other than ordinary development costs (such as tender preparation, tender participation and bonds) will however be submitted for approval to the DevCo's board of directors as a board reserved matter.

Share transfer

Transfer of the shares by either shareholder or permitted transferee is subject to a right of first offer by any remaining shareholders, pursuant to which such remaining shareholder may submit an irrevocable offer

to purchase all but not part of the transfer shares setting out the terms and conditions on which such remaining shareholder is prepared to make the offer. The transferring shareholder does not have the obligation to accept the offer, subject to certain limitations. Additionally, the parties have agreed to a tag-along right relating to any transfer to a third party of all or part of such shareholder's shares in DevCo.

Arrangements for Change in Control of Saeta Yield

We are not aware of any arrangements the operation of which may at a subsequent date result in a change of control of Saeta Yield.

MARKET INFORMATION

Prior to the Offering, there has been no public market for the Offer Shares. We will apply to list the Shares on the Spanish Stock Exchanges and to have them quoted on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and on the AQS. The Spanish securities market for equity securities comprises four stock exchanges located in Madrid, Barcelona, Bilbao and Valencia.

Automated Quotation System

The AQS links the Spanish Stock Exchanges, providing any equity securities listed on it with a uniform continuous market in order to eliminate certain differences arising among the various local exchanges. The principal feature of the system is the computerized matching of bid and offer orders at the time of placement. Each order is completed as soon as a matching order occurs, but can be modified or cancelled until completion. The activity of the market can be continuously monitored by investors and brokers. The AQS is operated and regulated by Sociedad de Bolsas, S.A., (“Sociedad de Bolsas”), a company owned by the companies that manage the Spanish Stock Exchanges. All trades on the AQS must be placed through a brokerage firm, a dealer firm, or a credit entity that is a member of one of the Spanish Stock Exchanges.

In a pre-opening session held each trading day from 8:30 a.m. to 9:00 a.m. (CET), an opening price is established for each equity security traded on the AQS based on a real-time auction in which orders can be placed, modified or cancelled, but not completed. During this pre-opening session, the system continuously displays the price at which orders would be completed if trading were to begin. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offer prices. If an auction price cannot be determined, the best bid and offer prices and their respective associated trading volumes are disclosed instead. The auction terminates with a random 30 second period in which the Shares are allocated. Until the allocation process has finished, orders cannot be placed, modified or cancelled. In exceptional circumstances (including the admission of new securities to trade in the AQS) and subject to prior notice to the CNMV, Sociedad de Bolsas may fix an opening price disregarding the reference price (i.e., the previous trading day’s closing price), alter the price range for permitted orders with respect to the reference price and modify the reference price.

The computerized trading hours, known as the open session, range from 9:00 a.m. to 5:30 p.m. (CET). The AQS sets out two ranges of prices for each security named “static” and “dynamic” in order to monitor the volatility of the trading price of each security. During the open session, the trading price of a security may fluctuate within a certain predetermined percentage above and below the “static” price (the price resulting from the closing auction of the previous trading day or the immediately preceding volatility auction in the current open session) (the “static range”). In addition, the trading price may range within a certain predetermined percentage above and below the “dynamic” price (the trading price of the immediately preceding trade of the same security) (the “dynamic range”). If, during the open session, there are matching bid and offer orders for a security within the computerized system which exceed any of the above “static” and/or “dynamic” ranges, trading on the security is automatically suspended and a new auction, known as volatility auction, is held where a new reference price is set, and the “static” and “dynamic” ranges will apply over such new reference price. The “static” and “dynamic” ranges applicable to each specific security are set up and reviewed periodically by Sociedad de Bolsas. From 5:30 p.m. to 5:35 p.m. (CET), known as the closing auction, orders can be placed, modified and cancelled, but no trades can be completed.

Between 5:30 p.m. and 8:00 p.m. (CET), trades may occur outside the computerized matching system without prior authorization of Sociedad de Bolsas (provided such trades are however disclosed to Sociedad de Bolsas) at a price within the range of 5% over the higher of the average price and the closing price for the trading day and 5% below the lower of the average price and closing price for the trading day provided that: (i) there are no outstanding bids or offers in the computerized system matching or improving the terms of the proposed off-system transaction; and (ii) among other requirements, the trade involves more than three hundred thousand euros (€300,000) and more than 20% of the average daily trading volume of the relevant security during the preceding three months. These off-system trades must also relate to individual orders from the same person or entity and shall be reported to Sociedad de Bolsas before 8:00 p.m. (CET).

Trades may take place at any time (with the prior authorization of Sociedad de Bolsas) and at any price if:

- they involve more than one million five hundred thousand euros (€1,500,000) and more than 40% of the average daily trading volume of the relevant security during the preceding three months;
- the transaction results from a merger, spin-off or the restructuring of a group of companies;
- the transaction is carried out for the purposes of settling a litigation process or completing a complex set of sale and purchase agreements; or
- for any other reason which justifies the authorization of such transaction at the discretion of Sociedad de Bolsas.

Information with respect to computerized trades, which take place between 9:00 a.m. and 5:30 p.m., is made public immediately. On the other hand, information with respect to off-system trades is reported to Sociedad de Bolsas by the end of the trading day and is also published in the Stock Exchange Official Gazette (*Boletín de Cotización*) and on the computer system by the beginning of the next trading day.

Clearance and Settlement System

Transactions carried out on the Spanish Stock Exchanges are cleared and settled through Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Sociedad Unipersonal (“Iberclear”). Only those entities participating in Iberclear are entitled to use the clearance and settlement system and access to become a participating entity in Iberclear is restricted to: (i) authorized members of the Spanish Stock Exchanges; (ii) the Bank of Spain (*Banco de España*) (in case an agreement is reached with Iberclear with prior approval of the Spanish Ministry of Economy and Competitiveness (*Ministerio de Economía y Competitividad*)); and (iii) other brokers that are not members of the Spanish Stock Exchanges, banks, savings banks and foreign settlement and clearing systems with prior approval of the CNMV.

Iberclear is owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., a holding company which holds 100% interest in each of the Spanish official secondary markets and settlement systems. The clearance and settlement system and its participating entities are responsible for keeping records of purchases and sales in book-entry form (*anotaciones en cuenta*). Shares of listed Spanish companies are represented in book-entry form. Iberclear manages the clearance and settlement system and keeps a registry of the number of shares held by each of its participating entities on their own behalf and on behalf of third parties. Each participating entity, in turn, keeps a registry of the ultimate owners of such shares. Pursuant to Spanish law, the legal owner of the Shares is deemed to be either:

- the participating entity registered in the records of Iberclear as holder of the Shares in its own name; or
- the investor registered in the records of the participating entity as holder of the Shares.

Iberclear operates on the basis of the “T+3 Settlement System” pursuant to which the settlement of any trading transactions must occur within three business days from the date on which the transaction was actually completed.

The acquisition of a legal title over shares of a company listed in one of the Spanish Stock Exchanges requires the intervention of a Spanish official stockbroker, broker-dealer or another entity authorized by Spanish law to record the transfer of listed shares. In order to evidence title over any given listed shares, the relevant participating entity must issue a certificate of ownership at the shareholder’s request. If the shareholder is a participating entity, Iberclear must issue such certificate with respect to the Shares held in the participating entity’s name.

Notwithstanding the foregoing, it should be noted that Law 32/2011, of October 4, which amends Law 24/1988, of July 28, on the securities market (*Ley 32/2011, de 4 de octubre, por la que se modifica la Ley 24/1988, de 28 julio, del Mercado de Valores*), features some changes yet to be implemented in the Spanish clearing, settlement and registry procedures of securities transactions that will substantially modify the

abovementioned system and will allow the connection of the post trading Spanish systems to the European system Target-2 Securities, which is scheduled to be fully implemented in February 2017.

In particular, Regulation (EU) No. 909/2014 of the European Parliament and of the Council of July 23, 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 provides that the maximum settlement period shall be no later than on the second business day after the relevant trade takes place. On September 24, 2014 the CNMV issued a release on the status of the reform of the Spanish securities settlement system where it stated that it expects that the new T+2 settlement standard will be introduced in the fourth quarter of 2015.

Euroclear and Clearstream, Luxembourg

Shares deposited with depositaries for Euroclear Bank, S.A./N.V., (“Euroclear”), and Clearstream Banking, Société Anonyme (“Clearstream”), and credited to the respective securities clearance account of purchasers in Euroclear or Clearstream against payment to Euroclear or Clearstream, will be held in accordance with the Terms and Conditions Governing Use of Euroclear and Clearstream, the operating procedures of the Euroclear System (as amended from time to time), the Management Regulations of Clearstream and the instructions to Participants of Clearstream (as amended from time to time), as applicable. Subject to compliance with such regulations and procedures, those persons on whose behalf accounts are kept at Euroclear or Clearstream and to whom shares have been credited (“investors”), will be entitled to receive a number of shares equal to that amount credited in their accounts.

With respect to shares deposited with depositaries for Euroclear or Clearstream, such shares will be initially recorded in the name of Euroclear or one of its nominees or in the name of Clearstream or one of its nominees, as the case may be. Thereafter, investors may withdraw shares credited to their respective accounts if they wish to do so, upon payment of the applicable fees (as described below), if any, and once the relevant recording in the book-entry records kept by the members of Iberclear has occurred.

Under Spanish law, only the shareholder of record in Iberclear’s registry is entitled to dividends and other distributions and to exercise voting, pre-emptive and other rights in respect of such shares. Euroclear (or its nominees) or Clearstream (or its nominees) will, respectively, be the sole record holders of the shares that are deposited with any depositaries for Euroclear and Clearstream until investors exercise their rights to withdraw such shares and record their ownership rights over them in the book-entry records kept by the members of Iberclear.

Cash dividends or cash distributions, as well as stock dividends or other distributions of securities, received in respect of the Shares that are deposited with the depositaries for Euroclear and Clearstream will be credited to the cash accounts maintained on behalf of the investors at Euroclear and Clearstream, as the case may be, after deduction of any applicable withholding taxes, in accordance with the applicable regulations and procedures for Euroclear and Clearstream. See “Taxation” below.

Euroclear and Clearstream will endeavor to inform investors of any significant events of which they become aware affecting the Shares recorded in the name of Euroclear (or its nominees) and Clearstream (or its nominees) and requiring action to be taken by investors. Each of Euroclear and Clearstream may, at their discretion, take such action, as they deem appropriate in order to assist investors in exercising their voting rights in respect of the shares. Such actions may include: (i) acceptance of instructions from investors to grant or to arrange for the granting of proxies, powers of attorney or other similar certificates; or (ii) exercise by Euroclear or its nominees and Clearstream or its nominees of voting rights in accordance with the instructions provided by investors.

In case we offer or cause to be offered to Euroclear or its nominees and Clearstream or its nominees, acting in their capacity as record holders of the Shares deposited with the depositaries for Euroclear and Clearstream, any rights to subscribe for additional shares or rights of any other nature, each of Euroclear and Clearstream will, respectively, endeavor to inform investors of the terms of any such rights of which they become aware in accordance with the applicable provisions in the aforementioned regulations and procedures. Such rights will be exercised, insofar as practicable and permitted by applicable law, according

to written instructions received from investors, or, alternatively, such rights may be sold and, in such event, the net proceeds will be credited to the cash account kept on behalf of the investor with Euroclear or Clearstream.

Tender Offers

Tender offers are governed in Spain by Articles 34 and 60 of the Spanish Securities Market Act and Royal Decree 1066/2007, of July 27, (*Real Decreto 1066/2007, de 27 de julio, de régimen de las ofertas públicas de adquisición de valores*), which have implemented Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004. Other than the referred tender offer regulation, there is no other special regulation in Spain which may govern mandatory tender offers over the Shares.

Tender offers in Spain may qualify as either mandatory or voluntary.

Mandatory tender offers must be launched for all the shares of the target company and all other securities that might directly or indirectly entitle to acquire or subscribe such shares (including, without limitation, convertible and exchangeable notes) at an equitable price when any person or entity acquires control of a Spanish listed company, whether such control is obtained:

- by means of the acquisition of shares or other securities that directly or indirectly entitle to subscribe or acquire voting shares in such company;
- through shareholder agreements with shareholders or other holders of said securities; or
- as a result of other situations of equivalent effect as provided in the applicable Spanish regulation on tender offers (i.e., indirect control acquired through mergers, share capital decreases, changes in the target's treasury stock, etc.).

A person or entity is deemed to have control over a target company, either individually or jointly with concerted parties, whenever:

- it acquires, directly or indirectly, a percentage of the company's voting rights equal to or greater than 30%; or
- it has acquired less than 30% of the voting rights and appoints, during the 24 month period following the date of acquisition of said percentage of voting rights, a number of directors that, together with those already appointed by it (if any), represents more than one-half of the members of the target company's board of directors. The Spanish regulation on tender offers also sets forth certain situations where directors are deemed to have been appointed by the bidder or persons acting in concert therewith unless evidence to the contrary is provided.

For the purposes of calculating the percentages of voting rights acquired, the Spanish regulation establishes the following rules:

- percentages of voting rights corresponding to: (i) companies belonging to the same group as the bidder; (ii) members of the board of directors of the bidder or of companies of its group (unless evidence to the contrary is provided); (iii) persons acting in concert with or on behalf of the bidder; (iv) voting rights which may be exercised freely and over an extended period by the bidder under proxy granted by the actual holders or owners of such rights, in the absence of their specific instructions with respect thereto; and (v) shares held by a nominee (such nominee being as a third-party whom the bidder totally or partially covers against the risks related to acquisitions or transfers of the shares or the possession thereof), will be deemed to be held by the bidder;
- both the voting rights arising from the ownership of shares and those enjoyed under a usufruct or pledge or under any other contractual title, will also be deemed to be held by the bidder;
- the percentage of voting rights shall be calculated based on the entire number of the company's shares with voting rights, even if the exercise of such rights has been suspended. Treasury stock held directly or indirectly by the target company (according to the information available on the date of calculation of the percentage of voting rights held by the bidder) shall be excluded from

the calculation. Non-voting shares shall be taken into consideration only when they carry voting rights pursuant to applicable law; and

- acquisitions of securities or other financial instruments which entitle the holder to the subscription, conversion, exchange or acquisition of shares which carry voting rights will not result in the obligation to launch a tender offer either until such subscription, conversion, exchange or acquisition occurs.

Notwithstanding the foregoing, upon the terms established in the applicable Spanish regulation on tender offers, the CNMV will conditionally exempt a person or entity from the obligation to launch a mandatory bid when another person or entity not acting in concert with the potential bidder, directly or indirectly holds an equal or greater voting percentage in the target company.

The price of the mandatory tender offer is deemed to be equitable when it is at least equal to the highest price paid by the bidder or any person acting in concert therewith for the same securities during the twelve months preceding the announcement of the tender offer. Other rules used to calculate such equitable price are set forth in the applicable Spanish regulation. However, the CNMV may change the price determined pursuant to said rules in certain circumstances (extraordinary events affecting the price, evidence of market manipulation, etc.).

Mandatory offers must be launched as soon as possible and at any event within one month from the acquisition of the control of the target company.

Voluntary tender offers may be launched in those cases in which a mandatory offer is not legally required. Voluntary offers are subject to the same rules established for mandatory offers except for the following:

- they might be subject to certain conditions (such as amendments to the by-laws or adoption of certain resolutions by the general shareholders' meeting of the target company, acceptance of the offer by a minimum number of shares of the target company, approval of the offer by the general shareholders' meeting of the bidder; and any other condition deemed by the CNMV to be in accordance with law), provided that the fulfilment of such conditions may be verified by the end of the offer acceptance period; and
- they may be launched at a price other than an equitable price. However, if they are not launched at an equitable price and if the tender offer shares representing at least 50% of the voting rights are tendered in the offer (excluding voting rights already held by the bidder and those belonging to shareholders who entered into an agreement with the bidder regarding the tender offer), the bidder may become obliged to launch a mandatory tender offer.
- In any case, by virtue of an amendment to the Spanish Securities Act operated by Law 1/2012, of June 22, the price in a voluntary tender offer must be the higher of (i) the equitable price and (ii) the price resulting from an independent valuation report, and must at least consist of cash as an alternative if certain circumstances have occurred during the two years prior to the announcement of the offer (basically, the trading price for the shares being affected by price manipulation practices, market or share prices being affected by natural disasters, force majeure, or other exceptional events, or the target company being subject to expropriation or confiscation resulting in significant impair of the company's real value).

The Spanish regulation on tender offers sets forth further relevant provisions, including, amongst others:

- the board of directors of the target company will be exempt from the prohibition to carry out frustrating or defensive actions against a foreign bidder provided the latter's board of directors is not subject to equivalent passivity rules and subject to prior approval by the company's general shareholders' meeting within the 18 month period before the date of the public announcement of the tender offer;

- defensive measures included in a listed company's by-laws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the company is the target of a tender offer, unless the shareholders decide otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected shall be entitled to compensation at the target company's expense); and
- squeeze-out and sell-out rights will apply provided that following a mandatory tender offer (or as a result of a voluntary offer for all the of the target's share capital) the bidder holds shares representing at least 90% of the target company's voting share capital and the tender offer has been accepted by the holders of securities representing at least 90% of the voting rights over which the offer was launched.

DESCRIPTION OF SHARE CAPITAL

The following is a summary of material information regarding our share capital and certain applicable provisions in connection therewith to be found in our by-laws (*estatutos sociales*) and (amongst other regulations) the Spanish Companies Act, the Spanish Securities Market Act and Royal Decree 116/1992 on the representation of securities in book-entry form and the settlement of transactions in the stock exchanges (*Real Decreto 116/1992, de 14 de febrero, sobre representación de valores por medio de anotaciones en cuenta y compensación y liquidación de operaciones bursátiles*).

This summary does not purport to be complete nor to describe all of the applicable provisions and regulations in connection with the matters described herein and is qualified in its entirety by reference to our by-laws and to the Spanish Companies Act (or any other applicable regulations from time to time). It is recommended that you refer to our by-laws and the Spanish Companies Act (or any other regulation referred herein) for further details. A copy of our deed of incorporation and by-laws are available at our registered office (Cardenal Marcelo Spínola, 10 28016 Madrid, Spain). Furthermore, a copy of our by-laws is also available on our website (www.saetayield.com), and upon Admission, in the CNMV's offices.

General

As of the date of this document, our share capital amounts to €61,563,010, issued as a single series of 61,563,010 Shares denominated in euro, with a nominal value of €1 per Share, represented by book-entry records (*anotaciones en cuenta*) and each with ISIN code ES0105058004, allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores*), an entity of the CNMV. Our entire share capital is fully paid-up and non-assessable. On the date hereof, we do not own Shares as treasury stock (*autocartera*) and have not issued securities convertible or exchangeable into Shares, nor securities with warrants over the Shares.

Saeta Yield was incorporated under the laws of Spain in Madrid on May 26, 2009 pursuant to a notarized deed of incorporation, under number 7,064 of the public notary's official records and registered with the Commercial Registry of Madrid under volume 26,842, page 14 and sheet M-483,710. It was incorporated with the legal name of El Recuenco Eólica, S.L. by Urbaenergía and Energías Ambientales de Soria, S.L., subsidiaries of ACS SI. Saeta Yield has been inactive since its formation until the execution of the Asset Transfer.

On October 24, 2014, Saeta Yield was transformed into a Spanish public limited company (*sociedad anónima*), increased its share capital to €63,010 and changed its name to Saeta Yield, S.A.

On October 31, 2014, Saeta Yield approved two capital increases amounting to €153.2 million and €459.7 million, respectively, in order to obtain the necessary funds to carry out the Asset Transfer. The capital increases were paid for by subsidiaries of ACS SI on October 31, 2014 and November 20, 2014, respectively.

On January 20, 2015, pursuant to a share split, the nominal value of our Shares was reduced from €10 to €1. As a consequence of the share split, the number of Shares became 61,563,010 with a nominal value of €1 each.

Pursuant to the Equity Contribution, expected to occur on the business day following the date of determination of the Offering Price, our share capital will increase in the amount of €20,013,918. See "Capitalization and Indebtedness—Liquidity Sources and Uses" and "Principal Shareholders and Selling Shareholder".

The summary chart below outlines the evolution of Saeta Yield's share capital:

	Share capital before October 24, 2014	Share capital increase dated October 24, 2014	Share capital increase dated October 31, 2014	Share capital increase dated October 31, 2014	Share split dated January 20, 2015	Equity Contribution (expected February 13, 2015)
Allocation						
Nominal value increased.....	€3,010	€60,000	€10,000,000	€51,500,000	—	€20,013,918
New Issuance premium	—	—	€143,238,800	€408,216,400	—	€180,125,262
Number of shares increased.....	301	6,000	1,000,000	5,150,000	—	20,013,918
Total number of shares.....	—	6,301	1,006,301	6,156,301	61,563,010	81,576,928
Total Proceeds	—	€60,000	€153,238,800	€459,716,400	—	€200,139,180
Total issued share capital	€3,010	€63,010	€10,063,010	€61,563,010	€61,563,010	€81,576,928

Non-residents in the Kingdom of Spain (including companies incorporated in other jurisdictions) are entitled to hold shares in a Spanish company and vote in its general shareholders' meeting, subject to the restrictions described under "Restrictions on Foreign Investment" below.

Dividend and Liquidation Rights

Dividend distribution

The payment of dividends to our shareholders shall be authorized by our general shareholders' meeting by a majority of the attending shareholders (both personally and by proxy) at the proposal of the board of directors. Shareholders are entitled to an amount of dividends proportional to their paid-up stockholding in us. Unless the general shareholders' meeting decides otherwise, dividends become payable by us from the next day on which the distribution agreement is adopted by the general shareholders' meeting.

According to the Spanish Companies Act, dividends may only be paid to our shareholders (once the mandatory reserve requirements and any requirements set out in our by-laws have been met, if applicable) from: (i) our annual net income; or (ii) distributable reserves (such as issuance premium), provided in both cases that (x) the value of our net equity (*patrimonio neto*) does not, and as a result of the payment of dividends will not, amount to less than the share capital; and (y) the distributable reserves are equal or higher than the research and development expenses recorded as an asset in our balance sheet. Furthermore, net profits will in any case be applied to offset losses from previous years in the event that such losses cause our net equity to fall below the share capital amount.

The Spanish Companies Act requires companies to allocate at least 10% of their annual net income to a non-distributable mandatory reserve (*reserva legal*) until such reserve amounts to, at least, 20% of the company's share capital.

Furthermore, the Spanish Companies Act also provides for the creation of a mandatory non-distributable reserve equal to the amount of goodwill (*fondo de comercio*) recorded as an asset in the company's balance sheet. For that purpose, prior to any dividend distribution, companies shall allocate each year an amount of their annual net profit equal to, at least, 5% of their accounted-for goodwill to such mandatory non-distributable reserve. If, in any given financial year, there is no positive net profit or it is insufficient for such purposes, the Spanish Companies Act requires that the shortfall be transferred to the mandatory non-distributable reserve from freely distributable reserves of the company. As of the date of this

prospectus we have not allocated any amounts to the mandatory non-distributable goodwill reserve (as no goodwill is recorded as of the date hereof).

These mandatory reserves will be distributed only upon our liquidation.

Upon Admission, our equity structure will be sufficient to comply with the minimum thresholds set out in the Spanish Companies Act to permit dividend distribution. See “Capitalization and Indebtedness”.

Our ability to distribute dividends in the near future will depend upon a number of factors, including, but not limited to, our earnings, financial condition, debt service obligations, cash requirements (including capital expenditure and investment plans), prospects, market conditions and such other factors as may be deemed relevant at the time. There are no contractual restrictions to the distribution of dividends under any financing arrangement that will be in place upon Admission.

In accordance with Article 947 of the Spanish Commercial Code (*Real Decreto de 22 de agosto de 1885, Código de Comercio*), a shareholder’s right to any given dividend expires if unclaimed during five years after the date it becomes payable.

Any dividends paid in the future will be subject to taxation under Spanish law. See “Taxation—Material Spanish Tax Considerations” below.

Shareholder Liquidation Rights

Upon liquidation of a company, shareholders are entitled to any remaining assets in proportion to their respective shareholdings, once the company’s debts, taxes and any expenses related to the liquidation have been paid.

Shareholders’ Meetings and Voting Rights

Meeting call

Pursuant to our by-laws, the regulations of our general shareholders’ meeting (*Reglamento de la Junta General de Accionistas*) and the Spanish Companies Act, ordinary general shareholders’ meetings are to be held annually during the first six months of each fiscal year on a date fixed by the board of directors. Extraordinary general shareholders’ meetings may be called by the board of directors: (i) whenever it deems appropriate; or (ii) at the request of shareholders representing at least 3% of our share capital. Meeting notices for all general shareholders’ meetings shall be published (i) either in the Commercial Registry’s Official Gazette (*Boletín Oficial del Registro Mercantil*) or in a newspaper of wide circulation in the Kingdom of Spain; (ii) on our website; and (iii) on the CNMV’s website (www.cnmv.es).

Pursuant to the provisions of the Spanish Companies Act an extraordinary general shareholders’ meeting may be called by the board of directors at least 15 days in advance of the date of the meeting (as opposed to the default one month period) if the shareholders are entitled to vote on the matters considered at the meeting by electronic means accessible to all such shareholders at any given general shareholders’ meeting. The decision to shorten the default notice period before an extraordinary general shareholders’ meeting must be adopted by our ordinary general shareholders’ meeting by a majority of at least two thirds of the voting share capital. Such decision will remain in force, at most until the following ordinary general shareholders’ meeting.

Authority of the general shareholders’ meeting

Action is taken at ordinary shareholders’ meetings on the following matters: (i) approval of the management carried out by the directors; (ii) approval of the annual accounts from the previous fiscal year; (iii) allocation of the previous fiscal year’s income; (iv) appointment and dismissal of directors, liquidators and, where necessary, auditors, and the filing of liability claims against any of these persons; (v) amendment of the by-laws; (vi) capital increase and reduction; (vii) restriction or withdraw of pre-emptive rights; (viii) conversion, merger, spin-off or global assignment of assets and liabilities and transfer of the registered office abroad; (ix) company dissolution; (x) approval of the liquidation balance sheet; (xi) transactions representing more than 25% of the assets of the company; (xii) reallocation of core activities to subsidiaries that were

previously carried out by the company, even though the latter retains full control of the former; (xiii) operations that effectively add up to the company's liquidation; (xiv) the remuneration policy of the directors in the terms set forth in applicable law; and (xv) any other matter reserved to the ordinary shareholders' meeting in the law or pursuant to our by-laws. Any other matters may be subject to approval either by an extraordinary general shareholders' meeting or an ordinary general shareholders' meeting provided that matter falls within the authority of the general shareholders' meeting and that matter has been included in the meeting's agenda.

Voting and attendance rights

Each of our Shares entitles the holder to one vote in the general shareholders' meeting and there is no limit as to the maximum number of votes that may be issued by any shareholder, companies belonging to the same group or any person acting in coordination with any of the former. Shareholders are not required to hold a minimum number of Shares in order to exercise their right to attend any general shareholders' meeting. None of our shareholders have different voting rights.

Holders of record of any number of Shares with voting rights are entitled to attend our general shareholders' meeting with right to speak and vote. The general shareholders' meeting notice shall indicate the date on which Shares must be held for a shareholder to be effectively entitled to attend the meeting and exercise any voting rights. Pursuant to the Spanish Companies Act, shareholders that are duly registered in the book-entry records (*anotaciones en cuenta*) managed by Iberclear and its participating entities at least five days in advance to the date of the general shareholders' meeting, shall in any case be entitled to attend and vote at such meeting.

Amendments to our by-laws that directly or indirectly affect the rights of a specific class of shares, including any voting and attendance rights, shall only be valid when adopted by the general shareholders' meeting and adopted by the majority of shareholders affected in compliance with the requirements set out in the Spanish Companies Act. Our by-laws do not provide any particular provision in this respect.

Our by-laws and internal regulations do not include any provision that would have the effect of delaying, deferring or preventing a change of control of Saeta Yield and do not provide for conditions to be met by changes in our capital which are more stringent than the provisions of the Spanish Companies Act.

Proxies

Pursuant to the Spanish Companies Act, shareholders may vote by proxy. Proxies must be given for each general shareholders' meeting in writing or by electronic means acceptable under our by-laws. Proxies may be given to any person, whether or not a shareholder. Proxies may be revoked by the shareholder by giving us notice prior to the meeting or by personally attending the meeting.

Proxy holders are required to disclose any conflict of interest to the shareholder prior to their appointment. In case a conflict of interest arises after the proxy holder's appointment, it shall immediately be disclosed to the shareholder. In both cases, the proxy holder shall refrain from exercising the shareholder's voting rights after disclosure of the conflict of interest unless the shareholder has provided new specific voting instructions for each matter in respect of which the proxy holder is to vote on its behalf. A conflict of interest may (amongst other things) be deemed to arise when the proxy holder: (i) is one of our controlling shareholders or an entity controlled by such shareholder; (ii) is a member of our administrative, management or supervisory body, or that of one of the controlling shareholders or of another entity controlled by such shareholders; (iii) is our employee or auditor, or that of a controlling shareholder or another entity controlled by any of such shareholders; or (iv) is a natural person related to those mentioned in (i) to (iii) above (*persona física vinculada*), as this concept is defined under the Spanish Companies Act (such as the spouse or similar, at that time or within the two preceding years, as well as ascendants, descendants, siblings, and their respective spouses) and under the Spanish Ministry of Economy and Competitiveness Order ECC/3050/2004, of September 15, 2014 (*Orden EHA/3050/2004 de 15 de septiembre sobre la información de las operaciones vinculadas que deben suministrar las sociedades emisoras de valores admitidos a negociación en mercados secundarios oficiales*).

A proxy holder may act on behalf of more than one shareholder without limitation as to the maximum number of represented shareholders. Where a proxy holder holds proxies from several shareholders with diverging voting instructions, it shall be entitled to cast votes differently as appropriate for each shareholder.

Pursuant to the Spanish Companies Act, entities rendering investment services, acting in their capacity as professional financial intermediaries, can also be appointed as proxy holders. Financial intermediaries shall also be entitled to cast different votes for each shareholder in observance of diverging voting instructions from their clients.

Celebration of the meeting and adoption of resolutions

The by-laws of Saeta Yield provide a different regulation depending on whether the ordinary or extraordinary general shareholders' meeting is held on the first call or on the second call (meeting notices may include, and usually do, a second call for the meeting to be held at least 24 hours after the first date included in the meeting notice that would be held in accordance with the first call):

- **Quorum:** on the first call the presence in person or by proxy of shareholders representing at least 25.0% of its voting capital will constitute a quorum. If on the first call a quorum is not present, the meeting can be reconvened by a second call, which according to the Spanish Companies Act requires no quorum.
- **General rule for the adoption of resolutions:** resolutions are passed by a majority of the votes corresponding to the share capital present or represented at such meeting, except for the exceptions covered in the following paragraph.
- **Adoption of resolutions for reserved matters:** according to the Spanish Companies Act, a resolution in a general shareholders' meeting to modify the by-laws of Saeta Yield (including, without limitation, increases and reductions of share capital, bond issues, suppressions or limitations on the pre-emptive right over new shares, transformations, mergers, spin-offs, global assignments of assets and liabilities and the transfer of the registered address of Saeta Yield abroad), requires the presence in person or by proxy of shareholders representing at least 50.0% of the voting capital of Saeta Yield on first call, and the presence in person or by proxy of shareholders representing at least 25.0% of the voting capital of Saeta Yield on second call. On second call, and in the event that less than 50.0% of the voting capital of Saeta Yield is represented in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two-thirds of Saeta Yield's capital present or represented at such meeting. Pursuant to article 201 of the Spanish Companies Act, the adoption of any agreement referred to in Article 194 of the Spanish Companies Act (which are those that imply an amendment of the by-laws) will require an absolute majority of the votes issued by the attending shareholders (both personally and by proxy) if the attending shareholders represent more than 50 per cent of the total share capital.

The Spanish Companies Act allows shareholders to voluntarily group their shares so that the share capital in aggregate is equal to or greater than the result of dividing the total share capital by the number of directors on the board. Such grouped shareholders have the right to appoint a corresponding proportion of the members of the board of directors (disregarding any fractions). Shareholders who exercise this grouping right may not vote on the appointment of the remaining other directors.

Legal effects of resolutions passed by the general shareholders' meeting and opposition to the resolutions of the general shareholders' meeting

Resolutions which are either (i) contrary to Spanish law or our by-laws, or (ii) detrimental to our corporate interests in benefit of one or more shareholders or third parties, may be contested. For listed companies, the Spanish Companies Act requires a contestant or contestant group to hold a minimum total of 1% of the company's share capital in order to contest such resolutions. The Spanish Companies Act acknowledges a legal right of action in favor of (i) individual shareholders who held shares prior to the adoption of such resolutions, (ii) our directors and (iii) interested third parties. If the resolution is contrary to

public policy, any shareholder (whether or not he or she was a shareholder at the time when the resolution was adopted), director or third party is entitled to contest the resolution. In certain circumstances (such as a significant amendment of our corporate purpose, certain cases of conversion of our corporate form or the change of our statutory seat overseas), the Spanish Companies Act entitles dissenting or absent shareholders to withdraw from the company. If this right were to be exercised, we would be obliged to repurchase the relevant shareholding(s) from the withdrawing shareholder in accordance with the procedures established under the Spanish Companies Act.

Shareholder Claims

Pursuant to the Spanish Companies Act, directors are liable towards us, the shareholders and the creditors for any actions or omissions that are illegal or contravene the by-laws and for failure to perform their legal and fiduciary duties diligently.

Under Spanish law, shareholders must bring any actions against our directors as well as any other actions against us or challenging corporate resolutions before the competent courts in the province where our statutory seat is located (in our case, currently Madrid, Kingdom of Spain).

Representation and Transfer of Shares

Our Shares are represented by book-entry records and are indivisible. Joint holders of one or several Shares must appoint a single representative to exercise their rights jointly on their behalf. However, they shall all be jointly and severally (*solidariamente*) liable towards us for any obligations in their capacity as shareholders.

Iberclear (the managing entity for the Spanish clearance and settlement system of the Spanish Stock Exchanges) manages the central registry, which reflects the number of shares held by each of its participating entities (*entidades participantes*) from time to time as well as the amount of shares held by beneficial owners. Each participating entity, in turn, keeps a record of the owners of such shares. Since our shares are represented by book-entry records, we will keep an electronic shareholder registry for which Iberclear shall report to us all transactions entered into by our shareholders in respect of the Shares.

Our Shares are freely transferable in accordance with the Spanish Companies Act, the Spanish Securities Market Act and any implementing regulations.

Transfers of shares quoted in the Spanish Stock Exchanges must be made through or with the participation of a member of a Spanish Stock Exchanges. For more information, see “Market Information”. The transfer of shares may be subject to certain fees and expenses.

Restrictions on Foreign Investment

Exchange controls and foreign investments were, with certain exceptions, completely liberalized by Royal Decree 664/1999, of April 23, 1999 (*Real Decreto 664/1999, de 23 de abril, sobre inversiones exteriores*), bringing the existing legal framework on foreign investments in line with the provisions of the Treaty of the European Union.

According to Royal Decree 664/1999, and subject to the restrictions described below, foreign investors may freely invest in shares of Spanish companies as well as transfer their interests, equity gains and dividends outside the Kingdom of Spain (subject to applicable taxes and exchange controls) by filing a standardized notice with the Spanish Registry of Foreign Investments (*Registro de Inversiones Exteriores*) (kept by the General Bureau of Commerce and Investments (*Dirección General de Comercio e Inversiones*) within the Ministry of Economy and Competitiveness (*Ministerio de Economía y Competitividad*)) following the investment in or divestment of (if any) a Spanish company. Such filing is to be made solely for statistical, economic and administrative purposes. In case the Shares belong to a Spanish company listed on any of the Spanish Stock Exchanges, the duty to file a notice regarding the foreign investment or divestment falls with the relevant entity with whom the Shares (in book-entry form) have been deposited or which has acted as an intermediary in connection with such investment or disinvestment.

If the foreign investor is a resident of a tax haven, as defined under Royal Decree 1080/1991 of July 5, 1991 (*Real Decreto 1080/1991, de 5 de julio*), notice must be provided to the Registry of Foreign Investments (*Registro de Inversiones Exteriores*) both before and after execution of the investment. However, prior notice from residents in tax havens is excluded in the following cases:

- investments in listed securities, whether or not trading in an official secondary market, as well as participations in investment funds that are registered with the CNMV; and
- investments in connection with shareholdings that do not exceed 50% of the share capital of a Spanish company.

Additional regulations apply to investments in certain industries, including air transportation, mining, manufacturing and sales of weapons and explosives for non-military use, national defense, radio, television and telecommunications. These additional restrictions do not apply to investments made by EU residents, except for those related to the Spanish defense sector and the manufacturing and sale of weapons and explosives for non- military use.

The Spanish Council of Ministers (*Consejo de Ministros*), acting on the recommendation of the Ministry of Economy and Competitiveness, may suspend the application of the aforementioned provisions relating to foreign investments for reasons of public policy, health or safety, either generally or with respect to investments in particular industries. In such cases, any purported foreign investments falling within the scope of the suspension would be subject to prior authorization from the Council of Ministers of the Spanish government, acting on the recommendation of the Ministry of Economy and Competitiveness.

Exchange Control Regulations

Pursuant to Royal Decree 1816/1991 of December 20, 1991 (*Real Decreto 1816/1991, de 20 de diciembre, sobre transacciones económicas con el exterior*), as amended, among others, by Royal Decree 1360/2011 of October 7, 2011 (*Real Decreto 1360/2011, de 7 de octubre, por el que se modifica el Real Decreto 1816/1991, de 20 de diciembre, sobre transacciones económicas con el exterior*) and EC Directive 88/361/EEC, any payments or transfers between non-residents and residents of the Kingdom of Spain must be effected through an official payment services supplier registered with the Bank of Spain (*entidades registradas*). All payments or transfers which exceed €6,010 (or its equivalent in another currency), with certain exceptions, must be notified to the relevant Spanish general administration authorities (*Administración General del Estado*) and the Bank of Spain if made in cash or by check payable to the bearer.

Pre-emptive Rights and Increases of Share Capital

Pursuant to the Spanish Companies Act, shareholders have pre-emptive rights to subscribe for newly issued shares in consideration to cash contributions or newly issued notes that are convertible into shares. Such pre-emptive rights may be excluded under special circumstances by a resolution passed by the general shareholders' meeting or the board of directors (in case the general shareholders' meeting of a listed company delegates the decision to increase the company's share capital or issue convertible notes excluding pre-emptive rights to the board of directors), in accordance with the provisions of the Spanish Companies Act. In such cases, the resolution authorizing the exclusion of pre-emptive rights will only be valid if, amongst other requirements: (i) a report is issued by an independent expert appointed by the Commercial Registry (*Registro Mercantil*) stating, amongst other elements, the reasonable market value (*valor razonable*) of the Shares (quotation price in case of listed companies unless other arrangements can be justified) and determining the theoretical value (*valor teórico*) of the pre-emptive rights and, in case of listed companies, also the net book value (*valor neto patrimonial*) of the Shares; and (ii) the nominal value and issue premium of the newly issued shares is equivalent to the reasonable value assigned to such shares in the aforementioned independent expert's report, provided, however, that pursuant to Article 505 of the Spanish Companies Act, listed companies are entitled to issue shares at a value equal or higher than their net book value, as determined by the independent expert's report.

Furthermore, pre-emptive rights will not be exercisable by shareholders in case of a share capital increase that is required for the purposes of converting convertible notes into shares, completing a merger, acquiring all or part of another company's de-merged assets or as consideration to in-kind contributions. Pre-emptive rights are transferable, may be traded on the AQS and may be of value to existing shareholders since new shares may be offered for subscription at prices lower than prevailing market prices.

As of the date of this prospectus, our board of directors has been authorized by our shareholders to issue new Shares up to 50% of our share capital (in the context of equity offerings, convertible debt instruments or warrants) and to exclude the related pre-emptive rights, provided that such exclusion is made in our corporate interest. In case of equity offerings, the board of directors is authorized to exclude pre-emptive rights up to 20% of our share capital as of the date of this prospectus.

Reporting Requirements

Transactions affecting voting rights

Pursuant to Royal Decree 1362/2007 of October 19, 2007 (Real Decreto 1362/2007, *de 19 de octubre por el que se desarrolla la Ley 24/1988, del Mercado de Valores en relación con los requisitos de transparencia relativos a la información sobre los emisores cuyos valores estén admitidos a negociación en un mercado secundario oficial o en otro mercado regulado de la Unión Europea*), which implements the so-called "Transparency Directive" (Directive 2004/109/EC of the European Parliament and of the Council of December 15, 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market), any individual or legal entity who, by whatever means, purchases or transfers shares granting voting rights in a company listed in a secondary official market or other regulated market in the EU for which Spain is the country of origin (if the corporate address of the listed company is located in Spain), must notify the relevant issuer and the CNMV, if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a 3% threshold over the company's total voting rights. The reporting obligations are also triggered at thresholds of 5% and multiples thereof (excluding 55%, 65%, 85%, 95% and 100%).

The notice shall be served by means of the standard form approved by the CNMV from time to time for such purpose, within four trading days from the date on which the transaction is acknowledged (Royal Decree 1362/2007 deems a transaction to be acknowledged within two trading days from the date on which it is entered into). Where the individual or legal entity effecting the transaction is a non-resident of the Kingdom of Spain, notice must also be served to the Spanish Registry of Foreign Investments (*Registro de Inversiones Exteriores*) (kept by the General Bureau of Commerce and Investments (*Dirección General de Comercio e Inversiones*) within the Ministry of Economy and Competitiveness (*Ministerio de Economía y Competitividad*)), as explained above in section "Restrictions on Foreign Investment".

The foregoing disclosure requirements also apply to those transactions (other than sales and purchases of shares) by which the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the aforementioned thresholds that trigger the obligation to report.

As a separate disclosure obligation, and regardless of the actual ownership of the Shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the Shares or who owns, acquires or transfers, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, shall notify us and the CNMV if the aggregate voting rights corresponding to the relevant shares that individual or legal entity reaches, exceeds or falls below the aforementioned thresholds.

In case the person, legal entity or group effecting the transaction is a resident in a tax haven (as defined by applicable Spanish regulations), the threshold that triggers the obligation to disclose the acquisition or transfer of shares in a Spanish company is reduced to 1% (and successive multiples thereof).

We shall report to the CNMV any self-acquisition of treasury stock which, together with all other acquisitions since the last disclosure, reaches or exceeds 1% of our capital stock (irrespective of whether we have sold any of our treasury stock in the same period). In such circumstances, the disclosure notice must

include the number of Shares we have acquired since the last disclosure (detailed by transaction), the number of shares we have sold in such period (detailed by transaction), the share prices paid in such transactions and the resulting net holding of treasury stock.

Our by-laws and internal regulations do not provide for any significant shareholdings disclosure requirements more stringent than those established under Royal Decree 1362/2007 of October 19, 2007 (as mentioned in this sub-section) and Royal Decree 1333/2005 of November 11, 2005 (as mentioned in the following sub-section).

Disclosure requirements applicable to directors and senior managers

All members of the board of directors must report both to us and the CNMV any percentage or number of voting rights held by them in Saeta Yield from time to time and at the time of their appointment or resignation as directors, regardless of the amount and including information on the percentage of voting rights which they held as a result of the relevant transaction. In addition, any member of the company's board of directors must also report any stock-based compensation that they may receive pursuant to any of the company's compensation plans. The above-mentioned notifications must be made within five business days.

In addition, pursuant to Royal Decree 1333/2005 of November 11, 2005 (Real Decreto 1333/2005, *de 11 de noviembre, por el que se desarrolla la Ley 24/1988, del Mercado de Valores, en materia de abuso de mercado*) (implementing European Directive 2004/72/EC), any member of our board of directors or senior managers (directivos) (as defined therein) and any persons having a close link (vínculo estrecho) with any of them, must similarly report any acquisition or transfer of our Shares, derivatives and financial instruments linked to our Shares.

Disclosure of shareholder agreements

The Spanish Companies Act requires the parties to disclose shareholder agreements that affect the exercise of voting rights at a general shareholders' meeting of a listed company or contain restrictions or conditions in connection with the transfer of shares or convertible notes. The execution, amendment or extension of such agreements shall be immediately disclosed by the parties to the shareholder agreements to us and to the CNMV and a copy of the agreement shall be filed with the relevant Commercial Registry (*Registro Mercantil*). The shareholder agreements will be disclosed as relevant facts (*hechos relevantes*) on the CNMV's website. If these requirements are not fulfilled, any provisions contained in such shareholder agreements which affect the exercise of voting rights and/or restrict or place conditions upon the transfer of shares, will not be effective.

Disclosure of net short positions

Moreover, in accordance with EU Regulation No. 236/2012 of the European Parliament and of the Council, of March 14, 2012, any person or legal entity holding net short positions on a company's shares must report them to the CNMV on a confidential basis in case they reach or fall below 0.2% of the capital stock (and each 0.1% above that) no later than 3:30 p.m. (CET) on the following trading day. Positions reaching or falling below 0.5% (and each 0.1% above that) shall be publicly disclosed.

In addition, on December 19, 2007 the CNMV issued Circular 3/2007 (Circular 3/2007, *de 19 de diciembre, de la Comisión Nacional del Mercado de Valores, sobre los Contratos de Liquidez a los efectos de su aceptación como práctica de mercado*), which sets out the requirements to be met for liquidity contracts entered into between issuers and financial institutions for the management of treasury stock to be accepted as a market practice.

Share Repurchases

Pursuant to the Spanish Companies Act, we may repurchase our own shares derivatively within certain limits and in compliance with the following requirements:

- the repurchase must be previously authorized by the general shareholders' meeting in a resolution establishing the maximum number of Shares to be acquired, the means by which they will be acquired, the minimum and maximum acquisition price (if any) and the duration of the authorization, which may not exceed five years from the date of the resolution; and
- the repurchase, including the Shares already acquired and currently held by us or any person or company on our behalf, does not reduce our net equity (*patrimonio neto*) below the aggregate amount of our share capital and non-distributable reserves.

For these purposes, net equity (*patrimonio neto*) means the amount resulting from the application of the criteria used to draw up our financial statements, minus the amount of profits directly allocated to such net equity (*patrimonio neto*), plus the amount of uncalled subscribed share capital and the total amounts of nominal value and issue premium for the subscribed share capital registered as a liability in our accounting.

In addition:

- the aggregate nominal value of the Shares directly or indirectly repurchased by us, together with the aggregate nominal value of the treasury stock already held by us and our subsidiaries, shall not exceed 10% of our total capital stock; and
- the repurchased Shares shall always be fully paid-up. The repurchase shall be deemed null and void if: (i) the Shares are partially paid-up (except in case of free repurchase); or (ii) the Shares entail ancillary obligations.

Treasury stock lacks voting and economic rights. Economic rights bound to treasury stock (i.e. dividend distributions and liquidation rights) shall, except for the right to bonus shares, be distributed amongst our shareholders in proportion to their respective shareholdings.

Directive 2003/6/EC of the European Parliament and of the Council of January 28, 2003 on insider dealing and market manipulation establishes rules in order to ensure the integrity of European Community financial markets and to enhance investor confidence. Article 8 of the Directive establishes an exemption from the market manipulation rules regarding share buy-back programs by companies listed on a stock exchange in an EU member state. European Commission Regulation No. 2273/2003 of December 22, 2003 (the "Buy-Back Program Regulation"), implemented the aforementioned Directive with regard to exemptions for buy-back programs. Article 3 of the Regulation states that in order to benefit from the exemption provided for in Article 8 of the Directive, a buy-back program must (i) comply with certain requirements established under such Regulation; and (ii) its sole purpose must be the reduction of an issuer's capital stock (either in value or in number of shares) or the fulfilment of obligations arising from either:

- debt financial instruments exchangeable into equity instruments; or
- employee share option programs or other allocations of Shares to employees of the issuer or those of an associated company.

Notwithstanding the foregoing, and except for commitments under the Underwriting Agreement (see "Plan of Distribution"), on the date hereof no option over the Shares of any member of the Group has been granted or has been agreed conditionally or unconditionally to be granted.

On July 18, 2013, the CNMV published certain guidelines for securities issuers and financial intermediaries acting on their behalf regarding the "discretionary transactions with own shares" (outside the scope of the Buy-Back Program Regulation). These guidelines are in line with the Buy-Back Program Regulation in respect of price limits and volumes and include certain restricted periods and a rule of separate management of the trading activity.

TAXATION

Material Spanish Tax Considerations

General

The following is a summary of certain Spanish tax implications of the acquisition, ownership and disposition of the Shares by Spanish and non-Spanish tax resident investors. This summary is not a complete analysis or description of all the possible Spanish tax implications of such transactions and does not purport to address all tax considerations that may be relevant to all categories of potential investors, some of whom may be subject to special rules (for instance, EU pension funds and EU harmonized collective investment institutions). In particular, this tax section does not address the Spanish tax consequences applicable to certain “look through” entities (such as trusts, estates or partnerships) that may be subject to a specific tax regime applicable under the Spanish Non-Residents Income Tax Law, approved by Royal Legislative Decree 5/2004 of March 5, 2004, as amended (the “NRIT Act”) or under the Spanish Personal Income Tax Law, approved by Law 35/2006, of November 28, 2006 (the “PIT Act”), both recently amended by Law 26/2014, of November 27, 2014.

Accordingly, prospective investors in the Shares should consult their own tax advisers as to the applicable tax consequences of their purchase, ownership and disposition of the Shares, including the implications arising under the tax laws of any other jurisdiction, based on their particular circumstances. The description of Spanish tax laws set forth below is based on the laws currently in effect in Spain as of the date of this document, and on administrative interpretations of Spanish law made public to date. As a result, this summary is subject to any changes in such laws or interpretations occurring after the date hereof, including changes having retrospective effect.

As used in this section, the term “Holder” means a beneficial owner of the Shares:

- who is an individual or corporation resident for tax purposes in Spain; and
- who is an individual or corporation resident for tax purposes in any country other than Spain, and whose ownership of shares is not deemed to be effectively connected with a permanent establishment in Spain.

Spanish Resident Individuals - Personal Income Tax (“PIT”)

Taxation of dividends

Article 25.1 of the PIT Act provides for a definition of “investment income” that includes dividends and other income items derived from the ownership of an equity interest in an entity (such as, for instance, attendance fees at general shareholders meetings, income derived from any arrangement aimed at allowing another person to use or enjoy the shares and, generally, any other income obtained as a result of being a shareholder).

Investment income earned by Holders as a result of their ownership of the Shares is calculated as the gross income less certain tax-deductible expenses, such as general securities administration and custody fees. Discretionary fees relating to an individualized management of a portfolio of securities are not treated as tax deductible. The resulting net investment income will be considered as “savings income” (along with any other income item obtained by a Holder that is not related to the ownership of the Shares and that is treated as “savings income”), and subject to PIT at the following progressive rates (as applicable in fiscal year 2015):

Taxable income	Rate
Up to €6,000.....	20%
Between €6,000.01 and €50,000	22%
€50,000.01 and above	24%

As of January 1, 2016, savings income tax base will be taxed at 19% for taxable income up to €6,000, 21% for taxable income between €6,000.01 and €50,000 and 23% for taxable income in excess of €50,000.

Holders will usually be liable for a PIT withholding on investment income at a rate of 20% in fiscal year 2015 (19% as of January 1, 2016), on the whole amount of the income obtained. This PIT withholding will be credited against the taxpayer's annual PIT due, and if the amount of tax withheld is greater than the amount of the annual PIT due, the taxpayer will be entitled to a refund of the excess withheld in accordance with PIT Act.

Taxation of gains and losses

If the Shares are sold or otherwise transferred, such transaction may give rise to the recognition of a capital gain or loss. Such capital gain or loss will be measured by the difference between the Holders' tax basis in the Shares and their transfer price. Such transfer price will be based on either (i) the trading price of the Shares at the transfer date or (ii) the agreed transfer price, whichever is higher. Both the acquisition price and the transfer price will be increased or decreased to reflect the taxes and expenses borne by the transferor related to the acquisition and sale of the Shares, respectively.

Where the taxpayer owns other equivalent securities, the acquisition price of the transferred shares is based on the principle that those acquired first are sold first (FIFO).

Capital gains or losses that arise as a result of the transfer of the Shares should be taxed at the progressive "savings income" PIT rates mentioned under "—Taxation of dividends" above.

Additionally, capital gains derived from the transfer of the Shares are not subject to withholding tax.

Finally, losses derived from the transfer of the Shares cannot be considered as capital losses when equivalent shares have been acquired within the two months preceding or following the transfer that has triggered the loss. In these cases, the capital losses arising in connection with such transferred shares may only be claimed when the equivalent shares acquired by the taxpayer are subsequently transferred.

Taxation of pre-emptive rights

Distributions of pre-emptive subscription rights to subscribe for new shares made with respect to the Shares are not treated as income under Spanish law. The exercise of such pre-emptive subscription rights is not considered a taxable event under Spanish tax.

Until December 31, 2016, proceeds derived from the sale of pre-emptive subscription rights in respect of the Shares are not treated as income but are deemed to reduce a Holder's tax basis in such shares. Proceeds in excess of such tax basis shall be treated as capital gains.

As from January 1, 2017, proceeds derived from the sale of pre-emptive subscription rights in respect of the shares will be treated as capital gains and subject to withholding tax (withheld by the depositary entity or, otherwise, the financial entity or the public notary).

In both cases, capital gains will be subject to Spanish Tax in the manner described under "—Taxation of gains and losses" above.

Taxation of share premium

Distribution of share premium derived from the Shares (as shares admitted to trading on a regulated market as defined in the Directive 2004/39/EC of the European Parliament and the Council of 21 April) will decrease the acquisition value of the Shares and any excess will be subject to PIT as "saving income" at the progressive rates mentioned under "—Taxation of dividends" above. These amounts will not be subject to withholding tax unless they derive from non-distributed profits.

Net Wealth Tax ("NWT")

Under Law 19/1991, June 6, 1991, as amended by Royal Decree Law 13/2011, of September 16, 2011 and by Law 36/2014, of December 26, 2014 ("NWT Act"), all Spanish-resident individual shareholders are

liable for NWT on all net assets and rights deemed to be owned as of December 31, irrespective of where these assets are located or where the rights may be exercised, and amounting to more than €700,000 (such amount may be lower depending on the Spanish region of domicile of the taxpayer). A Holder who is required to file a NWT return should value the Shares at their average trading price in the last quarter of the year. Such average trading price is published on an annual basis by the Spanish Ministry of Finance and Public Administration.

NWT is levied at rates ranging from 0.2% to 2.5% depending on the Spanish region of domicile of the taxpayer, certain tax allowances may be available.

In principle, as from January 1, 2016, NWT is expected to be effectively abolished.

Inheritance and Gift Tax (“IGT”)

The transfer of the Shares by inheritance, gift or legacy (on death or as a gift) to individuals resident in Spain is subject to IGT as set out in Law 29/1987, of December 18 (the “IGT Act”), being payable by the person who acquires the securities, at an effective tax rate ranging from 7.65% to 81.6%, depending on relevant factors (such as the specific regulations imposed by each Spanish region, the amount of the pre-existing assets of the taxpayer and the degree of kinship with the deceased or donor).

Spanish Corporate Resident Shareholders - Corporate Income Tax (“CIT”)

Taxation of dividends

Spanish corporate shareholders or Spanish non-resident income tax taxpayers who operate with respect to the Shares through a permanent establishment in Spain will include dividends received in connection with shares in their taxable base, subject to a 28% tax rate in 2015 (25% as of January 1, 2016), according to the Spanish Corporate Income Tax Law 27/2014, of November 27, 2014 (the “CIT Act”).

Dividends or profit distributions in respect of the shares obtained by the Holders that (i) hold, directly or indirectly, at least 5% in the company or an acquisition cost higher than €20 million; and (ii) hold such participation for at least one year prior to the relevant distribution date or it commits to hold the participation for the time needed to complete such one-year holding period, will be exempt as a general rule.

In case the company obtains dividends, profit distributions or income derived from transfer of shares in entities in an amount higher than 70% of the company’s income, this exemption shall only be applicable provided that certain complex requirements are fulfilled. Mainly, Holders must have an indirect stake in those entities that complies with the requirements described in the previous paragraph. Certain exceptions to this rule applies if those entities comply with the requirements of Article 42 of the Spanish Commercial Code for being part of the same group of companies of the company, and prepare consolidated financial statements. Prospective investors should consult their own tax advisors in order to determine whether those requirements are complied with by the relevant Holders.

Should that be the case and provided that the minimum one year holding period requirement is complied with on the distribution date in respect of the Shares, dividends will not be subject to withholding tax. Otherwise, dividends will be taxed at the applicable CIT tax rate of the taxpayer and a 20% withholding will apply in 2015 (19% as from 2016). This CIT withholding will be credited against the taxpayer’s annual CIT due, and if the amount of tax withheld is greater than the amount of the annual CIT due, the taxpayer will be entitled to a refund of the excess withheld.

Taxation of gains and losses

Gains or losses arising from the sale of the Shares by a Holder will be included in its CIT taxable base, and shall generally be subject to CIT at a 28% rate in 2015 (25% as from January 1, 2016). Gains arising from the sale of the Shares will not be subject to withholding tax.

For CIT payers that (i) hold, directly or indirectly, at least 5% in the company or an acquisition cost higher than €20 million; and (ii) hold such participation for at least one year prior to the relevant distribution date or it commits to hold the participation for the time needed to complete such one-year holding period,

capital gains will be exempt as a general rule. Otherwise, capital gains will be taxed at the applicable tax rate of the taxpayer.

In case the company obtains dividends, profit distributions or income derived from transfer of shares in entities in an amount higher than 70% of the company's income, this exemption shall only be applicable provided that certain complex requirements are fulfilled. Mainly, Holders must have an indirect stake in those entities that complies with the requirements described in the precedent paragraph. Certain exceptions to this rule applies if those entities comply with the requirements of Article 42 of the Spanish Commercial Code for being part of the same group of companies of the Company and prepare consolidated financial statements. Prospective investors should consult their own tax advisors in order to determine whether those requirements are complied with by the relevant Holders.

Taxation of pre-emptive rights

Distributions to CIT taxpayer of pre-emptive rights to subscribe for new shares made with respect to the Shares are not treated as income under Spanish law. The exercise of such pre-emptive rights is not considered a taxable event under Spanish law. However, if these pre-emptive rights are transferred by a CIT taxpayer, the amount received from the transfer will reduce the tax acquisition cost of the Shares to which they belong. If the amount received exceeds this acquisition cost, the excess will be subject to the general CIT rate of 28% rate in 2015 (25% as of January 1, 2016).

Taxation of share premium

A distribution of share premium will not in itself constitute taxable income but will instead reduce the tax basis of the Shares. If the amount of the share premium received exceeds the tax basis of the Shares held by a CIT taxpayer, such excess would constitute taxable income subject to the general CIT tax rate of 28% rate in 2015 (25% as of January 1, 2016).

Net Wealth Tax

Spanish resident legal entities are not subject to NWT.

Inheritance and Gift tax

Lastly, in the event of an acquisition of the Shares by a CIT taxpayer for no consideration, an amount equivalent to the fair market value of such shares will be taxed according to the CIT rules, the IGT not being applicable.

Spanish Transfer Tax

The acquisition or subscription of the Shares and any subsequent transfer thereof will be exempt from Transfer Tax and Value Added Tax, subject to the conditions set forth in Article 108 of the Securities Market Act.

Additionally, no Stamp Duty will be levied on such acquisition, subscription and transfers.

Non-Resident Shareholders - Non-residents Income Tax ("NRIT")

Taxation of dividends

According to the NRIT Act, dividends paid by a Spanish resident company to a non-Spanish tax resident Holder not holding the Shares through a permanent establishment located in Spain are subject to NRIT, withheld at the source on the gross amount of dividends, currently at a tax rate of 20% in 2015 (19% as from January 1, 2016).

Certain corporate Holders resident in a EU Member State will be entitled to an exemption from NRIT dividend withholding tax to the extent that they are entitled to the benefits of the Spanish NRIT provisions that implement the regime of the EU Parent-Subsidiary Directive. Such exemption may be available to the extent that the recipient of the dividends holds, directly or indirectly, at least 5% of the shares of the

distributing entity or an acquisition cost higher than €20 million; and necessarily holds such participation for at least one year or it commits to hold the participation for the time needed to complete such one-year holding period (for the calculation of this term it will be taken into account the time that the shares have been uninterruptedly possessed by other entities of the same group). This exemption contains specific anti-abuse rules (whereby this exemption might not be applicable if the Holder is located in a tax haven or when the majority of the voting rights of the EU parent company are held, directly or indirectly, by an individual or legal entity not resident in the EU or in a member country of the European Economic Area with which there is an effective exchange of information in the terms described in the Spanish Law 36/2006, to prevent tax fraud, except if the Holder has been incorporated for valid economic reasons and substantive business reasons) that need to be analyzed on a case-by-case basis and procedural formalities, such as the supply of a tax authorities-issued tax residence certificate.

Holders claiming the applicability of such exemption that have not met a minimum one year holding period as of a given dividend distribution date (but who could meet such requirement afterwards) should be aware that the NRIT Act requires the Company to withhold the applicable NRIT on such dividends, and that such Holders will need to request a direct refund of such withholding tax from the Spanish tax authorities pursuant to the Spanish refund procedure described below under “—Spanish refund procedure”.

In addition, Holders resident in certain countries may be entitled to the benefits of a double taxation convention (“DTC”), in effect between Spain and their country of tax residence providing from a reduced tax rate or an exemption on dividends, subject to the satisfaction of any conditions specified in the relevant DTC, including providing evidence of the tax residence of the Holder by means of a certificate of tax residence duly issued by the tax authorities of its country of tax residence making express reference to the Holders’ entitlement to the benefits of such DTC (or equivalent specific form required under an applicable DTC). From a Spanish tax perspective, tax residence certificates issued by a foreign tax authority (or equivalent DTC forms) are deemed to be valid only for one year as from their date of issuance.

In accordance with the Order of the Ministry of Finance and Taxation of 13 April, 2000, upon distribution of a dividend, the Company or the Company’s paying agent will withhold an amount equal to the NRIT amount required to be withheld according to the general rules set forth above, transferring the resulting net amount to the financial institution acting as a depository of the Shares held by such Holder. If the applicable depository is resident, domiciled or represented in Spain and it provides timely evidence (including a valid certificate of tax residence for purposes of the exemption of reduction of withholding tax being claimed, or equivalent form under the applicable DTC), the Company will immediately receive the amount withheld, which will be credited to the relevant Holder. For these purposes, the relevant certificate of residence (or equivalent DTC form) must be provided before the tenth day following the end of the month in which the dividends were paid. If such certificate of tax residence or, as the case may be, the equivalent DTC form referred to above, is not provided to us by the relevant depository within the mentioned time frame the relevant NRIT withheld will be paid to the Spanish tax authorities, and a Holder entitled to an exemption or reduction of NRIT pursuant to the NRIT Act or pursuant to an applicable DTC may subsequently request a refund of the amounts withheld in excess from the Spanish tax authorities, following the standard refund procedure described below under “—Spanish refund procedure”.

Spanish refund procedure

According to Royal Decree 1776/2004, dated July 30 (NRIT regulations) and the Order of the Ministry of Finance and Taxation EHA/3316/2010, of December 17, a refund of an amount withheld in excess of any applicable NRIT (taking into account an available exemption or reduction under the NRIT Act or applicable DTC) can be requested and obtained directly from the relevant Spanish tax authorities.

To pursue the refund claim, the Holder is required to file:

- the corresponding Spanish tax refund form (currently, Form 210);
- a valid certificate of tax residence issued by the relevant tax authorities of the Holder’s country of residence stating that the Holder is a resident of such country (and, in case an exemption or reduction of NRIT is claimed pursuant to a DTC, such certificate must indicate that the relevant

Holder is a resident therein within the meaning of the relevant DTC) or, as the case may be, the equivalent DTC form, as referred to above under “—Taxation of dividends”; and

- a certificate from the Company stating that Spanish NRIT was withheld and collected with respect to such Holder.
- Documentary evidence of the bank account to which the excess amount withheld should be paid

For further details, prospective Holders should consult their own tax advisors.

Taxation of capital gains

Capital gains derived from the transfer or sale of the Shares will be deemed to be income arising in Spain, and, therefore, subject to NRIT, currently, at a 20% rate in 2015 (19% as of January 1, 2016).

Capital gains and losses will be calculated separately for each transaction. It is not possible to offset losses derived from a given transfer of shares against capital gains obtained upon another transfer of shares.

However, capital gains derived from the Shares will be exempt from taxation in Spain in any of the three following cases:

- Capital gains derived from a transfer of the Shares carried out on an official Spanish secondary stock market (such as the Spanish Stock Exchanges), by any Holder who is tax resident of a country that has entered into a DTC with Spain containing an “exchange of tax information” clause. This exemption is not applicable to capital gains obtained by a Holder through a country or territory that is classified as a tax haven under the Spanish tax regulations, nor by a Holder holding the Shares through a permanent establishment located in Spain.
- Capital gains obtained directly by any Holder resident of another EU Member State or indirectly through a permanent establishment of such Holder in a EU Member State (other than Spain), provided that the gain is not obtained through a country or territory defined as a tax haven under the applicable Spanish tax regulations, shall be exempt from taxation in Spain if:
 - the Company’s assets do not mainly consist of, directly or indirectly, real estate property located in Spain;
 - during the preceding twelve months the Holder, in the case of a non-resident individual, has not held a direct or indirect interest of at least 25% in the Company’s capital or net equity;
 - in the case of non resident entities, the transfer fulfils the requirement of article 21 of CIT Act.
- Capital gains realized by Holders who benefit from a DTC entered into between their country of tax residence and Spain that provides for taxation of capital gains derived from the transfer of the Shares only in such Holder’s country of tax residence.

According to the Order dated December 17, 2010, Holders will be obliged to submit a Spanish tax form (currently Form 210) within:

- the first 20 calendar days of April, July, October and January, if there is a tax payment to be made; or
- the first 20 calendar days of January of the year following that in which the relevant capital gain is accrued, if no tax is due (i.e., if qualifying for a tax exemption).

In order for the exemptions mentioned above to apply, a Holder must timely file the applicable NRIT tax return before the Spanish tax authorities, and attach to it a certificate of tax residence issued by the tax authority of its country of residence (which, if applicable, must state that the Holder is a resident of such country within the meaning of the relevant DTC) or, as the case may be, equivalent DTC form. As

mentioned above, certificates of tax residence (or equivalent DTC forms) will be generally valid only for a period of one year after their date of issuance.

Prospective Holders should consult their own tax advisors to obtain detailed information regarding NRIT filings they may be required to make before the Spanish Tax Authorities.

Taxation of pre-emptive rights

Distributions to Holders of pre-emptive rights to subscribe for new shares made with respect to the Shares are not treated as income under Spanish law and, therefore, are not subject to Spanish NRIT. The exercise of such pre-emptive rights is not considered a taxable event under Spanish law and thus is not subject to Spanish NRIT.

Until December 31, 2016, if these pre-emptive rights are transferred by a Holder, the amount received from the transfer will reduce the acquisition cost of the Shares to which they pertain. If the amount received exceeds this acquisition cost, the excess will be regarded as a capital gain.

As from January 1, 2017, proceeds derived from the sale of pre-emptive subscription rights in respect of the shares will be treated as capital gains.

In both cases, capital gains will be subject to Spanish NRIT in the manner described under “—*Taxation of Capital Gains*” above.

Taxation of share premium

Distribution of share premium derived from the Shares (as shares admitted to trading on a regulated market as defined in the Directive 2004/39/EC of the European Parliament and the Council of April 21) will not in itself constitute taxable income but will instead reduce the tax basis of the Shares. If the amount of the share premium received exceeds the tax basis of the Shares held by a non-resident shareholder, such excess would constitute financial taxable income subject to NRIT at a flat rate of 20% in 2015 (19% as from January 1, 2016), unless otherwise provided by a DTC.

Net Wealth Tax

In relation to fiscal year 2015, non-Spanish tax resident individual Holders holding the Shares will be subject to NWT to the extent that such Holders own shares (along with other property located in Spain and rights which could be exercised in Spain) as of December 31, valued for a combined net amount in excess of €700,000, NWT rates vary between 0.2% and 2.5%. For NWT valuation purposes, the Shares should be valued at their average trading price during the last quarter of such year (according to information published on an annual basis by the Spanish Ministry of Finance and Public Administration). Holders who benefit from a DTC that provides for net wealth taxation only in the Holder’s country of residence will not be subject to NWT.

In principle, as from January 1, 2016, NWT is expected to be effectively abolished.

As a consequence of the European Court of Justice judgment (Case C-127/12), the NWT Act has been amended by Law 26/2014, of November 27, 2014. As a result, Non-Spanish tax resident individuals who are residents in the EU or in the European Economic Area can apply the legislation of the region in which the highest value of the assets and rights of the individuals are located.

Non Spanish tax resident entities are not subject to NWT.

Spanish Inheritance and Gift Tax

Unless otherwise provided under an applicable DTC (which will be subject to the relevant DTC), transfers of the Shares upon death and by gift to individuals not resident in Spain for tax purposes are subject to Spanish IGT (pursuant to IGT Act), regardless of the residence of the heir or the beneficiary. The effective tax rate, after applying all relevant factors, may range between 7.65% and 81.6%.

However, the recent judgment from the European Court of Justice dated 3 September 2014 has declared that Spanish Inheritance Tax Act is against the principle of free movement of capital within the EU as the Spanish residents are granted tax benefits that, in practice, allow them to pay much lower taxes than non-residents. According to Law 26/2014, of November 27, 2014, it will be possible to apply tax benefits approved in some Spanish regions to EU residents following specific rules.

Gifts granted to non-Spanish tax resident corporations will be generally subject to Spanish NRIT as capital gains, without prejudice to the exemptions referred to above under “—Taxation of capital gains”.

Spanish Transfer Tax

The acquisition or subscription of the Shares and any subsequent transfer thereof will be exempt from Transfer Tax and Value Added Tax, under the terms and with the exemptions set out in Article 108 of the Securities Market Act.

Additionally, no stamp duty will be levied on such acquisition, subscription and transfers.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Offer Shares in Saeta Yield by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Saeta Yield Offer Shares that are U.S. Holders that will hold the Offer Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Offer Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly or indirectly) 10% or more of the voting stock of Saeta Yield, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Offer Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Offer Shares in connection with a trade or business conducted outside of the United States, U.S. expatriates or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Offer Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds Offer Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Offer Shares by the partnership.

Except as otherwise noted, the summary assumes that Saeta Yield is not a passive foreign investment company for U.S. federal income tax purposes (a “PFIC”). Saeta Yield’s possible status as a PFIC must be determined annually and therefore may be subject to change. If Saeta Yield were to be a PFIC in any year, materially adverse consequences could result for U.S. Holders. See “—Passive foreign investment company rules”.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, (the “IRC”) its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and Spain (the “Treaty”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. IT IS NOT INTENDED TO BE RELIED UPON BY PURCHASERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE U.S. INTERNAL REVENUE CODE. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Taxation of distributions on the Offer Shares

Distributions received by a U.S. Holder on Offer Shares generally will be taxable as foreign source dividend income to the extent paid out of Saeta Yield’s current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), and will not be eligible for the dividends received deduction allowed to corporations. If distributions exceed Saeta Yield’s current and accumulated earnings and profits, such excess distributions will constitute a non-taxable return of capital to the extent of the U.S. Holder’s tax basis in its Offer Shares and will result in a reduction of such tax basis. To the extent such excess exceeds a U.S. Holder’s tax basis in the Offer Shares, such excess will generally be taxed as capital gain. Saeta Yield intends to annually calculate its earnings and profits in accordance with U.S. federal income tax principles. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from Saeta Yield.

Dividends paid by Saeta Yield generally will be taxable to a non-corporate U.S. Holder at the reduced rate normally applicable to long-term capital gain, provided Saeta Yield qualifies for the benefits of the Treaty, which Saeta Yield expects to be the case, and certain other requirements are met (including that Saeta Yield is not a PFIC in its taxable year in which the dividend is paid or its prior taxable year). Non-corporate U.S. Holders should consult their own tax advisors to determine whether they are subject to any special rules that limit their ability to be taxed at these favorable rates.

Dividends paid in euros will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the euros are converted into U.S. dollars at that time. If dividends received in euros are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

As discussed in “Taxation—Material Spanish Tax Considerations”, under current law payments of dividends by Saeta Yield to foreign investors are subject to a Spanish withholding tax. The rate of withholding tax applicable to U.S. Holders that are eligible for benefits under the Treaty is reduced to a maximum of 15%. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Spanish taxes withheld by Saeta Yield, and as then having paid over the withheld taxes to the Spanish taxing authorities. As a result of this rule, the amount of dividend income included in gross income, and the amount of a distribution treated as a return of capital or capital gain, for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of distributions may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from Saeta Yield with respect to the payment.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Spanish income taxes withheld by Saeta Yield. U.S. Holders that are eligible for benefits under the Treaty will not be entitled to a foreign tax credit for the amount of any Spanish taxes withheld in excess of the 15% maximum rate, and with respect to which the holder is entitled to obtain a refund from the Spanish taxing authorities.

The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisers concerning the application of the foreign tax credit rules with respect to the Offer Shares.

Taxation upon sale or other disposition of Offer Shares

A U.S. Holder generally will recognize U.S. source capital gain or loss on the sale or other disposition of Offer Shares, which will generally be long-term capital gain or loss if the U.S. Holder has held such Offer Shares for more than one year. The amount of the U.S. Holder's gain or loss will be equal to the difference between such U.S. Holder's adjusted tax basis in the Offer Shares sold or otherwise disposed of and the amount realized on the sale or other disposition. Net long-term capital gain recognized by certain non-corporate U.S. Holders will be taxed at a lower rate than the rate applicable to ordinary income. The deductibility of capital losses is subject to limitations.

A U.S. Holder's tax basis in an Offer Share generally will be its U.S. dollar cost reduced by any distributions related to a return of capital. The U.S. dollar cost of an Offer Share purchased with euro will generally be the U.S. dollar value of the purchase price on the date of purchase, or the Settlement Date for the purchase, in the case of Offer Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the U.S. Internal Revenue Service. The amount realized on a sale or other disposition of Offer Shares for an amount in foreign currency generally will be the U.S. dollar value of this amount on the date of sale or disposition. On the Settlement Date, the U.S. Holder generally will recognize U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the Settlement Date. However, in the case of Offer Shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realized will be based on the exchange rate in effect on the Settlement Date for the sale, and no exchange gain or loss will be recognized at that time.

Disposition of foreign currency

Foreign currency received on the sale or other disposition of an Offer Share will have a tax basis equal to the U.S. dollar value on the Settlement Date. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Offer Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Passive foreign investment company rules

If Saeta Yield were a PFIC for any taxable year during which a U.S. Holder held Offer Shares, certain materially adverse U.S. federal income tax consequences may apply to the U.S. Holder. Saeta Yield does not believe that it was a PFIC in its prior taxable year, or that it will be a PFIC for its current taxable year and does not expect to be a PFIC in the foreseeable future. However, PFIC status depends on the composition of a company's income and assets and the fair market value of its assets (including, among others, less than 25% owned equity investments) from time to time, as well as on the application of complex and uncertain statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that Saeta Yield was not or will not be considered a PFIC for any taxable year.

A non-U.S. corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For purposes of the PFIC rules, "passive income" includes, among other things, certain foreign currency gains and the excess of gains over losses from certain commodities transactions. Gains from commodities transactions, however, are generally excluded from the definition of passive income if such gains are active business gains from the sale of commodities and substantially all of the foreign corporation's

commodities meet specified criteria. The law is unclear as to what constitutes “active business gains” and there are also other uncertainties regarding the criteria that commodities must meet. Accordingly, there can be no assurance that Saeta Yield was not or will not become a PFIC or that changes in the activities of Saeta Yield’s employees or the composition of Saeta Yield’s assets, including as a result of any acquisitions pursuant to the ROFO and Call Option Agreement, will not impact the determination of Saeta Yield’s PFIC status.

If Saeta Yield were a PFIC for any taxable year during which a U.S. Holder held Offer Shares, gain recognized by a U.S. Holder on a sale or other disposition of the Offer Shares would generally be allocated ratably over the U.S. Holder’s holding period for the Offer Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before Saeta Yield became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to U.S. federal income tax at the highest rate in effect in that year for individuals or corporations, as appropriate, and an interest charge would be imposed on the resulting U.S. federal income tax liability. The same treatment would generally apply to any distribution in respect of Offer Shares to the extent the distribution exceeds 125% of the average of the annual distributions on Offer Shares received by the U.S. Holder during the preceding three years or the U.S. Holder’s holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Offer Shares.

In addition, if Saeta Yield were a PFIC for a taxable year in which it pays a distribution that is treated as a dividend for U.S. federal income tax purposes or in the prior taxable year, the favorable dividend rate discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply to such amount treated as a dividend.

U.S. Holders should consult their own tax advisors regarding the PFIC rules.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S. financial intermediaries generally are subject to information reporting and to backup withholding unless the U.S. Holder is a corporation or other exempt recipient or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the U.S. Internal Revenue Service.

U.S. taxpayers that own certain foreign financial assets, including equity of foreign entities, with an aggregate value in excess of US\$50,000 at the end of the taxable year or US\$75,000 at any time during the taxable year (or, for certain individuals living outside the United States and married individuals filing joint returns, certain higher thresholds) may be required to file an information report with respect to such assets with their tax returns. The Offer Shares are expected to constitute foreign financial assets subject to these requirements unless the Offer Shares are held in an account at a financial institution (in which case the account may be reportable if maintained by a foreign financial institution). U.S. Holders should consult their tax advisers regarding the application of the rules relating to foreign financial asset reporting.

PLAN OF DISTRIBUTION

The Offering

We, the Selling Shareholder and the Underwriters will enter into an underwriting agreement (the "Underwriting Agreement") with respect to the Initial Offer Shares and the Over-allotment Shares being sold by the Selling Shareholder upon the finalization of the book-building period (expected to be on or about February 12, 2015 and the Underwriting Agreement to be entered into on or about February 12, 2015). Subject to the satisfaction of certain conditions set out in the Underwriting Agreement, each Underwriter will agree, severally but not jointly, to procure the purchase of, or to purchase such percentage of the total number of Initial Offer Shares as is set forth opposite its name in the following table:

Underwriters	% Offer Shares
Merrill Lynch International.....	35%
Citigroup Global Markets Limited.....	23.5%
Société Générale	23.5%
Banco Santander	9%
HSBC.....	9%

In consideration of the agreement by the Underwriters to procure the purchase of, or to purchase the Initial Offer Shares, the Selling Shareholder will pay to the Underwriters commissions totaling 2% of the aggregate Offering Price of the Offer Shares sold by the Selling Shareholder in the Offering (including Over-allotment Shares, if and to the extent the Over-allotment Option is exercised). In addition, the Selling Shareholder will agree that it may, in its sole discretion, pay to the Underwriters discretionary commissions of up to 1.5% of the aggregate Offering Price of the Shares issued or sold by them, as the case may be, in the Offering (including Over-allotment Shares, if and to the extent the Over-allotment Option is exercised) to be distributed among the Underwriters as determined by Saeta Yield and the Selling Shareholder. Furthermore, the Selling Shareholder will agree to reimburse the Underwriters for certain expenses.

The transaction date of the Offering (*fecha de operación bursátil*) (the "Transaction Date") is expected to be on or about February 13, 2015. Under Spanish law, on the Transaction Date, investors become unconditionally bound to pay for, and entitled to receive, the Initial Offer Shares purchased in the Offering.

Payment by the final investors for the Initial Offer Shares will be made no later than the third business day after the Transaction Date against delivery through the facilities of Iberclear of the Offer Shares to final investors, which is expected to take place on or about February 18, 2015 (the "Settlement Date"). The Shares are expected to be listed on the Spanish Stock Exchanges and quoted on the AQS on or about February 16, 2015, under the symbol "SAY".

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain customary conditions precedent, and are also subject to (i) the Equity Contribution having been subscribed by the Selling Shareholder, and Saeta Yield having received the corresponding funds, on the Transaction Date; and (ii) the Saeta Yield SPA with the Co-Sponsor not having been terminated on or before the Transaction Date.

We will give the Underwriters customary representations and warranties under the Underwriting Agreement, including in relation to our business, the Offer Shares and the contents of this document. The Selling Shareholder will also give the Underwriters customary representations and warranties under the Underwriting Agreement in relation to, among other matters, their title to the Offer Shares.

The Underwriting Agreement will also provide that we and the Selling Shareholder will, subject to certain exceptions, indemnify the Underwriters against certain liabilities, including liabilities under applicable securities laws that may arise in connection with the Offering.

Pricing of the Offering

Prior to the Offering, there has been no public market for the Shares. Since the date of the incorporation of Saeta Yield, no member of our board of directors or of our senior management team, or any of their related parties, has acquired Shares in Saeta Yield.

Offering Price Range

The indicative Offering Price Range is €10.45 to €12.25 per Offer Share. The Offering Price Range has been determined by Saeta Yield and the Selling Shareholder, in agreement with the Joint Global Coordinators and no independent experts were consulted in determining the Offering Price Range.

Among the factors considered in determining the Offering Price Range were Saeta Yield's future prospects and the prospects of its industry in general, Saeta Yield's revenues, Adjusted EBITDA and certain other financial and operating information in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to Saeta Yield's activities. The Offering Price Range is indicative only, it may change during the course of the Offering and the Offering Price may be set within, above or below the Offering Price Range. There can be no assurance that the prices at which the Offer Shares will sell in the public market after the Offering will not be lower than the Offering Price Range or that an active trading market in the Shares will develop and continue after the Offering.

Offering Price

The Offering Price will be determined by discussions and agreement among Saeta Yield, the Selling Shareholder and the Underwriters upon the finalization of the book-building period (expected to be on or about February 12, 2015, with the Offering Price to be determined on or about February 12, 2015) and will be set out in a separate pricing agreement to be executed by them on that date. The Offering Price will be announced through a relevant fact disclosure (*hecho relevante*) reported to the CNMV by no later than 11:59 p.m. Madrid time on the date the Underwriting Agreement is executed. No independent experts will be consulted in determining the Offering Price.

Expenses and taxes charged to the investor

Purchasers of Offer Shares may be required to pay stamp taxes and other charges in compliance with the laws and practices of their country of purchase in addition to the Offering Price.

In addition, purchasers will have to bear the commissions payable to the financial intermediaries through which they will hold the Offer Shares.

Withdrawal and Revocation of the Offering

Withdrawal of the Offering

We expressly reserve the right to withdraw the Offering, postpone it, defer it or suspend it temporarily or indefinitely for any reason at any time before the setting of the Offering Price. We will notify the CNMV, the Agent Bank and the Joint Global Coordinators of the withdrawal of the Offering on the date that the withdrawal takes place or as soon as practicable.

Revocation of the Offering

The Offering will be revoked (i) if the Underwriting Agreement is not executed on or before 11:59 p.m. Madrid time on the date the Offering Price is set (expected to be on February 12, 2015) or any postponement thereof duly notified to the CNMV; (ii) if the Underwriting Agreement is terminated prior to 9 a.m. Madrid time on the Transaction Date upon the occurrence of certain events set forth in the Underwriting Agreement; (iii) if the Offering is suspended or withdrawn by any judicial or administrative authority; or (iv) if our Shares are not admitted to listing on the Spanish Stock Exchanges before March 31, 2015.

In case of withdrawal or revocation of the Offering, all offers to purchase shall be cancelled and all purchase orders related to the Offering shall be terminated. Additionally, the Selling Shareholder shall have no obligation to deliver the Initial Offer Shares and the investors (including for the purposes of this section, the Underwriters on behalf of the final investors) shall have no obligation to purchase the Initial Offer Shares.

In the event that the Initial Offer Shares have already been delivered by the Selling Shareholder and the purchase price has been paid by the investors, the investors would be required to return title to the Initial Offer Shares to the Selling Shareholder and the Selling Shareholder will repurchase the Initial Offer Shares from the purchasers of the Initial Offer Shares for the amount paid by the purchasers in respect of the sale of the Initial Offer Shares in the Offering, together with interest calculated at the statutory rate (*interés legal*) (currently set at 3.5%) from the date on which the purchasers paid for the Offer Shares until the date on which they repay the purchase price.

The investors purchasing Initial Offer Shares shall be deemed to have consented to the aforementioned repurchase of Offer Shares.

Tentative calendar of the Offering

We expect that the Offering will take place according to the tentative calendar set out below:

Action	Estimated Date⁽¹⁾
Registration of the prospectus with the CNMV	January 30, 2015
Commencement of the book-building period in which proposals are made by the Qualified Investors	February 2, 2015
Finalization of the book-building period.....	February 12, 2015
Setting of the Offering Price	February 12, 2015
Execution of the Underwriting Agreement.....	February 12, 2015
Allocation of the Offer Shares	February 13, 2015
Transaction Date of the Offering	February 13, 2015
Subscription and disbursement by the Selling Shareholder of the Equity Contribution	February 13, 2015
Admission to trading on the Spanish Stock Exchanges and commencement of the Stabilization Period	February 16, 2015
Payment by final investors.....	February 18, 2015
Settlement Date.....	February 18, 2015
Finalization of the Stabilization Period.....	March 18, 2015

Note:—

- (1) Each of the times and dates is subject to change without prior notice. Any change, including in particular any shortening of the book-building period, will be published, including by filing a notice (*información adicional*) in relation to the prospectus with the CNMV.

Purchase proposals by investors for the Initial Offer Shares constitute only an indication of their interest in the Initial Offer Shares and shall not be binding on any investors, Saeta Yield or the Selling Shareholder. However, the confirmation of the purchase proposals shall be irrevocable.

The Agent Bank will be responsible for, among other things: maintaining the Offer Shares deposited in the securities accounts held with it by the Selling Shareholder or the Joint Global Coordinators, as the case may be, until settlement of the Offering; instructing the entities participating in the Offering on the procedures applicable to its execution; receiving and processing information on the selection and confirmation of purchase proposals and collaborating in the allocation of the Offer Shares to the final investors; and arranging the allocation of the corresponding registration references (*referencias de registro*) by Iberclear, through the Spanish Stock Exchanges, and cooperating with us in the Admission process.

Authorizations of the Offering and the Equity Contribution

On January 20, 2015, our shareholders agreed to apply for Admission, and authorized our board of directors to apply for Admission. On January 27, 2015, our board of directors effectively resolved to apply for Admission.

On January 20, 2015, the shareholders of the Selling Shareholder decided to carry out the Offering, and granted its sole administrator the necessary authority to effectively carry out the Offering. On January 27, 2015, the sole administrator of the Selling Shareholder decided to proceed with the Offering.

On January 27, 2015, our shareholders approved the Equity Contribution and authorized our board of directors for its execution.

For the avoidance of doubt, no application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any exchange other than the Spanish Stock Exchanges and the AQS.

No pre-emptive subscription and/or acquisition rights are applicable in relation to the Offering, taking into account that no pre-emptive acquisition rights apply to the transfer of the Offer Shares.

The Offering is not subject to any administrative approval or authorization besides the regime applicable to the approval by the CNMV of this document as a prospectus for the purposes of the Offering and the subsequent Admission in accordance with the Spanish Securities Market Act and related regulation.

Stabilization

In connection with the Offering, the Stabilizing Manager, or any of its agents, may (but will be under no obligation to) to the extent permitted by applicable law, engage in transactions that stabilize, support, maintain or otherwise affect the price, as well as over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market.

The stabilization transactions shall be carried out for a maximum period of 30 calendar days from the date of the commencement of trading of the Shares on the Spanish Stock Exchanges, provided that such trading is carried out in compliance with the applicable rules, including any rules concerning public disclosure and trade reporting. The stabilization period is expected to commence on February 16, 2015 and end on March 18, 2015 (the "Stabilization Period").

For this purpose, the Stabilizing Manager may carry out an over-allotment of Shares in the Offering, which may be covered by the Stabilizing Manager pursuant to one or several securities loans granted by the Selling Shareholder. The Stabilizing Manager is not required to enter into such transactions and such transactions may be effected on a regulated market and may be taken at any time during the Stabilization Period. However, there is no obligation that the Stabilizing Manager or any of its agents effect stabilizing transactions and there is no assurance that the stabilizing transactions will be undertaken. Such stabilization, if commenced, may be discontinued at any time without prior notice, without prejudice of the duty to give notice to the CNMV of the details of the transactions carried out under Commission Regulation (EC) No 2273/2003 of December 22, 2013. In no event will measures be taken to stabilize the market price of the Shares above the Offering Price. In accordance with Article 9.2 of Commission Regulation (EC) No 2273/2003 of December 22, 2013, the details of all stabilization transactions will be notified by the Stabilizing Manager to the CNMV no later than closing of the seventh daily market session following the date of execution of such stabilization transactions.

Additionally, in accordance with Article 9.3 of Commission Regulation (EC) No 2273/2003 of December 22, 2013, the following information will be disclosed to the CNMV by the Stabilizing Manager within one week of the end of the Stabilization Period: (i) whether or not stabilization transactions were undertaken; (ii) the date at which stabilization transactions started; (iii) the date at which stabilization transactions last occurred; and (iv) the price range within which the stabilization transaction was carried out, for each of the dates during which stabilization transactions were carried out.

Liquidity providers

There are no entities that have a firm commitment to act as intermediaries in secondary trading providing liquidity through bid and offer rates.

Over-allotment Option

In connection with the Offering, the Selling Shareholder will grant to the Stabilizing Manager, acting on behalf of the Underwriters an option to purchase the Over-allotment Shares at the Offering Price. The Over-allotment Option is exercisable by the Stabilizing Manager, on behalf of the Underwriters, upon notice to the Selling Shareholder, on one occasion in whole or in part, only for the purpose of covering over-allotments (if any) and to cover any short positions resulting from stabilization transactions (if any), at any time on or before the 30th calendar day after the commencement of trading of the Shares on the Spanish Stock Exchanges. This period is expected to commence on February 16, 2015 and end on March 18, 2015. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Initial Offer Shares, including for all dividends and other distributions declared, made or paid on the Initial Offer Shares, will be purchased on the same terms and conditions as the Initial Offer Shares being sold in the Offering and will form a single class for all purposes with the other Shares.

The exercise of the Over-allotment Option is not subject to any conditions.

Equity Contribution

Concurrently with the Offering and subject to determination of the Offering Price (as defined below), the Selling Shareholder will subscribe on the business day following the date of determination of the Offering Price (as defined below) 20,013,918 new Shares of Saeta Yield (the Equity Contribution).

Lock-up

We will agree that without the prior written consent of the Joint Global Coordinators on behalf of the Underwriters, we will not, and will not permit any of our subsidiaries or other affiliates over which we exercise management or voting control or any person acting on our or their behalf (other than the Managers and the Selling Shareholder, as to whom we give no undertaking), during a period from the date of the Underwriting Agreement up to and including the date falling 180 days after the Settlement Date: (A) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of Saeta Yield, or any securities convertible into or exercisable or exchangeable for Shares or other shares of Saeta Yield, or file any prospectus under the Prospectus Directive and the Prospectus Rules or any similar document with any securities regulator, stock exchange, or listing authority with respect to any of the foregoing, or (B) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of Saeta Yield, whether any such transaction described in (A) or (B) above is to be settled by delivery of Shares or other securities, in cash or otherwise or (C) publicly announce such an intention to effect any such transaction. The restrictions detailed above shall not apply to the existing ordinary shares to be issued by us and subscribed by the Selling Shareholders as described under “Principal and Selling Shareholders” and “Capitalization and Indebtedness”.

Each of the Principal Shareholders will agree that without the prior written consent of the Joint Global Coordinators on behalf of the Underwriters it will not, and will not permit any of its subsidiaries or other affiliates over which it exercises management or voting control or any person acting on its or their behalf (other than the Managers and Saeta Yield, as to whom the Selling Shareholder gives no undertaking), during a period from the date of the Underwriting Agreement up to and including the date falling 360 days after the Settlement Date, (A) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of Saeta Yield or any securities convertible into or exercisable or exchangeable for Shares or other shares of Saeta Yield or request or demand that Saeta

Yield file any prospectus under the Prospectus Directive or any similar document with any other securities regulator, stock exchange, or listing authority, with respect to any of the foregoing; or (B) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of Saeta Yield, whether any such transaction described in (A) or (B) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (C) publicly announce such an intention to effect any such transaction. The foregoing sentence shall not apply to (i) the sale of the Offer Shares to be sold hereunder, (ii) any inter-company transfers of Shares by the Selling Shareholder in favor of its affiliates or controlled companies and their affiliates (the “Transferees”), (iii) such Shares held by the Selling Shareholder as may be lent by the Selling Shareholder to the Representatives pursuant to the stock loan agreement to be entered into in connection with the Offering (the “Stock Loan Agreement”), (iv) the transfer of the Shares in the context of a potential tender offer for the acquisition of Saeta Yield; (v) the provision of an irrevocable undertaking to accept an offer for the acquisition of Saeta Yield; (vi) any disposal of Shares pursuant to any offer by Saeta Yield to purchase its own securities which is made on identical terms to all holders of Shares; (vii) any disposal of Shares pursuant to a compromise or arrangement between the Selling Shareholder and any of its creditors; (viii) any disposal of any rights to Shares to be issued by way of a rights issue or pre-emptive offer or any disposal of Shares subscribed in the context of any capital increase of Saeta Yield other than the capital increases partly or exclusively out of reserves; and (ix) a disposal of Shares in the context of the Saeta Yield SPA. The carve-out set forth in (ii) above is subject to the following conditions: (x) that any of such Transferees shall agree to be bound by the lock-up obligations of the Selling Shareholder as are set forth above and, in the case that any of such Transferees participates in the Offering as a selling shareholder, also by the other obligations of the Selling Shareholder as set forth in the Underwriting Agreement, and (y) that any of such inter-company transfers of Shares shall be performed on terms and conditions that do not conflict with the Offering.

Other Relationships

Each of the Underwriters is a financial institution engaged in the provision of investment banking, commercial banking and financial advisory services and in the ordinary course of business has engaged in investment banking and/or commercial banking transactions with ACS and its affiliates. In addition, the Underwriters may hold investments and trade debt and equity securities in ACS and its affiliates for their own account and for the accounts of their customers. The Underwriters do not consider these arrangements to be material in the context of the Offering.

The Underwriters are negotiating a €80 million revolving credit facility with Saeta Yield (as described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Liquidity”, above) and Banco Santander, S.A. has entered into the financing of the following projects prior to the Asset Transfer: (i) Extresol 1, S.L., (ii) Manchasol 2 Central Termosolar Dos, S.L., (iii) Al-Andalus Wind Power, S.L., (iv) Parque Eólico Santa Catalina, S.L., (v) Eolica del Guadiana, S.L., (vi) Parque Eólico Sierra de las Carbas, S.L., (vii) Parque Eólico Tesosanto, S.L., and (viii) La Caldera Energía Burgos, S.L. The total aggregate amount of the financing in place granted by Banco Santander, S.A. in relation to these projects was €159.3 million, and the total aggregate amount of credit derivatives in place granted by Banco Santander, S.A. to the same projects was €170.4 million.

Offering Expenses

Due to the difficulty in determining the expenses incurred as of the date of this document, for purely informational purposes, the following table sets forth the estimated expenses payable by the Selling Shareholder in relation to the Offering (excluding any applicable VAT):

Expenses	€thousand
Underwriting commissions ⁽¹⁾	18,180
<i>Base underwriting commission</i>	10,389
<i>Discretionary commission</i>	7,791
Iberclear fee.....	16
Spanish Stock Exchanges fee.....	29
CNMV fee.....	52
Legal expenses and others (notary public, registration with the Commercial Registry, legal publishing, legal and financial advice, audit).....	5,500
TOTAL	23,777

Note:—

- (1) Assuming that (i) the Offering Price is the mid-point of the Offering Price Range, €11.35 per Offer Share; (ii) all the Offer Shares (including the Over-allotment Shares) have been placed or underwritten by each of the Underwriters and that the Over-allotment Option has been entirely exercised; and (iii) the discretionary commission is paid in full.

Selling Restrictions

General

This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

The distribution of this prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken or will be taken in any jurisdiction that would permit a public Offering or sale of the Offer Shares, or possession or distribution of this prospectus (or any other Offering or publicity material relating to the Offer Shares), in any country or jurisdiction where action for that purpose is required or doing so may be restricted by law.

None of the Offer Shares may be offered for subscription, sale or purchase or be delivered, and this prospectus and any other Offering material in relation to the Offer Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) no shares have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State, except in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- to legal entities which are Qualified Investors as defined in the Prospectus Directive;

- by the Underwriters to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per Relevant Member State subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or a Supplement to the prospectus pursuant to Article 16 of the EU Prospectus Directive and each person who initially acquires any shares or to whom an offer is made will be deemed to have represented, warranted and agreed to and with the Underwriters, us and the Selling Shareholder that it is a Qualified Investor within the meaning of the law in that Relevant Member State implementing Article 2(e) of the Prospectus Directive.

For the purpose of the expression an “offer of any shares to the public” in relation to any shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Shares to be offered, so as to enable an investor to decide to acquire any shares, as that definition may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to Qualified Investors as so defined or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale. We, the Selling Shareholder, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a Qualified Investor and who has notified the Joint Global Coordinators of such fact in writing may, with the prior consent of the Joint Global Coordinators, be permitted to acquire Shares in the Offering.

In this section, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

No Shares are being offered to the public in the United Kingdom using this prospectus.

- Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) in connection with the issue or sale of any Shares will be communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to us or ACS SI; and
- All applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom have been, and will be, complied with.

United States

The Offer Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Underwriters may offer Shares (i) in the United States only through their US registered broker affiliates to persons reasonably believed each to be a QIB (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act or (ii) outside the United States in compliance with Regulation S.

In addition, until 40 days after the later of the commencement of the Offering and the last transaction date of the Offering, any offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another available exemption from registration under the Securities Act.

Dubai International Financial Centre

This prospectus relates to an “exempt offer” in accordance with the Market Rules of the Dubai Financial Services Authority. This prospectus is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this prospectus nor taken steps to verify the information set out in it, and has no responsibility for it. The Offer Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares should conduct their own due diligence on the Shares. If you do not understand the contents of this prospectus you should consult an authorized financial adviser. In relation to its use in the DIFC, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The Offer Shares may not be offered or sold directly or indirectly to the public in the DIFC.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the “FIEA”). This prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity, organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEA and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other Offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other Offering or marketing material relating to the Offering, we or the Offer Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“FINMA”), and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

Australia

This document is not a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) and has not been, or will be, lodged with the ASIC. This document does not purport to include the information required of a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth). The Offering is

made only to persons to whom it is lawful to offer shares in Australia without a disclosure document lodged with ASIC. This means the offer is directed only to Sophisticated Investors and Professional Investors, respectively).

As no formal disclosure document (such as a prospectus) will be lodged with ASIC, the Offer Shares may only be offered and issued to one of the categories of Sophisticated or Professional Investors. If any recipient of the document is not a Sophisticated Investor or a Professional Investor, no offer of, or invitation to apply for, the Offer Shares shall be deemed to be made to such recipient and no applications for the Offer Shares will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

By applying for Offer Shares under the document, each person to whom Offer Shares are issued (an “Investor”):

- (a) acknowledges that if any Investor on-sells Offer Shares within 12 months from their issue, the Investor will be required to lodge a disclosure document with ASIC unless either:
 - (iii) that sale is to another Sophisticated Investor or Professional Investor; or
 - (iv) the sale offer is received outside Australia.
- (b) undertakes not to sell those Offer Shares in any circumstances other than those described in paragraphs (a)(i) and (ii) above for 12 months after the date of issue of such Offer Shares.

This document is not, and under no circumstances is to be construed as, an advertisement or public offering of the Offer Shares in Australia.

The document may only be distributed to investors in Australia and any offer of Offer Shares may only be made to investors in Australia, in each case subject to the conditions set out above, on behalf of each Underwriter by its affiliate holding an Australian Financial Services License permitting such licenseholder to distribute the document and to offer the Offer Shares to investors in Australia.

TRANSFER RESTRICTIONS

United States

Due to the following restrictions, purchasers of Offer Shares in the United States are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of the Offer Shares.

Regulation S

Each subscriber or purchaser of the Offer Shares outside the United States will be deemed by its acceptance of the Offer Shares to have represented and agreed, on its own behalf and on behalf of any investor accounts for which it is subscribing for or purchasing the Offer Shares, that neither Saeta Yield or any of Saeta Yield's affiliates nor any of the Underwriters, nor any person representing Saeta Yield, any of its affiliates or any of the Underwriters, has made any representation to it with respect to the Offering or sale of any Offer Shares, other than the information contained in this prospectus, which prospectus has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Offer Shares, it has had access to such financial and other information concerning Saeta Yield and the Offer Shares as it has deemed necessary in connection with its decision to purchase any of the Offer Shares, and that (terms defined in Regulation S shall have the same meanings when used in this section);

(a) the purchaser understands and acknowledges that the Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and may not be offered, sold or otherwise transferred except pursuant from an exception from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities law;

(b) the purchaser, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, is acquiring the Offer Shares in an "offshore transaction" meeting the requirements of Regulation S and was located outside the United States at the time the buy order for the Offer Shares was originated;

(c) the purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this prospectus;

(d) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S; and

(e) Saeta Yield shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions.

Rule 144A

Each purchaser of the Offer Shares within the United States will be deemed by its acceptance of the Offer Shares to have represented and agreed on its behalf and on behalf of any investor accounts for which it is subscribing for or purchasing the Offer Shares, that neither Saeta Yield or any of Saeta Yield's affiliates nor any of the Underwriters, nor any person representing Saeta Yield, any of its affiliates or any of the Underwriters, has made any representation to it with respect to the Offering or sale of any Offer Shares, other than the information contained in this prospectus, which prospectus has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Offer Shares, it has had access to such financial and other information concerning Saeta Yield and the Offers shares as it has deemed necessary in connection with its decision to purchase any of the Offer Shares, and that (terms defined in Rule 144A shall have the same meanings when used in this section):

(a) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(b) the purchaser (i) is a “Qualified Institutional Buyer” (as defined in Rule 144A under the Securities Act) (“QIB”), (ii) is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act, and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB;

(c) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public Offering in the United States within the meaning of the Securities Act;

(d) if, prior to the date that is one year after the later of the date of the Offering and the last date on which the Offer Shares were acquired from Saeta Yield or any of Saeta Yield’s affiliates (the “Resale Restriction Termination Date”), the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, such Offer Shares may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A under the Securities Act, (ii) in an “offshore transaction” complying with Rule 903 or Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction and agrees to give any subsequent purchaser of such shares notice of any restrictions on the transfer thereof;

(e) the Offer Shares have not been offered to it by means of any general solicitation or general advertising;

(f) the Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of any Offer Shares;

(g) the purchaser will not deposit or cause to be deposited such Offer Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;

(h) the Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend to the following effect:

THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY; and

(i) Saeta Yield shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions.

Each purchaser acknowledges that Saeta Yield and the Underwriters will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations or warranties deemed to have been made by such purchaser by its purchase of Offer Shares are no longer accurate, it shall promptly notify Saeta Yield and the Underwriters; if it is acquiring Offer Shares as a fiduciary or agent for one or more investor accounts, each purchaser

represents that it has sole investment discretion with respect to each such account and full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Terms defined in Rule 144A or Regulation S shall have the same meanings when used in this paragraph.

Each purchaser of the Offer Shares will be deemed by its acceptance of the Offer Shares to have represented and agreed that it is purchasing the Offer Shares for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control.

LEGAL MATTERS

The validity of the Shares and certain other matters under Spanish law will be passed upon for us by Linklaters, S.L.P., the Selling Shareholder and our Spanish counsel. The Selling Shareholder and we are also being advised as to certain legal matters by Linklaters LLP, Paris, France and New York, New York. The Underwriters are being advised as to certain legal matters by Clifford Chance S.L., Madrid, Spain and Clifford Chance US LLP, New York, New York.

INDEPENDENT AUDITORS

The Interim 2014 Audited Consolidated Financial Statements as of and for the ten months ended October 31, 2014 included elsewhere in this prospectus and the Annual Audited Asset Company Financial Statements as of and for the years ended December 31, 2013, 2012 and 2011 incorporated by reference in this prospectus have been audited by Deloitte, S.L., with its address for these purposes at Plaza Ruiz Picasso, Torre Picasso, 28020 Madrid (Spain), registered with the Commercial Registry of Madrid, under Volume 16,650, page 188 and sheet M-544,414, and registered with the Official Registry of Accounting Auditors (ROAC) under number S0692, independent auditors, as stated in their report appearing elsewhere in, or incorporated by reference in, this prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The Annual Audited Asset Company Financial Statements are incorporated by reference in this prospectus and are available at our registered office (Cardenal Marcelo Spínola, 10 28016 Madrid, Spain) and on our website (www.saetayield.com). Neither our website www.saetayield.com nor any of its contents forms part of or is incorporated into this document, whether by reference or otherwise, except for the Annual Audited Asset Company Financial Statements.

FINANCIAL STATEMENTS

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**Saeta Yield, S.A. and
Subsidiaries (formerly El
Recuenco Eólica, S.A. and
Subsidiaries)**

Interim Consolidated Financial Statements
and Interim Consolidated Directors' Report
for the ten-month period ended 31 October
2014, together with Auditor's Report

*Translation of a report originally issued in Spanish
based on our work performed in accordance with
the audit regulations in force in Spain. In the event
of a discrepancy, the Spanish-language version
prevails.*

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITORS' REPORT ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of SAETA YIELD, S.A., at the request of the Board of Directors:

Report on the Interim Consolidated Financial Statements

We have audited the accompanying interim consolidated financial statements of Saeta Yield, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 October 2014, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes thereto for the ten-month period then ended.

Directors' Responsibility for the Interim Consolidated Financial Statements

The Parent's Directors are responsible for preparing the accompanying interim consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Saeta Yield, S.A. and Subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain and for such internal control as the directors determine is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these interim consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's Directors of the interim consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the interim consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying interim consolidated financial statements for the ten-month period ended 31 October 2014 present fairly, in all material respects, the consolidated equity and consolidated financial position of Saeta Yield, S.A. and Subsidiaries at 31 October 2014, and their consolidated results and their consolidated cash flows for the ten-month period then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Opinion

In our opinion, the accompanying interim consolidated financial statements for the ten-month period ended 31 October 2014 present fairly, in all material respects, the consolidated equity and consolidated financial position of Saeta Yield, S.A. and Subsidiaries at 31 October 2014, and their consolidated results and their consolidated cash flows for the ten-month period then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Emphasis of Matter

As indicated in Note 2-a to the accompanying interim consolidated financial statements, on 26 January 2015 the Parent's Directors formally prepared a new set of interim consolidated financial statements for the ten-month period ended 31 October 2014 in order to include additional descriptive information in some of the explanatory notes so that they provide, in the context of the Parent's potential stock exchange flotation, more detailed disclosures for their improved interpretation and comprehension, without this increase in information affecting significantly the aforementioned interim consolidated financial statements. In this connection, this auditors' report replaces the auditors' report that we issued on 14 January 2015, in which we expressed an unqualified opinion, in relation to the interim consolidated financial statements and the explanatory notes thereto that were initially prepared. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated Directors' report for the ten-month period ended 31 October 2014 contains the explanations which the Parent's Directors consider appropriate about the situation of Saeta Yield, S.A. and Subsidiaries, the evolution of their business and other matters, but is not an integral part of the interim consolidated financial statements. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim consolidated financial statements as at 31 October 2014. Our work as auditors was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Saeta Yield, S.A. and Subsidiaries.

DELOITTE, S.L.

Registered in ROAC under no. S0692



Raquel-Martínez Armendáriz
26 January 2015

**Saeta Yield, S.A. and Subsidiaries
(formerly El Recuenco Eólica, S.A.
and Subsidiaries)**

Interim Consolidated Financial Statements
for the 10-month period ended
31 October 2014 prepared in accordance with
International Financial Reporting Standards
(IFRS) as adopted by the European Union
and Consolidated Director's Report

GROUP Saeta Yield, S.A. and subsidiaries

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GROUP Saeta Yield, S.A. (formerly El Recuenco Eólica, S.A.) and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 31 October 2014

ASSETS	Thousands of euros
	31/10/2014
NON-CURRENT ASSETS	1,500,168
Intangible assets (Note 4)	162
Tangible assets - Property, plant and equipment (Note 5)	10,010
Non-current assets in projects (Note 6)	1,411,784
Non-current financial assets with Group companies and related parties (Note 20)	1,492
Non-current financial assets (Note 8)	7,075
- <i>Equity instruments</i>	6,982
- <i>Other loans</i>	93
Deferred tax assets (Note 19)	69,645
CURRENT ASSETS	749,211
Inventories (Note 10)	708
Trade and other receivables (Note 9)	77,556
Called-up capital on shares or ordinary shareholdings (Notes 12 and 20)	459,716
Other current financial assets with Group companies and related parties (Note 20)	85,667
Current tax assets (Note 19)	993
Other receivables from public authorities (Note 19)	1,016
Other current financial assets (Note 8)	65,092
Cash and cash equivalents (Note 11)	58,463
TOTAL ASSETS	2,249,379

The accompanying Notes 1 to 24 and Appendices I and II are part of the Consolidated Statement of Financial Position for the ten-month period ended at 31 October 2014.

GROUP Saeta Yield, S.A. (formerly El Recuenco Eólica, S.A.) and Subsidiaries
CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 31 October 2014

EQUITY AND LIABILITIES	Thousands of euros
	31/10/2014
EQUITY	355,589
Share capital (Note 12.a)	61,563
Share premium (Note 12.c)	551,455
Reserves (Note 12.d)	(163,125)
Profit for the period of the Parent (Note 12.f)	31,827
Adjustments for changes in value	(126,131)
- Hedging instruments (Note 12.e)	(126,131)
EQUITY ATTRIBUTABLE TO THE PARENT (Note 12)	355,589
NON-CURRENT LIABILITIES	1,249,682
Long-term Project finance (Note 13)	1,059,588
Other financial liabilities in Group companies and related parties (Note 20)	1,087
Derivative financial instruments (Note 16)	147,824
Deferred tax liabilities (Note 19)	41,183
CURRENT LIABILITIES	644,108
Short-term Project finance (Note 13)	76,336
Derivative financial instruments (Note 16)	21,199
Trade and other payables (Note 17)	41,679
Other debts to Group companies and related parties (Note 20)	459,783
Other financial liabilities with Group companies and related parties (Note 20)	15,600
Current tax liabilities (Note 19)	19,943
Other payables to the public authorities (Note 19)	9,536
Other current liabilities	32
TOTAL EQUITY AND LIABILITIES	2,249,379

The accompanying Notes 1 to 24 and Appendices I and II are part of the Consolidated Statement of Financial Position for the ten-month period ended at 31 October 2014.

Group Saeta Yield, S.A. (formerly El Recuenco Eólica, S.A.) and Subsidiaries

CONSOLIDATED INCOME STATEMENT for the ten-month period ended at 31 October 2014

	Thousands of euros
	31/10/2014
Revenue (Note 22.a)	181,495
Capitalized expenses of in-house work on assets	1,113
Cost of materials used and other external expenses	(509)
Staff costs (Note 22.d)	(299)
Other operating expenses (Note 22.b)	(52,771)
Depreciation and amortization charge (Notes 4, 5 and 6)	(63,514)
Impairment and gains on the disposal of non-current assets (Note 6)	23,947
OPERATING INCOME	89,462
Finance income (Note 22.c)	971
Financial costs (Note 22.c)	(48,660)
FINANCIAL RESULT	(47,689)
Profit/(Loss) of companies accounted for using the equity method (Note 2.b.2)	(44)
PROFIT/(LOSS) BEFORE TAX	41,729
Income tax (Note 19)	(9,902)
PROFIT/(LOSS) ATTRIBUTABLE TO THE PARENT	31,827
Earnings per share attributable to the parent (Note 3.t)	
From continuing operations	
Basic earnings per share (€ per share)	8,535
Diluted earnings per share (€ per share)	8,535

The accompanying Notes 1 to 24 and Appendices I and II are part of the Consolidated Income Statement for the ten-month period ended at 31 October 2014.

Group Saeta Yield, S.A. (formerly El Recuenco Eólica, S.A.) and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS for the ten-month period ended at 31 October 2014

	Thousands of euros
	31/10/2014
A) CASH FLOWS FROM OPERATING ACTIVITIES	34,220
1. Profit/(Loss) before tax	41,729
2. Adjustments for:	87,300
a) Depreciation and amortization charge	63,514
b) Impairment and gains on the disposal of non-current assets	(23,947)
c) Finance income	(971)
d) Financial costs	48,660
e) Results of companies accounted for using the equity method	44
3. Changes in working capital	(40,459)
a) Inventories	164
b) Trade and other receivables	(46,009)
c) Trade and other payables	34,809
d) Other current assets and current liabilities	(29,423)
4. Other cash flows from operating activities	(54,350)
a) Interest payable	(35,961)
b) Income tax payments/proceeds	(18,389)
B) CASH FLOWS FROM INVESTING ACTIVITIES	(162,801)
5. Investment payables	(162,801)
a) Non-current assets in projects	(2,448)
b) Financial investments	(160,355)
C) CASH FLOWS FROM FINANCING ACTIVITIES	137,421
6. Equity instrument proceeds	153,302
a) Issue of new Share Capital	153,302
7. Liability instrument proceeds	21,679
a) Group companies and related parties	21,679
8. Liability instrument payments	(37,560)
a) Group companies and related parties	(1,824)
b) Credit institutions	(35,736)
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,841
Cash and cash equivalents at beginning of the period	49,622
Cash and cash equivalents at end of the period	58,463

The accompanying Notes 1 to 24 and Appendices I and II are part of the Consolidated Statement of Cash Flows for the ten-month period ended at 31 October 2014.

Group Saeta Yield, S.A. (formerly El Recuenco Eólica, S.A.) and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the ten-month period ended at 31 October 2014

	31/10/2014
	Thousands of euros
	Total
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR (I)	31,827
Income and expense recognised directly in equity	
- Arising from cash flow hedges	(64,068)
- Tax effect	11,406
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)	(52,662)
Income and expenses recognised directly in profit/(loss)	
- Arising from cash flow hedges	28,835
- Tax effect	(8,651)
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN PROFIT/(LOSS) (III)	20,184
TOTAL COMPREHENSIVE PROFIT/(LOSS) (I+II+III)	(651)

The accompanying Notes 1 to 24 and Appendices I and II are part of the Consolidated Statement of Comprehensive Income for the ten-month period ended at 31 October 2014.

Group Saeta Yield, S.A. (formerly El Recuenco Eólica, S.A.) and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY at 31 October 2014

	Thousands of euros					
	Share capital	Share premium	Reserves	Profit/(loss) attributable to the parent	Adjustments for changes in value	Total
Balance at 1 January 2014	3	-	(163,125)	-	(93,653)	(256,775)
Recognised income and expense	-	-	-	31,827	(32,478)	(651)
Capital increase (Note 12)	61,560	551,455	-	-	-	613,015
Balance at 31 October 2014	61,563	551,455	(163,125)	31,827	(126,131)	355,589

The accompanying Notes 1 to 24 and Appendices I and II are part of the Consolidated Statement of Changes in Equity for the ten-month period ended at 31 October 2014.

Saeta Yield, S.A. and Subsidiaries (formerly El Recuenco Eólica, S.A. and Subsidiaries)

Notes to the Consolidated Interim Financial Statements for the ten-month period ended at 31 October 2014, prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union

1. Group Activity

Saeta Yield, S.A. was incorporated as “El Recuenco Eólica, Sociedad Limitada” on 19 May 2009 and registered in the Mercantile Registry of Madrid in volume 26,842, page 14, sheet M-483.710. It became a public limited liability company on 28 October 2014. It adopted its current name by means of a resolution of the General Shareholders' Meeting on 28 November 2014, which was formalised in a public deed on 2 December 2014 and registered in the Mercantile Registry on 24 December 2014 under entry no. 13.

The Company's registered office is at calle Cardenal Marcelo Spínola, no. 10, Madrid.

As at 31 October 2014, the shareholders of Saeta Yield, S.A. increased the Company's share capital to subsequently incorporate certain renewable wind and solar thermal power assets located in Spain (which are described below) as part of the reorganisation of the ACS Group's industrial division.

The activities carried out by the Parent and its investees (the Saeta Group) are classified into the following categories:

1. Exploitation of renewable and conventional energy generating assets, energy distribution and transport assets. Currently, the main activity is the exploitation of renewable energy generating assets in operation located in Spain.
2. The performance of studies, consulting, projects, research and development services related to the aforementioned services.
3. The administration, management and control of its investees.

The company purpose may be wholly or partially carried on by the Group of companies indirectly through the ownership of shares or other equity interests in other companies with an identical or similar company object. The fact that the aforementioned activities are cited does not necessarily presuppose or imply that they are all carried on simultaneously.

If, for execution of certain of the activities included in the company purpose, legal provisions require a professional degree, administrative authorisation or registration in public registries, the aforementioned activities will be carried out by people who hold such professional degree and, where applicable, they may not begin until the administrative requirements have been met.

The Group's scope of consolidation is formed by:

Company	Registered Office	% of ownership	Business
Saeta Yield, S.A.	Madrid, Spain	100%	Securities holding company
Extresol 1, S.L.	Madrid, Spain	100%	Energy production
Manchasol 2 Central Termosolar Dos, S.L.	Madrid, Spain	100%	Energy production
Serrezuela Solar II, S.L.U	Badajoz, Spain	100%	Energy production
Al-Andalus Wind Power, S.L.	Madrid, Spain	100%	Energy production
Parque Eólico Santa Catalina, S.L.	Valencia, Spain	100%	Energy production
Eólica del Guadiana, S.L.	Huelva, Spain	100%	Energy production
Parque Eólico Sierra de las Carbás, S.L.	Madrid, Spain	100%	Energy production
Parque Eólico Tesosanto, S.L.	Madrid, Spain	100%	Energy production
La Caldera Energía Burgos, S.L.	Madrid, Spain	100%	Energy production
Parque Eólico Valcaire, S.L.	Granada, Spain	100%	Energy production
Sistema Eléctrico de Conexión Valcaire, S.L.	Madrid, Spain	25%	Operation of electrical facilities

Regulatory Framework

The special regime electricity production business in Spain is regulated by Spanish Electricity Industry Law 54/1997, of 27 November, and by the subsequent implementing regulations which are as follows:

- Royal Decree 436/2004, in force from 1 April 2004 to 1 June 2007.
- Royal Decree 661/2007, in force from 1 June 2007. The remuneration framework supporting renewable energies under the special regime for facilities which were registered in the pre-assignment register at 28 January 2012 was regulated up until July 2013 by this royal decree. This royal decree stipulated two tariff regimes for solar thermal facilities; the market price option through a representative where upper limits ("ceilings") and lower limits ("floors") are established at the aggregate price (market price plus the premium) applicable to the sale of energy on the market; and the tariff option in which the regulated tariff is received. The facilities may choose the sale option for periods of no less than one year.
- Likewise, Royal Decree 661/2007 recognised in its transitional provision one that solar thermal facilities, among others, which started up prior to 1 January 2008 have the right to maintain the premiums and incentives established under the previous regime (RD 436/2004, of 12 March) until 31 December 2012 in the market price sale option.
- In addition, Royal Decree 6/2009, of 30 April, introduced the pre-assignment system such that it limited the pre-assigned facilities to the amounts and premiums set forth in RD 661/2007, as well as for those established going forward once the objectives of the 2020 Renewable Energies Plan are reached.
- The objective of Royal Decree 1614/2010, of 7 December, was to modify and regulate matters related to electricity production from solar thermal and wind technologies, in a deficit control scenario. The main developments were the establishment of a limit on the equivalent operating hours entitled to a premium for solar thermal and wind power technologies, the obligation of the solar thermal energy industry to sell at a regulated tariff for the 12 months following the entry into force of the RD, or the start-up of the plant, if it were subsequent thereto and a 35% reduction of the premiums for wind power technology qualifying under RD 661/2007 and for the period between the approval of the RD and 31 December 2012.
- On 28 January 2012, Royal Decree-Law 1/2012 (RDL 1/2012) was published in the Official Gazette of the Spanish State (*Boletín Oficial del Estado*, BOE), taking effect on the same day, which eliminated the pre-assignment remuneration process and the economic incentives for new facilities which produce electricity from cogeneration, renewable energy sources and waste.
- On 28 December 2012, Law 15/2012, of 27 December, on tax measures for energy sustainability was published in the BOE which affected all facilities which produce electricity in Spain from 2013. Noteworthy among these measures was the creation of a 7% tax on activities related to the production and incorporation of electricity measured at power station busbars in the electric system (mainland, island and non-mainland). Likewise, this law also amended the current economic framework of certain renewable energy facilities excluding from the premium economic regime energy attributable to the use of fuel produced in facilities which use non-consumable renewable energy as a primary source, unless they are hybrid facilities which use non-consumable and consumable renewable energy sources (in which case the energy attributable to the use of the consumable renewable source could have the right to the premium economic regime), and the Ministry of Industry, Energy and Tourism is responsible for establishing the methodology for calculating the aforementioned energy.
- Royal Decree Law 2/2013 on urgent measures for the electricity system and the financial sector establishing certain adjustment to certain electricity industry costs was approved on 1 February 2013. From 1 January 2013 premium of the technologies are set at zero, eliminating the floor and ceiling of the market sale option, and maintaining the tariff sale option. It also modified the ratio for updating the aforementioned tariffs which is now tied to the underlying inflation rather than the CPI. This Royal Legislative Decree established that the owners of the facilities had to choose between the sale of energy under the regulated tariff option or the option to sell freely on the market without receiving their premium. Once the option is chosen it is irrevocable. For practical purposes, this RDL lead the Group companies to choose the fixed tariff option from 2013.

- On 12 July 2013, Royal Decree-Law 9/2013 was published on urgent measures to guarantee the financial stability and sustainability of the electricity system which affect the remuneration regime for facilities which produce electricity from cogeneration, renewable energy sources and waste. This Royal Decree-Law, which entered into force on 14 July 2013, repealed, among others, RDL 661/2007, of 25 May, and RDL 6/2009, of 30 April, under which the Group companies' facilities which produce electricity qualified, in accordance with that described in the previous paragraphs, for the remuneration framework supporting renewable energies.

This Royal Decree-Law introduces substantial changes to the applicable legal and economic framework, which will be based on the following principles:

- o The remuneration of facilities which produce electricity under the special regime will be determined by: i) the sale of energy generated valued at market price and ii) a specific remuneration consisting of a period per unit of installed power which covers, if necessary, the investment costs of a standard facility which cannot be recovered in the market through the sale of energy, as well as a period for the operation which covers, where applicable, the difference between the operating costs and the revenue from the aforementioned standard facility's participation in the market.
- o In order to calculate the specific remuneration for a standard facility over the course of its regulatory useful life, and based on the activity of an efficient and well-managed company, the following will be taken into account: i) the revenue from the sale of energy valued at market production price, ii) the average operating costs necessary to carry out the activity and iii) the initial value of the investment of a standard facility.
- o The remuneration regime established for each standard facility will not exceed the minimum level necessary to cover the costs which allow these facilities to compete on an equal basis in the electricity market and to be able to obtain "reasonable profitability" with regard to each standard facility. This reasonable profitability will, before tax, be based on the average performance in the secondary market of government bonds for the ten years prior to the entry into force of the royal decree-law, plus a margin of 300 basis points which may be revised every six years.
- o In order to calculate the specific remuneration for a standard facility, under no circumstances will the costs or investments determined by law or administrative acts which are not applicable throughout Spain be taken into account. Furthermore, only the costs and investments which respond exclusively to electricity production will be taken into account.
- o Royal Decree-Law 9/2013 will enable the revision of the parameters for this remuneration regime every six years.
- o Lastly, the following specialities are established for the facilities developed in the island and non-mainland electricity systems: i) exceptionally specific standard facilities may be defined and ii) the remuneration regime for these facilities may include, exceptionally, an incentive for the investment and execution during a certain period, when its installation entails a significant reduction in costs for the aforementioned systems.

The bases for this new remuneration framework are included primarily in article 14 of Spanish Electricity Industry Law 24/2013, of 26 December, which also specifies the criteria for and the manner in which the remuneration parameters are to be revised for facilities which produce electricity from renewable energy sources, high-efficiency cogeneration and waste with a specific remuneration regime. Thus, the remuneration parameters shall be set for regulatory periods which will be effective for six years. The remuneration parameters may be revised prior commencement of the regulatory period. If this revision is not performed the parameters will be understood as extended for the entirety of the following regulatory period. Law 24/2013, of 26 December, also establishes that the reasonable profitability value for the remainder of the regulatory life will be established by law prior to the start of each regulatory period and that under no circumstances may the regulatory useful life or the standard value of the initial investment of a facility be revised once recognised. In addition, this law stipulates that the estimates for revenue from the sale of the energy generated for the remainder of the regulatory period will be revised every three years, valued at the market production price, based on the evolution of market prices and the forecast for operating hours. Lastly, it establishes that the values of the remuneration for the operation and extended operation for technologies whose operating costs depend essential on the price of fuel will be updated at least annually. In this connection, in February 2014, a draft Ministerial Order which sets all of the above-mentioned parameters necessary to determine the remuneration applicable to renewable energies, cogeneration and waste was provided to the interested parties in the context of the hearing process commenced by the Spanish National Securities market Commission (*Comisión Nacional de los Mercados de la Competencia, CNMC*). In practice, the Group companies' facilities are subject to the new remuneration model established by the Spanish Electricity Industry Law and by RDL 9/2013, since the latter's entry into force. Thus, the revenue received from the energy sales made since 14 July 2013 have been settled by means of a payment on account of the remuneration which ultimately applies.

On 11 June, Royal Decree 413/2014, of 6 June, regulating the activity of producing electricity from renewable energy sources, cogeneration and waste (hereinafter, "RD 413/2014") was published in the BOE. In accordance with its preamble, RD 413/2014 fulfils the mandate contained in Royal Decree-Law 9/2013, of 12 July, adopting urgent measures to guarantee the financial stability of the electricity system ("RD-Law 9/2013") consisting of the government approving a new legal and economic regime for the existing facilities which produce electricity from cogeneration, renewable energy sources and waste. RD 413/2014 develops the specific principles on which the new regime applicable to facilities which produce electricity from cogeneration, renewable energy sources and waste must be articulated as established in RD-Law 9/2013 and subsequently included in Spanish Electricity Industry Law 24/2013, of 26 December (*Ley 24/2013, de 26 de diciembre, del Sector Eléctrico* – LSE). The purpose of RD 413/2014 is to regulate the new legal and economic regime for the activity of producing electricity from renewable energy sources, cogeneration and waste for both the existing facilities and those new facilities which may be developed in the future, thereby replacing the repealed Royal Decree 661/2007, of 25 May, and Royal Decree 1578/2008, of 26 September. Notwithstanding the foregoing, certain aspects of the aforementioned laws remained in force until the approval of Ministry of Industry, Energy and Tourism Order IET/1045/2014, of 16 June, approving the remuneration parameters for standard facilities applicable to certain facilities which produce electricity from renewable energy sources, cogeneration and waste ("Order IET/1045/2014").

2. Basis of presentation and basis of consolidation

a) Basis of presentation

Preparation of the consolidated financial statements

The Group was configured within the framework of the reorganisation of companies under common control carried out by the ACS Group to which it belongs (Note 12), through which the Parent incorporated the investments in the subsidiaries described in Note 1, within the framework of transactions with related parties.

Under this reorganisation, the Parent, Saeta Yield, S.A. which belongs to the ACS, Servicios, Comunicaciones y Energía, S.L., Group, receives Companies which are part of said Group, including, at 31 October, the aforementioned investments amounting to EUR 108,486 thousand and in the same transaction it replaces the previous shareholders in the position of the debtor in the subordinated debt amounting to EUR 458,531 thousand in principal and EUR 45,937 thousand in interest. EUR 459,716 thousand of the total amount of the transaction have yet to be paid and are recognised under "Other debts to Group companies and related parties" in the accompanying Statement of Financial Position and have been paid in December 2014 (see Note 24).

The consolidation process was carried out using the consolidated values of the pre-existing subsidiaries at 1 January 2014, so the values of the Consolidated Statement of Financial Position in that date are described in the appendix I, -
- These consolidated financial statements are not initial financial statements nor was the acquisition method applied since it was previously under common control and since this is considered to be the most suitable accounting policy to recognise these transactions in practice and is considered to be in accordance with the exceptions allowed by IFRS 3 (pooling of interest – predecessor accounting).

The results of the subsidiaries incorporated in 2014 are included in the consolidated income statement from the start of the period since, in accordance with the reorganisation described in Note 1 the subsidiaries are considered to be part of the new Group from the start of the period.

No 2013 comparison information is presented because the Group had not been established at that date which precedes the reference date of these consolidated financial statements, 31 October 2014.

The consolidated interim financial statements were prepared by the Board of Directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, in conformity with (EC) Regulation no. 1606/2002 of the European Parliament and of the Council taking into account all mandatory accounting principles and rules and measurement bases, such that they present fairly the Saeta Yield Group's consolidated equity and financial position at 31 October 2014 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in of the ten-month period ended 31 October 2014.

The Parent belongs to a higher Group subject to current Spanish legislation, the head of which is ACS, Actividades de Construcción y Servicios, S.A., with registered office at Avenida de Pío XII, 102, Madrid. The ACS, Actividades de Construcción y Servicios, S.A., Group prepared these consolidated financial statements in 2013 on 26 March 2014 and approved by the shareholders at the General Meeting held on 29 May 2014.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated interim financial statements for the ten-month period ended 31 October 2014 are summarised in Notes 2.b and 3.

The accompanying consolidated interim financial statements were prepared from the accounting records of Saeta Yield, S.A. and the other Group companies whose respective separate financial statements which are presented in

accordance with the local Accounting Standard approved by Royal Decree 1514/2007 (*Plan General de Contabilidad*). Accordingly, since the accounting policies and measurement bases used in preparing the Group's consolidated interim financial statements for the first ten months of 2014 (IFRSs as adopted by the European Union) differ from those used by the Group companies (local standards), the required adjustments and reclassifications were made on consolidation to unify the policies and bases used and to make them compliant with the International Financial Reporting Standards adopted in the European Union.

The Interim Consolidated Financial Statements and the explanatory Notes thereto of the Saeta Group were approved by the Sole Administrator on 14 January 2014. On 26 January 2015, the Board of Directors at that date, evaluating their inclusion in the Prospectus for the Offering of Shares in the context of a potential initial public offering of the Parent Company, have considered it appropriate to include additional descriptions in certain Notes, without affecting the figures of the financial statements, since the additional descriptions are merely explanatory for the better reading and understanding of these Interim Consolidated Financial Statements and the related Notes. Such additional Information consists mainly of incorporating broader detail regarding legal proceedings in course; although risks relating to them are considered remote and their amount insignificant, the directors considered that further disclosure would help to create a boarder picture of the status of the Company in the context of its Offering of Shares (note 3-k); the disclosure of the amounts that basic earnings per share would correspond on the date of the financial statements to the shareholders of the shares representing the capital stock of the Parent company (note 3.t); expansion of descriptive information regarding customer balances (note 9); greater detail, to align with the information in the Prospectus, regarding the terms and conditions of the dependent subsidiaries and their sensitivities (notes 14 and 16), although not significant, to compliment and improve the information regarding the indebtedness of the Group; and expansion of certain explanations of the determination process and changes in impairments (notes 3c and 6); and incorporate additional information in Annex I on balance sheet balances at January 1, 2014, for a better understanding of the values of the consolidation process described in this note. Also, information on the new board of the Group as of the current date is included in note 23. Consequently, the Interim Consolidated Financial Statements and their explanatory notes approved by the Sole Administrator on 14 January 2015 are replaced for all purposes by these re-approved Interim Consolidated Financial Statements and Notes.

Accounting estimates and judgments

The information in these consolidated financial statements is the responsibility of the Parent's Board of Directors.

In the Group's financial statements estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The useful life of the property, plant and equipment and intangible assets, as well as the non-current assets in projects (Notes 3.a, 3.b and 3.c).
- The assessment of impairment losses on certain assets (Notes 3.c and 3.d)
- The amount of certain provisions and the probability of occurrence and the amount of liabilities of uncertain amount or contingent liabilities (Note 3.k)
- The fair value of certain financial instruments (Note 3.d)
- The results for tax purposes of the various Group companies that will be reported to the tax authorities in the future and that served as the basis for recognising the various income tax-related balances in the accompanying consolidated financial statements (Note 3.h).
- The recovery of deferred tax assets recognised (Note 3.h)

Although these estimates were made on the basis of the best information available at the date of preparation of these consolidated interim financial statements on the events analysed, events that take place in the future might make it necessary to change these estimates in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future consolidated financial statements.

Changes in accounting estimates and consolidation principles

a) Changes in accounting estimates:

The effect of any change in accounting estimates is recorded under the same heading in the income statements in which the revenue or expense based on the previous estimate was recorded.

b) Basis of consolidation

b.1) Balances and transactions with Group companies and associates

All intra-Group balances and transactions, as well as gains made in the year are eliminated on consolidation.

b.2) Subsidiaries and associates

“Subsidiaries” are defined as companies over which the Group has the capacity to exercise effective control; control is, in general but not exclusively, presumed to exist when the Parent owns directly or indirectly half or more of the voting power of the investee or, even if this percentage is lower or zero, when, for example, there are agreements with other shareholders of the investee that give the Parent control. In accordance with IFRS 10, control is understood to be power over the investee, exposure to variable returns, and the ability to use this power to affect the amount of the investor’s returns.

The financial statements of the subsidiaries are fully consolidated with those of the Parent. Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group (see Note 3.a).

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. a discount on acquisition) is credited to profit and loss on the acquisition date.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

Associates

Associates are companies over which the Group is in a position to exercise significant influence and which are not subsidiaries or interests in joint ventures. Significant influence is generally presumed to exist when the Company holds – directly or indirectly – 20% or more of the voting power of the investee.

Investments in associates are accounted for using the equity method, whereby they are initially recognised at acquisition cost. Subsequently, on each reporting date, they are measured at cost, plus the changes in the net assets of the associate based on the Group’s percentage of ownership.

The excess of the cost of acquisition over the Group’s share of the fair value of the net assets of the associate at the date of acquisition is recognised as goodwill. The goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

Any excess of the Group’s share of the fair value of the net assets of the associate over acquisition cost at the acquisition date is recognised in the consolidated income statement.

The profit or loss, net of tax, of associates is included under “Profit/(Loss) of Associates” in the consolidated income statement to the extent of the Group’s percentage of ownership. Previously, the appropriate adjustments are made to take into account the depreciation of the depreciable assets based on their fair value at the date of acquisition. If as a result of losses incurred by an associate its equity is negative, the investment should be presented in the Group’s consolidated Statement of Financial Position with a zero value, unless the Group is obliged to give it financial support.

The breakdown of the companies that are accounted for using the equity method is as follows:

	Beginning balance 01/01/2014	Profit/(Loss) for the year	Ending balance 31/10/2014
Sistema Eléctrico de Conexión Valcaire, S.L.	44	(44)	-
Total	44	(44)	-

Appendix II to these notes to the consolidated financial statements details the subsidiaries and associates, respectively, and information thereon.

b.3) Changes in the scope of consolidation

The most significant changes in the scope of consolidation in the first ten months of 2014 were as follows:

- Inclusion of the following investments within the reorganisation of the Companies under common control, all belonging to the same Group as the Parent (see Note 2.a):

Company	Category	Date of Acquisition	Registered Office	% Rights acquired	% Total rights
Extresol 1, S.L.	Subsidiary	31/10/2014	Madrid, Spain	100%	100%
Manchasol 2 Central Termosolar Dos, S.L.	Subsidiary	31/10/2014 (*)	Madrid, Spain	100%	100%
Serrezuela Solar II, S.L.U	Subsidiary	31/10/2014	Badajoz, Spain	100%	100%
Al-Andalus Wind Power, S.L.	Subsidiary	31/10/2014 (*)	Madrid, Spain	100%	100%
Parque Eólico Santa Catalina, S.L.	Subsidiary	31/10/2014	Valencia, Spain	100%	100%
Eólica del Guadiana, S.L.	Subsidiary	31/10/2014	Huelva, Spain	100%	100%
Parque Eólico Sierra de las Carbas, S.L.	Subsidiary	31/10/2014 (*)	Madrid, Spain	100%	100%
Parque Eólico Tesosanto, S.L.	Subsidiary	31/10/2014 (*)	Madrid, Spain	100%	100%
La Caldera Energía Burgos, S.L.	Subsidiary	31/10/2014 (*)	Madrid, Spain	100%	100%
Parque Eólico Valcaire, S.L.	Subsidiary	31/10/2014	Granada, Spain	100%	100%
Sistema Eléctrico de Conexión Valcaire, S.L.	Associate	31/10/2014	Madrid, Spain	25%	25%

On 31 October 2014, the Parent acquired from other companies belonging to the ACS SCE Group 100% of the shares, subordinated loans and interest payable of the aforementioned subsidiaries for a total of EUR 612,954 thousand.

These companies were incorporated by maintaining the pre-existing values in the above-mentioned consolidation, whereby they are considered to be consolidated since the incorporation of the ACS Group. Reserves in consolidated companies generated on 1 January 2014 by applying the pooling of interest method is indicated in Note 12.

(*) The acquisition of these shares was subject to compliance with a series of non-substantive conditions precedent for understanding and executing the intragroup transfer, mainly, administrative authorisations for the change in ownership, which were met before these consolidated interim financial statements were prepared, and their price, including the subrogation of the subordinated loans and the interest receivable, amounted to EUR 187,175 thousand (see Note 24).

b.4) Uniformity of items

In order to uniformly present the various items composing these consolidated financial statements, accounting standardisation criteria were applied to the individual financial statements of the companies included in the scope of consolidation.

b.5) Functional currency

These accompanying interim consolidated financial statements for the ten-month period ended at 31 October 2014 are presented in euros, since this is the functional currency in the area in which the Group operates. Transactions in currencies other than the euro are recognised in accordance with the policies described in Note 3 onwards.

3. Measurement bases

The measurement basis used in preparing the Group's consolidated interim financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, have been as follows:

a) Intangible assets

Other intangible assets

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any reductions required to reflect accumulated impairment losses. These assets are amortised over their years of useful life which amount to 25 years.

The Group recognises any impairment loss on the carrying amount of these assets with a charge to "Impairment and gains on disposal of non-current assets" in the consolidated Income statement. The criteria used to recognise the impairment losses on these assets and, where applicable, any subsequent recovery thereof are similar to those used for property, plant and equipment (Note 3.c.1).

Administrative concessions and other rights

This heading includes the cost of intangible, identifiable and acquired rights and securities that will allow future projects to be developed for production facilities and that will be amortised on a straight-line basis over the estimated useful life of these facilities from their entry into services. In addition, these intangible assets are written down and amortised in full when there is deterioration or a loss in value of such assets.

Likewise, this heading includes the acquisition price of the rights to the surface where the facilities for certain wind farms operated by the Group are located, as well as the electricity easements to the connection with the electricity distributor. The aforementioned assets are amortised on a straight-line basis based on their useful life from their

entry into service.

b) Property, plant and equipment

Property, plant and equipment acquired for use in the production or supply of goods or services or for administrative purposes are stated in the Statement of Financial Position at the lower of acquisition or production (less any accumulated depreciation) and their recoverable amounts.

Period upkeep and maintenance expenses are charged to the consolidated Income statement.

The property, plant and equipment acquired are measured at cost. The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful life of the assets are capitalised.

Work performed by the Group on its own property, plant and equipment is recognised at accumulated cost (external costs plus in-house costs, determined on the basis of in-house materials consumption, and the transformation costs allocated using hourly absorption rates similar to those used for the valuation of work performed for third parties).

The Companies depreciate their property, plant and equipment by the straight-line method at annual rates based on the following years of estimated useful life:

	Years of Estimated Useful Life
Transport equipment	6

The Group recognises any impairment loss on the carrying amount of these assets as indicated in Note c.1 below.

c) Non-current assets in projects

“Non-current assets in projects” includes the amount of investments, mainly in constructions and, energy generation infrastructures which are operated by the Group's subsidiaries and which are financed mainly under a project finance structure (financing applied to projects).

These financing structures are applied to projects capable in their own right of providing sufficient guarantees to the participating financial institutions with regard to the repayment of the funds borrowed to finance them. Each project is performed through specific companies in which the project's assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a given amount, and on the other, generally of a larger amount, through borrowed funds in the form of long-term debt. The debt servicing of these credit facilities or loans is mainly supported by the cash flows generated by the project in the future and by real guarantees on the project assets.

The assets in projects are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, compulsory purchases, reinstatement of services, project execution, project management and administration expenses, installations and facilities and similar items) and the portion relating to other indirectly allocable costs, to the extent that they relate to the construction period.

Also included under this heading will be the borrowing costs incurred prior to the entry into operation of the assets arising from external financing thereof, which are recognised as a reduction in financial profit/(loss).

Upkeep and maintenance expenses that do not lead to a lengthening of the useful life of the assets or an increase in their production capacity are expensed currently.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The balances of assets retired as a result of modernisation or for any other reason are derecognised from the related cost and accumulated depreciation accounts.

In general, depreciation is calculated using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated. The Group depreciates its assets in projects by distributing the cost of the asset over its estimated useful life which is about 25 years for solar thermal facilities and after re-estimating the useful life of the wind farms effective 1 January, the useful life of which is about 20 years. Having based this change on an analysis using internal information and external reports from top independent experts, a new

estimate of the useful life of the wind farms was made, with regard to the estimate of the above-mentioned pre-existing consolidation, changing it from 18 to 20 years. This change was made in accordance with the best information available at the time and based on the experience acquired in managing wind assets, and is consistent with the regulatory useful life determined in RD 9/2013, which establishes the final regulatory framework for these facilities. The estimated effect due to the increase of the useful life on the profit before tax for a whole year amounts EUR 6.3 million (EUR 5.2 million for a ten month period).

The residual value, useful life and depreciation method applied to the companies' assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the non-current assets in projects are consumed.

At least at each balance sheet date, the companies determine whether there is any indication that an item or group of items of property, plant and equipment is impaired so that, as indicated in Note 3.c.1, an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use.

c.1) Impairment of property, plant and equipment, non-current assets in projects and intangible assets.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment, non-current assets in projects and intangible assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Non-current assets associated with projects

This heading includes all projects with a limited duration which are classified based on their contractual structure which allows the project costs to be determined with a certain clarity (both in the initial investment phase and the operational phase), and to reasonably forecast the income during their entire life.

In order to calculate the value in use of this type of asset, a projection is made of the expected cash flows until the end of the asset's useful life. Therefore, no terminal value is considered. The projections include both known data (based on the project agreements) as well as basic assumptions supported by specific studies carried out by experts (demand, production, etc.). In particular, in order to determine the income, the final remuneration parameters approved by Ministry of Industry, Energy and Tourism Order IET/1045/2014, of 16 June were used (see Note 1). Likewise, macroeconomic data projections are made: inflation, interest rate, etc., using the data provided by independent specialized sources (e.g. Bloomberg).

Since they are assets with a specific financing, the discounted cash flows are those of the project itself. The project's operating cash flows are discounted at an average floating WACC rate based on the particularities of the financial structure of the projects which, together with the related leverage, vary significantly over the life thereof. The discount rates used to discount these flows in each project, range between 5.9% and 8%, the upper limit generating such dispersion corresponding to less mature projects to which a higher risk premium must be adjust uncertainties that have not been adjusted in the expected cash flows of these projects (see Note 6).

d) Financial instruments

d.1) Financial assets

Except in the case of financial assets at fair value through profit or loss, financial assets are initially recognised at fair value plus directly attributable transaction costs. The Group classifies its non-current and current financial assets, excluding investments in associates and those held for sale, in four categories.

In the Statement of Financial Position, financial assets maturing within no more than twelve months are classified as current assets and those maturing within more than twelve months as non-current assets.

d.1.2) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments not traded in an active market. After their initial recognition, they are measured at "amortised cost" using the "effective interest" method.

The "amortised cost" is understood to be the initial acquisition cost of a financial asset or liability minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount. In the case of financial assets, amortised cost includes any reductions for impairment or uncollectibility.

The effective interest rate is the discount rate that exactly matches the net carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life.

Deposits and guarantees given are recognised at the amount delivered to meet contractual commitments, relating to water and gas contracts, leases, etc.

Period charges for impairment and reversals of impairment losses on financial assets are recognised in the consolidated income statement for the difference between their carrying amount and the present value of the recoverable cash flows.

d.1.3) Available-for-sale investments

These are non-derivative financial assets designated as available for sale or not specifically classified within any of the previous categories. These relate mainly to investments in the share capital of companies not included in the scope of consolidation.

After their initial recognition, they are measured at fair value, except for investments not traded in an active market whose fair value cannot be estimated reliably, which are measured at cost or a lesser amount if there is evidence of impairment.

d.1.4) Cash and cash equivalents

This heading includes the cash on hand, in bank current accounts and the deposits and temporary acquisitions of assets which meet all of the following requirements:

- They are convertible into cash.
- At the acquisition date, their maturity was no more than three months.
- They are not subject to a significant risk of changes in value.
- They are part of the Company's ordinary cash management policy.
-

When there are restrictions on the availability of the deposits made or current accounts held, the Group's financial assets are classified as "Other current financial assets" in the consolidated balance sheet.

Derecognition of financial assets

The Group derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

d.2) Financial liabilities

d.2.1) Bank borrowings, debt and other securities

Interest-bearing bank loans and overdrafts are recognised at the amount received, net of direct issue costs. Borrowing costs, including premiums payable on settlement or redemption and direct issue costs, are recognised in the income statement on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

In subsequent periods, these obligations are measured at amortised cost using the effective interest method.

d.2.2) Financial derivatives

The Group's activities are exposed to financial risks, mainly of changes in interest rates.

The Group does not use derivative financial instruments for speculative purposes. Derivatives are initially recognised at acquisition cost in the consolidated Statement of Financial Position and the required valuation adjustments are subsequently made to reflect their fair value at all times. These adjustments are recorded under "Financial instrument receivables" in the consolidated statement of financial position if they are positive and under "Financial instrument payables" if they are negative. Gains and losses from fair value changes are recognised in the Consolidated Income Statement, unless the derivative has been designated and is highly effective as a hedge, in which case it is recognised as follows:

- Fair value hedges: The hedged item and hedging instrument are both measured at fair value, and changes in fair value are recognised in the consolidated income statement for their net amount under "Change in Fair Value of Financial Instruments" in the consolidated income statement.
- Cash flow hedges: Changes in the fair value of the derivatives are recognised, in respect of the effective portion of the hedges, in equity under "Adjustments for changes in value" in the accompanying consolidated Statement of Financial Position. Hedges giving results of between 80% and 125% in the effectiveness test are considered to be effective. The cumulative gain or loss recognised is transferred to the consolidated income statement to the extent that the underlying has an impact on this account in relation to the hedged risk, and the related effect is deducted from the same heading in the consolidated income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

Measurement

The fair value of the derivative financial instruments is calculated as follows:

The fair value of the various derivative financial instruments is calculated using techniques widely used in financial markets, i.e., by discounting all of the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule based on spot and futures market conditions at the end of each year. The fair value includes the measurement of the credit risk of the counterparty in the case of the assets or the Group itself in the case of liabilities, in accordance with IFRS 13.

Group policy on hedging

At the inception of the transaction, the Group designates and formally documents the hedging relationship and the objective and strategy for undertaking the hedge. Hedges are only recognised when it is expected, prospectively, to be highly effective from inception of the hedge and in subsequent years to manage to offset the changes in the fair value or cash flows of the hedged risk during the life of the hedge and, retrospectively, that the actual effectiveness of the hedge, which can be reliably calculated, is within a range of 80-125% of the results of the hedged item.

The Group does not hedge forecast transactions, but rather only firm financing commitments. If the cash flows of forecasted transactions were hedged, the Group would assess whether such transactions are highly probable and whether they are exposed to changes in cash flows that might ultimately affect profit or loss for the year.

If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. Conversely, for hedges that do not result in recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period as that in which the hedged item affects net profit or loss.

Procedures for measuring derivatives and the credit risk adjustment

The Group measures derivatives not traded on an organised market (OTC) by discounting the expected cash flows and using generally accepted option valuation models based on spot and futures market conditions at the end of each year. The fair value of interest rate swaps is measured by discounting future settlements between fixed and floating interest rates to their present value, in line with implicit market rates, obtained from long-term interest rate swap curves. Implicit volatility is used to calculate the fair values of caps and floors using option valuation models.

At 31 October 2014, in order to determine the credit risk adjustment, as indicated in IFRS 13, to the measurement of the derivatives, a technique was used based on calculation through simulations of the total expected exposure (which includes both the current exposure as well as the potential exposure), adjusted by the probability of default over time and the expected loss (or potential loss) assigned to the Company and each of its counterparties.

The total expected exposure of the derivatives is obtained using observable market inputs, such as interest rate curves according to market conditions on the measurement date.

The inputs applied to obtain internal and counterparty credit risk (determination of the probability of default) are based mainly on applying the Company's own credit spreads or those of comparable companies currently traded on the market (CDS curves).

On 31 October 2014, the fair value measurements of the various derivative financial instruments fall within level 2 of the fair value hierarchy established by IFRS 7 since the inputs are based on listed prices for similar instruments in active markets (not included in level 1), listed prices for identical or similar instruments in markets which are not active, and techniques based on measurement models for which all the material inputs are observable in the market or may be corroborated by observable market data.

The Group has determined that the inputs used to measure the derivatives fall within level 2 of the fair value hierarchy, as the inputs used to calculate the credit risk adjustments within the level 3 hierarchy, such as credit estimates based on the credit rating or comparable companies to evaluate the probability of the company or the counterparty going bankrupt have been considered no significant relevance in the measurement of the fair value of derivative instruments.

d.2.3) Trade payables

Trade payables are not interest bearing and are stated at their nominal value, which does not vary substantially from their fair value.

d.2.4) Current/Non-current classification

In the accompanying Consolidated Statement of Financial Position, assets and liabilities maturing within twelve months are classified as current items and those maturing within more than twelve months are classified as non-current items.

Loans maturing within twelve months but whose long-term refinancing is assured at the Parent's discretion, through existing long-term credit facilities, are classified as non-current liabilities.

e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases. All of the Group's leases are operating leases.

Operating leases

In operating leases, the ownership of the leased asset and substantially all the risks and rewards relating to the leased assets remain with the lessor, which recognises the assets at their acquisition cost.

These assets are depreciated using a policy consistent with the lessor's normal depreciation policy for similar items and lease income is recognised in the income statement on a straight-line basis.

When the consolidated companies act as the lessee, lease costs, including any incentives granted by the lessor, are recognised as an expense on a straight-line basis. Amounts received and receivable as incentives for the arrangement of operating leases are also allocated on a straight-line basis over the term of the lease.

f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and overheads incurred in bringing the inventories to their present location and condition.

Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of inventories is calculated by using the weighted average cost formula. Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The Group assesses the net realisable value of the inventories at year-end and recognises the appropriate loss if the inventories are overstated. When the circumstances that previously caused the net realisable value of the inventories to decrease no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

g) Termination benefits

Under current labour legislation, the companies are required to pay termination benefits to employees terminated without just cause. There are no situations of this nature in these consolidated interim financial statements.

h) Income tax

The income tax expense represents the sum of the current tax expense and the change in deferred tax assets and liabilities.

The current income tax expense is calculated by aggregating the current tax expense arising from the application of the tax rate to the taxable profit (tax loss) for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

Deferred tax assets and liabilities include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or the initial recognition (except in the case of a business combination) of other assets and liabilities in a transaction that affects neither accounting profit/(loss) nor taxable profit/(tax loss).

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilised, and the deferred tax assets do not arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit/(loss) nor taxable profit/(tax loss).

The other deferred tax assets (tax loss and tax credit carryforwards) are only recognised when it is probable that the consolidated companies will have sufficient taxable profits in the future against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at the end of each reporting period in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

All of the Group companies, except Sierra de las Carbás, S.L.; La Caldera Energía Burgos, S.L.; and Parque Eólico Tesosanto, S.L., are included, in accordance with the legislation in force, in Tax Group 30/99, headed by ACS, Actividades de Construcción y Servicios, S.A.

The companies indicated are excluded because at 1 January 2014 they did not meet the requirements to form part of the tax group.

i) Income and expense

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards associated with the sold asset are transferred to the purchaser and the asset is no longer managed on a current basis or effective control retained over it.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

j) Current/Non-current classification

In the accompanying consolidated Statement of Financial Position, balances receivable and payable were classified on the basis of their residual maturity from the statement of financial position date. Balances due to be settled within twelve months are deemed to be "current" items and those due to be settled within more than twelve months are classified as "non-current" items.

k) Provisions

The Group's consolidated interim financial statements include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, as required by IAS 37.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

At 31 October 2014, certain litigation and claims are in process against the consolidated Group companies arising from the ordinary course of their operations; the risk of these proceedings giving rise to liabilities is considered to be remote and, therefore, no provisions have been recognised, the main legal/administrative in course proceedings are:

- o An administrative proceeding from the City Council of Alcazar de San Juan City Hall against Manchazol 2 Central Termosolar Dos, S.L. for an amount of EUR 3.8 million related to the reviewing of the fulfilment of certain agreements in which the Company was obligated after obtaining a grant during the construction period. The Company believes that it fulfilled the requirements and does not expect possible or anticipated future outcomes.
- o Administrative proceeding from the [Customs and Special Taxes Unit (*Unidad Especial de Aduanas e Impuestos Especiales*)] related to the settlement of the electricity tax for the period of 2009 to 2012 against Manchazol 2 Central Termosolar Dos, S.L. for a maximum amount of EUR 3.1 million. The proceeding is underway and the Company does not expect significant disbursements because they and their legal advisors believe the risk to be remote.

The Group's legal advisers and directors consider that the outcome of litigation and claims will not have a material effect on the consolidated financial statements for the years in which they are settled.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings not yet used to acquire qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other interest costs are recognised in profit or loss in the year in which they are incurred.

m) Consolidated statement of cash flows

The following terms are used in the consolidated statement of cash flows, which were prepared using the indirect method, with the meanings specified:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the consolidated Group companies and other activities that are not investing or financing activities.

- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in equity and borrowings.

n) Risk management policy

The Group is exposed to certain risks which it manages by applying risk identification, measurement, concentration limitation and monitoring systems.

The main principles defined by the Group for its risk management policy are as follows:

- Strict compliance with good corporate governance standards.
- Establishment by the Group's various lines of business and companies of the risk management controls required to assure that market transactions are performed in accordance with the policies, standards and procedures of the Group.
- Special attention to the management of financial risk, basically including interest rate risk, foreign currency risk, liquidity risk and credit risk (see Note 14).

The Group's risk management is of a preventative nature and is aimed at the medium and long term, taking into account the most probable scenarios with respect to the future changes in the variables affecting each risk.

o) Related-party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Parent's Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

p) Company actions which impact the environment

Any operation, the main aim of which is to prevent, reduce or repair environmental damage is considered to be an environmental activity. Investments made in connection with environmental activities are measured at acquisition cost and are capitalised to non-current assets in the year in which the related expenses are incurred.

The costs arising from the business activities aimed at protecting and improving the environment are accounted for as an expense of the year in which they are incurred. The costs incurred on items of property, plant and equipment the purpose of which is to minimise the environmental impact and protect and improve the environment are recognised as an addition to property, plant and equipment.

q) Financial instrument disclosures

The qualitative and quantitative disclosures relating to financial instruments, risk management and capital management are detailed in the following notes to the consolidated financial statements.

Financial asset and liability categories, including derivative financial instruments and accounting policies are detailed in Note c).

- Classification of the fair value measurements of financial assets and for derivative financial instruments consistent with the hierarchy of fair value established in IFRS 7, in Note 16.
- Qualitative and quantitative capital disclosure requirements are detailed in Note 12.
- Accounting and risk management policies are detailed in Notes 14 and 15.
- Derivative financial instruments and hedge accounting are detailed in Note 16.
- Transfers from equity to profit for the year of settlements of hedging derivative financial instrument transactions are detailed in Note 12.

r) Segment information

The whole of the Group is included in the Industrial Services segment of the ACS Group. This area engages in the provision of applied engineering services and the installation and maintenance of industrial infrastructure in the energy, communications and control systems industries.

The Saeta Yield Group constitutes a single business segment since, on one hand, management and decision-making process are common and, on the other hand, the activities carried out (the generation of electricity through renewable energy sources) and the geographical area in which the activities are carried out is common for all companies of the Group.

s) Standards and interpretations coming into force in the current period

In 2014 the following mandatory standards and interpretations came into force and were adopted by the European Union and, where applicable, were used by the Group in the preparation of the accompanying interim reporting at 31 October 2014:

New standards, amendments and interpretations whose application is mandatory in the year beginning 1 January 2014:

Approved for use in the European Union		Mandatory application in the years beginning on or after:
IFRS 10 - Consolidated financial statements (published in May 2011)	Replaces current consolidation requirements of IAS 27.	Annual periods beginning on or after 1 January 2014 ⁽¹⁾
IFRS 11 - Joint arrangements (published in May 2011)	Replaces consolidation requirements of IAS 31.	Annual periods beginning on or after 1 January 2014 ⁽¹⁾
IFRS 12 - Disclosure of interests in other entities (published in May 2011)	Separate standard establishing the disclosures relating to interests in subsidiaries, associates, joint ventures and unconsolidated companies.	Annual periods beginning on or after 1 January 2014 ⁽¹⁾
IAS 27 (Revised) - Individual financial statements (published in May 2011)	The standard has been revised given that following its the issue of IFRS 10, it will only comprise an entity's separate financial statements	Annual periods beginning on or after 1 January 2014 ⁽¹⁾
IAS 28 (Revised) - Investments in associates and joint ventures (published in May 2011)	Parallel revision in relation to the issue of IFRS 11 Joint Ventures	Annual periods beginning on or after 1 January 2014 ⁽¹⁾
Amendment of IAS 32 Financial instruments: Presentation - Offsetting financial assets and financial liabilities (published in December 2011)	Additional clarifications of offsetting rules for financial assets and liabilities IAS 32	Annual periods beginning on or after 1 January 2014
Amendments to IAS 36 – Disclosures on the recoverable amount of non-financial assets (published in May 2013)	Clarifies when certain disclosures are necessary and increases those required when the recoverable amount is based on the fair value less sale costs.	Annual periods beginning on or after 1 January 2014
Amendments to IAS 39 – Novation of derivatives and continuation of hedge accounting (published in June 2013)	The amendments determine in which cases and based on which criteria the novation of a derivative requires hedge accounting to be discontinued.	Annual periods beginning on or after 1 January 2014
IFRIC 21 Levies	The interpretation requires an entity to measure the levy when a constructive obligation arises, such that if, for example, it arises on 31 December in prior interim years, no prepaid expense should be recognised, when up until now customary practice is to record certain levies when they fall within the scope.	Annual periods beginning on or after 17 June 2014

(1) The European Union delayed the mandatory application date by one year. The original application date of the IASB is 1 January 2013.

The application of these standards did not have a material effect on the consolidated interim financial statements prepared on 31 October 2014.

s) Standards and interpretations issued not yet in force

At the date of the preparation of these consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet entered into force, either because the date they were to enter into force was subsequent to the date of the financial statements, or because they had not yet been adopted by the European Union:

Not approved for use in the European Union		Mandatory application in the years beginning on or after:
IFRS 9 Financial instruments: (last phase published in July 2014).	Replaces the requirements for classifying, measuring and derecognising financial assets and liabilities and hedge accounting of IAS 39.	1 January 2018
IFRS 15 Revenue from contracts with customers (published in May 2014)	New revenue recognition standard (replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31)	1 January 2017
Amendment to IAS 19 – Employee contributions to defined benefit plans (published in November 2013)	The amendment was issued to facilitate the possibility of deducting these contributions from the cost of the service in the same period in which they are paid if they meet certain requirements.	1 July 2014
Amendment to IAS 16 and IAS 38 – Acceptable methods of depreciation and amortisation (published in May 2014)	Clarification of acceptable methods of depreciation and amortisation of property, plant and equipment and intangible assets	Annual periods beginning on or after 1 January 2016
Amendment to IFRS 11: Accounting for acquisitions of interests in joint operations (published in May 2014)	Specifies the accounting treatment for the acquisition of an interest in a joint operation that constitutes a business.	1 January 2016
Amendment to IFRS 10 and IAS 28: Sale or contribution of sales between an investor and the associate / joint venture (published in September 2014)	Classification in relation to the result of these operations if they are businesses or assets.	1 January 2016
Amendment to IAS 27: Accounting for entities for using the equity method in separate financial statements (published in August 2014)	It will allow an investor to be accounted for using the equity method in separate financial statements.	1 January 2016
Amendment to IAS 16 and IAS 41: Production plants (published in June 2014)	Production plants shall be recognised at cost instead of at fair value.	1 January 2016

The Group is currently assessing the effect that the future application of these standards might have on the consolidated financial statements once they enter into force. The Group's preliminary assessment is that the effects of the application of these standards will not be significant.

t) Earnings per share

Basic earnings per share are calculated dividing the net profit attributable to the Parent as of 31 October 2014 by the weighted average number of ordinary Shares outstanding during the 10 months period ending 31 October 2014. Accordingly:

	31/10/2014
profit attributable to the Parent (in thousands of Euros)	31,827
weighted average Shares under circulation	3,729
basic earnings per share (Euros)	8,535
basic earnings per share from continuing operations (Euros)	8,535

As of 31 October 2014, the diluted earnings per share were the same as the basic earnings per share, since there are not obligations or share that could potentially be converted into ordinary shares.

Considering that all the shares outstanding at 31 October 2014 (Note 12) had been so since 1 January 2014 and the number of shares outstanding was 6,156,301 shares, the basic earnings per share would have been EUR 5.17.

Intangible assets

The changes in the first ten months of 2014 in "Other intangible assets" were as follows (in thousands of euros):

	Beginning Balance 01/01/2014	Additions	Disposals	Ending Balance at 31/10/2014
Administrative concessions	6,496	-	(444)	6,052
Other intangible assets	168	-	-	168
Total cost	6,664	-	(444)	6,220
Administrative concessions	(444)	-	444	-
Other intangible assets	-	(6)	-	(6)
Total accumulated depreciation	(444)	(6)	444	(6)
Impairment losses	(6,052)	-	-	(6,052)
Total intangible assets, net	168	(6)	-	162

"Other intangible assets" includes the electricity easements to the connection with the electricity distributor.

There are not intangible assets subject to guarantees nor have any grants been received for the acquisition of the assets recognised.

The administrative concessions correspond to the network connection rights, wind studies, licences and administrative authorisations for the start-up of the Group's wind farms, although at the date of preparation of these consolidated financial statements they have been fully amortised.

5. Tangible Assets - Property, plant and equipment

The changes in the first ten months of 2014 in "Other intangible assets" were as follows (in thousands of euros):

	Beginning Balance 01/01/2014	Additions	Ending Balance at 31/10/2014
Land and buildings	9,856	-	9,856
Furniture	49	-	49
Transport equipment	243	-	243
Total cost	10,148	-	10,148
Furniture	(16)	(5)	(21)
Transport equipment	(89)	(28)	(117)
Total accumulated depreciation	(105)	(33)	(138)
Impairment losses	-	-	-
Total net tangible assets - property, plant and equipment	10,043	(33)	10,010

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

"Land and buildings" include the land on which the Extresol 1 and Manchazol 2 solar thermal plant facilities are located and the lands of the Group's other assets are held under operating leases (see Note 7).

There are no fully depreciated items of property, plant and equipment in use or outside of Spanish territory at 31 October 2014.

At 31 October 2014, there was no indication of any impairment of the Group's property, plant and equipment.

6. Non-current assets in projects

The balance of "Non-current assets in projects" in the consolidated Statement of Financial Position at 31 October 2014, includes the costs incurred by the fully consolidated companies in the construction, services and power generation centres whose operation forms the subject matter of their respective activities. The aforementioned amounts relate mainly to the property, plant and equipment associated with projects financed through a project finance structure.

The changes during the first ten months of 2014 in "Tangible assets - Property, plant and equipment" were:

	31/10/2014 (thousands of euros)			
	Investment	Accumulated depreciation	Impairment losses	Carrying amount
Beginning balance (at 01/01/2014)	1,883,962	(260,127)	(174,971)	1,448,864
Additions or charges for the year	2,448	(63,475)	23,947	(37,080)
Transfers	-	-	-	-
Disposals	-	-	-	-
Ending balance	1,886,410	(323,602)	(151,024)	1,411,784

All the project investments made by the Group at 31 October 2014 are as follows:

Company	Type of infrastructure	Start date of operation	Investment	Accumulated depreciation	Impairment losses	Net Value
Extresol I	Solar Thermal power plant	December 2009	354,343	(65,016)	(26,863)	262,464
Manchasol II	Solar Thermal power plant	December 2011	368,071	(36,267)	(65,615)	266,189
Serrezuela Solar II	Solar Thermal power plant	January 2014	283,683	(8,769)	(42,804)	232,110
P.E. Valcaire	Wind Farm	November 2012	22,960	(2,099)	(1,342)	19,519
P.E. Sierra de las Carbás, S.L.	Wind Farm	June 2009	65,226	(18,807)	-	46,419
P.E. Tesosanto	Wind Farm	August 2011	84,148	(14,665)	-	69,483
P.E. La Caldera	Wind Farm	January 2009	39,605	(12,103)	-	27,502
Al-Andalus	Wind Farm	December 2007- August 2009	395,043	(125,764)	-	269,279
P.E. Santa Catalina	Wind Farm	January 2012	191,999	(26,046)	(11,152)	154,801
Eólica del Guadiana	Wind Farm	May 2011	81,332	(14,066)	(3,248)	64,018
Total investment			1,886,410	(323,602)	(151,024)	1,411,784

Non-current assets in projects relate to the facilities necessary to exploit the solar thermal plants and the wind farms operated by the Group companies. The costs capitalised relate to the in-house costs directly attributable to the project, including studies and projects, engineering work, the obtainment of the necessary permits and advances given to the owners of the affected land.

In 2014 no interest was capitalised as an increase in the value of non-current assets in projects.

The Group companies take out insurance policies to cover the possible risks to which their property, plant and equipment are subject. These policies are considered to adequately cover the related risks.

At each reporting date, the Group reviews the carrying amounts of its tangible assets, non-current assets in projects, and intangible assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

As a result of the foregoing, on 31 October 2014 the impairment losses recognised on the Group's assets following the approval of Ministry Order IET/1045/2014 were re-evaluated, and net reversals of impairment amounting to EUR 23,947 thousand were recognised, that basically correspond to the reversals in Manchasol 2, Thermosolar Plant, for an approximate amount of EUR 10 million, in Santa Catalina for approximately EUR 13 million approximately, and in Eolica del Guadiana for approximately EUR 14 million (on the other hand, there are impairments booked in assets that have been started their operation for the remaining impairment). As such, the most significant impacts on the

evolution correspond to reversals due mainly to the improvement in the remuneration regime from the above mentioned Order (that affect each installations differently according to the technology and the year of the start-up) in respect of the provisional regime that have been taken into account to determine the value in use and the impairment needed at 31 December 2013, and for the decrease of the discount rate in most of the projects (WACC) mainly due to the favourable evolution of the risk premium and the rate of the ten year Spanish bond taken as a reference in its calculation. This re-evaluation of the impairments has been made according to the following methodology.

To calculate the value in use of these types of assets, a projection was made of the expected cash flows until the end of the asset's life. Therefore, no termination value was considered. The projections incorporate both data already available (based on project agreements) and fundamental assumptions supported by specific studies performed by experts (on demand, production, etc.). In particular, the final remuneration parameters approved in Ministry Order IET 1045/2014, of 16 June, were used to determine income (see Note 1). Similarly, macroeconomic data was projected (inflation, interest rates, etc.) by using the information provided by independent specialised sources (i.e. Bloomberg).

Since they are assets with a specific financing, the discounted cash flows are those of the project itself. The project's operating cash flows are discounted at an average floating WACC rate based on the evolution of the gearing envisaged for the project in the remainder of its useful life (as indicated in note 3.c). The discount rates used to discount these flows is between a range of 5.9% and 8%.

In addition the Group has performed an analysis of the sensitivity of the result of the impairment test variations on the WACC discount rate (considered as the most relevant hypothesis and sensitive to future variations) of 50 basis points, obtaining the following results:

- An increase of the WACC in each project of 0.5% would give a register of an additional impairment provision of EUR 15,974 thousands instead of a reversal of EUR 23,947 thousands.
- A decrease of the WACC in each project of 0.5% would give a higher reversal of the impairments of EUR 42,565 thousands.

In order to guarantee the compliance with the obligations under the Financing Agreements described in Note 13, certain Group companies have transferred outright to the lenders all of the collection and other rights and guarantees deriving from the contracts for the construction work, operation, maintenance and refurbishment of the plant, management and administration services, contracts for the use of land, purchase and sale of energy, the compensation payments from the insurance policies arranged, together with the pledge of all of the share capital of certain Group companies.

Also, EUR 1,160 million are being used to guarantee the financing agreements described in Note 13.

7. Leases

With respect to the land on which the Group's solar thermal plants and wind farms are located, except for those mentioned in Note 5, the other Companies have entered into operating leases maturing at long-term.

At 31 October 2014, the future minimum lease payments under the aforementioned non-cancellable leases are as follows:

	31/10/2014
In one year	3,300
Two to five years	18,042
Over five years	73,570
Total	94,912

8. Other current and non-current financial assets

The detail of "Other current and non-current financial assets" at 31 October 2014 is as follows (in thousands of euros):

a) Other non-current financial assets

	31/10/2014
Equity instruments	6,982
Deposits and guarantees	93
Total	7,075

The long-term equity instruments relate, mainly, to investments of the various Group companies in economic interest groupings in which they participate together with other companies unrelated to the Group in order to provide services auxiliary to the activities they carry out. These equity instruments are measured at historical cost or book value since their fair value cannot be reliably calculated and are detailed as follows:

	Balance at 31/10/2014 (in thousands of euros)		
	Extresol-1, S.L.	Serrezuela Solar II, S.L.	Total
Sistemas de Evacuación Albuera SET Olivenza-Vaguadas	4,726	-	4,726
Extresol Almacenamiento GNL	10	-	10
Evacuación Valdecaballeros	-	2,246	2,246
Total	4,736	2,246	6,982

b) Other current financial assets

	31/10/2014
Deposits and guarantees	65,092
Total	65,092

The deposits and guarantees relate, mainly, to the deposits made in the corresponding banks for the debt service reserve fund that must be maintained by the Group companies until the project finance related thereto is cancelled (see Note 13).

9. Trade and other receivables

The carrying amount of trade and other receivables reflects their fair value, the detail for the first ten months of 2014 being as follows (in thousands of euros):

	31/10/2014
Trade receivables for sales and services	1,964
Trade receivables for amounts to be billed	64,052
Other receivables	10
Other receivables from Group companies and related parties (Note 20)	11,530
Total	77,556

"Trade receivables for amounts to be billed" includes mainly:

- The remuneration accrued with CNMC ("*Comisión Nacional de los Mercados y la Competencia*") in September and October, the average collection period of which is 60 days, with an amount of EUR 22,481 thousands, billed up to a 78.92% in the date of preparation of these financial statements.
- The difference between the remuneration accrued that corresponds to the companies until 31 August 2014, as accepted by the CNMC, and the amount billed, which, pursuant to Law 24/2013, regarding the participation of electricity market players in financing the temporary imbalances between income and cost in the electricity system by delaying invoicing a portion of the monthly settlements, at the end of October, amounted to 29.67% of the total return on the investment, remuneration for generation and remuneration for operation (the latter only applies to solar thermal plants) amounting EUR 31,898 thousand. This percentage of delays in billing at the date of preparation of these interim consolidated financial statements decreased to 21.08% of the remuneration accrued until 31 October 2014, whereby the difference is already billed at the date of preparation of these financial statements. The difference has been billed in the date of preparation of these interim consolidated financial statements.

The Group considers that the carrying amount of trade receivables reflects their fair value.

10. Inventories

"Inventories" in the consolidated financial statements at 31 October 2014 relates in full to spare parts for one of the wind farms which is part of Parque Eólico Al-Andalus Wind Power, S.L.

11. Cash and cash equivalents

"Cash and Cash Equivalents" includes the Group's cash and short-term bank deposits with maximum maturity of three months from the date of its formation. The amount included as cash and cash equivalents amounts to EUR 58,463 thousand. The carrying amount of these assets reflects their fair value. There are no restrictions on the use of the balances included under "Cash and Cash Equivalents".

12. Equity

a) Share capital

At 31 October 2014, the Parent's share capital was comprised of 6,156,301 shares, numbered from 1 to 6,156,301 of EUR 10 par value each, of which:

On 24 October 2014, the Parent's share capital was increased by 6,000 shares of EUR 10 par value each in order to convert it into a public limited liability company. At 31 October 2014, this share capital increase was fully subscribed and paid and it was registered in the Mercantile Registry on 30 October 2014.

At 31 October 2014, the share capital was increased through the issue of 1,000,000 fully subscribed and paid shares of EUR 10 par value each and it was registered in the Mercantile Registry on 14 November 2014. This capital increase also includes a share premium of EUR 143,239 thousand.

At 31 October 2014, the shareholders at the General Meeting approved a second share capital increase through the issue of 5,150,000 shares of EUR 10 par value each, with a share premium of EUR 408,216 thousand, which the shareholders subscribed and paid on 20 November 2014 through an external financing operation carried out by the ACS SCE Group. At 31 October 2014, this amount is recognised in the Group's Consolidated Statement of Financial Position under "Assets - Called-up capital on shares or ordinary shareholdings" for EUR 459,716 thousand (note 20). This increase was registered in the Mercantile Registry on 9 January 2015.

The detail of the share capital at 31 October 2014, is as follows:

	Treasury	% Share capital
Urbaenergía, S.L. (*)	6,300	0.10%
Energía y Recursos Ambientales, S.A. (*)	4,617,226	75.00%
Cobra Sistemas y Redes, S.A. (*)	1,532,775	24.90%
Total shares	6,156,301	

(*) These companies wholly belong to the ACS SCE Group.

Each share confers the holder the right to cast a vote and all shares grant the same dividend and voting rights.

The Parent's shares are not officially listed.

The purpose of the capital increases carried out on 31 October 2014 was to incorporate the new head of the companies mentioned in Note 2 under common control of ACS, Servicios, Comunicaciones y Energía, S.L.

b) Legal reserve

Under the Consolidated Spanish Corporate Enterprises Law (*Texto Refundido de la Ley de Sociedades de Capital*), 10% of net profit must be transferred to the legal reserve until the balance of this reserve reaches 20% of the share capital. At 31 October 2014, the legal reserve had not reached the stipulated level.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

c) Share premium

At 31 October 2014, the share premium amounted to EUR 551,455 thousand. The share premium amount arose as a result of the two share capital increases carried out on 31 October 2014 for EUR 143,239 thousand and EUR 408,216 thousand, respectively, the latter of which was subscribed and paid on 20 November 2014. At 31 October 2014, this amount is recognised in the Group's Consolidated Statement of Financial Position under "Assets - Called-up capital on shares or ordinary shareholdings".

The Consolidated Spanish Corporate Enterprises Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

d) Other reserves

Negative EUR 163,125 thousand was recognised on 31 October 2014 under "Other reserves".

e) Hedging instruments

The changes in "Hedging instruments" during the first ten months of 2014 were as follows (in thousands of euros):

	31/10/2014
Beginning balance	(93,653)
Income/(expenses) recognised in Equity	(52,662)
Transfers to profit or loss	20,184
Ending balance	(126,131)

"Hedging instruments" in the accompanying consolidated Statement of Financial Positions includes the net amount of changes in the fair value of financial derivatives designated as hedging instruments in cash flow hedges, net of the related tax effect.

The Group has arranged interest rate hedges for a notional amount of EUR 844,949 thousand to finance wind farms and solar thermal plant (see Note 16). They consist of interest rate swaps maturing between 2014 and 2024. The value of these financial instruments, net of the tax effect –taking into account the new tax rates introduced by Law 27/2014, of 27 November (see Note 19)–, amounts to negative EUR 126,131 thousand at 31 October 2014.

f) Net profit attributable to the Parent

The contribution of each consolidated company to 31 October 2014 profit/(loss) was as follows (in thousands of euros):

Company	Total consolidated profit/(loss)
Saeta Yield	(35)
Extresol I	4,469
Manchasol II	6,435
Serrezuela Solar II	1,256
Al-Andalus	1,365
P.E. Santa Catalina	7,818
P.E. Valcaire	446
Eólica del Guadiana	10,420
P.E. Sierra de las Carbas	(30)
P.E. Tesosanto	(132)
La Caldera Energía Burgos	(185)
Total	31,827

13. Current and Non-current Project Finance

At 31 October 2014, the Group had been granted the following loans:

	31/10/2014	
	Current	Non-current
Project financing	57,555	1,069,059
Loan arrangement costs	-	(9,471)
Unmatured interest payable	18,781	-
Total	76,336	1,059,588

The detail, by maturity, of the non-current Project Finance at 31 October 2014 is as follows:

Maturity	Project Finance
Nov. 2015 - Dec. 2015	20,844
2016	62,687
2017	65,058
2018	67,278
2019 and subsequent years	853,192
Total	1,069,059

The detail of the gross financial debt by Company of each financing, detailing maturity and conditions is the following:

Company	Acquisition Date	Maturity	Interest rate	Disposal		
				Short-term	Long-term	Total
Extresol I	July 2007	June 2029	EUR6M +1,05%*	12,044	269,262	281,306
Manchasol II	April 2009	March 2029	EUR6M +3,10%*	11,552	257,491	269,043
Al-Andalus	July 2007	July 2027	EUR6M +0,80%**	17,234	235,096	252,330
P.E. Santa Catalina	August 2008	June 2028	EUR6M +1,30%**	6,592	121,861	128,453
Eólica del Guadiana	February 2010	December 2027	EUR6M +3,00%**	2,405	49,163	51,568
P.E. Sierra de las Carbás	December 2007	December 2027	EUR6M +0,80%**	2,654	46,768	49,422
P.E. Tesosanto	December 2007	December 2027	EUR6M +0,80%**	3,539	60,491	64,030
La Caldera Energía Burgos	December 2007	December 2027	EUR6M +0,80%**	1,535	28,927	30,462
Total				57,555	1,069,059	1,126,614

*This project financing applies different interest rates depending on the covenant rate of the debt service the previous year.

** These project financings apply different interest rates which apply in different periods from the start date of operation, except Eólica del Guadiana which change of period on the sixth year. The other wind farms changes on the fifteenth year.

On 31 October 2014, all of the bank borrowings are comprised of the amount of the financing associated with the projects listed in Note 6. These amounts are increased by the accrued interest payable and reduced by the debt arrangement expenses, and the breakdown is as follows (in thousands of euros):

Company	Current	Non-current	Total
Extresol I	16,292	269,262	285,554
Manchasol II	17,475	251,644	269,119
Al-Andalus	20,697	234,971	255,668
P.E. Santa Catalina	8,503	120,764	129,267
Eólica del Guadiana	3,571	47,680	51,251
P.E. Sierra de las Carbas, S.L.	3,517	46,464	49,981
P.E. Tesosanto	4,331	60,059	64,390
La Caldera Energía Burgos	1,949	28,745	30,694
Total	76,336	1,059,588	1,135,924

These financing structures are applied to projects capable in their own right of providing sufficient guarantees to the participating financial institutions with regard to the repayment of the funds borrowed to finance them. The project's assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a given amount, and on the other, generally of a larger amount, through borrowed funds in the form of long-term debt. The debt servicing of these loans is supported by the cash flows to be generated by the project in the future and by security interests in the project's assets. There is no recourse to the shareholder in relation to payment obligations arising from financing agreements.

The project finance accrues interest at market rates. In addition, these financing structures include clauses requiring that the project being financed fulfil certain ratios.

The Group companies' financing agreements include a series of obligations which must be fulfilled during the terms thereof and which are mainly the following:

- Extresol I:

- o Not to dispose, encumber or transfer in any way the rights or assets for a cumulative amount greater than EUR 600,000 at 2006 values (according to the acquisition's carrying amount).
- o Establish within a period of twelve months from completion of the works the debt service reserve fund.
- o The DSCR is greater than 1 in any given year and it is not less than 1.05 in two consecutive years.
- o The gearing ratio is greater than 10/90.
- o Not to incur any other debt other than those mentioned, nor grant loans, guarantees, donations or any other discretionary gifts.

- Manchasol 2:

- o Not to encumber in any way any of the assets or items of its property plant and equipment, either as a whole or one or various assets.
- o Establish within a period of twelve months from completion of the works the debt service reserve fund.
- o Maintain a gearing ratio of 20/80.
- o Not to incur any other debt other than those mentioned, nor grant loans, guarantees, donations or any other discretionary gifts.
- o Not have a debt service coverage ratio below 1.00 during two consecutive years or below 1.05 in any year.

- Al-Andalus:

- o Not to dispose, sell, mortgage or encumber in any other way any of the assets or items of its property plant and equipment, either as a whole or one or various assets, for an amount greater than EUR 500,000 (according to the acquisition's carrying amount) throughout the term of this agreement.
- o Maintain a senior debt/equity ratio equal to or less than 85 per cent throughout the term of the loan.
- o Maintain a DSCR greater than 1.05x.

- P.E. Santa Catalina:

- o Not to encumber in any way any of the assets or items of its property plant and equipment, either as a whole or one or various assets, for an amount greater than EUR 500,000.
- o Maintain a senior debt/equity ratio equal to or less than 80 per cent throughout the term of the credit facility.
- o Not to incur any other debt other than those mentioned, nor grant loans, guarantees, donations or any other discretionary gifts.

- Eólica del Guadiana:

- o Maintain a credit facility/equity ratio of no more than 32.9/67.1 per cent.
- o Not have a debt service cover ratio below 1.10 during the life of the credit facility.

- Tesosanto, Sierra de las Carbas and La Caldera:

- o Not to dispose, sell, mortgage or encumber in any other way any of the assets or items of its property plant and equipment, either as a whole or one or various assets, for an amount greater than EUR 500,000 (according to the acquisition's carrying amount) throughout the term of this agreement.
- o Maintain a senior debt/equity ratio equal to or less than 90 per cent throughout the term of the loan.
- o Not have a debt service coverage ratio below 1.05 during two consecutive years or below 1.03 in any year.

As of today's date, the financial and non-financial covenants established in the financing agreements have been met, and these financial commitments are not expected to be breached in the future.

Within the financial covenants established in the financing agreements there are restrictions on the distribution of dividends.

Other current and non-current liabilities with Group companies and related parties

Both "Current liabilities - Other financial liabilities with Group companies and related parties" and "Non-current liabilities - Other financial liabilities with Group companies and related parties" in the accompanying consolidated Financial Statements include basically the debts Group companies have with other related companies (see Note 20).

14. Financial risk management

In view of its business activities, the Group is exposed to various financial market risks, arising mainly from the ordinary course of its operations. The market risks include mainly interest rate, liquidity and credit risk.

Interest rate risk

This risk arises from changes in future cash flows from borrowings bearing interest at floating rates as a result of fluctuations in market interest rates.

The objective of the management of this risk is to mitigate the impact on the cost of the debt arising from fluctuations in interest rates. For this purpose financial derivatives which guarantee fixed interest rates or rates with a narrow range of fluctuation are arranged for a substantial portion of the borrowings that may be affected by this risk.

The Group mitigates interest rate risk by arranging hedges, as disclosed in Note 16.

The sensitivity of the Profit and the Equity of the Group related to variations in the interest rate, considering the hedging instruments, is the following (in thousands of Euro):

	Change in interest rate (basis points)	Effect on profit (before tax)	Effect on Net Equity (After tax)
31/10/2014	50	1,408	17,223
	(50)	(1,408)	(17,223)

Liquidity risk

This risk arises from the timing differences between borrowing requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds obtained from the conduct of the Group's ordinary operations, different forms of bank financing, capital market transactions and divestments.

The objective is to ensure a balance in relation to flexibility, term and conditions of the credit facilities arranged on the basis of the projected short-, medium- and long-term financing needs. The Group's sensitivity to liquidity risk is scanty material.

In this context of regulatory changes over the past few years as described in Note 1 and the current situation of imbalances in the collection of remuneration indicated in Note 9, the Directors consider that the cash flows generated by the companies and, where applicable, the financial support necessary of the ACS Group to which it

belongs, with which it carries out commercial and financial transactions and has significant balances (Note 20), guarantee the normal conduct of its business. In this regard, the budgets of the companies consider adapting the collections and payments arising from transactions with related parties at the rate necessary in order to comply with the financial commitments described in Note 13.

Credit risk

In general, the Company holds its cash and cash equivalents at banks with high credit ratings.

The main risk associated with customers is due to the concentration of customers since the Group's activity, the generation of electricity from renewable energy sources, is regulated by the Ministry of Industry and Tourism, which makes it impossible for other market players to access this activity.

Price risk

The remuneration of facilities which produce electricity under the special regime will be determined by: i) the sale of energy generated valued at market price and ii) a specific remuneration consisting of a period per unit of installed power which covers, where appropriate, if necessary, the investment costs of a standard facility which cannot be recovered in the market through the sale of energy, as well as a period for the operation which covers, where applicable, the difference between the operating costs and the revenue from the aforementioned standard facility's participation in the market; thus, the risk of long-term variations are noticeably reduced as a whole.

Regulatory change

The activities of the Group companies are subject to a wide range of government regulations. Any changes to these regulations could affect activities and earnings (see Note 1).

Its electricity production from renewable energies is subject to a comprehensive law on tariffs and other aspects of its activities in Spain. The introduction of new laws or regulations, or the amendment of existing laws and regulations, could have an adverse or positive effect on the business activities and the results of operations.

Also, the current legislative framework governing the tariff review system, including the remuneration of electricity generated, constitutes the main support mechanism for the development of these renewable sources.

Other external factors with an impact on the Company's business activities

The activities of the Companies are influenced by weather, an external factor which may adversely affect its operations, results and financial situation.

15. Capital management

The objectives of capital management at the Group are to maintain an optimum financial and net worth structure to reduce the cost of capital and at the same time to safeguard the Group's ability to continue operating with sufficiently sound debt/equity ratios.

The capital structure is controlled basically through the debt/equity ratio, calculated as net financial debt divided by equity. Net financial debt is taken to be:

+ Net recourse debt:
+ Non-current bank borrowings
+ Current bank borrowings
- Cash and other current financial assets
+ Project finance debt

The Directors consider that the leverage ratio at 31 October 2014 was adequate, due to the unique nature of the assets that form part of the Group, assets financed under a project financing arrangement that are very long-term financing structures that apply to projects that are capable of providing sufficient support by themselves to participating financial institutions with regard to the reimbursement of debts assumed to carry the projects out, and whose debt servicing is backed by the cash flows that the project itself will generate in the future, as well as by collateral on the project assets, the detail being as follows (in thousands of euros):

	31/10/2014
+ Other financial liabilities	16,687
- Other current financial assets and cash	(209,222)
+ Net project financing debt	1,135,924
Net debt	943,389
Equity	355,589
Leverage	265.30%

16. Derivative financial instruments

The activities carried out by the Group are exposed to financing risks and, more specifically, interest rate risk. In order to reduce the impact of these risks and in accordance with its risk management policy, the Group has arranged various financial derivatives, which have long-term maturities.

Approximately 75% of the Group's external bank borrowings is hedged by the aforementioned financial derivatives in order to mitigate the interest rate risk.

The Group companies met the requirements described in Note 3 on measurement bases in order to classify the financial instruments detailed as hedges.

The following table shows the fair value of these hedges at 31 October 2014 (in thousands of euros):

	31/10/2014	
	Non-current	Account
Cash flows (interest rate)	147,824	21,199
Total	147,824	21,199

The detail, by maturity, of the notional amounts of the aforementioned hedging instruments, on the basis of the nature of the contracts, and which were measured taking into account that set forth in Note d.2.2, is as follows at 31 October 2014:

	Thousands of euros								
	Notional value	2014	2015	2016	2017	2018	2019	2020 and subsequent years	Gross fair value
Interest rate	844,949	11,551	27,186	46,947	48,713	50,379	176,646	483,527	(169,023)

The detail of the interest rate hedges contracted by the Group Companies is as follows:

Company	Acquisition Date	Maturity	Exchange flows		Disposal	
			Floating rate	Fixed rate	Notional	Fair value
Extresol I	July 2007	December 2022	EUR6M +1,05%*	50% 4,64% / 50% 4,078%	210,967	(47,300)
Manchasol II	April 2009	December 2022	EUR6M +3,10%*	4,3225%	201,783	(44,787)
Al-Andalus	July 2007	July 2019	EUR6M +0,80%**	4,874%	189,249	(32,467)
P.E. Santa Catalina	August 2008	June 2021	EUR6M +1,30%**	3,850%	96,340	(16,489)
Eólica del Guadiana	February 2010	December 2023	EUR6M +3,00%**	3,780%	38,675	(7,319)
P.E. Sierra de las Carbas	December 2007	Jun. 2020 – Jun. 24	EUR6M +0,80%**	50% 4,456% / 50% 3,76%	47,900	(9,170)
P.E. Tesosanto	December 2007	Jun. 2020 – Jun. 24	EUR6M +0,80%**	50% 4,456% / 50% 3,70%	38,681	(7,405)
La Caldera Energ. Burgos	December 2007	Jun. 2020 – Jun. 24	EUR6M +0,80%**	50% 4,456% / 50% 3,760%	21,354	(4,088)
Total					844,949	(169,025)

*This project financing applies different interest rates depending on the covenant rate of the debt service the previous year.

** These project financings apply different interest rates which apply in different periods from the start date of operation, except Eólica del Guadiana which change of period on the sixth year. The other wind farms changes on the fifteenth year.

17. Trade and other payables

The detail of "Trade and other payables" at 31 October 2014 (in thousands of euros):

	31/10/2014
Trade payables	7,418
Trade payables to Group companies and related parties (Note 20)	25,095
Customer advances	9,166
Total	41,679

18. Disclosures on deferred payments to suppliers Additional Provision Three. Additional Provision Three. "Duty of Disclosure" of Law 15/2010, of 5 July

In relation to the disclosures required by Additional Provision Three of Law 15/2010, of 5 July, at 31 October 2012, EUR 16,122 thousand of the balance payable to Spanish Group companies was past due by more than the maximum payment period.

This balance relates to suppliers which, due to their nature, are trade payables to suppliers of goods and services, such that the information includes data relating to "Current liabilities - Suppliers and payables" in the consolidated Statement of Financial Position.

The maximum legal payment period applicable to the Company according to Law 3/2004, of 29 December, establishing measures combating late payment in commercial transactions and in accordance with the transitional provisions established in Law 15/2010, of 5 July, is 85 days between the entry into force of the law and 31 October 2011, 75 days from 1 January 2012 to 31 October 2012, and 60 days beginning 1 January 2013.

In addition, according to Law 11/2013, on 27 July 2013 the maximum legal period becomes 30 days, except in cases in which an agreement was reached which established a longer payment period, which under no circumstances may be greater than 60 days.

	Thousands of euros	
	31/10/2014	%
Payments within the maximum legal period	18,554	36%
Other	32,348	64%
Total payments	50,902	100%
Weighted average period past due (days)	84	
Balance payable past due by more than the maximum payment period	16,122	

19. Tax matters

The breakdown of "Tax Receivables" and "Tax Payables" at 31 October 2014 (in thousands of euros) is:

	31/10/2014
Tax refunds receivable	993
Withholdings and prepayments	253
VAT refundable	763
TOTAL ASSETS	2,009
Income tax payable	19,943
Tax payables	6,175
VAT payable	3,354
Accrued social security taxes payable	7
TOTAL EQUITY AND LIABILITIES	29,479

Income tax is calculated on the basis of the accounting profit or loss determined by application of generally accepted accounting principles, which does not necessarily coincide with the taxable base amount.

In relation to the years open for review of the various taxes applicable to the operations of the Group, there might be contingent tax liabilities which cannot be objectively quantified, since they would depend on the outcome of the tax audits of the years open for review beginning from 2006 (inclusive) for income tax, from 2011 (inclusive) for value added tax and from 2009 (inclusive) for all other taxes. No additional material liabilities that might have a material impact on equity are expected to arise for the Company as a result of an audit of the years open for review.

All of the Group companies, except Sierra de las Carbass, S.L., La Caldera Energía Burgos, S.L. and Parque Eólico Tesosanto, S.L., are included in the consolidated tax group headed by ACS, Actividades de Construcción y Servicios, S.A. as stated in Note 3.h.

The reconciliation of the income tax expense resulting from the application of the standard tax rate in force in Spain to the current tax expense recognised are as follows (in thousands of euros):

	31/10/2014
Consolidated profit before tax	41,729
Losses accounted for using the equity method	(44)
Temporary differences (non-deductible financial costs)	6,233
Temporary differences (non-deductible depreciation)	21,842
Temporary differences (accelerated depreciation)	10,638
Taxable base amount	80,398
Tax at 30%	24,119
Current tax income expense	24,119
Expense/(Income) relating to adjustments to temporary tax differences	(11,614)
Expense/(Income) relating to adjustments to deferred tax due to changes in the tax rate	(2,603)
Expense/(Income) relating to adjustments to taxes from other years	197
Ending income tax expense balance	9,902

As a result of the entry into force of Income Tax Law 27/2014, of 27 November, which amends, among other items, the tax rates to be applied beginning 1 January 2015, the Group has recalculated its deferred tax assets and liabilities applying the new tax rates introduced by the aforementioned law. This resulted in a decrease in the deferred tax assets arising, mainly, from non-deductible amortisation and non-deductible financial costs since they exceed the regulatory limits established and in the deferred tax assets arising from the accelerated depreciation applied at Extresol 1, S.L. and Al-Andalus Wind Power, S.L.

At 31 October 2014, the income tax prepayments for the companies included in the consolidated tax group headed by ACS, Actividades de Construcción y Servicios, S.A. are recognised as a balance between Group companies under "Trade and other receivables" amounting to EUR 5,440 thousand or "Trade payables to Group companies" amounting to EUR 2,163 thousand, depending on whether the settlement is payable or receivable (see Note 20).

The provision for income tax payable in 2014 is recognised under "current tax liabilities" or "current tax assets" based on whether the provision is to be paid or refunded. This balance at 31 December 2014 will be reclassified to receivables from or payables to Group companies, netting the amounts of the payments on account for income tax for those Companies which form part of the tax group.

The detail of the main deferred tax assets and liabilities recognised by the Group and of the changes therein in the first ten months of 2014 is as follows (in thousands of euros):

Thousands of euros	Initial balance at 1/1/2014	Charged/credited directly to the income statement	Charge/credit to reserves	Ending Balance at 31/10/2014
Assets				
Financial instruments qualified as hedges	40,464	-	2,428	42,892
Tax loss carryforwards	10,512	(1,644)	-	8,868
Depreciation	3,034	3,383	-	12,417
Net finance costs	11,424	(5,956)	-	5,468
TOTAL ASSETS	71,434	(4,217)	2,428	69,645
Liabilities				
Unrestricted depreciation	52,222	(11,039)	-	41,183

The amount of the timing differences in the deferred tax assets relates to the tax effect of the following items:

- Measurement of the derivative hedging instrument at year end and upon its revaluation at the new tax rates to 28% and 25% based on the maturity of the tranches of these derivative instruments.
- Tax loss carryforwards relate to the tax effect of prior years' losses of companies that either do not form part of the ACS tax group or did not yet form part of the group when they were generated.
- The net non-deductible finance costs for the year based on Royal Decree-Law 12/2012, of 30 March, limiting the deduction of "net finance costs", in general, to a maximum of 30% of the "operating profit for the year". For these purposes, the law determines "net finance costs" as the excess finance costs with respect to the income arising from the transfer to third parties of equity incurred in the tax period. In any case, up to EUR 1 million in net finance costs for the period, without any limit, are deductible and, accordingly, the companies belonging to the ACS tax group will be able to deduct more of these expenses. The net finance costs which have not been deducted may be deducted in the tax periods which conclude in the immediate and consecutive 18 years, together with those of the corresponding tax period, although the temporary limit disappears with the new Corporation Tax Law. In order to calculate the non-deductible "net finance costs" the financial costs of the subordinated debt in the Companies which belong to the ACS tax group were not taken into account since they are not eliminated on tax consolidation. Likewise, the amount corresponding to these deferred tax assets was recalculated using a tax rate of 25% which will be applicable from 2016.
- Non-deductible depreciation expenses for the year: in accordance with the change implemented by Law 16/2012 effective for tax periods beginning in 2013 and 2014, the accounting amortisation and depreciation of property, plant and equipment, intangible assets and real estate investments may only be deducted up to 70% of the amount which would have been deductible for tax purposes in accordance with sections 1 and 4 of article 11 of the Consolidated Text of the Spanish Income Tax Law (TRLIS). The accounting amortisation and depreciation which is not deductible for tax purposes due to the application of this restriction, will not be considered impairment and will be deducted beginning from the first tax period of 2015 on a straight-line basis over a period of 10 years or over the course of the asset's useful life, at the Company's choice. Likewise, the amount corresponding to these deferred tax assets was recalculated using a tax rate of 28% for a tenth of the total which will be deductible in 2015 and a tax rate of 25% for the remainder.

The amount recognised under "Deferred tax liabilities" corresponds to 30% of the amortisation for tax purposes in addition to the depreciation for accounting purposes of Extresol 1, S.L. and Al-Andalus Wind Power, S.L., pursuant to additional provision 11 of Royal Legislative Decree 4/2009, of 5 March, approving the Consolidated Spanish Income Tax Law and regulating accelerated depreciation of investments in new items of property, plant and equipment related to economic activities which generate employment. As in the case of deferred tax assets, the Group recalculated the deferred tax liabilities applying a rate of 28% to the accelerated depreciation which will be reversed in 2015 and 25% to the remainder.

20. Balances and transactions with Group companies and related parties

At 31 October 2014, the Group had the following balances with ACS Group companies and related parties:

	31/10/2014
Long-term loans to Group companies and related parties	1,492
Other current financial assets with Group companies and related parties	85,667
Receivables from Group companies and related parties (Note 9)	11,530
Called-up capital on shares with Group companies and related parties (note 12)	459,716
Total Assets	558,405
Non-current payables to Group companies and related parties	1,087
Current payables to Group companies and related parties	15,600
Trade payables to Group companies and related parties (Note 17)	25,095
Other borrowings from Group companies and related parties	459,783
Total equity and liabilities	501,565

Receivables from Group companies and related parties relate, mainly, to the first payment of income tax prepayments for 2014 corresponding to the tax group companies amounting to EUR 5,440 thousand, and tax receivables from prior years from Cobra Instalaciones y Servicios, amounting to EUR 6,090 thousand.

Trade payables to Group companies and related parties includes, among other items, the first income tax prepayment for 2014 amounting to EUR 2,163 thousand, and the Group companies' debts related to operation and maintenance agreements for the solar thermal plants and wind farms.

Other borrowings from Group companies and related parties relate, mainly, to the amount the Parent owes the former shareholders for the incorporation of the companies which compose the consolidated Group at 31 October 2014 (see Note 2). These amounts do not accrue interest.

The amount relating to long-term loans to associates corresponds to a participating loan granted by Parque Eólico Valcaire to SEC Valcaire, which accrues interest at a fixed rate of Euribor plus a spread of 1% and at a variable rate of 5%, in the event the Company makes a profit. This loan matures in December 2017.

Short-term loans to Group companies includes, mainly, the loans granted by Extresol-1 to Cobra Sistemas y Redes, S.A. and to Cobra Instalaciones y Servicios, S.A. amounting to EUR 22,861 thousand and EUR 19,069 thousand, respectively. These loans bear interest at market rate tied to one-month Euribor plus a spread of 2%. The rest of the short-term loans relate to amounts yet to be settled with Group companies relating to tax matters, and these amounts do not accrue interest.

The balance of short-term payables relates mainly to balances payable by Group companies to related parties for tax matters, and these amounts do not accrue interest. The detail of the balances with Group companies at 31 October 2014 is:

	LT loans	Receivable from Group companies	Called-up capital on shares (Note 12)	ST loans	LT payables to Group companies	ST payables to Group companies	Trade payables to Group companies	Payables for other transactions
SEC Valcaire	1,492	-	-	-	-	-	-	-
Cobra Gestión de Infraestructuras, S.A.U	-	-	-	-	-	1,900	-	-
Cobra Instalaciones y Servicios, S.A.	-	6,090	-	59,836	-	13,296	17,566	-
Cobra Sistemas y Redes, S.A.	-	-	114,894	25,829	-	218	-	76,527
Torre de Miguel Solar, S.L.	-	-	-	-	-	-	-	184,878
Energías y Recursos Ambientales, S.A.	-	-	344,822	-	-	186	1,024	109,953
Centro de Control Villadiego, S.L.	-	-	-	-	-	-	190	-
Sertego Servicios Medioambientales, S.L.	-	-	-	-	-	-	4	-
Extresol 2, S.L.	-	-	-	1	-	-	-	-
Extresol 3, S.L.	-	-	-	1	-	-	-	-
ACS, Actividades de Construcción y Servicios, S.A.	-	5,440	-	-	-	-	2,163	-
Urbaenergía, S.L.	-	-	-	-	1,087	-	4,147	88,425
TOTAL	1,492	11,530	459,716	85,667	1,087	15,600	25,095	459,783

The detail of the transactions with Group companies at 31 October 2014 is as follows:

	Other operating expenses	Finance costs	Finance income
Cobra Instalaciones y Servicios, S.A.	14,361	-	-
Cobra Sistemas y Redes, S.A.	-	-	923
Energías y Recursos Ambientales, S.A.	6,028	-	-
Sertego Servicios Medioambientales, S.L.	18	-	-
Moncobra, S.A.	57	-	-
Eyra Ponteceso, S.L.	748	-	-
Infraestructuras E. Castellanas, S.L.	1,541	-	-
Urbaenergía, S.L.	5,835	140	-
TOTAL	28,588	140	923

21. Guarantee commitments to third parties and contingent liabilities

At 31 October 2014, the Group had provided third parties with the following bank guarantees, mainly to secure certain ordinary business transactions (in thousands of euros):

	31/10/2014
Banco Espírito Santo	193
Banco Popular	612
Banco Sabadell	77
Banco Valencia	92
Banco Santander	2,057
Bankia	2,147
Kutxabank	569
Caixabank	284
Total	6,031

The guarantees in force at 31 October 2014 are not expected to give rise to any liabilities other than those recognised in the accompanying consolidated financial statements at the aforementioned date.

22. Income and expense

a) Revenue

The sales relate in full to electricity generated entirely in Spanish territory which is billed mainly to Comisión Nacional de la Energía, S.A. and to Comisión Nacional de los Mercados y la Competencia (CNMC, the Spanish National Securities Market and Competition Commission).

The breakdown by technology type is:

	Thousands of euros
	31/10/2014
Solar thermal plants	102,701
Wind farms	78,794
Total revenue	181,495

b) Other operating expenses

The detail of "Other operating expenses" in the consolidated income statement at 31 October 2014 is as follows:

	Thousands of euros
	31/10/2014
Research and development expenditure	873
Rent and royalties (Note 7)	4,717
Independent professional services	486
Transport	28
Insurance premiums	2,081
Banking services	174
Supplies	3,039
Other services	25,571
Taxes other than income tax	15,802
Total	52,771

The Group recognises the gas, electricity and nitrogen expenses necessary for operating the solar thermal plants and wind farms under "Supplies".

"Other taxes" includes, mainly, the 7% tax on energy production.

"Other services" includes the amount corresponding to the operation and maintenance expenses for the solar thermal plants and wind farms.

c) Finance income and finance costs

"Finance income" includes, mainly, the interest accrued from the loans granted to related parties. The following items are recognised under "financial costs" (in thousands of euros):

	31/10/2014
Interest on loans to Group companies and related parties (Note 20)	140
Interest on principal credit facility	18,621
Interest on hedges	28,835
Debt arrangement expenses	893
Other	171
Total	48,660

d) Staff costs

The "Staff costs" (in thousands of euros) for the first ten months of 2014 is as follows:

	31/10/2014
Wages and salaries	233
Social security costs	66
Total	299

The average number of Group employees at 31 October 2014, by category, is as follows:

	Average number of persons at 31/10/2014		
	Men	Women	Total
Line personnel and middle management	5	2	7
Clerical staff	1	1	2
Manual workers	1	-	1
Total	7	3	10

The number of Group employees during the first ten months of 2014, by category, is as follows:

	Number of persons at 31/10/2014		
	Men	Women	Total
Line personnel and middle management	5	2	7
Clerical staff	1	1	2
Manual workers	1	-	1
Total	7	3	10

The fees for the financial audit services and other professional services provided by the Company's auditor, Deloitte, S.L., or by a firm in the same group or related to the auditor for the first ten months of 2014 amounted to EUR 50,000.

23. **Other disclosures**

On 20 January 2015 a new Board of Directors was appointed made up of five members that replaced the managing body in place until that date, Sole Director (José Luis Martínez Dalmau). The new Board of Directors comprises five persons (four men and one woman). In the 10 month period ended 31 October 2014 neither the members of the Board of Directors nor the Sole Director appointed until 20 January 2015 at the Parent earned any salaries, attendance fees or other remuneration.

Likewise, the Parent has not granted any loans or advances to the members of the Board and does not have any pension or life insurance obligations to it. There were no pension or life insurance obligations to the former or current members of the Board of Directors.

Disclosures related to conflicts of interest with regard to the Board of Directors:

At the date of preparation of these consolidated interim financial statements, neither the members of the Board that prepare these financial statements nor the previous sole director during 2012, did not hold any investments in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity constituting the Company's object.

Additionally, the member of the Board representative discharges the following functions at companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Parent's object.

Name	Company	Line of business	Duties
José Luis Martínez Dalmau	Invexta Recursos, S.L.	Hydrocarbon exploration and exploitation and scientific research	Chief Executive Officer
	EPC Plantas Fotovoltaicas Lesedi y Letsatsi, S.L.	Holding company	Chairman and Chief Executive Officer
	Berea Eólica, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director
	Calvache Eólica, S.L.	Renewable Energies	Urbaenergía, S.L. representative as Director
	Electra de Montánchez, S.A.	Renewable Energies	Urbaenergía, S.L. representative as Director
	Energías Renovables de Ricobayo, S.A.	Renewable Energies	Urbaenergía, S.L. representative as Director
	Escal UGS, S.L.	Hydrocarbon Storage	Chief Executive Officer
	Parque Eólico Cortado Alto, S.L.	Renewable Energies	Eyra Instalaciones y Servicios, S.L. representative as Director
	Parque Eólico La Val, S.L.	Renewable Energies	Eyra Instalaciones y Servicios, S.L. representative as Director
	Riansares Eólica, S.L.	Renewable Energies	Urbaenergía S.L. Representative as Director
	Sistema Eléctrico de Conexión Huéneja, S.L.	Renewable Energies	Urbaenergía S.L. Representative as Director
	Sistema Eléctrico de Conexión Valcaire, S.L.	Renewable Energies	Parque Eólico Valcaire, S.L. Representative as Director
	Parque Eólico las Tadeas, S.L.	Renewable Energies	Director
Parque Eólico Valdehiero S.L.	Renewable Energies	Director	

Cristobal Gonzalez Wiedmaler	Invexta Recursos, S.L.	Hydrocarbon exploration and exploitation and scientific research	Director
	Hydro Management, S.L.	Desalination Plants	Director
	Escal UGS, S.L.	Hydrocarbon storage	Director
	Iberoamericana de Hidrocarburos, S.A. de C.V.	Oil & Gas infrastructure	Director
	Monclova Pirineos Gas, S.A. de C.V.	Oil & Gas infrastructure	Director
	Consortio Especializado en Medio Ambiente, S.A. de C.V.	Environmental Services	Director
Alfonso Aguirre Díaz-Guardamino	Berea Eólica, S.L.	Renewable Energies	Non-Director Secretary
	Calvache Eólica, S.L.	Renewable Energies	Non-Director Secretary
	Desarrollos Energéticos Asturianos, S.L.	Renewable Energies	Non-Director Secretary
	Energías Renovables de Ricobayo, S.A.	Renewable Energies	Non-Director Secretary
	Parque Eólico las Tadeas, S.L	Renewable Energies	Non-Director Secretary
	Parque Eólico Valdehiero S.L	Renewable Energies	Non-Director Secretary
	Escal UGS, S.L.	Hydrocarbon storage	Non-Director Secretary
	Serpista, S.A.	Handling	Non-Director Secretary
Hydro Management, S.L.	Desalination Plants	Director	
Epifanio Lozano Pueyo	Gestión Inteligente de Cargas, S.L.	Management Services	Cobra Instalaciones y Servicios, S.A. representative as Sole Director
	Dragados Industrial, S.A.U.	Holding company	ACS, Servicios, Comunicaciones y Energía, S.L. representative as Sole Director
	Cobra Inversiones y Gestión, S.A.	Holding company	Cobra Instalaciones y Servicios, S.A. representative as Sole Director
	Dragados Industrial Netherlands, BV	Electric Facilities	Dragados Industrial S.A. representative as Sole Director
	Dragados Industrial Canada, Inc.	Industrial Facilities	President and Secretary
	Grupo Cobra South Africa Ltd.	Holding company	Director
	BTOB Construcción Ventures S.L.	Administrative management services	Dragados Industrial S.A. representative as Sole Director
	Dragados Offshore, S.A.	Metallic Structures	Director
	Invexta Recursos, S.L.	Hydrocarbon exploration and exploitation and scientific research	Director
	Cobra Infraestructuras Internacional, S.A.	Electric facilities	Cobra Instalaciones y Servicios, S.A. representative as Sole Director
Cobra Ingeniería de Montajes, S.A.	Industrial Facilities	Cobra Internacional, S.L. representative as Sole Director	

	Cobra Instalaciones y Servicios Internacional, S.L.	Industrial Facilities	Cobra Inversiones y Gestión, S.L. as Sole Director
	Energías Mexicanas, S.L.U.	Energy development and operation	Sole Administrator
	Miramar Energías, S.L.U.	Energy development and operation	Sole Administrator
	Aztec Energy Holding, S.L.U.	Energy development and operation	Sole Administrator

Additionally, the member of the board Mrs. Cristina Aldámiz-Echevarría González de Durana did not hold any investments in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity constituting the Parent Company's object.

24. Events after the reporting period

On 20 November 2014, the shareholders of the Parent, after a financial transaction was carried out by the ACS SCE Group, paid the second share capital increase approved by the shareholders at the General Meeting on 31 October 2014 (see Note 12).

The purchase of the shares described in Note 2 which were subject to compliance with a series of conditions precedent, mainly administrative authorisations for the change in ownership, were met for Parque Eólico Sierra de las Carbas, S.L.; Parque Eólico Tesosanto, S.L.; and La Caldera Energía Burgos, S.L., on 27 November 2014; for Al-Andalus Wind Power, S.L., on 25 November 2014; and for Manchasol 2 Central Termosolar Dos, S.L., on 19 December 2014, dates on which the purchase price was settled for a total amount of EUR 187,175 thousand.

The Parent recalculated its deferred tax assets and liabilities based on the tax rates introduced by Income Tax Law 27/2014, of 27 November (see Note 19) which will enter into force on 1 January 2015.

On 20 January 2015, the managing body of the Parent was changed and a Board of Directors was appointed made up of a total of five members, four men and one woman, as indicated in Note 23.

Appendix I

GROUP Saeta Yield, S.A. (formerly El Recuenco Eólica, S.A.) and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 1 January 2014

ASSETS	Thousands of euros 01/01/2014
NON-CURRENT ASSETS	1,539,126
Intangible assets	168
Tangible assets – Property, plant and equipment	10,043
Non-current assets in projects	1,448,864
Non-current financial assets with Group companies and related parties	1,492
Non-current financial assets	7,126
- <i>Equity instruments</i>	7,025
- <i>Other loans</i>	100
Deferred tax assets	71,434
CURRENT ASSETS	229,580
Inventories	872
Trade and other receivables	32,237
Other current financial assets with Group companies and related parties	87,491
Current tax assets	63
Other receivables from public authorities	1,256
Other current financial assets	58,039
Cash and cash equivalents	49,622
TOTAL ASSETS	1,768,706

Appendix I**GROUP Saeta Yield, S.A. (formerly El Recuenco Eólica, S.A.) and Subsidiaries****CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 1 January 2014**

EQUITY AND LIABILITIES	Thousands of euros 01/01/2014
PATRIMONIO NETO	(256,775)
Share capital	3
Share premium	-
Reserves	(163,125)
Profit for the period of the Parent	-
Adjustments for changes in value	(93,653)
- <i>Hedging instruments</i>	(93,653)
EQUITY ATTRIBUTABLE TO THE PARENT	(256,775)
NON-CURRENT LIABILITIES	1,002,537
Long-term Project Finance	839,716
Derivative financial instruments	110,599
Deferred tax liabilities	52,222
CURRENT LIABILITIES	1,022,944
Short-term Project Finance	318,484
Derivative financial instruments	23,101
Trade and other payables	266,232
Other debts to Group companies and related parties	396,777
Other financial liabilities with Group companies and related parties	12,310
Current tax liabilities	5,064
Other payables to the public authorities	976
TOTAL EQUITY AND LIABILITIES	1,768,706

Subsidiaries and associates

Company	Registered Office	Business	Auditor	% Effective Ownership
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El Recuenco Eólica Group

Saeta Yield, S.A.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Securities holding company	Deloitte	100,00%
Extresol-1, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Energy production	Deloitte	100,00%
Manchasol 2 Central Termosolar Dos, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Energy production	Deloitte	100,00%
Serrezuela Solar II, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Energy production	Deloitte	100,00%
Al-Andalus Wind Power, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Energy production	Deloitte	100,00%
Parque Eólico Santa Catalina, S.L.	La Paz, 23-2ºB. Valencia. Spain	Energy production	Deloitte	100,00%
Eólica del Guadiana, S.L.	C/ Manuel Siurot, 27. 21004 Huelva. Spain	Energy production	Deloitte	100,00%
P. E. Sierra de las Carbas, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Energy production	Deloitte	100,00%
P.E.Tesosanto, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Energy production	Deloitte	100,00%
La Caldera Energía Burgos, S.L.	Cardenal Marcelo Spínola 10. Madrid 28016. Spain	Energy production	Deloitte	100,00%
Parque Eólico Valcaire, S.L.	Ayuntamiento,7 Padul Granada. Spain. Granada. Spain	Energy production	-	100,00%
Sistema Eléctrico de Conexión Valcaire, S.L.	Ribera de Loira, 60. Madrid. Spain	Operation of electrical installations to interconnect to the grid	KPMG	25,00%

Saeta Yield, S.A. and Subsidiaries

1.- Performance of the Group

1.1- Background

The Group, the Parent of which is Saeta Yield, S.A., was formed in 2014 as a result of the reorganisation performed by the ACS Group of certain renewable energy assets located in Spain.

The Group makes a distinction between two lines of business based on the type of facility for each of the assets; we can therefore identify two lines of business: wind and solar thermal.

The detail of these assets, by line of business, is as follows:

Line of business	Assets	Capacity (MW/h)	Status	Year operations began
Wind	Seron 1 (1)	50.0	In operation	2008
	Seron 2 (1)	10.0	In operation	2008
	Tijola (1)	36.8	In operation	2008
	Colmenar 2 (1)	30.0	In operation	2007
	La Noguera (1)	29.9	In operation	2009
	Las Vegas (1)	23.0	In operation	2008
	Los Isletes (1)	25.3	In operation	2009
	Abuela Santa Ana (1)	49.5	In operation	2008
	La Caldera	22.5	In operation	2009
	Sierra de las Carbas	40.0	In operation	2009
	Tesosanto	50.0	In operation	2011
	Viudo I (2)	40.0	In operation	2012
	Viudo II (2)	26.0	In operation	2012
	Santa Catalina – Cerro Negro (2)	41.5	In operation	2012
	Monte Gordo	48.0	In operation	2010
	Valcaire	16.0	In operation	2012
Solar thermal	Extresol 1	50.0	In operation	2009
	Manchasol 2	50.0	In operation	2011
	Casablanca	50.0	In operation	2014

(1) Wind farms belonging to the Company Al-Andalus Wind Power, S.L.

(2) Wind farms belonging to the Company Parque Eólico Santa Catalina, S.L.

1.2- Regulatory Framework

As included in the accompanying notes to the financial statements, over the last few years the Spanish energy sector has undergone a series of reforms that have culminated in the establishment of a new regulatory framework that set the remuneration of renewable energies from July 2013 onwards; these regulatory changes are as follows:

- Law 15/2012, of 27 December, on tax measures for energy sustainability:
This law affected all facilities that have been generating electricity in Spain since 2013. Noteworthy among these approved measures is the creation of a 7% tax on activities related to the production and incorporation of electricity measured at power station busbars in the electric system (mainland, island and non-mainland). Likewise, this Law also amended the economic framework of certain renewable energy facilities (i.e. Solar thermal) excluding from the premium economic regime energy attributable to the use of fuel produced in facilities which use non-consumable renewable energy as a primary source, unless they are hybrid facilities which use non-consumable and consumable renewable energy sources (in which case the energy attributable to the use of the consumable renewable source could have the right to the premium economic regime).

- Royal Decree Law 2/2013, of 1 February 2013, on urgent measures for the electricity system and the financial sector establishing certain adjustments to certain electricity industry costs.

On 1 January 2013, the premiums of the technologies were set at zero, eliminating the floor and ceiling of the market sale option, and maintaining the tariff sale option. This Royal Decree Law also modifies the ratio for updating the aforementioned tariffs which is now tied to the underlying inflation rather than the CPI. This Royal Decree Law establishes that the owners of the facilities must choose between the sale of energy under the regulated tariff option or the option to sell freely on the market without receiving their premium. Once the option is chosen it is irrevocable.

- Royal Decree Law 9/2013, of 12 July 2013, on urgent measures to ensure the financial stability and economic sustainability of the electricity system.

This Royal Decree Law substantially modifies the system for remunerating facilities that produce electricity from renewable energy sources, cogeneration, and waste. They are based on the following principles:

- o The remuneration of facilities which produce electricity under the special regime will be determined by: i) the sale of energy generated valued at market price and ii) a specific remuneration consisting of a period per unit of installed power which covers, where appropriate and if necessary, the investment costs of a standard facility which cannot be recovered in the market through the sale of energy, as well as a period for the operation which covers, where applicable, the difference between the operating costs and the revenue from the aforementioned standard facility's participation in the market. In order to calculate the specific remuneration for a standard facility over the course of its regulatory useful life, and based on the activity of an efficient and well-managed company, the following will be taken into account: i) the revenue from the sale of energy valued at market production price, ii) the average operating costs necessary to carry out the activity and iii) the initial value of the investment of a standard facility.
- o The remuneration regime will not exceed the minimum level necessary to cover the costs which allow these facilities to compete on an equal basis in the electricity market and to be able to obtain "reasonable profitability" with regard to each standard facility. This reasonable profitability is based, before tax, on the average performance in the secondary market of government bonds for the ten years prior to the entry into force of the Royal Decree Law, plus a margin of 300 basis points which may be revised every six years.
- o To calculate the specific remuneration of a standard facility, only the costs and investments that correspond exclusively to the activity of generating electricity are taken into account. Royal Decree-Law 9/2013 will enable the revision of the parameters for this remuneration regime every six years.

The bases for this new remuneration framework are included primarily in article 14 of Spanish Electricity Industry Law 24/2013, of 26 December, which also specifies the criteria for and the manner in which the remuneration parameters are to be revised for facilities which produce electricity from renewable energy sources, high-efficiency cogeneration and waste with a specific remuneration regime. The remuneration parameters are therefore set for regulatory periods which will be effective for six years. These remuneration parameters may be revised prior to beginning the regulatory period; if this revision is not carried out, these parameters will be considered to be extended for the entire regulatory period. Law 24/2013, of 26 December, also establishes that the reasonable profitability value for the remainder of the regulatory life will be established by law prior to the start of each regulatory period and that under no circumstances may the regulatory useful life or the standard value of the initial investment of a facility be revised once recognised. In addition, this law stipulates that the estimates for revenue from the sale of the energy generated for the remainder of the regulatory period will be revised every three years, valued at the market production price, based on the evolution of market prices and the forecast for operating hours. Lastly, it establishes that the values of the remuneration for the operation and extended operation for technologies whose operating costs depend essential on the price of fuel will be updated at least annually. In this connection, in February 2014, a draft Ministerial Order which sets all of the above-mentioned parameters necessary to determine the remuneration applicable to renewable energies, cogeneration and waste was provided to the interested parties in the context of the hearing process commenced by the Spanish National Securities Market Commission (Comisión Nacional de los Mercados de la Competencia, CNMC). In practice, the Company's facilities are subject to the new remuneration model established by the Spanish Electricity Industry Law and by RDL 9/2013, since the latter's entry into force. Thus, the revenue

received from the energy sales made since 14 July 2013 have been settled by means of a payment on account of the remuneration which ultimately applies.

- Royal Decree 413/2014, of 6 June, which regulates the production of electricity from renewable energy sources, cogeneration, and waste.

This Royal Decree develops the specific principles on which the new regime applicable to facilities which produce electricity from cogeneration, renewable energy sources and waste must be articulated as established in Royal Decree Law 9/2013 and subsequently included in Spanish Electricity Industry Law 24/2013, of 26 December (*Ley del Sector Eléctrico*, LSE). The purpose of this Royal Decree is to regulate the new legal and economic regime for the production of electricity from renewable energy sources, cogeneration, and waste, for both existing facilities and any new facilities that may be developed in the future. Notwithstanding the foregoing, certain aspects of the aforementioned laws remained in force until the approval of Ministry of Industry, Energy and Tourism Order IET/1045/2014, of 16 June, approving the remuneration parameters for standard facilities applicable to certain facilities which produce electricity from renewable energy sources, cogeneration and waste.

1.3- Highlights

	Wind	Solar thermal	Total
Production (GWh)	893.3	406.2	1,299.5
	Thousands of euros		
Sales	78,794	102,701	181,495
EBITDA (1)	54,853	74,226	129,079
% of Sales	69.6%	72.3%	71.1%

- (1) EBITDA is calculated as the profit from operations, not including the depreciation and amortisation charge or impairment and gains or losses on disposals of non-current assets.

The electricity produced during the first ten months of 2014 is affected by the seasonal nature of the generation using these technologies, including the main months for generating energy using solar thermal technology, which includes June, July, August and September; however this is not the case with wind power, which is mainly generated in January, February and March (already included in these financial statements) and in November and December. With regard to the importance of the seasonal nature in generating income, although this is significant, such importance has been reduced by the remuneration regime approved in Royal Decree 9/2014 where the return on the investment has a specific weight that is important in generating income.

Sales in the first ten months of 2014 include income from the plants in accordance with the remuneration regime approved in Royal Decree 9/2014 in 2014, and the revenue adjustments from 14 July 2013 to 31 December 2014 according to the parameters approved in Ministry of Industry, Energy and Tourism Order IET/1045/2014; this adjustment amounts to EUR 1,389 thousand for the solar thermal line of business and EUR 1,058 thousand for wind power.

Sales performance is expected to remain more or less stable provided that the new remuneration regime is maintained, which will cause the regulatory uncertainty that has affected the Group's assets until now to disappear.

Accordingly, the EBITDA of both lines of business may be considered to be a relatively stable heading since the main expenses of both lines of business are recurring, such as those relating to operating and maintenance contracts for the assets, leases for the land on which the plants are located and the tax on the generation of 7.5% of sales.

2.- Treasury shares

As regards transactions with treasury shares of Saeta Yield, S.A., the Group has not acquired or sold any treasury shares or any shares of its Parents, nor does it expect to do so in the future.

3- Information on the main risks and uncertainties facing the activity of the Saeta Yield Group and financial risk management

The Group carries out its activities in the renewable energy generation sector in Spain, which over the last few years has been subject to significant regulatory uncertainty that has given rise to a high exposure of risk inherent to the sector in which it acts.

The Group monitors and controls these risks in order to prevent them from reducing shareholder returns, jeopardising its employees or its corporate reputation, causing problems for its customers or giving rise to a negative impact on the Group as a whole. In order to carry out this risk control, the Group has instruments which enable it to identify the risks early enough so as to be able to manage them appropriately, either by avoiding their materialisation or by minimising their impact, and to prioritise them, where necessary, according to their importance. Particularly worthy of note are the systems related to risk control in the tenders, contracts, planning and management of construction work and projects, as well as quality management, environmental management and human resources systems.

In addition to the risks inherent to the regulatory uncertainty, the Group is exposed to various risks of a financial nature due mainly either to interest rate fluctuations or liquidity risk.

Risks arising from changes in interest rates on cash flows are mitigated by hedging the interest rates through financial instruments that curb the effect of any fluctuations therein.

To manage the liquidity risk arising from temporary imbalances between funding requirements and receipt of the necessary funds, a balance is procured between the two terms involved while, at the same time, the Group borrows on a flexible basis designed to cater for its funding needs at any given time. This goes hand in hand with the Group's capital management, which preserves an optimum financial and equity structure in order to reduce the cost of capital whilst safeguarding the Group's ability to continue operating with sound debt/equity ratios.

The monitoring of risks of a financial nature is performed by applying methodology in accordance with IFRSs (and in conformity with the new Spanish National Chart of Accounts) and by preparing a series of reports which enables the Group to monitor and control these risks vis-à-vis the decision making process.

The Group, based on the information currently available, does not expect to face any situations of risk or uncertainty in 2015 that are significantly different from those existing at 31 October 2014.

A complete description of the mechanisms used to manage all these financial risks and of the Group's hedging instruments is included in the notes to the Company's consolidated financial statements at 31 October 2014.

4.- Technological innovation and environmental protection

The Group is committed to a policy of ongoing improvement in its processes and in the technology applied in all areas of its business. To this end, it runs an in-house research programme to develop new technological knowledge that can be applied to the design of processes, systems, new materials, etc., in each business activity.

5.- Significant events subsequent to year-end

The second share capital increase approved by the shareholders at the General Meeting on 31 October 2014 was paid on 20 November 2014 along with the share premium corresponding to this increase.

The share purchases described in Note 2 to the accompanying Financial Statements, which were subject to compliance with a series of conditions precedent, were met for Parque Eólico Sierra de las Carbás, S.L.; Parque Eólico Tesosanto, S.L.; and La Caldera Energía Burgos, S.L., on 27 November 2014; for Al-Andalus Wind Power, S.L., on 25 November 2014; and for Manchazol 2 Central Termosolar Dos, S.L., on 19 December 2014, dates on which the purchase price was settled.

The Company recalculated its deferred tax assets and liabilities based on the tax rates introduced by Income Tax Law 27/2014, of 27 November, which will enter into force on 1 January 2015.

On 20 January 2015, the managing body of the Parent was changed and a Board of Directors was appointed made up of a total of five members, four men and one woman.

6.- Outlook

The sole director considers that, given the scenario detailed above, 2015 will be a year for consolidating the latest remuneration framework approved by the government which will allow the cash flows of the Group's companies to stabilise, which will lead to a greater return for its shareholders.

Madrid, January 2015

Translation of special independent auditors' report originally issued in Spanish and prepared in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. In the event of a discrepancy, the Spanish-language version prevails.

SPECIAL INDEPENDENT AUDITORS' REPORT ON THE COMPILATION OF THE PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS.

To the Board of Directors of Saeta Yield, S.A.:

We conducted our engagement on the accompanying pro forma financial information of Saeta Yield, S.A. ("Saeta"), prepared by the Board of Directors of Saeta, which comprises the pro forma consolidated income statement and consolidated statement of cash flows for the year ended at 31 December 2013, and the pro forma consolidated statement of financial position at 31 December 2013. The applicable criteria on the basis of which the Board of Directors of Saeta compiled the pro forma financial information, which are described in Notes 1 to 5 to the aforementioned pro forma financial information, are those provided for in the European Commission Regulation (EC) No 809/2004 and in the European Securities and Markets Authority (ESMA) update of the Committee of European Securities Regulators (CESR) recommendations for the consistent implementation of the aforementioned Regulation (ESMA/2011/81).

The pro forma financial information was compiled by the Board of Directors of Saeta to illustrate the impact of the following transactions

Transaction 1 – Capital increase

Saeta performed three capital increases throughout the last quarter of 2014:

- The first share capital increase took place on 24 October 2014 through the issue of 6,000 new shares of EUR 10 par value each and was fully subscribed and paid on the same day as the capital increase by one of its shareholders, Urbanergía, S.L.
- The second share capital increase took place on 31 October 2014 through the issue of 1,000,000 new shares of EUR 10 par value each, and a share premium of EUR 143,239 thousand. This capital increase was subscribed and paid on 14 November by Energía y Recursos Ambientales, S.A. (75%) and Cobra Sistemas y Redes, S.A. (25%), which therefore became part of Saeta's shareholder structure.
- The third share capital increase took place on 31 October through the issue of 5,150,000 new shares of EUR 10 par value each, and a share premium of EUR 408,216 thousand. This capital increase was subscribed and paid on 20 November by its shareholders, Energía y Recursos Ambientales, S.A. (75.1%) and Cobra Sistemas y Redes, S.A. (24.9%).

Transaction 2 – Incorporation of Companies acquired

The purpose of the capital increases was the incorporation on 31 October 2014 of: i) 100% of the ownership interest in ten renewable energy holding companies (wind and solar thermal energy) located in Spain, ii) the subordinated loans of these companies, and iii) the interest payable on the aforementioned subordinated loans, within the process of reorganisation under common control that the ACS Group (ultimate shareholder of Saeta) has been carrying out to date, thereby making Saeta Yield, S.A. the head of the new group that is formed by Saeta Yield, S.A. and its subsidiaries.

The information was presented as if the transactions had occurred on 1 January 2013 to prepare the pro forma consolidated income statement and consolidated statement of cash flows for the year ended at 31 December 2013, and on 31 December 2013 to prepare the pro forma consolidated statement of financial position at 31 December 2013. As indicated in Note 2 to the accompanying pro forma information, the

information used as the basis for compiling the pro forma financial information was extracted by the Board of Directors of Saeta from:

- The standalone financial statements of each of the ten companies acquired by Saeta in 2013 prepared in accordance with the Spanish National Chart of Accounts (*Plan General de Contabilidad*, PGC), approved by Royal Decree 1514/2007 (hereinafter, the “PGC”), the sum of which makes up our aggregate financial statements. Deloitte, S.L., issued nine auditors' reports in which they expressed an unqualified opinion in all cases except for Extresol 1, S.L., Manchasol 2 Central Termosolar Dos, S.L., and Parque Eólico Tesosanto, S.L., in which they expressed an opinion qualified for the following reasons:
 - Qualifications as a result of the depreciation of property, plant and equipment: The auditors' reports on the financial statements for the year ended 31 December 2013 of Extresol 1, S.L., Manchasol 2 Central Termosolar Dos, S.L., and Parque Eólico Tesosanto, S.L., contain one qualification indicating that the company is depreciating property, plant and equipment based on the financing agreement (18, 18 and 15 years, respectively) instead of based on the useful life of the assets that the ACS Group has estimated in 2013 over a 25-year period in the case of Extresol 1, S.L., and Manchasol 2 Central Termosolar Dos, S.L., and 18 years for Parque Eólico Tesosanto, S.L.
 - Qualifications as a result of the classification of financial debt: The auditors' report on the financial statements for the year ended 31 December 2013 of Manchasol 2 Central Termosolar Dos, S.L., contains one qualification indicating that the syndicated loan drawn down by EUR 257,058 thousand, net of arrangement expenses, should be recognised under “Non-recourse Project finance – Current liabilities” instead of “Non-recourse Project finance - Non-current liabilities”.

Parque Eólico Valcaire, S.L., was not audited because the limits for mandatory audit were not met and the company did not consider a voluntary audit. The annual accounts to the 2013 financial statements of Parque Eólico Valcaire, S.L., La Caldera Energía Burgos, S.L. and Serrezuela Solar II, S.L., since they are abbreviated, do not include the cash flow statement and, therefore, they were specifically prepared to draw up this pro forma financial information.

- The standalone financial statements of Saeta Yield, S.A., for 2013 were prepared in accordance with the PGC. These standalone financial statements were not audited because the company did not meet the legal requirements to be subject to a mandatory audit. These standalone financial statements were authorised for issue by Saeta's Board of Directors. The annual accounts to the 2013 financial statements of Saeta Yield, S.A., since they are abbreviated, do not include the cash flow statement and, therefore, were specifically prepared to draw up this pro forma financial information.

Responsibility of the Board of Directors for the pro forma financial information

The Board of Directors of Saeta is responsible for the preparation and the content of the pro forma financial information, on the basis of the requirements established in the European Commission Regulation (EC) No 809/2004 and the ESMA update of the CESR recommendations for the consistent implementation of the aforementioned Regulation (ESMA/2011/81). The Board of Directors of Saeta is also responsible for the assumptions and hypotheses included in Notes 3, 4 and 5 to the pro forma financial information, on which the pro forma adjustments are based.

Our responsibility

Our responsibility is to issue the report required in Annex II item 7 of the European Commission Regulation (EC) No 809/2004, which under no circumstances may be considered to be an audit of financial statements, on whether the pro forma financial information was adequately prepared, in all

material respects, by the Board of Directors of Saeta, on the basis of the requirements established in the European Commission Regulation (EC) No 809/2004, the ESMA update of the CESR recommendations for the consistent implementation of the aforementioned Regulation (ESMA/2011/81) and the assumptions and hypotheses defined by the Board of Directors of Saeta.

Our work was performed in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board, which requires compliance with ethical requirements and the planning and performance of procedures to obtain reasonable assurance as to whether the Board of Directors has compiled, in all material respects, the pro forma financial information on the basis of the requirements established in the European Commission Regulation (EC) No 809/2004, the ESMA update of the CESR recommendations for the consistent implementation of the aforementioned Regulation (ESMA/2011/81) and the assumptions and hypotheses defined by the Board of Directors of Saeta.

For purposes of this report, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, or for expressing any other opinion on the pro forma financial information, on the assumptions and hypotheses used in the preparation thereof, or on any specific items or accounts, nor have we performed an audit or limited review of the financial information used as the basis for the compilation of the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on the financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for these purposes. Since this pro forma financial information was prepared to reflect a hypothetical situation, it is not intended to represent, and does not represent, the financial and net worth position, the profit or loss from operations or the cash flows statement of Saeta. Consequently, we do not express an opinion as to whether the financial information that would have been obtained if the transactions described had occurred at 1 January 2013 for the pro forma consolidated income statement and consolidated statement of cash flows for the year ended at 31 December 2013, and at 31 December 2013 for the consolidated statement of financial position at 31 December 2013, would correspond with the accompanying pro forma information.

The aim of a report of this nature is to provide reasonable assurance as to whether the pro forma financial information was compiled, in all material respects, on the basis of the criteria used in the preparation thereof and requires the performance of procedures necessary to assess whether the criteria used by the Board of Directors in the aforementioned compilation provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence as to whether:

- The pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the historical information; and
- The accounting policies used by the Board of Directors of Saeta in compiling the pro forma financial information are consistent with the accounting policies used in the preparation of the interim consolidated financial statements of Saeta at 31 October 2014.

The procedures performed depend on our professional judgment, having regard to our understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information was compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion:

- The accompanying pro forma financial information has been properly compiled on the basis of the criteria used and the assumptions and hypotheses defined by the Board of Directors of Saeta.
- The accounting policies used by the Board of Directors of Saeta in compiling the accompanying pro forma financial information are consistent with the accounting policies used in the preparation of the interim consolidated financial statements of Saeta at 31 October 2014.

This report was prepared at the request of Saeta in relation to the process of issuance and of the verification and registration of the prospectus of Saeta which is expected to be approved on or about 29 January 2015 and, therefore, it must not be used for any other purpose or in any other market, or published in any other prospectus or document of a similar nature to the prospectus of Saeta without our express consent. We will not accept any liability to persons other than the addressees of this report.

Deloitte, S.L.

A handwritten signature in blue ink, reading "Raquel Martínez", enclosed within a blue oval. The signature is written in a cursive style.

Raquel Martínez Armendáriz
28 January 2015

PRO FORMA FINANCIAL INFORMATION AT 31 DECEMBER 2013 AND FOR THE YEAR THEN ENDED 31 DECEMBER 2013

1. Description of the transactions and purpose of the pro forma financial information

On 31 October 2014 the shareholders of Saeta Yield, S.A. proceeded to perform the transactions described below, related to the reorganization of the industrial division of ACS Group (ultimate shareholder Saeta Yield, S.A.).

As part of the offering and admission to listing process for the shares of Saeta Yield, S.A. (hereinafter, "Saeta"), Saeta's prepared the following pro forma financial information in accordance with the requirements contained in European Union Commission Regulation (EC) 809/2004, of 29 April 2004, and the contents of the Recommendation issued by the Committee of European Securities Regulators (CESR), currently the European Securities and Market Authority (ESMA), for implementing the aforementioned regulation (CESR/05-054b) (ESMA/2011/81). The pro forma financial information includes the transactions described as follows.

Transaction 1 – Capital increase

Saeta Yield, S.A., performed three capital increases (hereinafter, the "Capital increases") throughout the last quarter of 2014:

- The first share capital increase took place on 24 October 2014 through the issue of 6,000 new shares of EUR 10 par value each and was fully subscribed and paid on the same day as the capital increase by one of its shareholders, Urbanergía, S.L.
- The second share capital increase took place on 31 October 2014 through the issue of 1,000,000 new shares of EUR 10 par value each, and a share premium of EUR 143,239 thousand. This capital increase was subscribed and paid on 14 November by Energía y Recursos Ambientales, S.A. (75%) and Cobra Sistemas y Redes, S.A. (25%), which therefore became part of Saeta's shareholder structure.
- The third share capital increase took place on 31 October through the issue of 5,150,000 new shares of EUR 10 par value each, and a share premium of EUR 408,216 thousand. This capital increase was subscribed and paid on 20 November by its shareholders, Energía y Recursos Ambientales, S.A. (75.1%) and Cobra Sistemas y Redes, S.A. (24.9%).

Transaction 2 – Incorporation of Companies acquired

The purpose of the Capital increases was the incorporation on 31 October 2014 of: i) 100% of the ownership interest in ten renewable energy holding companies (wind and solar thermal energy) located in Spain, ii) the subordinated loans of these companies, and iii) the interest payable on the aforementioned subordinated loans, (hereinafter, the "Acquired companies") within the process of reorganisation under common control that the ACS Group has been carrying out to date, thereby making Saeta Yield, S.A. the head of the new group that is formed by Saeta Yield, S.A. and its subsidiaries (hereinafter, the "Group").

On 31 October 2014, the value of the incorporation related to: i) EUR 108,486 thousand for the ownership interest in the companies acquired, ii) EUR 458,531 thousand for the subrogation of the debtor position of the subordinated loans held by the previous shareholders, and iii) EUR 45,937 thousand for the interest payable on the aforementioned loans. The table below includes a breakdown of the value of the incorporation as of 31 October 2014 and also considering the values actually accounted for as of December 31, 2013.

	Balance sheet heading	Amounts at 31 December 2013	Amounts at 31 October 2014
Ownership interest	Equity instruments	108,486	108,486
Subordinated loans	Other loans	245,255	458,531
Interest payable	Other current financial assets with group companies	36,061	45,037

Prior to incorporating the companies acquired, a portion of the debt of the subordinated loans held by the previous shareholders was forgiven, which gave rise to a profit in 2013 in the pro forma income statement of EUR 60,222 thousand and which was subsequently eliminated as it was an intercompany transaction (see adjustment E).

Saeta has prepared this pro forma financial information as if these transactions had taken place on 1 January 2013, for the purposes of preparing the pro forma income statement and the pro forma cash flow statement, and as if these transactions had taken place on 31 December 2013, for the purposes of preparing the pro forma financial position statement.

The purpose of the pro forma financial information prepared is to facilitate information on how the Capital increases and the incorporation of the Acquired companies described above would have affected the financial position statement at 31 December 2013 and the income statement and the cash flow statement for the year ended 31 December 2013, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU).

Given that this pro forma financial information was prepared to reflect a hypothetical situation, its purpose is not to represent, and therefore does not represent, the financial-equity position of the Group at 31 December 2013 or the results of the Group's operations or cash flow in the year then ended.

The bases of preparation defined by Saeta's Administrators for this pro forma financial information are detailed below and are made up of sources of presentation, homogenisation adjustments, adjustments to correct qualifications and pro forma adjustments.

We have not considered any adjustments relating to the costs of the offering and admission to listing process for the shares of Saeta because these costs did not have and will not have any impact on the consolidated financial statements of Saeta since they will be assumed by the previous shareholder.

2. Sources of presentation of the pro forma financial information

The following financial information was used to compile the accompanying pro forma financial information:

- The standalone financial statements of each of the ten companies acquired by Saeta in 2013 prepared in accordance with the Spanish National Chart of Accounts (*Plan General de Contabilidad*, PGC), approved by Royal Decree 1514/2007 (hereinafter, the "PGC"), the sum of which makes up our "Aggregate financial statements". We have included in Appendix 1 to this pro forma financial information a breakdown of each of the stand-alone financial statements that comprises our Aggregate financial statements. Deloitte, S.L., issued nine auditors' reports in which they expressed an unqualified opinion in all cases except for Extresol 1, S.L., Manchadol 2 Central Termosolar Dos, S.L., and Parque Eólico Tesosanto, S.L., in which they expressed an opinion qualified for the following reasons:
 - Qualifications as a result of the depreciation of property, plant and equipment: The auditors' reports on the financial statements for the year ended 31 December 2013 of Extresol 1, S.L., Manchadol 2 Central Termosolar Dos, S.L., and Parque Eólico Tesosanto, S.L., contain one qualification indicating that the company is depreciating property, plant and equipment based on the financing agreement (18, 18 and 15 years, respectively) instead of based on the useful life of the assets that the ACS Group has

estimated in 2013 over a 25-year period in the case of Extresol 1, S.L., and Manchazol 2 Central Termosolar Dos, S.L., and 18 years for Parque Eólico Tesosanto, S.L.

- Qualifications as a result of the classification of financial debt: The auditors' report on the financial statements for the year ended 31 December 2013 of Manchazol 2 Central Termosolar Dos, S.L., contains one qualification indicating that the syndicated loan drawn down by EUR 257,058 thousand, net of arrangement expenses, should be recognised under “Non-recourse Project finance – Current liabilities” instead of “Non-recourse Project finance - Non-current liabilities”.

Parque Eólico Valcaire, S.L., was not audited because the limits for mandatory audit were not met and the company did not consider a voluntary audit. The accounting policies applied by Parque Eólico Valcaire, S.L. are consistent with the criteria and policies used in the preparation of individual financial statements of each of the ten companies included in the Aggregated financial statements from 31 December 2013. The annual accounts to the 2013 financial statements of Parque Eólico Valcaire, S.L., La Caldera Energía Burgos, S.L. and Serrezuela Solar II, S.L., since they are abbreviated, do not include the cash flow statement and, therefore, they were specifically prepared to draw up this pro forma financial information.

- The standalone financial statements of Saeta Yield, S.A., for 2013 were prepared in accordance with the PGC. These standalone financial statements were not audited because the company did not meet the legal requirements to be subject to a mandatory audit. These standalone financial statements were authorised for issue by Saeta's Administrators. The annual accounts to the 2013 financial statements of Saeta Yield, S.A., since they are abbreviated, do not include the cash flow statement and, therefore, were specifically prepared to draw up this pro forma financial information. The accounting policies applied by Saeta are consistent with the accounting policies and measurement bases used in preparing the standalone financial statements of each of the ten companies included in the Aggregate financial statements at 31 December 2013.

The pro forma financial position statement was prepared by adding the standalone financial statements of each of the ten companies incorporated by Saeta in 2013, prepared in accordance with the PGC, to Saeta's financial position statement at 31 December 2013, prepared in accordance with the PGC, plus the adjustments for homogenisation to IFRS-EU, the adjustments arising from correcting the qualifications and the pro forma adjustments estimated as if the transactions had been carried out at 31 December 2013.

The pro forma income statement for 2013 was prepared by adding the standalone income statement of each of the ten companies incorporated by Saeta in 2013, each prepared in accordance with the PGC, to Saeta's standalone income statement for 2013, prepared in accordance with the PGC, plus the adjustments for homogenisation to IFRS-EU, the adjustments arising from correcting the qualifications and the pro forma adjustments estimated as if the transactions had been carried out at 1 January 2013.

The pro forma cash flow statement for 2013 was prepared by adding the standalone cash flow statement of each of the ten companies incorporated by Saeta in 2013, each prepared in accordance with the PGC, to Saeta's standalone cash flow statement for 2013, prepared in accordance with the PGC, plus the adjustments for homogenisation to IFRS-EU, the adjustments arising from correcting the qualifications and the pro forma adjustments estimated as if the transactions had been carried out at 1 January 2013.

A pro forma financial position statement, a pro forma income statement and a pro forma cash flow statement at 31 October 2014, are not included, since the Group's interim consolidated financial statements at 31 October 2014 already include the recognition of the two transactions included in the pro forma financial information at 31 December and for the year then ended. The consolidation process was prepared using consolidated values of the pre-existing subsidiaries at 1 January 2014 and, therefore, these interim consolidated financial statements at 31 October 2014 are not considered initial financial statements and the acquisition method was not applied as the company was under common control in accordance with the exceptions permitted by “IFRS 3 – Business combination” in the framework of transactions under common control. The profit or loss of the Acquired companies incorporated in 2014 has been included in the consolidated income statement which forms part of the interim consolidated financial statements at 31 October 2014 included in the Prospectus since 1 January 2014 given that the companies acquired were considered to form part of the Group since that date.

In order to correctly interpret the pro forma financial information and the accompanying explanatory notes, they must be read jointly with the standalone financial statements of each of the ten companies incorporated by Saeta and with Saeta's standalone financial statements, prepared in accordance with the PGC.

The accounting policies applied in preparing the interim consolidated financial statements at 31 October 2014 from the Group were taken into account in preparing the pro forma financial information.

Pro forma financial position statement at 31 December 2013

ASSETS	2013 Aggregate Financial Statements	2013 Saeta Yield	Debt Qualification Correction - (A)	DBA Qualification Correction - Depreciation (B.1)	DBA Qualification Correction - Impairment (B.2)	Capital increases (C.1)	Asset Purchase (C.2)	Equity of Aggregate Financial Statements - (D)	Intra-group transactions - (E)	2013 Proforma
	1.545.245	-	-	25.299	(30.949)	-	353.741	(108.486)	(245.255)	1.539.594
NON-CURRENT ASSETS										
Intangible assets	168	-	-	-	-	-	-	-	-	168
Tangible assets - Property, plant and equipment	10.050	-	-	-	-	-	-	-	-	10.050
Non-current assets in projects	1.457.398	-	-	36.142	(44.213)	-	-	-	-	1.449.327
Non-current financial assets with Group Companies & Associates	1.536	-	-	-	-	-	353.741	(108.486)	(245.255)	1.536
- Equity instruments	44	-	-	-	-	-	108.486	(108.486)	-	44
- Other loans	1.492	-	-	-	-	-	245.255	(245.255)	(245.255)	1.492
Non-current financial assets	7.081	-	-	-	-	-	-	-	-	7.081
- Equity instruments	6.981	-	-	-	-	-	-	-	-	6.981
- Other loans	100	-	-	-	-	-	-	-	-	100
Deferred tax assets	69.012	-	-	(10.843)	13.264	-	-	-	-	71.433
CURRENT ASSETS	229.580	2	-	-	-	613.015	(61.338)	-	(36.061)	745.198
Inventories	872	-	-	-	-	-	-	-	-	872
Trade and other receivables	32.237	-	-	-	-	-	-	-	-	32.237
Called-up capital on shares or ordinary shareholdings	-	-	-	-	-	515.616	-	-	-	515.616
Other current financial assets with Group Companies & related parties	87.491	-	-	-	-	-	36.061	-	(36.061)	87.491
Current tax assets	63	-	-	-	-	-	-	-	-	63
Other receivables from the public authorities	1.256	-	-	-	-	-	-	-	-	1.256
Other current financial assets	58.039	-	-	-	-	-	-	-	-	58.039
Cash and cash equivalents	49.622	2	-	-	-	97.399	(97.399)	-	-	49.624
TOTAL ASSETS	1.774.825	2	-	25.299	(30.949)	613.015	292.403	(108.486)	(281.316)	2.284.793
EQUITY AND LIABILITIES										
EQUITY	(195.890)	2	-	25.299	(30.949)	613.015	60.222	(108.486)	-	363.214
Share capital	72.892	3	-	-	-	61.560	-	(72.892)	-	61.563
Share premium	-	-	-	-	-	551.455	-	-	-	551.455
Reserves	(115.018)	(1)	-	17.213	(3.501)	-	-	(35.594)	60.222	(76.679)
Profit for the period of the parent	(60.110)	-	-	8.086	(27.448)	-	60.222	-	(60.222)	(79.472)
Adjustments for changes in value	(93.653)	-	-	-	-	-	-	-	-	(93.653)
- Hedging instruments	(93.653)	-	-	-	-	-	-	-	-	(93.653)
EQUITY ATTRIBUTABLE TO THE PARENT	(195.890)	2	-	25.299	(30.949)	613.015	60.222	(108.486)	-	363.214
NON-CURRENT LIABILITIES	1.588.174	-	(257.058)	-	-	-	(60.222)	-	(245.255)	1.025.639
Long term project finance	1.096.774	-	(257.058)	-	-	-	-	-	-	839.716
Non-current borrowings from Group Companies & Related Parties	305.478	-	-	-	-	-	(60.222)	-	(245.255)	133.700
Derivative financial instruments	133.700	-	-	-	-	-	-	-	-	133.700
Deferred tax liabilities	52.222	-	-	-	-	-	-	-	-	52.222
CURRENT LIABILITIES	382.540	-	257.058	-	-	-	292.403	-	(36.061)	895.940
Short term project finance	61.426	-	257.058	-	-	-	-	-	-	318.484
Derivative financial instruments	266.704	-	-	-	-	-	-	-	-	266.704
Trade and other payables	48.371	-	-	-	-	-	292.403	-	(36.061)	292.403
Other payables to Group Companies & Related Parties	975	-	-	-	-	-	-	-	-	1.231.0
Other financial liabilities with Group Companies & Related Parties	5.064	-	-	-	-	-	-	-	-	975
Current tax liabilities	-	-	-	-	-	-	-	-	-	5.064
Other payables to the public authorities	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	1.774.825	2	-	25.299	(30.949)	613.015	292.403	(108.486)	(281.316)	2.284.793

Pro forma income statement for the year ended 31 December 2013

	2013 Aggregate Financial Statements	2013 Saeta Yield	Debt Qualification Correction - (A)	D&A Qualification Correction - Depreciation (B.1)	D&A Qualification Correction - Impairment (B.2)	Capital Increases (C.1)	Asset Purchase (C.2)	Equity of Aggregated Financial Statements - (D)	Intragroup transactions - E	2013 Proforma
REVENUE	176.969	-	-	-	-	-	-	-	-	176.969
Capitalised expenses of in-house work on assets	47.117	-	-	-	-	-	-	-	-	47.117
Cost of materials used and other external expenses	(39.082)	-	-	-	-	-	-	-	-	(39.082)
Staff costs	(280)	-	-	-	-	-	-	-	-	(280)
Other operating expenses	(64.617)	-	-	-	-	-	-	-	-	(64.617)
Depreciation and amortisation charge	(86.359)	-	-	11.552	-	-	-	-	-	(74.807)
Impairment and gains on the disposal of non-current assets	(50.128)	-	-	-	(39.211)	-	-	-	-	(89.339)
Other gains or losses	50	-	-	-	-	-	60.222	-	(60.222)	50
OPERATING INCOME	(16.330)	-	-	11.552	(39.211)	-	60.222	-	(60.222)	(43.989)
Finance income	938	-	-	-	-	-	9.285	-	(9.285)	938
Capitalised borrowing costs	17	-	-	-	-	-	-	-	-	17
Financial costs	(70.455)	-	-	-	-	-	-	-	9.285	(61.170)
FINANCIAL RESULT	(69.500)	-	-	-	-	-	9.285	-	-	(60.215)
Profit/(Loss) of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
PROFIT/(LOSS) BEFORE TAX	(85.830)	-	-	11.552	(39.211)	-	69.507	-	(60.222)	(104.204)
Income tax	25.720	-	-	(3.466)	11.763	-	(2.785)	-	-	31.232
PROFIT/(LOSS) ATTRIBUTABLE TO THE PARENT	(60.110)	-	-	8.086	(27.448)	-	66.722	-	(60.222)	(72.972)

Pro forma cash flow statement for the year ended 31 December 2013

	2013 Aggregate Financial Statements	2013 Saeta Yield	Debt Qualification Correction - (A)	D&A Qualification Correction - Depreciation (B.1)	D&A Qualification Correction - Impairment (B.2)	Capital increases (C.1)	Asset Purchase (C.2)	Equity of Aggregate Financial Statements - (D)	Intragroup transactions - E	2013 Proforma
A) CASH FLOWS FROM OPERATING ACTIVITIES										83,294
1. Profit (Loss) before tax	(85,830)			11,552	(39,211)		69,507	(60,222)	(60,222)	(104,204)
2. Adjustments for:	205,987			(11,552)	39,211		(69,507)	60,222	60,222	224,361
a) Depreciation and amortisation charge	86,359			(11,552)						74,807
b) Impairment and on the disposal of non-current assets	50,128				39,211					89,339
c) Other gains or losses							(60,222)	60,222		
d) Finance income	(938)						(9,285)	9,285		(938)
e) Capitalised borrowing costs	(17)									(17)
f) Financial costs	70,455								(9,285)	61,170
3. Changes in working capital	23,255								4,910	28,165
a) Inventories	1,089									1,089
b) Trade and other receivables	(7,086)									(7,086)
c) Trade and other payables	33,668								4,910	38,578
d) Other current assets and current liabilities	(4,416)									(4,416)
4. Other cash flows from operating activities	(65,775)								747	(65,028)
a) Interest payable	(67,920)								747	(67,173)
b) Interest received	201									201
c) Income tax payments / proceeds	1,944									1,944
B) CASH FLOWS FROM INVESTING ACTIVITIES										(142,280)
5. Investment payables	(75,037)						(97,399)			(172,436)
a) Group Companies & Related Parties	(25,450)						(97,399)			(122,849)
b) Non-current assets in projects	(49,565)									(49,565)
c) Other financial assets	(22)									(22)
6. Proceeds from disposals	30,156									30,156
a) Group Companies & Related Parties	25,019									25,019
b) Non-current assets in projects	4,645									4,645
c) Other financial assets	492									492
C) CASH FLOWS FROM FINANCING ACTIVITIES										55,086
7. Equity instrument proceeds						97,399			(5,657)	97,399
a) Issue of New Capital Shares						97,399				97,399
8. Liability instrument proceeds	30,652								(17,055)	13,597
a) Group Companies & Related Parties	27,835								(17,055)	10,780
b) Credit institutions	1,842									1,842
c) Other borrowings	975									975
9. Liability instrument payments	(59,062)								3,153	(55,910)
a) Group Companies & Related Parties	(6,643)								3,153	(3,491)
b) Credit institutions	(51,979)									(51,979)
c) Other borrowings	(440)									(440)
10. Dividends and returns on other equity instruments paid	(8,245)								8,245	
a) Dividends	(8,245)								8,245	
D) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,899)					97,399	(97,399)			(3,900)
Cash and cash equivalents at beginning of the year	53,522	2								53,524
Cash and cash equivalents at end of the year	49,623	1				97,399	(97,399)			49,624

3. Homogenisation adjustments

As indicated in Note 2 above, the financial information used in preparing the pro forma financial information corresponds to the standalone financial statements for 2013 of the companies acquired and Saeta's standalone financial statements for 2013, prepared in accordance with the PGC. The Group's financial statements for the period ended 31 October 2014 for its inclusion in the Prospectus were prepared in accordance with IFRS-EU and, therefore, the pro forma financial information must be homogenised to IFRS-EU.

Since there are no significant differences between the preparation of the financial statements of Saeta in accordance with the PGC and IFRS-EU, there was no impact on the pro forma financial information in relation to adjustments for homogenisation accounting policies.

4. Adjustments for correcting qualifications

As indicated in Note 2, the auditors' reports of three of the individual companies acquired by Saeta contain qualifications. The adjustments explained below correct such qualifications.

A) Correction of the qualification relating to debt

This adjustment reclassifies EUR 257,058 thousand from "Non-recourse Project finance - Non-current liabilities" to "Non-recourse Project finance – Current liabilities". This adjustment has no impact on the pro forma income statement or the pro forma cash flow statement at 31 December 2013 as it is a reclassification between headings of the pro forma balance sheet.

B.1) and B.2) Correction of the qualification relating to depreciation

This adjustment corrects the depreciation of the assets of the three companies indicated in Note 2, whereby instead of depreciating the property, plant and equipment based on the financing agreement (18, 18 and 15 years, respectively) they are depreciated based on the useful life of the assets that the ACS Group estimated in 2013 over a 25-year period for thermal solar plants and 18 years for wind farms. The accumulated impact of this correction on the pro forma balance sheet was recognised under "Non-current assets in projects" to reflect the decrease in accumulated depreciation amounting to EUR 32,143 thousand (refer to adjustment B.1) and the increase in impairment amounting to EUR 44,123 thousand (refer to adjustment B.2). The tax effect amounting to EUR 2,421 (EUR 13,264 thousand minus EUR 10,843 thousand) recognised under "Deferred tax assets" was also taken into account.

As a result of the foregoing, the impact on the pro forma income statement for the year ended 31 December 2013 is the following:

- i) less "Depreciation and amortisation charge" (amounting to EUR 11,552 thousand) – refer to adjustment B.1 and
- ii) greater expenses due to the increase in impairment recognised under "Impairment and gains on the disposal of non-current assets" amounting to EUR 39,211 thousand- refer to adjustment B.2.

This pro forma adjustment includes the effect of having considered the consolidated adjusted net book value. In this sense, in the calculation of the effect that the correction of depreciation has on the impairment, it was considered the estimated recoverable value of the plants at a consolidated level which differs slightly from the recoverable value of the individual impairment test. The difference is due to certain tax criteria no significant. That is why the net amount resulting from both adjustments in the pro forma income statement for the year ended 31 December 2013 differs from being automatic calculation "ceteris paribus" that would result in the correction in the individual financial statements. The result has a non-significant impact.

The impact from i) and ii) above, arising from years prior to 2013 was recognised under "Reserves", and the impact in 2013 has been registered under "Profit for the period of the parent".

The net impact of these adjustments on the pro forma cash flow statement at 31 December 2013 is zero because it does not entail any outflow or inflow of cash for the Group.

As explained in the interim financial statements as of 31 October 2014 of the Group included in the Prospectus, the Group proceeded to re-estimate the useful life of wind farms with effect January 1, 2014, placing it in 20 years. For the purposes of pro forma financial information, the useful life of wind farms has remained in the estimate used in the Aggregated financial statements. By incorporating this reassessment in the pro forma financial information, the impact on the income statement pro-forma would had been 6.3 million euros of less expense under "Depreciation and amortization charge".

5. Pro forma adjustments

C) Capital increase of Saeta and acquisition of assets.

C 1) Transaction 1 – Capital increase

As indicated in Note 1, Saeta carried out three Capital increases throughout the last quarter of 2014 through the issue of an aggregate total of 6,156,000 shares of EUR 10 par value each (EUR 61,560 thousand recognised under "Share capital") and a share premium of EUR 551,445 thousand ("Share premium"). The total value of the Capital increases amounts to EUR 613,050 thousand, the pending amount, which does not accrued any interests, as it has not yet been paid was recognised under "Called-up capital on shares or ordinary shareholdings" (EUR 551,455 thousand) and the disbursed amount under "Cash and cash equivalents" (EUR 97,399 thousand). This cash is used for the payment described below in Transaction 2 so that the balance of "Cash and cash equivalents" at 31 December 2013 is zero. This pro forma adjustment to reflect the cash disbursed amounting to EUR 97,399 thousand has been obtained by applying the percentage paid of the capital increases as of October 31, 2014 which amounts to 25% (EUR 153 million over EUR 612 million) to the amounts registered at December 31, 2013 amounting to EUR 389,802 thousand (EUR 108,486 thousand plus EUR 245,255 thousand and EUR 36,061 thousand).

C 2) Transaction 2 – Incorporation of Companies acquired

The purpose of the Capital increases was the incorporation of the Acquired companies on 31 October 2014. The value of the incorporation relates to: i) 100% of the ownership interest in the companies, ii) the subrogation of the debtor position of the subordinated loans held by the previous shareholders, and iii) the interest payable on the aforementioned loans.

Given that the transactions were assumed to have been carried out at 31 December to prepare the pro forma financial position statement at this date, the values recognised in the Aggregate financial statements at 31 December 2013 were taken in accordance with the following table:

	Balance sheet heading	Amounts at 31 December 2013	Amounts at 31 October 2014
Ownership interest	Equity instruments	108,486	108,486
Subordinated loans	Other loans	245,255	458,531
Interest payable	Other current financial assets with group companies	36,061	45,037

A total of EUR 389,802 thousand minus the amount paid with the disbursed cash as described in Transaction 1 for an amount of EUR 97,399 thousand, has been recognised under "Other payables to Group Companies & Associates", which does not accrued any interests.

A portion of the debt of the subordinated loans subrogated in 31 October 2014, was forgiven prior to the incorporation of the companies acquired, which generated a profit in 2013 of EUR 60,222 thousand recognised in the pro forma income statement under "Profit for the period of the parent" and less Group debt under "Non-current borrowings from Group and associated companies". This profit was subsequently eliminated because it was an intercompany transaction (see adjustment E).

In addition, the interest accrued from the subordinated loans amounting to EUR 9,285 thousand was recognised in the pro forma income statement. However, since it was an intercompany transaction the interest was eliminated in adjustment E.

The net impact of this adjustment on the pro forma cash flow statement at 31 December 2013 is zero because it does not entail any outflow or inflow of cash for the Group.

D) Investment - shareholders' equity elimination

Given that Saeta became the head of the Group, Saeta's ownership interest in the ten holding companies of plants valued at EUR 108,486 thousand, which arose after the incorporation of the companies acquired described in adjustment C above, was eliminated, along with the "Share capital" amounting to EUR 72,892 thousand and "Reserves" for EUR 35,594 thousand recognised in the Aggregate financial statements.

	Saeta	Elimination of equity from aggregate financial statements	Total
Equity instruments	(108,486)		(108,486)
Share capital		(72,892)	(72,892)
Reserves		(35,594)	(35,594)
Total	(108,486)	(108,486)	-

This adjustment has no impact on the pro forma income statement or the pro forma cash flow statement at 31 December 2013.

E) Elimination of balances and transactions with Group companies:

E.1) Balances at 31 December 2013 eliminated in the pro forma financial position statement

The balances that were eliminated or reclassified are as follows (in thousands of euros):

	Saeta	Aggregate financial statements
Other loans (1)	245,255	
Other current financial assets with group companies (2)	36,061	
Non-current borrowings from Group and associated companies (1)		245,255
Other financial liabilities with Group Companies & Associates (2)		36,061
Reserves (3)	60,222	
Profit for the period of the parent (3)	(60,222)	

(1) These balances relate to the elimination of the subordinated loans. (See adjustment C)

(2) These balances relate to the elimination of the interest accrued from the subordinated loans (See adjustment C).

(3) These balances relate to the elimination of the profit eliminated in adjustment E.2 below and the classification of the amount to "Reserves". As a result, the forgiveness of debt, which represented less Group debt under "Non-current borrowings from Group and associated companies" (see adjustment C), was recognised as an increase to "Reserves" at 31 December 2013 in the pro forma balance sheet.

E.2) Transactions for 2013 eliminated in the pro forma income statement

The transactions that were eliminated relating to 2013 are as follows (in thousands of euros):

	Saeta	Aggregate financial statements	Total
Other gains or losses (1)	60,222		60,222
Finance income (2)	(9.285)	-	(9.285)
Finance expenses (2)	-	9.285	9.285

(1) This transaction relates to the elimination of the profit generated by the forgiveness of a portion of the debt of the subordinated loans (See adjustment C).

(2) These transactions relate to the elimination of the finance costs and finance income arising from the subordinated loans eliminated in section E.1 above.

E.3) Balances and transactions for 2013 eliminated in the pro forma cash flow statement

The net impact of the elimination of these balances and transactions is zero because it does not entail any outflow or inflow of cash for the Group.

The balances and transactions that were eliminated relating to 2013 are as follows (in thousands of euros):

	Saeta	Aggregate financial statements	Saeta Group	Total
Profit (Loss) before tax (1)			(60,222)	(60,222)
Other gains or losses (1)			60,222	60,222
Finance income (2)		-	(9.285)	(9.285)
Finance expenses (2)	-	9.285		9.285
CASH FLOW FROM FINANCING ACTIVITIES (3):		5,657		5,657
Liability instrument proceeds		(17.056)		(17.056)
Liability instrument payments		3.153		3.153
Dividends		-		8,245
Changes in working capital and Other Cash flow from operating activities (4)		5,657		5,657
Changes in working capital		4.910		4.910
Other cash flow from operating activities		747		747

(1) It relates to the elimination of the profit generated by the forgiveness of a portion of the debt of the subordinated loans (See adjustment C).

(2) It relates to the elimination of the finance costs and finance income arising from the subordinated loans eliminated in section E.1.

(3) and (4) These transactions relate to the elimination of transactions recognised in the aggregate cash flow statement that relate to the payment of the principal, interest and dividends to former shareholders. These balances will not be included in the Group's consolidated financial statements because they will be intercompany balances with Saeta, the new shareholder, that will be eliminated in the consolidation process. Of these transactions only interest from the loans have an impact on the pro forma income statement and form part of the balance that amounts to EUR 9,285 thousand and that was eliminated in

adjustment E.2. Due to the fact that the intercompany balances were liquidated at 31 December, they have no effect on the pro forma balance sheet.

Madrid, 26 January 2015

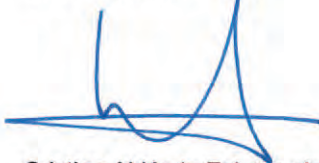
Saeta's Administrators:



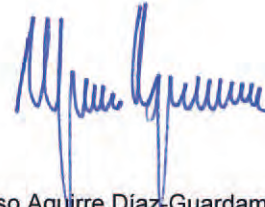
José Luis Martínez Dalmau
President



Epifanio Lozano Pueyo
Non Executive Director

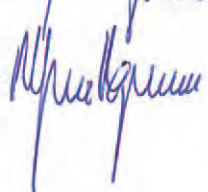


Cristina Aldámiz-Echevarría González de Durana
Non Executive Director



Alfonso Aguirre Díaz-Guardamino
Non Executive Director - Secretary

Miembro representado y no firma por estar ausente



Cristóbal González Wiedmaler
Non Executive Director

Appendix 1 - Aggregate financial statements

Aggregate financial position statement at 31 December 2013

ASSETS	Extresol 1, S.L.	Manchaoal 2 Central Termosolar Dps, S.L.	Serrezuela Solar II, S.L.	Al-Andalus Wind Power, S.L.	Parque Eólico Santa Catalina, S.L.	Parque Eólico Valcaino, S.L.	Eólica del Guadiana, S.L.	Parque Eólico Sierralbas Crietas, S.L.	Parque Eólico Teosanto, S.L.	La Caldera Energía Burgos, S.L.	2013 Aggregate Financial Statements
NON-CURRENT ASSETS	304.632	295.267	262.362	296.804	153.509	21.974	55.385	51.589	72.842	30.881	1.545.245
Intangible assets	-	-	168	-	-	-	-	-	-	-	168
Tangible assets - Property, plant and equipment	6.336	3.703	-	-	-	-	-	-	11	-	10.050
Non-current assets in projects	279.771	274.518	250.089	284.072	147.769	20.285	52.248	48.982	70.619	29.045	1.457.398
Non-current financial assets with Group Companies & Associates	-	-	-	-	-	1.536	-	-	-	-	1.536
- Equity instruments	-	-	-	-	-	44	-	-	-	-	44
- Other loans	-	-	-	-	-	1.492	-	-	-	-	1.492
Non-current financial assets	4.758	77	2.246	-	-	-	-	-	-	-	7.081
- Equity instruments	4.735	-	2.246	-	-	-	-	-	-	-	6.981
- Other loans	23	77	-	-	-	-	-	-	-	-	100
Deferred tax assets	13.767	16.969	9.859	12.732	5.740	153	3.137	2.607	2.212	1.836	69.012
CURRENT ASSETS	68.580	30.016	9.568	70.756	22.486	1.875	9.656	9.464	3.612	3.577	229.580
Inventories	-	-	-	872	-	-	-	-	-	-	872
Trade and other receivables	2.067	1.884	172	8.900	13.702	639	1.459	1.298	1.294	822	32.237
Called-up capital on shares or ordinary shareholdings	-	-	-	-	-	-	-	-	-	-	-
Other current financial assets with Group Companies & Related Parties	43.986	10.530	6.530	24.598	-	77	1.771	(2)	-	1	87.491
Current tax assets	-	-	-	-	-	-	-	-	63	-	63
Other receivables from the public authorities	5	-	842	5	-	397	-	5	-	2	1.256
Other current financial assets	12.016	14.464	1.732	14.637	5.956	2.743	3.760	729	729	2.002	58.039
Cash and cash equivalents	10.506	3.138	292	21.744	2.828	762	3.683	4.393	1.526	750	49.622
TOTAL ASSETS	373.212	325.283	271.930	367.560	175.995	23.849	65.041	61.043	76.454	34.458	1.774.825
EQUITY AND LIABILITIES											
EQUITY	(21.549)	(63.689)	(23.085)	(42.017)	(26.320)	(53)	(9.126)	(3.516)	(2.952)	(3.582)	(195.889)
Share capital	8.919	18.671	3	17.155	8.816	305	14.280	1.656	2.078	1.009	72.892
Share premium	-	-	-	-	-	-	-	-	-	-	-
Reserves	1.307	(8.307)	(27.236)	(31.685)	(25.926)	(2)	(17.989)	(942)	(1.783)	(2.455)	(115.018)
Profit for the period of the parent	(5.862)	(49.574)	4.148	(5.691)	(163)	(356)	(1.916)	(1.89)	(1.26)	(3.61)	(60.110)
Adjustments for changes in value	(25.913)	(24.479)	-	(21.796)	(9.047)	-	(3.481)	(4.041)	(3.121)	(1.775)	(93.653)
- Hedging instruments	(25.913)	(24.479)	-	(21.796)	(9.047)	-	(3.481)	(4.041)	(3.121)	(1.775)	(93.653)
EQUITY ATTRIBUTABLE TO THE PARENT	(21.549)	(63.689)	(23.085)	(42.017)	(26.320)	(53)	(9.126)	(3.516)	(2.952)	(3.582)	(195.889)
NON-CURRENT LIABILITIES	369.096	353.797	59.624	365.071	183.791	20.100	66.023	59.755	73.199	35.718	1.588.174
Long term project finance	275.480	257.058	-	252.191	124.052	-	48.783	49.000	60.042	30.168	1.096.774
Non-current borrowings from Group Companies & Related Parties	23.594	61.769	59.624	62.615	4.6815	20.100	14.267	4.982	8.698	3.014	305.478
Derivative financial instruments	36.928	34.970	-	31.137	12.924	-	4.973	5.773	4.459	2.536	133.700
Deferred tax liabilities	33.094	-	-	19.128	-	-	-	-	-	-	52.222
CURRENT LIABILITIES	25.666	35.175	235.300	44.506	18.524	3.802	6.144	4.804	6.207	2.322	382.540
Short term project finance	11.686	11.294	-	21.985	6.382	-	2.543	2.600	3.438	1.498	61.426
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	9.970	10.292	235.387	6.179	1.320	287	1.456	720	806	287	266.704
Other payables to Group Companies & Related Parties	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities with Group Companies & Related Parties	3.352	12.206	2	15.480	9.590	3.515	2.069	4.78	1.307	372	48.371
Other financial liabilities	-	-	-	-	975	-	-	-	-	-	975
Current tax liabilities	658	1.383	1	862	257	-	76	1.006	656	165	5.064
Other payables to the public authorities	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	373.213	325.283	271.929	367.560	175.995	23.849	65.041	61.043	76.454	34.458	1.774.825

Aggregate income statement for the year ended 31 December 2013

	Extresol 1, S.L.	Manchasol 2 Central Termosolar Dos, S.L.	Serrezuela Solar II, S.L.	Al-Andalus Wind Power, S.L.	Parque Eólico Santa Catalina, S.L.	Parque Eólico Valcaire, S.L.	Eólica del Guadiana, S.L.	Parque Eólico Sierra las Carbás, S.L.	Parque Eólico Tesosanto, S.L.	La Caldera Energía Burgos, S.L.	2013 Aggregate Financial Statements
REVENUE	39.739	35.069	887	47.190	19.007	3.462	7.491	8.836	10.783	4.505	176.969
Capitalised expenses of in-house work on assets	-	-	42.524	124	-	4.419	50	-	-	-	47.117
Cost of materials used and other external expenses	(72)	(364)	(36.354)	159	150	(2.642)	(27)	-	68	-	(39.082)
Staff costs	(79)	(43)	(52)	(52)	(39)	-	(30)	-	(37)	-	(280)
Other operating expenses	(14.286)	(11.774)	(7.054)	(15.348)	(4.396)	(2.609)	(2.282)	(2.790)	(2.655)	(1.423)	(64.617)
Depreciation and amortisation charge	(20.567)	(16.245)	-	(22.264)	(10.128)	(1.205)	(4.520)	(3.620)	(5.610)	(2.200)	(86.359)
Impairment and gains on the disposal of non-current assets	-	(54.893)	5.920	(3.206)	2.991	(1.469)	529	-	-	-	(50.128)
Other gains or losses	-	-	-	50	-	-	-	-	-	-	50
OPERATING INCOME	4.735	(48.250)	5.923	6.653	7.585	(44)	1.211	2.426	2.549	882	(16.330)
Finance income	702	1	3	38	-	61	-	99	29	5	938
Capitalised borrowing costs	-	-	17	-	-	-	-	-	-	-	17
Financial costs	(13.778)	(22.556)	(19)	(14.827)	(7.817)	(526)	(3.976)	(2.795)	(2.758)	(1.403)	(70.455)
FINANCIAL RESULT	(13.076)	(22.555)	1	(14.789)	(7.817)	(465)	(3.976)	(2.696)	(2.729)	(1.998)	(69.500)
Profit/(loss) of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
PROFIT/(LOSS) BEFORE TAX	(8.341)	(70.805)	5.924	(8.136)	(232)	(509)	(2.765)	(270)	(480)	(516)	(85.830)
Income tax	2.479	21.231	(1.776)	2.445	69	153	829	81	54	155	25.720
PROFIT/(LOSS) ATTRIBUTABLE TO THE PARENT	(5.862)	(49.574)	4.148	(5.691)	(163)	(356)	(1.936)	(189)	(426)	(361)	(60.110)

Aggregate cash flow statement for the year ended 31 December 2013

	Extresol 1, S.L.	Manchasol 2 Central Termosolar Dos, S.L.	Serrezuela Solar II, S.L.	Al-Andalus Wind Power, S.L.	Parque Eólico Santa Catalina, S.L.	Parque Eólico Valcaire, S.L.	Eólica del Guadiana, S.L.	Parque Eólico Sierra las Carbás, S.L.	Parque Eólico Tesosanto, S.L.	La Caldera Energía Burgos, S.L.	2013 Aggregate Financial Statements
A) CASH FLOWS FROM OPERATING ACTIVITIES	13,769	12,551	37,252	11,999	(6,942)	(95)	(2,363)	3,766	6,036	1,664	77,637
1. Profit (Loss) before tax	(8,342)	(70,804)	5,924	(8,136)	(231)	(508)	(2,765)	(270)	(181)	(517)	(85,830)
2. Adjustments for:	33,643	93,693	(5,921)	40,259	14,954	3,139	7,967	6,316	8,339	3,598	205,987
a) Depreciation and amortisation charge	20,567	16,245	(5,920)	22,264	10,128	1,205	4,520	3,620	5,610	2,200	86,359
b) Impairment and on the disposal of non-current assets	-	54,893	-	3,206	(2,991)	1,469	(529)	-	-	-	50,128
c) Other gains or losses	(702)	(1)	(3)	(38)	-	(61)	-	(99)	(29)	(5)	(938)
d) Finance income	-	-	(17)	(17)	-	-	-	-	-	-	(17)
e) Capitalised borrowing costs	13,778	22,556	19	14,827	7,817	526	3,976	2,795	2,758	1,403	70,455
f) Financial costs	6,690	5,864	37,265	(5,354)	(15,707)	(2,262)	(3,767)	144	543	(161)	23,255
3. Changes in working capital	-	-	-	1,089	-	-	-	-	-	-	1,089
a) Inventories	1,784	1,287	(574)	(3,838)	(6,116)	1,562	(1,469)	(34)	108	204	(7,086)
b) Trade and other receivables	4,905	9,034	37,839	(2,603)	(9,591)	(3,824)	(2,298)	226	(65)	45	33,668
c) Trade and other payables	1	(4,457)	-	(2)	-	-	-	(48)	500	(410)	(4,416)
d) Other current assets and current liabilities	(18,222)	(16,202)	(16)	(14,770)	(5,958)	(464)	(3,798)	(2,424)	(2,665)	(1,256)	(65,775)
4. Other cash flows from operating activities	(13,778)	(22,556)	(19)	(14,808)	(5,958)	(526)	(3,798)	(2,523)	(2,694)	(1,260)	(67,920)
a) Interest payable	-	4	3	-	-	62	-	99	29	4	201
b) Interest received	(4,444)	6,350	-	38	-	-	-	-	-	-	1,944
c) Income tax payments / proceeds	(5,116)	(1,110)	(42,542)	(9,356)	10,491	(4,389)	4,796	2,371	(24)	(2)	(44,881)
B) CASH FLOWS FROM INVESTING ACTIVITIES	(17,292)	(1,110)	(42,542)	(9,356)	-	(4,395)	(50)	(266)	(24)	(2)	(75,037)
5. Investment payables	(17,292)	(1,110)	(42,542)	(9,356)	-	(4,395)	(50)	(266)	(24)	(2)	(75,037)
a) Group companies and associates	-	-	(18)	(8,140)	-	-	-	-	-	-	(25,450)
b) Non-current assets in projects	-	(1,110)	(42,524)	(1,213)	-	(4,395)	(50)	(265)	(8)	-	(49,565)
c) Other financial assets	-	-	-	(3)	-	-	-	(1)	(16)	(2)	(22)
6. Proceeds from disposals	12,176	-	-	-	10,491	6	4,846	2,637	-	-	30,156
a) Group companies and associates	7,045	-	-	-	10,491	-	4,846	2,637	-	-	25,019
b) Non-current assets in projects	4,645	-	-	-	-	-	-	-	-	-	4,645
c) Other financial assets	486	-	-	-	-	6	-	-	-	-	492
C) CASH FLOWS FROM FINANCING ACTIVITIES	(22,891)	(8,852)	5,090	679	(3,869)	4,615	(2,270)	(2,374)	(4,991)	(1,792)	(36,655)
7. Equity instrument proceeds (and payment)	-	-	-	-	-	-	-	-	-	-	-
a) Acquisition	-	-	-	-	-	-	-	-	-	-	-
8. Liability instrument proceeds	-	2,536	5,090	16,504	2,091	4,615	-	(184)	-	-	30,652
a) Group companies and associates	-	1,610	5,090	16,504	16	4,615	-	-	-	-	27,835
b) Credit institutions	-	926	-	-	1,100	-	-	(184)	-	-	1,842
c) Other borrowings	-	-	-	-	975	-	-	-	-	-	975
9. Liability instrument payments	(15,430)	(10,604)	-	(15,825)	(5,960)	-	(2,270)	(2,190)	(4,991)	(1,792)	(59,062)
a) Group companies and associates	(4,513)	-	-	(15,825)	(5,960)	-	(192)	(2,190)	(1,919)	(19)	(6,643)
b) Credit institutions	(10,917)	(10,604)	-	(15,825)	(5,960)	-	(2,078)	(2,190)	(3,072)	(1,333)	(51,979)
c) Other borrowings	-	-	-	-	-	-	-	-	-	-	(440)
10. Dividends and returns on other equity instruments paid	(7,461)	(784)	-	-	-	-	-	-	-	-	(8,245)
a) Dividends	(7,461)	(784)	-	-	-	-	-	-	-	-	(8,245)
D) NET INCREASE (DECREASE) IN CASH AND CASH EQUIV	(14,238)	2,589	(200)	3,322	(320)	131	163	3,763	1,021	(130)	(3,899)
Cash and cash equivalents at beginning of the year	24,744	549	492	18,422	3,148	632	3,520	630	505	880	53,522
Cash and cash equivalents at end of the year	10,506	3,138	292	21,744	2,828	763	3,683	4,393	1,526	750	49,623

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

SPECIAL REPORT ON THE FORECAST OF PROFIT ATTRIBUTABLE TO THE PARENT

To the Board of Directors of Saeta Yield, S.A.

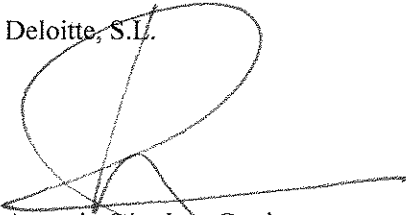
1. We have reviewed the “Forecast of profit attributable to the parent” included in the section “Cash Dividend Policy” of the Prospectus for the global initial public offering of the ordinary shares of Saeta Yield, S.A. (“the Company”) and the application for the admission of such ordinary shares on the Spanish Stock Market Interconnection System and on the Madrid, Valencia, Barcelona and Bilbao Stock Exchanges, dated 29 January 2015 (the “Prospectus”).
2. Pursuant to the requirements of European Commission Regulation (EC) 809/2004 and to the content of the Recommendations of the Committee of European Securities Regulators (CESR) for the consistent implementation of the aforementioned regulation, the directors the Company are responsible for preparing the “Forecast of profit attributable to the parent” and for the assumptions and hypotheses on which it is based.
3. Our responsibility is to issue the report required in Annex I item 13 of European Commission Regulation (EC) No. 809/2004, which under no circumstances may be considered to be an audit of financial statements. The aforementioned Regulation does not require, and, as a result, we are not responsible for expressing, an opinion on the possibility of achieving the forecast profits, or on the assumptions and hypotheses on which the “Forecast of profit attributable to the parent” is based and, consequently, none of the content of this report may be understood to be an opinion on any of these matters. In relation to the financial information used to compile the accompanying “Forecast of profit attributable to the parent”, we do not accept any liability additional to that assumed, as the case may be, in reports previously issued by us in this respect.
4. Our work was performed, where applicable, in accordance with the requirements of International Standard 3000 and included an assessment of the procedures performed by the directors of the Company in the compilation of the “Forecast of profit attributable to the parent” and of whether they are consistent with the Company's accounting policies.

Our work was planned and performed so as to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the “Forecast of profit attributable to the parent” was properly compiled on the basis of the assumptions and hypotheses defined by the directors of the Company. Given that the “Forecast of profit attributable to the parent” and the assumptions and hypotheses on which it is based are future oriented and, accordingly, might be affected by unforeseen events, we do not express an opinion about whether the actual profit obtained in the future will correspond to that shown in the aforementioned prospective information, since significant differences may arise.

5. In our opinion:

- a. The accompanying "Forecast of profit attributable to the parent" was properly compiled on the basis of the assumptions and hypotheses defined by the directors of the Company.
 - b. The accounting bases used by the directors of the Company in preparing the "Forecast of profit attributable to the parent" are consistent with the accounting policies used by the Company in preparing the interim consolidated financial statements for ten-month period ended 31 October 2014.
6. This report was prepared at the request of the Company in relation to the verification and registration of the Prospectus and, therefore, it must not be used for any other purpose or published in any other prospectus or document of a similar nature without our express consent. We do not accept any liability to persons other than the addressees of this report.

Deloitte, S.L.



Antonio Sánchez-Covisa

28 January 2015

CASH DIVIDEND POLICY

You should read the following discussion of our cash dividend policy in conjunction with “—Assumptions and Considerations Underlying Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and 2016” below, which includes the factors and assumptions upon which we base our cash dividend policy. In addition, you should read “Cautionary Statements Regarding Forward-Looking Statements” and “Risk Factors”, in particular, “Risk Factors—Risks Relating to Ownership of Our Shares—There can be no assurance that any target dividend distribution will be achieved” and “Risk Factor—Risks Relating to Ownership of Our Shares—The assumptions underlying the forecasts presented elsewhere in this prospectus are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual recurrent cash available for distribution to differ materially from our forecasts”, for information regarding statements that do not relate strictly to historical or current facts and certain risks inherent to our business.

The forecast of future profits attributable to the parent, of recurrent cash available for distribution and the target of future distribution in future periods is based on certain assumptions we believe to be reasonable as of the date of this prospectus. However, we cannot assure you that any or all of such assumptions will be realized. Our intended target distributions are based upon estimates and assumptions about circumstances and events that have not yet occurred and are subject to all of the uncertainties inherent in making projections. These projections and targets should not be relied upon as fact or as an accurate representation of future results or events. Future results will be different from this target and the differences may be materially less favorable.

Certain numerical figures set out in this prospectus, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments, and, as a result, the totals of the data in this prospectus may vary slightly from the actual arithmetic totals of such information.

General

Our Cash Dividend Policy

We intend to pay a regular quarterly dividend in euro to our shareholders starting in the first quarter of 2015. In respect of the first quarter of 2015, we expect to pay a dividend per Share pro rata to the number of days elapsed from the settlement of the Offering until March 31, 2015.

We expect to pay a quarterly dividend on or about the 60th day following the expiration of each fiscal quarter to our shareholders of record on the date to be announced through a relevant fact disclosure (*hecho relevante*).

We have established our quarterly dividend policy based on our existing liquidity position and a targeted payout ratio of 90% of the expected recurrent cash available for distribution per year, after considering the recurrent cash available for distribution that we expect our projects will be able to generate on a recurrent basis (net of cash flows not related with the ordinary evolution of the business).

We intend to distribute approximately €57 million per year during 2015, on a pro rata basis as set out above, and 2016 (the “Intended Distribution”), on the basis of cash flow generation and existing liquidity in each year.

In order to maximize cash extraction from plants and optimize the cash distribution to shareholders, we have made contributions to the Asset Companies in the form of subordinated loans and participative loans, totaling approximately €459 million as of October 31, 2014. This structure is intended to help to maximize the cash efficiency, as the current interest payments and principal repayments to be made by the Asset Companies should provide liquidity on an ongoing basis. The combination of these subordinated loans and participated loans, the dividend payments from the Asset Companies and the creation of restricted loans between the Asset Companies and Saeta Yield should give rise to cash payments to Saeta Yield.

We currently have the ability to make distributions free of Spanish withholding tax (as of the date of this prospectus at a 20% tax rate and expected to be at 19% in 2016) out of an existing share premium of €551 million as of October 31, 2014 (*prima de emisión*) or €732 million once adjusted to reflect to the Equity Contribution (see “Capitalization and Indebtedness”). The share premium is a freely distributable reserve. It is our intention to make distributions to our shareholders preferably out of share premium, if available, given that such distributions are not subject to Spanish withholding tax. See “Taxation” and “Capitalization and Indebtedness”.

Our capacity to distribute dividends may be restricted under general Spanish corporate law rules. The conditions under which we may declare dividends based on Spanish law and our by-laws are described under “Description of Share Capital—Dividend and Liquidation Rights”. Any dividends paid in the future will be subject to tax under Spanish law. See “Taxation—Material Spanish Tax Considerations”.

Our board of directors may, subject to approval by the general shareholders’ meeting, amend the cash dividend policy at any time. We intend to grow our business through the acquisition of operational projects, which, we believe, will facilitate the growth of our profits and recurrent cash available for distribution after financing expenses related to acquisitions, as applicable, and enable us to increase our dividend per share over time. However, the determination of the amount of cash dividends to be paid to holders of our Shares will be made by our board of directors, subject to the approval by the general shareholders’ meeting, and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that we deem relevant. Our cash dividend policy reflects a basic judgment that our shareholders will be better served by distributing most of the cash distributions we expect to receive from our Asset Companies in the form of a quarterly dividend rather than retaining them. In addition, by retaining a small amount of our expected recurrent cash available for distribution, we believe we will also provide better value to our shareholders by maintaining certain liquidity to address seasonality, potential new acquisitions and future dividend paying capacity.

Our profits and recurrent cash available for distribution are likely to fluctuate from quarter to quarter, in some cases significantly, as a result of the seasonality of production of our assets, the terms of our financing arrangements, maintenance and outage schedules and seasonality of the incentive payments received from the Spanish government, among other factors. Accordingly, during quarters in which our projects generate recurrent cash available for distribution in excess of the amount necessary for us to pay our stated quarterly dividend, we may reserve a portion of the excess to fund cash distributions in future quarters. In quarters in which we do not generate sufficient recurrent cash available for distribution to fund our stated quarterly cash dividend, we may use retained cash flow from other quarters, as well as other sources of cash, such as net cash provided by financing activities, or, if applicable, borrowings under our new revolving credit facility or future credit facilities, to pay dividends to our shareholders.

Recurrent Cash Available for Distribution

Recurrent cash available for distribution is a non-GAAP financial measure that is not required by, or presented in accordance with, IFRS-EU. We believe that an understanding of recurrent cash available for distribution is useful to investors in evaluating our ability to pay dividends pursuant to our stated cash dividend policy.

In general “recurrent cash available for distribution” is calculated as Adjusted EBITDA (as defined under “Presentation of Financial Information”):

less:

- changes in other assets and liabilities (this can have both a negative and positive impact);
- capital expenditures;
- interest payable;
- repayment and amortization of bank borrowings;
- income tax paid (recovered); and

- other cash outflows;

plus:

- interest received;
- other cash inflows; and
- adjusted for debt service reserve account funding and the net release of cash retained.

Risks Regarding Our Cash Dividend Policy and Our Intended Distribution

We have a limited operating history as an independent company upon which to rely in evaluating whether we will have sufficient recurrent cash available for distribution and other sources of liquidity to allow us to pay dividends on our Shares at our initial quarterly dividend level on an annualized basis or at all. There is no guarantee that we will pay quarterly cash dividends to our shareholders, including the Intended Distribution. We do not have a legal obligation to pay dividends according to our cash dividend policy or any other dividend. While we currently intend to maintain our cash dividend policy following the completion of this Offering, including the Intended Distribution for the years 2015 and 2016, and to grow our business and increase our dividend per share over time, our cash dividend policy and, in particular, the payment of the Intended Distribution, is subject to all the risks inherent to our business and may be changed at any time as a result of certain restrictions and uncertainties. See “Risk Factors” for more information on the risks to which our business is subject, including but not limited to, the risk factors entitled “Risk Factors—Risks Relating to the Ownership of Our Shares—Our cash dividend policy and our Intended Distribution involve risks”, “Risk Factors—Risks Relating to the Ownership of Our Shares—There can be no assurance that any target dividend distribution will be achieved” and “Risks Related to the Ownership of our Shares—The assumptions underlying the forecasts presented elsewhere in this prospectus are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual recurrent cash available for distribution to differ materially from our forecasts”.

Accordingly, prospective investors should decide for themselves whether or not the cash dividend policy, including the Intended Distribution, is reasonable or achievable and carefully evaluate whether investing in the Offer Shares is appropriate for them, bearing in mind personal circumstances and the information included in this prospectus.

Our Ability to Grow Our Business and Dividend

We intend to grow our business primarily through acquisitions of contracted or regulated revenue energy assets, primarily taking advantage of the access to energy-related assets developed by ACS SI worldwide through the ROFO and Call Option Agreement and also through third party acquisitions, which, we believe, will facilitate the growth of our recurrent cash available for distribution and enable us to increase our dividend per share over time. Our approved policy is to maximize cash distributions to shareholders and specifically to distribute 90% of our expected recurrent cash available for distribution per year. However, the final determination of the amount of cash dividends to be paid to our shareholders will be made by our board of directors and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that we deem relevant. The payment of dividends to our shareholders shall be authorized by our general shareholders’ meeting by a majority of the attending shareholders (either personally or by proxy) at the proposal of the board of directors. See “Description of Share Capital—Dividend and Liquidation Rights”.

We expect that we will rely primarily upon external financing sources, including commercial bank borrowings and issuances of debt and equity securities, to fund any future growth capital expenditures. To the extent we are unable to finance growth externally, our cash dividend policy could significantly impair our ability to grow because we do not currently intend to reserve a substantial amount of cash generated from operations to fund growth opportunities. To the extent we issue additional shares to fund growth capital expenditures, the payment of dividends on those additional shares may increase the risk that we will be unable to maintain or increase our per share dividend level. Additionally, the incurrence of additional commercial bank borrowings or other debt to finance our growth would result in increased interest expense,

which in turn may impact our recurrent cash available for distribution and, in turn, our ability to pay dividends to our shareholders.

If external financing is not available to us on acceptable terms, we may decide to finance acquisitions with cash from operations, which would reduce or even eliminate our recurrent cash available for distribution and, in turn, impair our ability to pay dividends to our shareholders.

Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and December 31, 2016

Based upon the material assumptions described below and other assumptions that we believe to be reasonable as of the date of the prospectus, we forecast that (i) our profit/(loss) attributable to the parent will be approximately a loss of €13.0 million during the year ending December 31, 2015 and a profit of €32.5 million during the year ending December 31, 2016; and (ii) our estimated recurrent cash available for distribution, excluding the net release of cash retained (as defined below), during the years ending December 31, 2015 and 2016 will be approximately €71.6 million (although we believe this amount includes estimated non-recurrent net cash inflows of €9.6 million as described below, leaving approximately €62.0 million of recurrent cash available for distribution) and €63.5 million, respectively.

We believe that the estimated recurrent cash available for distribution for 2015 of €71.6 million includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million which we do not expect will be generated in a run-rate scenario, without which our recurrent cash available for distribution for 2015 would be approximately €62.0 million. We estimate that such €9.6 million consists of (i) a €21.3 million inflow related to change in other assets and liabilities (of which €4.1 million relates to net settlements in favor of Saeta Yield of intragroup accounts with subsidiaries of ACS SI concurrently with the Offering, a €8.5 million inflow because of the capitalization of an intragroup liability with ACS SI, and €8.7 million of an increase in receivables in 2014 mainly as a result of the new regulatory framework being implemented that will leave a pending amount to be collected by Saeta Yield during 2015); (ii) a €0.8 million investment to adapt the wind assets to AENA (*Aeropuertos Españoles y Navegación Aérea*) requirements (navigation light systems) and adapt the Santa Catalina three wind farms to reactive power requirements by the distribution company; (iii) a €7.3 million outflow related to taxes expected in 2015 as a consequence of not having the tax consolidation group in place until 2016; and (iv) a €3.6 million outflow derived from additional interest of the Al Andalus Asset Company pending from 2014.

Our forecasts are forward-looking statements and reflect our judgment as of the date of this prospectus of the conditions we expect to exist and the course of action we expect to take during the years ending December 31, 2015 and December 31, 2016. Our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution have been approved by our Board of Directors at its meeting held on January 27, 2015. Although acquisitions are an important part of our growth strategy, the forecasts do not include the effects of, and have not included any adjustments with respect to, any acquisitions we intend to complete during the period covered by our forecasts. It should be read together with the financial statements and the accompanying notes thereto included elsewhere in this prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We believe that we have a reasonable basis for these assumptions and that our actual results of operations will be approximately close to those reflected in our forecast, but we can give no assurance that our forecasted results will be achieved. The assumptions and estimates underlying the forecast, as described below under “—Assumptions and Considerations”, are inherently uncertain and, although we consider them reasonable as of the date of this prospectus, they are subject to a wide variety of significant business and economic risks and uncertainties that could cause actual results to differ materially from forecasted results, including, among others, the risks and uncertainties described in “Risk Factors”. Any of the risks discussed in this prospectus, to the extent they occur, could cause actual results of operations to vary significantly from those that would enable us to generate sufficient recurrent cash available for distribution to allow us to pay the Intended Distribution of approximately €57 million per year in 2015, on a pro rata basis, and 2016. There can be no assurance that the forecast will be indicative of our future performance or that actual results will not differ

materially from those presented in the forecast. If our forecasted results are not achieved, we may not be able to pay a dividend to our shareholders at our targeted dividend level or at all. Inclusion of the forecast in this prospectus should not be regarded as a representation by us, the Selling Shareholder, the Underwriters or any other person that the results contained in the forecast will be achieved.

We do not undertake any obligation to release publicly any revisions or updates that we may make to the forecast or the assumptions used to prepare the forecast to reflect events or circumstances after the date of this prospectus, except where required to do so by law. The statement that we believe that we will have sufficient recurrent cash available for distribution to allow us to pay the Intended Distribution of approximately €57 million per year in 2015, on a pro rata basis, and 2016 should not be regarded as a representation by us, the Selling Shareholder, the Underwriters or any other person that we will pay such dividends. Therefore, you are cautioned not to place undue reliance on this information. There can be no assurance that the prospective results are indicative of our future performance or that actual results will not differ materially from those presented in the forecasted financial information.

The below sets forth our forecasts of profit attributable to the parent and estimated recurrent cash available for distribution, expressed in millions in order to facilitate the presentation of the forecasted information due to the underlying assumptions on which such forecasts have been based, for the years ending December 31, 2015 and 2016:

	Year ending December 31,	
	2015	2016
	(in millions of euro)	
Forecast of profit attributable to the parent:		
Revenue	223.1	224.2
Operating costs and expenses:		
Operating expenses and other	(68.8)	(69.7)
Depreciation and amortization charge	(76.7)	(76.7)
Total operating costs and expenses	(145.4)	(146.3)
Operating income	77.7	77.8
Other income/(expense):		
Financial income	1.8	3.4
Financial costs	(40.4)	(37.3)
Net financial income/(expense)	(38.6)	(33.8)
Debt arrangement/early amortization expense	(57.2)	(0.7)
Total other income/(expense)	(95.7)	(34.5)
Profit/(loss) before tax	(18.0)	43.3
Income tax	5.1	(10.8)
Profit/(loss) attributable to the parent	(13.0)	32.5
Forecast of estimated recurrent cash available for distribution:		
Profit attributable to the parent	(13.0)	32.5
Financial income	(1.8)	(3.4)
Add:		
Depreciation and amortization charge	76.7	76.7
Financial costs	40.4	37.3
Debt arrangement/early amortization expense	57.2	0.7
Income tax	(5.1)	10.8

	Year ending December 31,	
	2015	2016
	(in millions of euro)	
Adjusted EBITDA.....	154.4	154.5
Less:		
Changes in other assets and liabilities.....	(21.3)	0.1
Capital expenditure.....	0.8	-
Cash interest paid.....	44.5	37.7
Repayment and amortization of bank borrowings.....	53.2	56.6
Income tax paid/(recovered).....	7.3	-
Add:		
Interest received.....	1.8	3.4
Net release of cash retained at Asset Companies.....	(50.1)	73.0
Forecast of estimated recurrent cash available for distribution after investing and funding activities at Saeta Yield.....	21.5	136.4
Less:		
Net release of cash retained at Asset Companies.....	(50.1) ⁽¹⁾	73.0
Forecast of estimated recurrent cash available for distribution after investing and funding activities at Asset Companies excluding net release of cash retained.....	71.6	63.5
Less:		
Non-recurrent net inflows.....	9.6 ⁽²⁾	-
Forecast of estimated recurrent cash available for distribution	62.0	63.5

Notes:—

- (1) Net release of cash retained value is negative for 2015 as we will not be releasing cash during 2015 because certain of our Asset Companies did not fulfill their distribution covenants in 2014. See “—Specific Assumptions and Considerations—Business and Operations Assumptions for Estimated Recurrent Cash Available for Distribution—Net release of cash retained”.
- (2) Includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million.

The following table provides a breakdown of Adjusted EBITDA and recurrent cash available for distribution by business line for the years ending December 31, 2015 and 2016:

	Year ending December 31			
	2015		2016	
	Adjusted EBITDA	CAFD ⁽¹⁾	Adjusted EBITDA	CAFD ⁽¹⁾
	(in millions of euro)			
Wind.....	75.6	36.5	74.9	26.4
Solar Thermal.....	80.7	40.7	81.1	41.6
Corporate expenses and taxes ⁽²⁾	(1.9)	(5.6)	(1.5)	(4.5)
Total.....	154.4	71.6⁽³⁾	154.5	63.5

Notes:—

- (1) Recurrent cash available for distribution; excludes net release of cash retained (as defined herein).

- (2) “Corporate expenses and taxes” includes approximately €4.5 million per year, consisting mainly of corporate general and administrative expenses at the Saeta Yield level (including payroll, board of directors remuneration, expenses related to the Transitory Services Agreement with ACS SI and rent for our office property) that are offset by the revenues received pursuant to the Services Agreements with the Asset Companies. See “Related Party Transactions—Transitional Services Agreement”. Additionally Saeta Yield will have financial expenses related to the revolving credit facility as well as corporate taxes.
- (3) Includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million.

Assumptions and Considerations Underlying Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and 2016

Set forth below are the main assumptions that we have made to demonstrate our ability to generate our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years ending December 31, 2015 and December 31, 2016. Our forecasts reflect our judgment of the conditions we expect to exist and the course of action we expect to take during the forecast period. While the assumptions disclosed in this prospectus are not all inclusive, such assumptions are those that we believe are material to our forecasted results of operations. We believe we have a reasonable basis for these assumptions; however, we can give no assurance that our forecasted results will be achieved. There will likely be differences between our forecasted and our historical results, and those differences may be material. While we believe that the assumptions underlying the forecast are reasonable in light of management’s current expectations concerning future events, we can give no assurance that our assumptions will be realized or that we will generate the forecasted profit attributable to the parent and estimated recurrent cash available for distribution during the forecast periods at the levels forecasted, in which event we may not be able to pay cash dividends on our Shares at our targeted dividend level or at all.

Assumptions and estimates underlying the forecasts are inherently uncertain and our future profit attributable to the parent and recurrent cash available for distribution are subject to a wide variety of risks and uncertainties, including significant business and economic, and uncertainties described under the headings “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” elsewhere in this prospectus.

The forecast contained herein has been prepared on the basis of certain assumptions and considerations, which include, among others, the following:

Assumptions and Considerations Outside the Control of our Management

- that the risks that could have a material adverse effect on our business, financial condition, results of operations, profits or recurrent cash available for distribution, as described in “Risk Factors”, will not materialize;
- the stability of the macroeconomic climate and the markets in which we operate, including current electricity market prices, with no further deficit assumed going forward, interest rates and inflation (which we have assumed at a rate of 1.0% for each of the next two years);
- no material nonperformance or credit-related defaults by suppliers, ACS SI, its subsidiaries or any of our commercial customers;
- no material incident in the performance of our assets, such as long-term failures or other causes which prevent our assets to perform undisturbed;
- no new or material amendments to Spanish laws or regulations, or interpretation or application of existing laws or regulation after the publication of the New Tax Reform in the Spanish Official State Gazette (the “BOE”) on November 28, 2014, that in either case will be materially adverse to our business or to the business of our suppliers or ACS SI or its subsidiaries;

- no material amendments to the proposed schedule to receive incentive payments from the Spanish Electricity System;
- no material adverse effects to our business, industry or the business of our suppliers or ACS SI or its subsidiaries on account of natural disasters;
- our capacity to retain our key members of our management team;
- weather conditions will be similar to weather conditions from previous years;
- no material adverse change resulting from supply disruptions or reduced demand for electricity; and
- no material adverse changes in market, regulatory and overall economic conditions.

Assumptions and Considerations Within the Control of our Management:

- no acquisition of any ROFO Assets or other assets during the two next years (although we anticipate that such acquisitions will be made pursuant to the ROFO and Call Option Agreement over the time period covered by our forecasts, due to the uncertain nature, timing and terms and conditions of such acquisitions we have assumed no asset acquisition for the purpose of our forecasts);
- no issuance of equity or debt instruments and that our debt and equity structure will be substantially the same during the next two years;
- no stock incentive plan for our management team;
- our compliance with the existing dividend restrictions as of December 31, 2015, including those contained in our project-level financing arrangements, which require that our project-level subsidiaries comply with certain financial tests and distribution covenants in order to make such cash distributions, resulting into an accumulation of non-distributable cash generated whenever distribution covenants are breached; and
- no material default under our financing agreements, and therefore, no additional cost in this respect.

Should actual circumstances alter the above assumptions (for example if, as expected in our growth strategy, we should acquire any of the ROFO Assets or any other third party asset or materially alter our debt or equity structure) we cannot assure you that we will be able to achieve the forecasts of profit attributable to the parent or of estimated recurrent cash available for distribution levels disclosed herein. For a discussion of the important factors that could cause actual results to differ materially from our forecast, see “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” elsewhere in this prospectus.

Specific Assumptions and Considerations

In addition to the previous assumptions and considerations, our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution are also based on the following assumptions, which apply to our business and operations. We also set out below the specific assumptions underlying our forecast of estimated recurrent cash available for distribution.

Asset assumptions

Certain projections are linked to the Spanish Consumer Price Index (“CPI”) forecasts. We have assumed a 1.0% CPI for the year ending December 31, 2015 and 1.0% CPI for the year ending December 31, 2016. Our forecast assumes that our projects will consist of the wind farms and solar thermal plants currently held by the Asset Companies.

Revenue

Our forecasted revenues assume all of our renewable energy plants in Spain sell the power they produce into the Spanish wholesale market, managed by the Iberian Electricity Market Operator (*Operador del Mercado Ibérico de Electricidad*, “OMIE”) and receive additional payments from the Spanish electricity system through the Spanish regulator, Comisión Nacional de los Mercados y de la Competencia (“CNMC”). According to the 2013 Electricity Act, the 2014 Royal Decree and the 2014 Revenue Order, renewable energy producers may receive, in addition to the price obtained in the Spanish wholesale market, a specific remuneration that covers the costs (investment and operation) that they are unable to recover on the Spanish electricity market, where they have to compete with non-renewable technologies.

We estimate that we will generate revenue of approximately €223.1 million for the year ending December 31, 2015 (with approximately €105.7 million and €117.4 million generated, respectively, by our wind and solar thermal assets) and approximately €224.2 million for the year ending December 31, 2016 (with approximately €105.9 million and €118.2 million generated, respectively, by our wind and solar thermal assets).

According to these criteria, renewable energy producers will receive the following, in addition to the Spanish wholesale market price of electricity produced, which is variable,:

- (i) remuneration for investment fixed by regulation per unit of installed capacity; and
- (ii) in the case of solar thermal plants, remuneration fixed by regulation for operating and maintenance expenses per unit of power.

See “Regulation—Spanish Framework—Calculation of the Remuneration to be Received by Existing Wind and Solar Thermal Assets” for a more detailed discussion.

We have based our assumptions as to the remuneration scheme for the wind farms and solar thermal plants on the guidance of the 2014 Revenue Order, including the Spanish wholesale market price assumed by the regulation for 2015 and 2016. See “Business—Description of Our Initial Portfolio—Wind Assets—Remuneration Scheme” and “Business—Description of the Initial Portfolio—Solar Thermal Assets—Remuneration Scheme”. The following table presents the remuneration schemes for our wind and solar thermal assets per the 2014 Revenue Order:

Code	Plants	Max. Auth. Capacity MW	Remuneration to Investment (€/MW) 2014-2016 ⁽²⁾	Remuneration to Operation (€/MWh)			Spanish Wholesale Market Price Assumed by Regulation per Technology (€/MWh) ⁽¹⁾		
				2014	2015	2016	2014	2015	2016
Wind									
IT-00657	Colmenar 2	28.0	74.3	—	—	—	42.9	44.0	44.2
IT-00658	Serón 1, Serón 2, Tijola, Las Vegas, Abuela Santa Ana (1) ⁽³⁾	155.0	107.2	—	—	—	42.9	44.0	44.2
IT-00659	La Noguera, Los Isletes, La Caldera, Sierra de las Carbas, Abuela Santa Ana (2) ⁽³⁾	128.7	115.6	—	—	—	42.9	44.0	44.2
IT-00660	Monte Gordo	48.0	124.8	—	—	—	42.9	44.0	44.2
IT-00661	Tesosanto (1) ⁽⁴⁾	46.0	109.1	—	—	—	42.9	44.0	44.2
IT-00662	Viudo I, Viudo II, Sta. Catalina, Valcaire, Tesosanto (2) ⁽⁴⁾	127.5	105.0	—	—	—	42.9	44.0	44.2

Code	Plants	Max. Auth. Capacity	Remuneration to Investment (€/kW)	Remuneration to Operation (€/MWh)			Spanish Wholesale Market Price Assumed by Regulation per Technology (€/MWh) ⁽¹⁾		
		MW	2014-2016 ⁽²⁾	2014	2015	2016	2014	2015	2016
Solar Thermal									
IT-00607	Extresol 1	50.0	526.3	37.3	36.7	37.3	49.2	50.6	50.8
IT-00609	Manchasol 2	49.9	557.7	38.0	37.4	38.1	49.2	50.6	50.8
IT-00611	Casablanca	49.9	549.8	37.8	37.2	37.8	49.2	50.6	50.8

Notes:—

- (1) Market electricity price estimated (E) by regulation (€48.2/MWh in 2014E, €49.5/MWh in 2015E and €49.8 MWh in 2016E), adjusted by the adjustment coefficient of 0.8889 in wind and 1.0207 in solar thermal.
- (2) Annual amounts applicable during the whole first statutory half-period (i.e. in years 2014, 2015 and 2016).
- (3) 37.5 MW were commissioned in June 2008 (Abuela Santa Ana 1) and an extension of 12 MW was commissioned in July 2009 (Abuela Santa Ana 2).
- (4) 46 MW were commissioned in August 2011(Tesosanto 1) and an extension of 4 MW was commissioned in June 2012 (Tesosanto 2).

The following table presents the calculation of our revenues for the ten months ended October 31, 2014:

	Market Revenue			Incentive Revenue					Total			
	Average Spanish Wholesale Market Price ⁽¹⁾ (€/MWh)	Production 10 months 2014 (MWh)	Revenue at Market (€m)	Capacity (MW)	Regulatory Remuneration to Investment (€/MWh) ⁽²⁾	Remuneration to Investment (€m)	Production 10 months 2014 (MWh)	Regulatory Remuneration to Operation (€/MWh)	Remuneration to Operation (€m)	Net Revenue (€m)	Other Revenue ⁽³⁾ (€m)	Reported Revenue (€m)
Colmenar 2	31.4	34,677	1.1	28.0	74.3	1.7	34,677	---	---	1.7	---	2.8
Serón 1, Serón 2, Tíjola, Las Vegas, Abuela Santa Ana 1 ⁽³⁾	32.1	262,507	8.4	155.0	107.2	13.8	262,507	---	---	13.8	---	22.3
La Neguera, Los Isletes, La Caldera, Sierra de las Carbass, Abuela Santa Ana 2 ⁽³⁾	32.3	234,061	7.6	128.7	115.6	12.4	234,061	---	---	12.4	---	20.0
Monte Gordo	37.7	73,141	2.8	48.0	124.8	5.0	73,141	---	---	5.0	---	7.7
Viiudo I, Viiudo II, Sta. Catalina, Valcaire, Tesosanto 2 ⁽³⁾	29.5	192,598	5.6	127.5	105.0	11.2	192,598	---	---	11.2	---	16.7
Tesosanto 1 ⁽³⁾	30.3	97,257	2.9	46.0	109.1	4.2	97,257	---	---	4.2	---	7.1
Total Wind		894,240	28.4	533.2		483	894,240			483		76.7
Extresol 1	45.9	133,545	6.1	50.0	526.3	21.9	133,545	37.3	4.9	26.9	0.6	33.6
Manchasol 2	45.4	136,000	6.2	49.9	557.7	23.2	135,728	38.0	4.9	28.1	0.7	35.0
Casablanca	46.0	136,666	6.3	49.9	549.8	22.9	135,728	37.8	5.1	27.9	(0.1)	34.1
Total Solar		406,211	18.6	149.8		68.0	406,211		14.9	82.9	1.2	102.7
Total		1,300,450	47.0	683.0		116.3	1,300,450		14.9	131.2	3.3	181.5

Notes:—

- (1) Average Spanish wholesale market price for the period from and including January 1, 2014 – October 31, 2014.
- (2) 37.5 MW were commissioned in June 2008 (Abuela Santa Ana 1) and an extension of 12 MW was commissioned in July 2009 (Abuela Santa Ana 2).
- (3) 46 MW were commissioned in August 2011 (Tesosanto 1) and an extension of 4 MW was commissioned in June 2012 (Tesosanto 2).
- (4) Based on the annual remuneration to investment, we have calculated the proportional amount for the ten month period.
- (5) “Other Revenue” represents additional adjustments to certain adjustments made for the July-December 2013 settlement amounts related to the transitory regime in place between July 14, 2013 and June 16, 2014, the date of the 2014 Revenue Order (See Regulation—Spanish Framework—Transitional Regime Applicable to Renewable Energy Facilities Already in Operation”), along with other accounting adjustments to certain other minor amounts. Other Revenue pertaining to wind farms is not broken down by row because the relevant amounts cannot be divided by plant for the Asset Companies that own multiple plants. The total Other Revenue for wind farms was €2.1 million for the period.

In estimating future revenues, we also look at forecasted production, which we have based on a combination of the average historical production of our plants and a production analysis carried out by Diseprosa, an independent renewable energy consultant. We believe that the most reasonable metric for future production to be the average historical production of each plant adjusted per the Diseprosa analysis, provided the plant has been in operation for multiple years.

- Wind farm production is based mainly on the average yearly production since the beginning of commercial operations at each facility, with additional wind resource assessment for the plants with limited operating history (Valcaire and Santa Catalina).
- Solar thermal plant production is generally based on historical performance, adjusted to account for the lower gas consumption for the production of electricity after January 1, 2013 due to the absence of regulated payments for electricity produced using natural gas pursuant to Law 15/2012. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Regulation”. However, because Manchasol 2 and Casablanca have limited operating history, their future performance is based on the historical growth curve of other solar thermal plants in the ACS SI Group that have a more established operating history.

Our assumptions of electricity production are derived from the below operating hours per asset, which are estimated based upon the assumptions described above. In line with the applicable regulation, we have assumed that solar thermal plants will suffer a 0.2% yield loss annually from 2015 onward. We expect the yield loss to impact only plants which have gone through the ramp-up phase, i.e. Extresol 1. Because Manchasol 2 and Casablanca are still in the ramp-up phase, yield loss is calculated accordingly. Based on our previous experience in the five-year ramp-up period of other solar thermal plants with similar characteristics and location, we expect that Manchasol 2 and Casablanca will be in the ramp-up phase until they reach their stable production levels in 2016 and 2018, respectively. Similarly, in line with regulation, we have assumed that wind farms suffer a 0.5% yield loss annually from their sixteenth year of operation onwards, which does not impact the estimates for 2015 and 2016.

The following table presents the historical average production and forecasted production for 2015 and 2016 for each of the Asset Companies:

	Capacity (MW per hour) ⁽¹⁾	Electricity Production (hours) ⁽²⁾	Forecasted Electricity Production (hours)	
		Hist. average	2015	2016
Wind				
Serón 1	50.0	1,874	1,874	1,874
Serón 2	10.0	1,897	1,897	1,897
Tijola	36.8	1,862	1,862	1,862
Las Vegas	23.0	1,973	1,973	1,973
Abuela Santa Ana.....	49.5	2,244	2,244	2,244
Colmenar 2	30.0	1,379	1,379	1,379
La Noguera	29.9	1,772	1,772	1,772
Los Isletes.....	25.3	1,965	1,965	1,965
La Caldera	22.5	2,208	2,208	2,208
Sierra de las Carbás.....	40.0	2,522	2,522	2,522
Tesosanto.....	50.0	2,451	2,451	2,451
Viudo I	40.0	1,902	1,902	1,902
Viudo II	26.0	2,018	2,018	2,018

	Capacity (MW per hour) ⁽¹⁾	Electricity Production (hours) ⁽²⁾	Forecasted Electricity Production (hours)	
			Hist. average	
Santa Catalina-Cerro Negro.....	41.5	1,987	1,987	1,987
Monte Gordo.....	48.0	1,701	1,701	1,701
Valcaire.....	16.0	2,318	2,318	2,318
Solar Thermal				
Extresol 1.....	50.0	2,855	2,855	2,850
Manchasol 2.....	49.9	2,789	2,789	2,855
Casablanca.....	49.9	2,575	2,646	2,718

Notes:—

- (1) Installed Capacity. Maximum administrative authorization of Serón 1: 49.5 MW; Serón 2: 10 MW; Tijola: 36 MW; Colmenar 2: 28 MW; La Noguera: 28.9 MW; Las Vegas: 22 MW; Los Isletes: 25.3 MW; Abuela Santa Ana: 49.5 MW; La Caldera: 22.5 MW; Sierra de las Carbas: 40 MW; Tesosanto: 50 MW; Viudo I: 40 MW; Viudo II: 26 MW; Santa Catalina-Cerro Negro: 41.5 MW; Monte Gordo: 48 MW; Valcaire: 16 MW; Extresol 1: 50 MW; Manchasol 2: 49.9 MW; Casablanca: 49.9 MW.
- (2) Average yearly production since beginning of commercial operations through the end of June 2014 (“H1”); Serón 1: 2008-2014(H1); Serón 2: 2008-2014(H1); Tijola: 2008-2014(H1); Colmenar 2: 2008-2014(H1); La Noguera: 2008-2014(H1); Las Vegas: 2009-2014(H1); Los Isletes: 2009-2014(H1); Abuela Santa Ana: 2008-2014(H1); La Caldera: 2009-2014(H1); Sierra de las Carbas: 2009-2014(H1); Tesosanto: 2011-2014(H1); Viudo I: 2012-2014(H1); Viudo II: 2012-2014(H1); Santa Catalina-Cerro Negro: 2012-2014(H1); Monte Gordo: 2011-2014(H1); Valcaire: 2012-2014(H1); Extresol 1: 50 2013-2014(H1); Manchasol 2: 2013-2014(H1); Casablanca: n/a.

Remuneration to operation in solar thermal plants is granted to a maximum of 2,720 equivalent hours in solar thermal plants. Production above the mentioned maximum threshold is only remunerated at market prices, without any remuneration to operation.

Operating Expenses and Other

We have assumed that our operating and other expenses will remain stable during 2015 and 2016 and that they will comprise mainly our operation and maintenance costs, the 7% tax on production of electricity, day-to-day maintenance, as well as general and administrative expenses, expenses related to research and development, costs related to the control center owned and operated by ACS, leases, independent professional services, insurance premiums, banking services, miscellaneous services and other local taxes.

We estimate that we will incur in operating and other expense of €68.8 million for the year ending December 31, 2015 and €69.7 million for the year ending December 31, 2016.

Operation and Maintenance. Our Asset Companies have O&M agreements in place for the provision of O&M services (see “Related Party Transactions—Operation and Maintenance Contracts”). Currently, these expenses represent approximately 12% of our revenue. See “Business—Description of Our Initial Portfolio”. We estimate that O&M expenses will amount to €26.3 million in 2015 and €26.8 million in 2016.

- Wind farms: O&M costs of our wind farms consist of either a fixed price per MWh produced or an annual fixed price per MW, in each case, adjusted for an assumed 1.0% inflation annually. The contracted fixed amounts per plant are set forth in the table below:

	O&M Price 2014 (€/MW)	O&M Price 2015 (€/MWh)	O&M Price 2016 (€/MWh)
Al Andalus ⁽¹⁾	10.66	10.77	10.87
La Caldera	10.66	10.77	10.87
Sierra de las Carbás	10.66	10.77	10.87
Tesosanto	10.66	10.77	10.87
Santa Catalina ⁽²⁾	8.96	9.05	9.14

	O&M Price 2014 (€/turbine)	O&M Price 2015 (€/turbine)	O&M Price 2016 (€/turbine)
Monte Gordo ⁽³⁾	41,696	42,113	42,534
Valcaire ⁽⁴⁾	43,051	43,482	43,916

Notes:—

- (1) Al Andalus comprises the Serón 1, Serón 2, Tíjola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.
- (2) Urbaenergía is considering cancelling 50% O&M cost for Santa Catalina Asset Company for 2015 and 2016. This cancellation would result in cost savings of approximately €1 million per year.
- (3) Urbaenergía provides the O&M services to Monte Gordo at a price of €10.4/MWh with a minimum of €41,696 per turbine as of 2014. Monte Gordo has 24 turbines.
- (4) Valcaire has 8 turbines.

- Solar thermal: O&M costs of our solar thermal plants consist of (i) a fixed annual fee, adjusted for an assumed 1.0% inflation annually, plus (ii) a performance-based remuneration bonus, if the efficiency of the asset reaches a specified effective annual efficiency for any given year. See “Business—Our Initial Portfolio—Solar Thermal Assets—Operation and Maintenance”. Based on projected production, we have assumed that we will pay the capped bonus amount of €400,000 annually. The actual bonus will be calculated, as set forth in the O&M contracts and respective addendums, based on the comparison of the effective performance with the guaranteed annual performance. These parameters will be calculated by using a specific model validated by a technical expert in each case. The contracted fixed and capped variable prices per plant are set forth in the table below:

	O&M Price 2014	O&M Price 2015	O&M Price 2016
Fixed Price	(in millions of euro)		
Extresol 1	4.81	4.86	4.90
Manchasol 2	4.86	4.90	4.95
Casablanca	5.17	5.22	5.27
Variable Price (Cap)	(in millions of euro)		
Extresol 1	0.40	0.40	0.40
Manchasol 2	0.40	0.40	0.40

	<u>O&M Price 2014</u>	<u>O&M Price 2015</u>	<u>O&M Price 2016</u>
Casablanca	0.40	0.40	0.40

Electricity production tax. Effective January 1, 2013, Law 15/2012, of December 27, 2012 (“Law 15/2012”) introduced a 7% tax on the total revenue earned by electricity producers from the power produced at their facilities. Our revenue projections are subject to this tax. See “Regulation—Spanish Framework—Tax on Electricity Sales” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Regulation”.

We estimate that we will pay electricity production taxes amounting to €15.6 million for the year ending December 31, 2015 and €15.7 million for the year ending December 31, 2016.

Services Agreements. We will render general services to the Asset Companies in exchange for a yearly fee of €300,000 (adjusted for inflation, assuming inflation of 1.0% annually) per solar thermal plant and 2% of revenues per wind farm. We estimate that Services Agreements incomes will amount to €3 million for each of 2015 and 2016. See “Business—Our Initial Portfolio—Description of our Initial Portfolio” for a description of the Services Agreements entered into with each Asset Company.

Other expenses. Other expenses will comprise mainly costs related to the Control Center Services Agreements, See “Related Party Transactions—Control Center Services Agreements”, day-to-day maintenance, as well as expenses related to research and development, leases, independent professional services, insurance premiums, banking services, miscellaneous services, deviation costs and other local taxes. Currently, these expenses represent approximately 9-10% of our revenue. We estimate that other expenses will amount to €22.4 million in 2015 and €22.6 million 2016.

The table below shows the anticipated cost of other expenses in 2015 and 2016:

	<u>Other Expenses</u>	
	<u>2015</u>	<u>2016</u>
	(in millions of euro)	
Wind		
Serón 1	0.9	0.9
Serón 2	0.2	0.2
Tijola	0.7	0.7
Las Vegas	0.7	0.7
Abuela Santa Ana.....	1.0	1.0
Colmenar 2	0.6	0.6
La Noguera	0.5	0.5
Los Isletes.....	0.5	0.5
La Caldera	0.4	0.4
Sierra de las Carbas.....	0.7	0.7
Tesosanto.....	0.9	0.9
Viudo I	0.7	0.7
Viudo II.....	0.5	0.5
Santa Catalina	0.8	0.8
Monte Gordo.....	0.8	0.8
Valcaire	0.5	0.5
Solar Thermal		
Extresol 1.....	3.1	3.1

	Other Expenses	
	2015	2016
	(in millions of euro)	
Manchasol 2.....	4.0	4.0
Casablanca.....	4.4	4.4

Notes:—

- (1) Urbaenergía is considering cancelling 50% O&M cost for Santa Catalina Asset Company for 2015 and 2016. This cancellation would result in cost savings of approximately €1 million per year.

We expect other expenses to remain stable as a percentage of revenues in the forecasted period.

Corporate overhead. Corporate overhead consists mainly of general corporate and administrative expenses at the Saeta Yield level (including mainly payroll, board of directors remuneration, expenses related to the Transitional Services Agreement with ACS SI, rent for our office property and other expenses), that are offset by the revenues received pursuant to the services agreements with the Asset Companies. We expect that the amount of corporate expenses at Saeta Yield level, will be approximately of €4.5 million annually, which net of the yearly fees received from the Asset Companies pursuant to the Services Agreements, will be approximately €1.5 million each year, adjusted for inflation of 1.0% annually.

Depreciation and Amortization Charges

Forecasted depreciation and amortization expense reflect management's estimates, which are based on consistent average depreciable useful lives of 20 years for wind farms and 25 years for solar thermal plants. See Note 3 to our Interim 2014 Audited Consolidated Financial Statements for a description of our depreciation and amortization policy. We estimate that we will incur depreciation and amortization expense of €76.7 million for the year ending December 31, 2015 and an expense of €76.7 million for the year ending December 31, 2016, assuming no reversal of our deterioration.

Income tax expense and cash taxes

We estimate that income tax expense/(income) will be €(5.1) million for the year ending December 31, 2015 and €10.8 million for the year ending December 31, 2016. Income tax expense has been calculated based on the 28% and 25% corporate tax applicable in 2015 and 2016, respectively, under the new Spanish Corporate Tax Regulation, which has been published in November 28, 2014 and will be effective from January 1, 2015.

We expect to benefit from the Spanish Tax Consolidation Regime, under which a group of companies may elect to pay Corporate Income Tax as a single taxpayer. The tax group must include the Spanish parent company (Saeta Yield) and all the Spanish subsidiaries in which the parent company owns a minimum interest of 75%. From January 1, 2016, Saeta Yield would operate as parent company of the tax group and all of our Asset Companies would fulfil the requirements to be included in the group.

We also expect to benefit from free tax depreciation (without limits) from 2016, and with the following limitations in 2015:

- 40% of the tax base before the amortization or depreciation and before the offset of tax loss carryforwards for taxpayers (subject to requirements to maintain employment levels); or
- 20% of the tax base before the amortization or depreciation and before the offset of tax loss carryforwards for taxpayers (without any employment level requirement).

The joint use of both the tax consolidation and accelerated depreciation tax regimes (€625 million of outstanding depreciation and amortization as of October 31, 2014, which can be applied on an accelerated basis to reduce the taxable income) provides a significant tax payment deferral. We do not expect to pay any

amount for CIT from 2016 to 2021. Certain payments may become due on account of CIT, to be later reimbursed by the tax authorities in the short term.

In 2015 we expect to pay cash taxes of €7.3 million, as we cannot benefit from fiscal consolidation during the first year of the creation of the tax group. See “Business—Tax Depreciation Regime” for further discussion.

Capital Expenditures

We estimate that capital expenditures will be €0.8 million for the year ending December 31, 2015. In addition to these expenditures, as all assets are operational, we do not expect to incur any additional capital expenditures for maintenance purposes from 2016 and thereafter.

Our historical capital expenditures have been focused mainly on construction costs associated with our renewable energy plants. Future capital expenditures in 2015 will adapt the Al Andalus, La Caldera, Sierra de las Carbas, Tesosanto, Monte Gordo, Santa Catalina and Valcaire wind farms to AENA (*Aeropuertos Españoles y Navegación Aérea*) requirements (navigation light systems) and adapt the Santa Catalina wind farms to reactive power requirements by the distribution company. Going forward, we expect our maintenance capital and operating expenditures of the existing asset portfolio to be minimal since the assets are already in operation and maintenance capital expenditures are generally limited by our O&M agreements.

Financing and Other

Financial cost. Forecasted financial cost is based on the terms of the existing project financing arrangements and assumes the following:

- the Early Debt Repayment of €140.9 million of the project level financing financings of Extresol 1, Manchazol 2 and Santa Catalina in the amount of €79.0 million, €54.5 million and €7.4 million, respectively (the “Early Debt Repayment”)
- the cancelation, in connection with the Early Debt Repayment, of a portion of the derivative contracts of Extresol 1 (€59.3 million), Manchazol 2 (€40.9 million) and Santa Catalina (€5.6 million) at a total cost to Saeta Yield currently estimated to be €25.9 million (€14.6 million for Extresol 1, €10.1 million for Manchazol 2 and €1.2 million for Santa Catalina) in order to maintain the proportion of a 75% of the outstanding debt, (the “Partial Cancellation of Derivative Contracts”);
- the resetting of the derivative contract of Al Andalus at a fixed rate of 0.5% for an estimated total cost of €30.6 million in order to decrease interest expense from 2015 onwards (the “Al Andalus Derivative Resetting” and, together with the Partial Cancellation of Derivative Contracts, the “Derivatives Break Costs”); and
- the closing of an €80 million revolving credit facility, which we are negotiating with the Underwriters, assumed to be undrawn, at current market prices.

See “Capitalization and Indebtedness” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of liquidity” for further discussion.

We estimate that financial cost will be €40.4 million for the year ending December 31, 2015 (excluding extraordinary expenses related to the Early Debt Repayment) and €37.3 million for the year ending December 31, 2016.

Financial income. We estimate a financial income of 2% of the cash balance at the beginning of each of 2015 and 2016, which will represent €1.8 million and €3.4 million, respectively.

Principal amortization of indebtedness. We estimate that principal amortization of indebtedness will be €53.2 million for the year ending December 31, 2015 and €56.6 million for the year ending December 31, 2016

The following table shows the expected debt repayment schedule per Asset Company as per the existing project financing agreements, after the Early Debt Repayment:

	2015	2016
	(in millions of euro)	
Wind		
Al Andalus ⁽¹⁾	17.2	18.3
Boga II ⁽²⁾	8.1	8.8
Santa Catalina	7.1	7.6
Monte Gordo	2.5	2.7
Total Wind	34.9	37.4
Solar Thermal		
Extresol 1 ⁽³⁾	8.9	9.5
Manchasol 2 ⁽³⁾	9.4	9.7
Total Solar Thermal	18.3	19.2
Total Wind and Solar Thermal	53.2	56.6

Notes:—

- (1) Al Andalus represents the Serón 1, Serón 2, Tíjola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.
- (2) Boga II represents the La Caldera, Sierra de las Carbás and Tesosanto wind farms.
- (3) Pro forma following the intended Early Debt Repayment by Saeta Yield concurrent with the Offering. See “Capitalization and Indebtedness”.

Business and Operations Assumptions for Estimated Recurrent Cash Available for Distribution

In addition to the above assumptions and considerations, our estimated recurrent cash available for distribution is based on the following assumptions which apply to our business and operations:

Early Debt Repayment and liquidity position

The forecast assumes that the Early Debt Repayment and the Derivatives Break Costs will occur on or prior to the second business day following, and subject to, Admission. The forecast also assumes that we will have a consolidated adjusted cash position excluding cash and debt service reserve account of approximately €134 million, including a cash position at the Saeta Yield level of €50 million on the Settlement Date of this Offering, plus an undrawn new revolving credit facility of €80 million, which we are negotiating with the Underwriters. See “Capitalization and Indebtedness” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of liquidity”.

Change in Other Assets and Liabilities

Changes in Other Assets and Liabilities includes €8.7 million changes in working capital and the €12.6 million settlement of intragroup accounts during 2015 amounting approximately to €21.3 million. Our working capital projections are based on the following assumptions from 2015 onwards:

- Sale of electricity generated: payment receivable in 30 days;
- Incentive set according to regulation (RD 413/2014): payment receivable in 60 days (assuming no tariff deficit in 2015);
- O&M contract payable at 30 days for wind farms and 60 days for solar thermal plants; and
- Generation tax: payable once every quarter (February, May, September, November).

In addition, working capital in 2015 is expected to improve, resulting in a positive impact of approximately €8.7 million mainly as a result of the incentives due from the electricity system that are not expected to be settled until 2015. In the first year since the application of the new regulatory regime, the electricity system has settled approximately 79.7% of system revenues, according to the settlement number 10 published by the CNMC on December 18, 2014. Going forward we expect this settlement to stabilize and reach 100% on a yearly basis. No charges in other assets and liabilities are expected in 2016.

Net Release of Cash Retained

The “net release of cash retained” comprises existing cash retained that we expected to be released once distribution covenants are met, net of cash retained during a certain year due to breach of covenants.

Certain of our Asset Companies have cash retained at the project level as distribution covenants were not fulfilled in 2013 and 2014, that we expect to be released during 2016, assuming distribution covenants are met in 2015. Following the Early Debt Repayment and the Derivatives Break Costs, we expect to comply with all distribution covenants in 2015 and 2016.

We estimate that we will retain approximately €50.1 million for the year ending December 31, 2015 and release approximately €73.0 million for the year ending December 31, 2016.

Repayment and amortization of bank borrowings

We estimate that debt arrangement and early amortization expenses will amount to €57.2 million for the year ending December 31, 2015 and €0.7 million for the year ending December 31, 2016. 2015 will be impacted by extraordinary items including the Early Debt Repayment and the Derivatives Break Costs.

Significant Accounting Policies

In preparing the forecast, we have applied the accounting policies used in our Interim 2014 Audited Consolidated Financial Statements as of October 31, 2014, prepared in accordance with IFRS-EU. Financial statements for 2015 and 2016 are expected to follow the same accounting policies.

Auditor reports

Deloitte, S.L. has issued two reports in relation to our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years ending 2015 and 2016, which appear on pages F-67 and [F-●] of this prospectus, respectively.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

SPECIAL REPORT ON THE FORECAST OF ESTIMATED RECURRENT CASH AVAILABLE FOR DISTRIBUTION

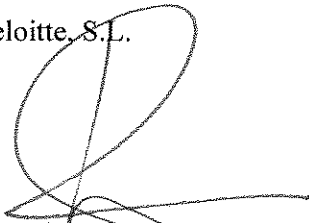
To the Board of Directors of Saeta Yield, S.A.

1. We have reviewed the information included in the section “Cash Dividend Policy” of the Prospectus for the global initial public offering of the ordinary shares of Saeta Yield, S.A. (“the Company”) and the application for the admission of such ordinary shares on the Spanish Stock Market Interconnection System and on the Madrid, Valencia, Barcelona and Bilbao Stock Exchanges, dated 29 January 2015 (the “Prospectus”), in relation to the headings included in the calculation of the “Forecast of estimated recurrent cash available for distribution” determined on the basis of the heading “Forecast of profit attributable to the parent” of the Company.
2. The directors of the Company are responsible for preparing the “Forecast of estimated recurrent cash available for distribution” and for the assumptions and hypotheses on which it is based.
3. Our work was performed, wherever applicable, in accordance with the requirements of International Standard on Assurance Engagements ISAE 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and included an assessment of the procedures performed by the directors of the Company in compiling the “Forecast of estimated recurrent cash available for distribution” based on the “Forecast of profit attributable to the Parent”.

Our work was planned and performed so as to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the “Forecast of estimated recurrent cash available for distribution” was properly compiled based on the “Forecast of profit attributable to the parent” on the basis of the assumptions and hypotheses defined by the directors of the Company. Given that the “Forecast of estimated recurrent cash available for distribution” and the assumptions and hypotheses on which it is based are future oriented and, accordingly, might be affected by unforeseen events, we do not express an opinion about whether the actual recurrent cash available for distribution obtained in the future will correspond to that shown in the aforementioned prospective information, since significant differences may arise, and without our work including the possibility that they might arise or constituting an assessment as to whether the “Forecast of estimated recurrent cash available for distribution” can be generated.

4. Under no circumstances may our report be considered to be an auditor's report on financial statements. We are not responsible for expressing an opinion on the possibility of achieving the "Forecast of estimated recurrent cash available for distribution", or on the assumptions and hypotheses on which the "Forecast of estimated recurrent cash available for distribution" is based and, consequently, none of the content of this report may be understood to constitute an opinion on these matters. In relation to the financial information used to compile the "Forecast of estimated recurrent cash available for distribution", we do not accept any liability additional to that assumed, as the case may be, in reports previously issued by us in this respect.
5. In our opinion:
 - a. The "Forecast of estimated recurrent cash available for distribution" was properly compiled, in all material respects, based on the "Forecast of profit attributable to the parent" on the basis of the assumptions and hypotheses defined by the directors of the Company.
 - b. The accounting bases used by the directors of the Company preparing the "Forecast of estimated recurrent cash available for distribution" based on the "Forecast of profit attributable to the parent" are consistent with the accounting policies used by the Company in preparing the interim consolidated financial statements for ten-month period ended 31 October 2014.
6. This report was prepared at the request of the Company in relation to the verification and registration of the Prospectus and, therefore, it must not be used for any other purpose or published in any other prospectus or document of a similar nature without our express consent. We do not accept any liability to persons other than the addressees of this report.

Deloitte, S.L.



Antonio Sánchez-Covisa
28 January 2015

CASH DIVIDEND POLICY

You should read the following discussion of our cash dividend policy in conjunction with “—Assumptions and Considerations Underlying Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and 2016” below, which includes the factors and assumptions upon which we base our cash dividend policy. In addition, you should read “Cautionary Statements Regarding Forward-Looking Statements” and “Risk Factors”, in particular, “Risk Factors—Risks Relating to Ownership of Our Shares—There can be no assurance that any target dividend distribution will be achieved” and “Risk Factor—Risks Relating to Ownership of Our Shares—The assumptions underlying the forecasts presented elsewhere in this prospectus are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual recurrent cash available for distribution to differ materially from our forecasts”, for information regarding statements that do not relate strictly to historical or current facts and certain risks inherent to our business.

The forecast of future profits attributable to the parent, of recurrent cash available for distribution and the target of future distribution in future periods is based on certain assumptions we believe to be reasonable as of the date of this prospectus. However, we cannot assure you that any or all of such assumptions will be realized. Our intended target distributions are based upon estimates and assumptions about circumstances and events that have not yet occurred and are subject to all of the uncertainties inherent in making projections. These projections and targets should not be relied upon as fact or as an accurate representation of future results or events. Future results will be different from this target and the differences may be materially less favorable.

Certain numerical figures set out in this prospectus, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments, and, as a result, the totals of the data in this prospectus may vary slightly from the actual arithmetic totals of such information.

General

Our Cash Dividend Policy

We intend to pay a regular quarterly dividend in euro to our shareholders starting in the first quarter of 2015. In respect of the first quarter of 2015, we expect to pay a dividend per Share pro rata to the number of days elapsed from the settlement of the Offering until March 31, 2015.

We expect to pay a quarterly dividend on or about the 60th day following the expiration of each fiscal quarter to our shareholders of record on the date to be announced through a relevant fact disclosure (*hecho relevante*).

We have established our quarterly dividend policy based on our existing liquidity position and a targeted payout ratio of 90% of the expected recurrent cash available for distribution per year, after considering the recurrent cash available for distribution that we expect our projects will be able to generate on a recurrent basis (net of cash flows not related with the ordinary evolution of the business).

We intend to distribute approximately €57 million per year during 2015, on a pro rata basis as set out above, and 2016 (the “Intended Distribution”), on the basis of cash flow generation and existing liquidity in each year.

In order to maximize cash extraction from plants and optimize the cash distribution to shareholders, we have made contributions to the Asset Companies in the form of subordinated loans and participative loans, totaling approximately €459 million as of October 31, 2014. This structure is intended to help to maximize the cash efficiency, as the current interest payments and principal repayments to be made by the Asset Companies should provide liquidity on an ongoing basis. The combination of these subordinated loans and participated loans, the dividend payments from the Asset Companies and the creation of restricted loans between the Asset Companies and Saeta Yield should give rise to cash payments to Saeta Yield.

We currently have the ability to make distributions free of Spanish withholding tax (as of the date of this prospectus at a 20% tax rate and expected to be at 19% in 2016) out of an existing share premium of €551 million as of October 31, 2014 (*prima de emisión*) or €732 million once adjusted to reflect to the Equity Contribution (see “Capitalization and Indebtedness”). The share premium is a freely distributable reserve. It is our intention to make distributions to our shareholders preferably out of share premium, if available, given that such distributions are not subject to Spanish withholding tax. See “Taxation” and “Capitalization and Indebtedness”.

Our capacity to distribute dividends may be restricted under general Spanish corporate law rules. The conditions under which we may declare dividends based on Spanish law and our by-laws are described under “Description of Share Capital—Dividend and Liquidation Rights”. Any dividends paid in the future will be subject to tax under Spanish law. See “Taxation—Material Spanish Tax Considerations”.

Our board of directors may, subject to approval by the general shareholders’ meeting, amend the cash dividend policy at any time. We intend to grow our business through the acquisition of operational projects, which, we believe, will facilitate the growth of our profits and recurrent cash available for distribution after financing expenses related to acquisitions, as applicable, and enable us to increase our dividend per share over time. However, the determination of the amount of cash dividends to be paid to holders of our Shares will be made by our board of directors, subject to the approval by the general shareholders’ meeting, and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that we deem relevant. Our cash dividend policy reflects a basic judgment that our shareholders will be better served by distributing most of the cash distributions we expect to receive from our Asset Companies in the form of a quarterly dividend rather than retaining them. In addition, by retaining a small amount of our expected recurrent cash available for distribution, we believe we will also provide better value to our shareholders by maintaining certain liquidity to address seasonality, potential new acquisitions and future dividend paying capacity.

Our profits and recurrent cash available for distribution are likely to fluctuate from quarter to quarter, in some cases significantly, as a result of the seasonality of production of our assets, the terms of our financing arrangements, maintenance and outage schedules and seasonality of the incentive payments received from the Spanish government, among other factors. Accordingly, during quarters in which our projects generate recurrent cash available for distribution in excess of the amount necessary for us to pay our stated quarterly dividend, we may reserve a portion of the excess to fund cash distributions in future quarters. In quarters in which we do not generate sufficient recurrent cash available for distribution to fund our stated quarterly cash dividend, we may use retained cash flow from other quarters, as well as other sources of cash, such as net cash provided by financing activities, or, if applicable, borrowings under our new revolving credit facility or future credit facilities, to pay dividends to our shareholders.

Recurrent Cash Available for Distribution

Recurrent cash available for distribution is a non-GAAP financial measure that is not required by, or presented in accordance with, IFRS-EU. We believe that an understanding of recurrent cash available for distribution is useful to investors in evaluating our ability to pay dividends pursuant to our stated cash dividend policy.

In general “recurrent cash available for distribution” is calculated as Adjusted EBITDA (as defined under “Presentation of Financial Information”):

less:

- changes in other assets and liabilities (this can have both a negative and positive impact);
- capital expenditures;
- interest payable;
- repayment and amortization of bank borrowings;
- income tax paid (recovered); and

- other cash outflows;

plus:

- interest received;
- other cash inflows; and
- adjusted for debt service reserve account funding and the net release of cash retained.

Risks Regarding Our Cash Dividend Policy and Our Intended Distribution

We have a limited operating history as an independent company upon which to rely in evaluating whether we will have sufficient recurrent cash available for distribution and other sources of liquidity to allow us to pay dividends on our Shares at our initial quarterly dividend level on an annualized basis or at all. There is no guarantee that we will pay quarterly cash dividends to our shareholders, including the Intended Distribution. We do not have a legal obligation to pay dividends according to our cash dividend policy or any other dividend. While we currently intend to maintain our cash dividend policy following the completion of this Offering, including the Intended Distribution for the years 2015 and 2016, and to grow our business and increase our dividend per share over time, our cash dividend policy and, in particular, the payment of the Intended Distribution, is subject to all the risks inherent to our business and may be changed at any time as a result of certain restrictions and uncertainties. See “Risk Factors” for more information on the risks to which our business is subject, including but not limited to, the risk factors entitled “Risk Factors—Risks Relating to the Ownership of Our Shares—Our cash dividend policy and our Intended Distribution involve risks”, “Risk Factors—Risks Relating to the Ownership of Our Shares—There can be no assurance that any target dividend distribution will be achieved” and “Risks Related to the Ownership of our Shares—The assumptions underlying the forecasts presented elsewhere in this prospectus are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks that could cause our actual recurrent cash available for distribution to differ materially from our forecasts”.

Accordingly, prospective investors should decide for themselves whether or not the cash dividend policy, including the Intended Distribution, is reasonable or achievable and carefully evaluate whether investing in the Offer Shares is appropriate for them, bearing in mind personal circumstances and the information included in this prospectus.

Our Ability to Grow Our Business and Dividend

We intend to grow our business primarily through acquisitions of contracted or regulated revenue energy assets, primarily taking advantage of the access to energy-related assets developed by ACS SI worldwide through the ROFO and Call Option Agreement and also through third party acquisitions, which, we believe, will facilitate the growth of our recurrent cash available for distribution and enable us to increase our dividend per share over time. Our approved policy is to maximize cash distributions to shareholders and specifically to distribute 90% of our expected recurrent cash available for distribution per year. However, the final determination of the amount of cash dividends to be paid to our shareholders will be made by our board of directors and will depend upon our financial condition, results of operations, cash flow, long-term prospects and any other matters that we deem relevant. The payment of dividends to our shareholders shall be authorized by our general shareholders’ meeting by a majority of the attending shareholders (either personally or by proxy) at the proposal of the board of directors. See “Description of Share Capital—Dividend and Liquidation Rights”.

We expect that we will rely primarily upon external financing sources, including commercial bank borrowings and issuances of debt and equity securities, to fund any future growth capital expenditures. To the extent we are unable to finance growth externally, our cash dividend policy could significantly impair our ability to grow because we do not currently intend to reserve a substantial amount of cash generated from operations to fund growth opportunities. To the extent we issue additional shares to fund growth capital expenditures, the payment of dividends on those additional shares may increase the risk that we will be unable to maintain or increase our per share dividend level. Additionally, the incurrence of additional commercial bank borrowings or other debt to finance our growth would result in increased interest expense,

which in turn may impact our recurrent cash available for distribution and, in turn, our ability to pay dividends to our shareholders.

If external financing is not available to us on acceptable terms, we may decide to finance acquisitions with cash from operations, which would reduce or even eliminate our recurrent cash available for distribution and, in turn, impair our ability to pay dividends to our shareholders.

Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and December 31, 2016

Based upon the material assumptions described below and other assumptions that we believe to be reasonable as of the date of the prospectus, we forecast that (i) our profit/(loss) attributable to the parent will be approximately a loss of €13.0 million during the year ending December 31, 2015 and a profit of €32.5 million during the year ending December 31, 2016; and (ii) our estimated recurrent cash available for distribution, excluding the net release of cash retained (as defined below), during the years ending December 31, 2015 and 2016 will be approximately €71.6 million (although we believe this amount includes estimated non-recurrent net cash inflows of €9.6 million as described below, leaving approximately €62.0 million of recurrent cash available for distribution) and €63.5 million, respectively.

We believe that the estimated recurrent cash available for distribution for 2015 of €71.6 million includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million which we do not expect will be generated in a run-rate scenario, without which our recurrent cash available for distribution for 2015 would be approximately €62.0 million. We estimate that such €9.6 million consists of (i) a €21.3 million inflow related to change in other assets and liabilities (of which €4.1 million relates to net settlements in favor of Saeta Yield of intragroup accounts with subsidiaries of ACS SI concurrently with the Offering, a €8.5 million inflow because of the capitalization of an intragroup liability with ACS SI, and €8.7 million of an increase in receivables in 2014 mainly as a result of the new regulatory framework being implemented that will leave a pending amount to be collected by Saeta Yield during 2015); (ii) a €0.8 million investment to adapt the wind assets to AENA (*Aeropuertos Españoles y Navegación Aérea*) requirements (navigation light systems) and adapt the Santa Catalina three wind farms to reactive power requirements by the distribution company; (iii) a €7.3 million outflow related to taxes expected in 2015 as a consequence of not having the tax consolidation group in place until 2016; and (iv) a €3.6 million outflow derived from additional interest of the Al Andalus Asset Company pending from 2014.

Our forecasts are forward-looking statements and reflect our judgment as of the date of this prospectus of the conditions we expect to exist and the course of action we expect to take during the years ending December 31, 2015 and December 31, 2016. Our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution have been approved by our Board of Directors at its meeting held on January 27, 2015. Although acquisitions are an important part of our growth strategy, the forecasts do not include the effects of, and have not included any adjustments with respect to, any acquisitions we intend to complete during the period covered by our forecasts. It should be read together with the financial statements and the accompanying notes thereto included elsewhere in this prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We believe that we have a reasonable basis for these assumptions and that our actual results of operations will be approximately close to those reflected in our forecast, but we can give no assurance that our forecasted results will be achieved. The assumptions and estimates underlying the forecast, as described below under “—Assumptions and Considerations”, are inherently uncertain and, although we consider them reasonable as of the date of this prospectus, they are subject to a wide variety of significant business and economic risks and uncertainties that could cause actual results to differ materially from forecasted results, including, among others, the risks and uncertainties described in “Risk Factors”. Any of the risks discussed in this prospectus, to the extent they occur, could cause actual results of operations to vary significantly from those that would enable us to generate sufficient recurrent cash available for distribution to allow us to pay the Intended Distribution of approximately €57 million per year in 2015, on a pro rata basis, and 2016. There can be no assurance that the forecast will be indicative of our future performance or that actual results will not differ

materially from those presented in the forecast. If our forecasted results are not achieved, we may not be able to pay a dividend to our shareholders at our targeted dividend level or at all. Inclusion of the forecast in this prospectus should not be regarded as a representation by us, the Selling Shareholder, the Underwriters or any other person that the results contained in the forecast will be achieved.

We do not undertake any obligation to release publicly any revisions or updates that we may make to the forecast or the assumptions used to prepare the forecast to reflect events or circumstances after the date of this prospectus, except where required to do so by law. The statement that we believe that we will have sufficient recurrent cash available for distribution to allow us to pay the Intended Distribution of approximately €57 million per year in 2015, on a pro rata basis, and 2016 should not be regarded as a representation by us, the Selling Shareholder, the Underwriters or any other person that we will pay such dividends. Therefore, you are cautioned not to place undue reliance on this information. There can be no assurance that the prospective results are indicative of our future performance or that actual results will not differ materially from those presented in the forecasted financial information.

The below sets forth our forecasts of profit attributable to the parent and estimated recurrent cash available for distribution, expressed in millions in order to facilitate the presentation of the forecasted information due to the underlying assumptions on which such forecasts have been based, for the years ending December 31, 2015 and 2016:

	Year ending December 31,	
	2015	2016
	(in millions of euro)	
Forecast of profit attributable to the parent:		
Revenue	223.1	224.2
Operating costs and expenses:		
Operating expenses and other	(68.8)	(69.7)
Depreciation and amortization charge	(76.7)	(76.7)
Total operating costs and expenses	(145.4)	(146.3)
Operating income	77.7	77.8
Other income/(expense):		
Financial income	1.8	3.4
Financial costs	(40.4)	(37.3)
Net financial income/(expense)	(38.6)	(33.8)
Debt arrangement/early amortization expense	(57.2)	(0.7)
Total other income/(expense)	(95.7)	(34.5)
Profit/(loss) before tax	(18.0)	43.3
Income tax	5.1	(10.8)
Profit/(loss) attributable to the parent	(13.0)	32.5
Forecast of estimated recurrent cash available for distribution:		
Profit attributable to the parent	(13.0)	32.5
Financial income	(1.8)	(3.4)
Add:		
Depreciation and amortization charge	76.7	76.7
Financial costs	40.4	37.3
Debt arrangement/early amortization expense	57.2	0.7
Income tax	(5.1)	10.8

	Year ending December 31,	
	2015	2016
	(in millions of euro)	
Adjusted EBITDA.....	154.4	154.5
Less:		
Changes in other assets and liabilities	(21.3)	0.1
Capital expenditure	0.8	-
Cash interest paid	44.5	37.7
Repayment and amortization of bank borrowings.....	53.2	56.6
Income tax paid/(recovered)	7.3	-
Add:		
Interest received	1.8	3.4
Net release of cash retained at Asset Companies	(50.1)	73.0
Forecast of estimated recurrent cash available for distribution after investing and funding activities at Saeta Yield	21.5	136.4
Less:		
Net release of cash retained at Asset Companies	(50.1) ⁽¹⁾	73.0
Forecast of estimated recurrent cash available for distribution after investing and funding activities at Asset Companies excluding net release of cash retained.....	71.6	63.5
Less:		
Non-recurrent net inflows.....	9.6 ⁽²⁾	-
Forecast of estimated recurrent cash available for distribution	62.0	63.5

Notes:—

- (1) Net release of cash retained value is negative for 2015 as we will not be releasing cash during 2015 because certain of our Asset Companies did not fulfill their distribution covenants in 2014. See “—Specific Assumptions and Considerations—Business and Operations Assumptions for Estimated Recurrent Cash Available for Distribution—Net release of cash retained”.
- (2) Includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million.

The following table provides a breakdown of Adjusted EBITDA and recurrent cash available for distribution by business line for the years ending December 31, 2015 and 2016:

	Year ending December 31			
	2015		2016	
	Adjusted EBITDA	CAFD ⁽¹⁾	Adjusted EBITDA	CAFD ⁽¹⁾
	(in millions of euro)			
Wind.....	75.6	36.5	74.9	26.4
Solar Thermal	80.7	40.7	81.1	41.6
Corporate expenses and taxes ⁽²⁾	(1.9)	(5.6)	(1.5)	(4.5)
Total	154.4	71.6⁽³⁾	154.5	63.5

Notes:—

- (1) Recurrent cash available for distribution; excludes net release of cash retained (as defined herein).

- (2) “Corporate expenses and taxes” includes approximately €4.5 million per year, consisting mainly of corporate general and administrative expenses at the Saeta Yield level (including payroll, board of directors remuneration, expenses related to the Transitory Services Agreement with ACS SI and rent for our office property) that are offset by the revenues received pursuant to the Services Agreements with the Asset Companies. See “Related Party Transactions—Transitional Services Agreement”. Additionally Saeta Yield will have financial expenses related to the revolving credit facility as well as corporate taxes.
- (3) Includes estimated non-recurrent net inflows related to change in other assets and liabilities, capital expenditures, taxes and financial costs of €9.6 million.

Assumptions and Considerations Underlying Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and 2016

Set forth below are the main assumptions that we have made to demonstrate our ability to generate our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years ending December 31, 2015 and December 31, 2016. Our forecasts reflect our judgment of the conditions we expect to exist and the course of action we expect to take during the forecast period. While the assumptions disclosed in this prospectus are not all inclusive, such assumptions are those that we believe are material to our forecasted results of operations. We believe we have a reasonable basis for these assumptions; however, we can give no assurance that our forecasted results will be achieved. There will likely be differences between our forecasted and our historical results, and those differences may be material. While we believe that the assumptions underlying the forecast are reasonable in light of management’s current expectations concerning future events, we can give no assurance that our assumptions will be realized or that we will generate the forecasted profit attributable to the parent and estimated recurrent cash available for distribution during the forecast periods at the levels forecasted, in which event we may not be able to pay cash dividends on our Shares at our targeted dividend level or at all.

Assumptions and estimates underlying the forecasts are inherently uncertain and our future profit attributable to the parent and recurrent cash available for distribution are subject to a wide variety of risks and uncertainties, including significant business and economic, and uncertainties described under the headings “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” elsewhere in this prospectus.

The forecast contained herein has been prepared on the basis of certain assumptions and considerations, which include, among others, the following:

Assumptions and Considerations Outside the Control of our Management

- that the risks that could have a material adverse effect on our business, financial condition, results of operations, profits or recurrent cash available for distribution, as described in “Risk Factors”, will not materialize;
- the stability of the macroeconomic climate and the markets in which we operate, including current electricity market prices, with no further deficit assumed going forward, interest rates and inflation (which we have assumed at a rate of 1.0% for each of the next two years);
- no material nonperformance or credit-related defaults by suppliers, ACS SI, its subsidiaries or any of our commercial customers;
- no material incident in the performance of our assets, such as long-term failures or other causes which prevent our assets to perform undisturbed;
- no new or material amendments to Spanish laws or regulations, or interpretation or application of existing laws or regulation after the publication of the New Tax Reform in the Spanish Official State Gazette (the “BOE”) on November 28, 2014, that in either case will be materially adverse to our business or to the business of our suppliers or ACS SI or its subsidiaries;

- no material amendments to the proposed schedule to receive incentive payments from the Spanish Electricity System;
- no material adverse effects to our business, industry or the business of our suppliers or ACS SI or its subsidiaries on account of natural disasters;
- our capacity to retain our key members of our management team;
- weather conditions will be similar to weather conditions from previous years;
- no material adverse change resulting from supply disruptions or reduced demand for electricity; and
- no material adverse changes in market, regulatory and overall economic conditions.

Assumptions and Considerations Within the Control of our Management:

- no acquisition of any ROFO Assets or other assets during the two next years (although we anticipate that such acquisitions will be made pursuant to the ROFO and Call Option Agreement over the time period covered by our forecasts, due to the uncertain nature, timing and terms and conditions of such acquisitions we have assumed no asset acquisition for the purpose of our forecasts);
- no issuance of equity or debt instruments and that our debt and equity structure will be substantially the same during the next two years;
- no stock incentive plan for our management team;
- our compliance with the existing dividend restrictions as of December 31, 2015, including those contained in our project-level financing arrangements, which require that our project-level subsidiaries comply with certain financial tests and distribution covenants in order to make such cash distributions, resulting into an accumulation of non-distributable cash generated whenever distribution covenants are breached; and
- no material default under our financing agreements, and therefore, no additional cost in this respect.

Should actual circumstances alter the above assumptions (for example if, as expected in our growth strategy, we should acquire any of the ROFO Assets or any other third party asset or materially alter our debt or equity structure) we cannot assure you that we will be able to achieve the forecasts of profit attributable to the parent or of estimated recurrent cash available for distribution levels disclosed herein. For a discussion of the important factors that could cause actual results to differ materially from our forecast, see “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” elsewhere in this prospectus.

Specific Assumptions and Considerations

In addition to the previous assumptions and considerations, our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution are also based on the following assumptions, which apply to our business and operations. We also set out below the specific assumptions underlying our forecast of estimated recurrent cash available for distribution.

Asset assumptions

Certain projections are linked to the Spanish Consumer Price Index (“CPI”) forecasts. We have assumed a 1.0% CPI for the year ending December 31, 2015 and 1.0% CPI for the year ending December 31, 2016. Our forecast assumes that our projects will consist of the wind farms and solar thermal plants currently held by the Asset Companies.

Revenue

Our forecasted revenues assume all of our renewable energy plants in Spain sell the power they produce into the Spanish wholesale market, managed by the Iberian Electricity Market Operator (*Operador del Mercado Ibérico de Electricidad*, “OMIE”) and receive additional payments from the Spanish electricity system through the Spanish regulator, Comisión Nacional de los Mercados y de la Competencia (“CNMC”). According to the 2013 Electricity Act, the 2014 Royal Decree and the 2014 Revenue Order, renewable energy producers may receive, in addition to the price obtained in the Spanish wholesale market, a specific remuneration that covers the costs (investment and operation) that they are unable to recover on the Spanish electricity market, where they have to compete with non-renewable technologies.

We estimate that we will generate revenue of approximately €223.1 million for the year ending December 31, 2015 (with approximately €105.7 million and €117.4 million generated, respectively, by our wind and solar thermal assets) and approximately €224.2 million for the year ending December 31, 2016 (with approximately €105.9 million and €118.2 million generated, respectively, by our wind and solar thermal assets).

According to these criteria, renewable energy producers will receive the following, in addition to the Spanish wholesale market price of electricity produced, which is variable,:

- (i) remuneration for investment fixed by regulation per unit of installed capacity; and
- (ii) in the case of solar thermal plants, remuneration fixed by regulation for operating and maintenance expenses per unit of power.

See “Regulation—Spanish Framework—Calculation of the Remuneration to be Received by Existing Wind and Solar Thermal Assets” for a more detailed discussion.

We have based our assumptions as to the remuneration scheme for the wind farms and solar thermal plants on the guidance of the 2014 Revenue Order, including the Spanish wholesale market price assumed by the regulation for 2015 and 2016. See “Business—Description of Our Initial Portfolio—Wind Assets—Remuneration Scheme” and “Business—Description of the Initial Portfolio—Solar Thermal Assets—Remuneration Scheme”. The following table presents the remuneration schemes for our wind and solar thermal assets per the 2014 Revenue Order:

Code	Plants	Max. Auth. Capacity MW	Remuneration to Investment (€/MW) 2014-2016 ⁽²⁾	Remuneration to Operation (€/MWh)			Spanish Wholesale Market Price Assumed by Regulation per Technology (€/MWh) ⁽¹⁾		
				2014	2015	2016	2014	2015	2016
Wind									
IT-00657	Colmenar 2	28.0	74.3	—	—	—	42.9	44.0	44.2
IT-00658	Serón 1, Serón 2, Tijola, Las Vegas, Abuela Santa Ana (1) ⁽³⁾	155.0	107.2	—	—	—	42.9	44.0	44.2
	La Noguera, Los Isletes, La Caldera, Sierra de las Carbas, Abuela Santa Ana (2) ⁽³⁾	128.7	115.6	—	—	—	42.9	44.0	44.2
IT-00659	Monte Gordo	48.0	124.8	—	—	—	42.9	44.0	44.2
IT-00661	Tesosanto (1) ⁽⁴⁾	46.0	109.1	—	—	—	42.9	44.0	44.2
IT-00662	Viudo I, Viudo II, Sta. Catalina, Valcaire, Tesosanto (2) ⁽⁴⁾	127.5	105.0	—	—	—	42.9	44.0	44.2

Code	Plants	Max. Auth. Capacity MW	Remuneration to Investment (€/MW) 2014-2016 ⁽²⁾	Remuneration to Operation (€/MWh)			Spanish Wholesale Market Price Assumed by Regulation per Technology (€/MWh) ⁽¹⁾		
				2014	2015	2016	2014	2015	2016
Solar									
Thermal									
IT-00607	Extresol 1	50.0	526.3	37.3	36.7	37.3	49.2	50.6	50.8
IT-00609	Manchasol 2	49.9	557.7	38.0	37.4	38.1	49.2	50.6	50.8
IT-00611	Casablanca	49.9	549.8	37.8	37.2	37.8	49.2	50.6	50.8

Notes:—

- (1) Market electricity price estimated (E) by regulation (€48.2/MWh in 2014E, €49.5/MWh in 2015E and €49.8 MWh in 2016E), adjusted by the adjustment coefficient of 0.8889 in wind and 1.0207 in solar thermal.
- (2) Annual amounts applicable during the whole first statutory half-period (i.e. in years 2014, 2015 and 2016).
- (3) 37.5 MW were commissioned in June 2008 (Abuela Santa Ana 1) and an extension of 12 MW was commissioned in July 2009 (Abuela Santa Ana 2).
- (4) 46 MW were commissioned in August 2011(Tesosanto 1) and an extension of 4 MW was commissioned in June 2012 (Tesosanto 2).

The following table presents the calculation of our revenues for the ten months ended October 31, 2014:

	Market Revenue			Incentive Revenue					Total			
	Average Spanish Wholesale Market Price ⁽¹⁾ (€/MWh)	Production 10 months 2014 (MWh)	Revenue at Market (€m)	Capacity (MW)	Regulatory Remuneration to Investment (€/MW) ⁽²⁾	Regulatory Remuneration to Investment (€m)	Production 10 months 2014 (MWh)	Regulatory Remuneration to Operation (€/MWh)	Regulatory Remuneration to Operation (€m)	Net Revenue (€m)	Other Revenue ⁽⁶⁾ (€m)	Reported Revenue (€m)
Colmenar 2	31.4	34,677	1.1	28.0	74.3	1.7	34,677	—	—	1.7	—	2.8
Serón 1, Serón 2, Tijola, Las Vegas, Abuela Santa Ana 1 ⁽³⁾	32.1	262,507	8.4	155.0	107.2	13.8	262,507	—	—	13.8	—	22.3
La Noguera, Los Isletes, La Caldera, Sierra de las Carbass, Abuela Santa Ana 2 ⁽³⁾	32.3	234,061	7.6	128.7	115.6	12.4	234,061	—	—	12.4	—	20.0
Monte Gordo	37.7	73,141	2.8	48.0	124.8	5.0	73,141	—	—	5.0	—	7.7
Viado I, Viado II, Sta Catalina, Valcaire, Tesosanto 2 ⁽³⁾	29.5	192,598	5.6	127.5	105.0	11.2	192,598	—	—	11.2	—	16.7
Tesosanto 1 ⁽³⁾	30.3	97,257	2.9	46.0	109.1	4.2	97,257	—	—	4.2	—	7.1
Total Wind		894,240	28.4	533.2		48.3	894,240			48.3		76.7
Extresol 1	45.9	133,545	6.1	50.0	526.3	21.9	133,545	37.3	4.9	26.9	0.6	33.6
Manchazol 2	45.4	136,000	6.2	49.9	557.7	23.2	135,728	38.0	4.9	28.1	0.7	35.0
Casablanca	46.0	136,666	6.3	49.9	549.8	22.9	135,728	37.8	5.1	27.9	(0.1)	34.1
Total Solar		406,211	18.6	149.8		68.0	406,211			14.9		102.7
Total		1,300,450	47.0	683.0		116.3	1,300,450			14.9		178.2
												181.5

Notes:—

- (1) Average Spanish wholesale market price for the period from and including January 1, 2014 – October 31, 2014.
- (2) 37.5 MW were commissioned in June 2008 (Abuela Santa Ana 1) and an extension of 12 MW was commissioned in July 2009 (Abuela Santa Ana 2).
- (3) 46 MW were commissioned in August 2011 (Tesosanto 1) and an extension of 4 MW was commissioned in June 2012 (Tesosanto 2).
- (4) Based on the annual remuneration to investment, we have calculated the proportional amount for the ten month period.
- (5) “Other Revenue” represents additional adjustments to certain adjustments made for the July-December 2013 settlement amounts related to the transitory regime in place between July 14, 2013 and June 16, 2014, the date of the 2014 Revenue Order (Sec Regulation—Spanish Framework—Transitional Regime Applicable to Renewable Energy Facilities Already in Operation), along with other accounting adjustments to certain other minor amounts. Other Revenue pertaining to wind farms is not broken down by row because the relevant amounts cannot be divided by plant for the Asset Companies that own multiple plants. The total Other Revenue for wind farms was €2.1 million for the period.

In estimating future revenues, we also look at forecasted production, which we have based on a combination of the average historical production of our plants and a production analysis carried out by Diseprosa, an independent renewable energy consultant. We believe that the most reasonable metric for future production to be the average historical production of each plant adjusted per the Diseprosa analysis, provided the plant has been in operation for multiple years.

- Wind farm production is based mainly on the average yearly production since the beginning of commercial operations at each facility, with additional wind resource assessment for the plants with limited operating history (Valcaire and Santa Catalina).
- Solar thermal plant production is generally based on historical performance, adjusted to account for the lower gas consumption for the production of electricity after January 1, 2013 due to the absence of regulated payments for electricity produced using natural gas pursuant to Law 15/2012. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Regulation”. However, because Manchacol 2 and Casablanca have limited operating history, their future performance is based on the historical growth curve of other solar thermal plants in the ACS SI Group that have a more established operating history.

Our assumptions of electricity production are derived from the below operating hours per asset, which are estimated based upon the assumptions described above. In line with the applicable regulation, we have assumed that solar thermal plants will suffer a 0.2% yield loss annually from 2015 onward. We expect the yield loss to impact only plants which have gone through the ramp-up phase, i.e. Extresol 1. Because Manchacol 2 and Casablanca are still in the ramp-up phase, yield loss is calculated accordingly. Based on our previous experience in the five-year ramp-up period of other solar thermal plants with similar characteristics and location, we expect that Manchacol 2 and Casablanca will be in the ramp-up phase until they reach their stable production levels in 2016 and 2018, respectively. Similarly, in line with regulation, we have assumed that wind farms suffer a 0.5% yield loss annually from their sixteenth year of operation onwards, which does not impact the estimates for 2015 and 2016.

The following table presents the historical average production and forecasted production for 2015 and 2016 for each of the Asset Companies:

	Capacity (MW per hour) ⁽¹⁾	Electricity Production (hours) ⁽²⁾	Forecasted Electricity Production (hours)	
			2015	2016
		Hist. average		
Wind				
Serón 1	50.0	1,874	1,874	1,874
Serón 2	10.0	1,897	1,897	1,897
Tijola	36.8	1,862	1,862	1,862
Las Vegas	23.0	1,973	1,973	1,973
Abuela Santa Ana.....	49.5	2,244	2,244	2,244
Colmenar 2	30.0	1,379	1,379	1,379
La Noguera	29.9	1,772	1,772	1,772
Los Isletes.....	25.3	1,965	1,965	1,965
La Caldera	22.5	2,208	2,208	2,208
Sierra de las Carbas.....	40.0	2,522	2,522	2,522
Tesosanto.....	50.0	2,451	2,451	2,451
Viudo I	40.0	1,902	1,902	1,902
Viudo II	26.0	2,018	2,018	2,018

	Capacity (MW per hour) ⁽¹⁾	Electricity Production (hours) ⁽²⁾	Forecasted Electricity Production (hours)	
			Hist. average	
			2015	2016
Santa Catalina-Cerro Negro.....	41.5	1,987	1,987	1,987
Monte Gordo.....	48.0	1,701	1,701	1,701
Valcaire.....	16.0	2,318	2,318	2,318
Solar Thermal				
Extresol 1.....	50.0	2,855	2,855	2,850
Manchasol 2.....	49.9	2,789	2,789	2,855
Casablanca.....	49.9	2,575	2,646	2,718

Notes:—

- (1) Installed Capacity. Maximum administrative authorization of Serón 1: 49.5 MW; Serón 2: 10 MW; Tijola: 36 MW; Colmenar 2: 28 MW; La Noguera: 28.9 MW; Las Vegas: 22 MW; Los Isletes: 25.3 MW; Abuela Santa Ana: 49.5 MW; La Caldera: 22.5 MW; Sierra de las Carbás: 40 MW; Tesosanto: 50 MW; Viudo I: 40 MW; Viudo II: 26 MW; Santa Catalina-Cerro Negro: 41.5 MW; Monte Gordo: 48 MW; Valcaire: 16 MW; Extresol 1: 50 MW; Manchasol 2: 49.9 MW; Casablanca: 49.9 MW.
- (2) Average yearly production since beginning of commercial operations through the end of June 2014 (“H1”); Serón 1: 2008-2014(H1); Serón 2: 2008-2014(H1); Tijola: 2008-2014(H1); Colmenar 2: 2008-2014(H1); La Noguera: 2008-2014(H1); Las Vegas: 2009-2014(H1); Los Isletes: 2009-2014(H1); Abuela Santa Ana: 2008-2014(H1); La Caldera: 2009-2014(H1); Sierra de las Carbás: 2009-2014(H1); Tesosanto: 2011-2014(H1); Viudo I: 2012-2014(H1); Viudo II: 2012-2014(H1); Santa Catalina-Cerro Negro: 2012-2014(H1); Monte Gordo: 2011-2014(H1); Valcaire: 2012-2014(H1); Extresol 1: 50 2013-2014(H1); Manchasol 2: 2013-2014(H1); Casablanca: n/a.

Remuneration to operation in solar thermal plants is granted to a maximum of 2,720 equivalent hours in solar thermal plants. Production above the mentioned maximum threshold is only remunerated at market prices, without any remuneration to operation.

Operating Expenses and Other

We have assumed that our operating and other expenses will remain stable during 2015 and 2016 and that they will comprise mainly our operation and maintenance costs, the 7% tax on production of electricity, day-to-day maintenance, as well as general and administrative expenses, expenses related to research and development, costs related to the control center owned and operated by ACS, leases, independent professional services, insurance premiums, banking services, miscellaneous services and other local taxes.

We estimate that we will incur in operating and other expense of €68.8 million for the year ending December 31, 2015 and €69.7 million for the year ending December 31, 2016.

Operation and Maintenance. Our Asset Companies have O&M agreements in place for the provision of O&M services (see “Related Party Transactions—Operation and Maintenance Contracts”). Currently, these expenses represent approximately 12% of our revenue. See “Business—Description of Our Initial Portfolio”. We estimate that O&M expenses will amount to €26.3 million in 2015 and €26.8 million in 2016.

- Wind farms: O&M costs of our wind farms consist of either a fixed price per MWh produced or an annual fixed price per MW, in each case, adjusted for an assumed 1.0% inflation annually. The contracted fixed amounts per plant are set forth in the table below:

	O&M Price 2014 (€/MW)	O&M Price 2015 (€/MWh)	O&M Price 2016 (€/MWh)
Al Andalus ⁽¹⁾	10.66	10.77	10.87
La Caldera	10.66	10.77	10.87
Sierra de las Carbass	10.66	10.77	10.87
Tesosanto	10.66	10.77	10.87
Santa Catalina ⁽²⁾	8.96	9.05	9.14

	O&M Price 2014 (€/turbine)	O&M Price 2015 (€/turbine)	O&M Price 2016 (€/turbine)
Monte Gordo ⁽³⁾	41,696	42,113	42,534
Valcaire ⁽⁴⁾	43,051	43,482	43,916

Notes:—

- (1) Al Andalus comprises the Serón 1, Serón 2, Tíjola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.
- (2) Urbaenergía is considering cancelling 50% O&M cost for Santa Catalina Asset Company for 2015 and 2016. This cancellation would result in cost savings of approximately €1 million per year.
- (3) Urbaenergía provides the O&M services to Monte Gordo at a price of €10.4/MWh with a minimum of €41,696 per turbine as of 2014. Monte Gordo has 24 turbines.
- (4) Valcaire has 8 turbines.

- Solar thermal: O&M costs of our solar thermal plants consist of (i) a fixed annual fee, adjusted for an assumed 1.0% inflation annually, plus (ii) a performance-based remuneration bonus, if the efficiency of the asset reaches a specified effective annual efficiency for any given year. See “Business—Our Initial Portfolio—Solar Thermal Assets—Operation and Maintenance”. Based on projected production, we have assumed that we will pay the capped bonus amount of €400,000 annually. The actual bonus will be calculated, as set forth in the O&M contracts and respective addendums, based on the comparison of the effective performance with the guaranteed annual performance. These parameters will be calculated by using a specific model validated by a technical expert in each case. The contracted fixed and capped variable prices per plant are set forth in the table below:

	O&M Price 2014	O&M Price 2015	O&M Price 2016
Fixed Price	(in millions of euro)		
Extresol 1	4.81	4.86	4.90
Manchasol 2	4.86	4.90	4.95
Casablanca	5.17	5.22	5.27
Variable Price (Cap)	(in millions of euro)		
Extresol 1	0.40	0.40	0.40
Manchasol 2	0.40	0.40	0.40

	<u>O&M Price 2014</u>	<u>O&M Price 2015</u>	<u>O&M Price 2016</u>
Casablanca	0.40	0.40	0.40

Electricity production tax. Effective January 1, 2013, Law 15/2012, of December 27, 2012 (“Law 15/2012”) introduced a 7% tax on the total revenue earned by electricity producers from the power produced at their facilities. Our revenue projections are subject to this tax. See “Regulation—Spanish Framework—Tax on Electricity Sales” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Regulation”.

We estimate that we will pay electricity production taxes amounting to €15.6 million for the year ending December 31, 2015 and €15.7 million for the year ending December 31, 2016.

Services Agreements. We will render general services to the Asset Companies in exchange for a yearly fee of €300,000 (adjusted for inflation, assuming inflation of 1.0% annually) per solar thermal plant and 2% of revenues per wind farm. We estimate that Services Agreements incomes will amount to €3 million for each of 2015 and 2016. See “Business—Our Initial Portfolio—Description of our Initial Portfolio” for a description of the Services Agreements entered into with each Asset Company.

Other expenses. Other expenses will comprise mainly costs related to the Control Center Services Agreements, See “Related Party Transactions—Control Center Services Agreements”, day-to-day maintenance, as well as expenses related to research and development, leases, independent professional services, insurance premiums, banking services, miscellaneous services, deviation costs and other local taxes. Currently, these expenses represent approximately 9-10% of our revenue. We estimate that other expenses will amount to €22.4 million in 2015 and €22.6 million 2016.

The table below shows the anticipated cost of other expenses in 2015 and 2016:

	<u>Other Expenses</u>	
	<u>2015</u>	<u>2016</u>
	(in millions of euro)	
Wind		
Serón 1	0.9	0.9
Serón 2	0.2	0.2
Tijola	0.7	0.7
Las Vegas	0.7	0.7
Abuela Santa Ana.....	1.0	1.0
Colmenar 2	0.6	0.6
La Noguera.....	0.5	0.5
Los Isletes.....	0.5	0.5
La Caldera	0.4	0.4
Sierra de las Carbas	0.7	0.7
Tesosanto.....	0.9	0.9
Viudo I	0.7	0.7
Viudo II.....	0.5	0.5
Santa Catalina.....	0.8	0.8
Monte Gordo.....	0.8	0.8
Valcaire	0.5	0.5
Solar Thermal		
Extresol 1	3.1	3.1

	Other Expenses	
	2015	2016
	(in millions of euro)	
Manchasol 2.....	4.0	4.0
Casablanca.....	4.4	4.4

Notes:—

- (1) Urbaenergía is considering cancelling 50% O&M cost for Santa Catalina Asset Company for 2015 and 2016. This cancellation would result in cost savings of approximately €1 million per year.

We expect other expenses to remain stable as a percentage of revenues in the forecasted period.

Corporate overhead. Corporate overhead consists mainly of general corporate and administrative expenses at the Saeta Yield level (including mainly payroll, board of directors remuneration, expenses related to the Transitional Services Agreement with ACS SI, rent for our office property and other expenses), that are offset by the revenues received pursuant to the services agreements with the Asset Companies. We expect that the amount of corporate expenses at Saeta Yield level, will be approximately of €4.5 million annually, which net of the yearly fees received from the Asset Companies pursuant to the Services Agreements, will be approximately €1.5 million each year, adjusted for inflation of 1.0% annually.

Depreciation and Amortization Charges

Forecasted depreciation and amortization expense reflect management's estimates, which are based on consistent average depreciable useful lives of 20 years for wind farms and 25 years for solar thermal plants. See Note 3 to our Interim 2014 Audited Consolidated Financial Statements for a description of our depreciation and amortization policy. We estimate that we will incur depreciation and amortization expense of €76.7 million for the year ending December 31, 2015 and an expense of €76.7 million for the year ending December 31, 2016, assuming no reversal of our deterioration.

Income tax expense and cash taxes

We estimate that income tax expense/(income) will be €(5.1) million for the year ending December 31, 2015 and €10.8 million for the year ending December 31, 2016. Income tax expense has been calculated based on the 28% and 25% corporate tax applicable in 2015 and 2016, respectively, under the new Spanish Corporate Tax Regulation, which has been published in November 28, 2014 and will be effective from January 1, 2015.

We expect to benefit from the Spanish Tax Consolidation Regime, under which a group of companies may elect to pay Corporate Income Tax as a single taxpayer. The tax group must include the Spanish parent company (Saeta Yield) and all the Spanish subsidiaries in which the parent company owns a minimum interest of 75%. From January 1, 2016, Saeta Yield would operate as parent company of the tax group and all of our Asset Companies would fulfil the requirements to be included in the group.

We also expect to benefit from free tax depreciation (without limits) from 2016, and with the following limitations in 2015:

- 40% of the tax base before the amortization or depreciation and before the offset of tax loss carryforwards for taxpayers (subject to requirements to maintain employment levels); or
- 20% of the tax base before the amortization or depreciation and before the offset of tax loss carryforwards for taxpayers (without any employment level requirement).

The joint use of both the tax consolidation and accelerated depreciation tax regimes (€625 million of outstanding depreciation and amortization as of October 31, 2014, which can be applied on an accelerated basis to reduce the taxable income) provides a significant tax payment deferral. We do not expect to pay any

amount for CIT from 2016 to 2021. Certain payments may become due on account of CIT, to be later reimbursed by the tax authorities in the short term.

In 2015 we expect to pay cash taxes of €7.3 million, as we cannot benefit from fiscal consolidation during the first year of the creation of the tax group. See “Business—Tax Depreciation Regime” for further discussion.

Capital Expenditures

We estimate that capital expenditures will be €0.8 million for the year ending December 31, 2015. In addition to these expenditures, as all assets are operational, we do not expect to incur any additional capital expenditures for maintenance purposes from 2016 and thereafter.

Our historical capital expenditures have been focused mainly on construction costs associated with our renewable energy plants. Future capital expenditures in 2015 will adapt the Al Andalus, La Caldera, Sierra de las Carbas, Tesosanto, Monte Gordo, Santa Catalina and Valcaire wind farms to AENA (*Aeropuertos Españoles y Navegación Aérea*) requirements (navigation light systems) and adapt the Santa Catalina wind farms to reactive power requirements by the distribution company. Going forward, we expect our maintenance capital and operating expenditures of the existing asset portfolio to be minimal since the assets are already in operation and maintenance capital expenditures are generally limited by our O&M agreements.

Financing and Other

Financial cost. Forecasted financial cost is based on the terms of the existing project financing arrangements and assumes the following:

- the Early Debt Repayment of €140.9 million of the project level financings of Extresol 1, Manchazol 2 and Santa Catalina in the amount of €79.0 million, €54.5 million and €7.4 million, respectively (the “Early Debt Repayment”)
- the cancelation, in connection with the Early Debt Repayment, of a portion of the derivative contracts of Extresol 1 (€59.3 million), Manchazol 2 (€40.9 million) and Santa Catalina (€5.6 million) at a total cost to Saeta Yield currently estimated to be €25.9 million (€14.6 million for Extresol 1, €10.1 million for Manchazol 2 and €1.2 million for Santa Catalina) in order to maintain the proportion of a 75% of the outstanding debt, (the “Partial Cancellation of Derivative Contracts”);
- the resetting of the derivative contract of Al Andalus at a fixed rate of 0.5% for an estimated total cost of €30.6 million in order to decrease interest expense from 2015 onwards (the “Al Andalus Derivative Resetting” and, together with the Partial Cancellation of Derivative Contracts, the “Derivatives Break Costs”); and
- the closing of an €80 million revolving credit facility, which we are negotiating with the Underwriters, assumed to be undrawn, at current market prices.

See “Capitalization and Indebtedness” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of liquidity” for further discussion.

We estimate that financial cost will be €40.4 million for the year ending December 31, 2015 (excluding extraordinary expenses related to the Early Debt Repayment) and €37.3 million for the year ending December 31, 2016.

Financial income. We estimate a financial income of 2% of the cash balance at the beginning of each of 2015 and 2016, which will represent €1.8 million and €3.4 million, respectively.

Principal amortization of indebtedness. We estimate that principal amortization of indebtedness will be €53.2 million for the year ending December 31, 2015 and €56.6 million for the year ending December 31, 2016

The following table shows the expected debt repayment schedule per Asset Company as per the existing project financing agreements, after the Early Debt Repayment:

	2015	2016
	(in millions of euro)	
Wind		
Al Andalus ⁽¹⁾	17.2	18.3
Boga II ⁽²⁾	8.1	8.8
Santa Catalina	7.1	7.6
Monte Gordo	2.5	2.7
Total Wind	34.9	37.4
Solar Thermal		
Extresol 1 ⁽³⁾	8.9	9.5
Manchasol 2 ⁽³⁾	9.4	9.7
Total Solar Thermal	18.3	19.2
Total Wind and Solar Thermal	53.2	56.6

Notes:—

- (1) Al Andalus represents the Serón 1, Serón 2, Tíjola, Colmenar 2, Las Vegas, La Noguera, Los Isletes, and Abuela Santa Ana wind farms.
- (2) Boga II represents the La Caldera, Sierra de las Carbas and Tesosanto wind farms.
- (3) Pro forma following the intended Early Debt Repayment by Saeta Yield concurrent with the Offering. See “Capitalization and Indebtedness”.

Business and Operations Assumptions for Estimated Recurrent Cash Available for Distribution

In addition to the above assumptions and considerations, our estimated recurrent cash available for distribution is based on the following assumptions which apply to our business and operations:

Early Debt Repayment and liquidity position

The forecast assumes that the Early Debt Repayment and the Derivatives Break Costs will occur on or prior to the second business day following, and subject to, Admission. The forecast also assumes that we will have a consolidated adjusted cash position excluding cash and debt service reserve account of approximately €134 million, including a cash position at the Saeta Yield level of €50 million on the Settlement Date of this Offering, plus an undrawn new revolving credit facility of €80 million, which we are negotiating with the Underwriters. See “Capitalization and Indebtedness” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of liquidity”.

Change in Other Assets and Liabilities

Changes in Other Assets and Liabilities includes €8.7 million changes in working capital and the €12.6 million settlement of intragroup accounts during 2015 amounting approximately to €21.3 million. Our working capital projections are based on the following assumptions from 2015 onwards:

- Sale of electricity generated: payment receivable in 30 days;
- Incentive set according to regulation (RD 413/2014): payment receivable in 60 days (assuming no tariff deficit in 2015);
- O&M contract payable at 30 days for wind farms and 60 days for solar thermal plants; and
- Generation tax: payable once every quarter (February, May, September, November).

In addition, working capital in 2015 is expected to improve, resulting in a positive impact of approximately €8.7 million mainly as a result of the incentives due from the electricity system that are not expected to be settled until 2015. In the first year since the application of the new regulatory regime, the electricity system has settled approximately 79.7% of system revenues, according to the settlement number 10 published by the CNMC on December 18, 2014. Going forward we expect this settlement to stabilize and reach 100% on a yearly basis. No charges in other assets and liabilities are expected in 2016.

Net Release of Cash Retained

The “net release of cash retained” comprises existing cash retained that we expected to be released once distribution covenants are met, net of cash retained during a certain year due to breach of covenants.

Certain of our Asset Companies have cash retained at the project level as distribution covenants were not fulfilled in 2013 and 2014, that we expect to be released during 2016, assuming distribution covenants are met in 2015. Following the Early Debt Repayment and the Derivatives Break Costs, we expect to comply with all distribution covenants in 2015 and 2016.

We estimate that we will retain approximately €50.1 million for the year ending December 31, 2015 and release approximately €73.0 million for the year ending December 31, 2016.

Repayment and amortization of bank borrowings

We estimate that debt arrangement and early amortization expenses will amount to €57.2 million for the year ending December 31, 2015 and €0.7 million for the year ending December 31, 2016. 2015 will be impacted by extraordinary items including the Early Debt Repayment and the Derivatives Break Costs.

Significant Accounting Policies

In preparing the forecast, we have applied the accounting policies used in our Interim 2014 Audited Consolidated Financial Statements as of October 31, 2014, prepared in accordance with IFRS-EU. Financial statements for 2015 and 2016 are expected to follow the same accounting policies.

Auditor reports

Deloitte, S.L. has issued two reports in relation to our forecasts of profit attributable to the parent and of estimated recurrent cash available for distribution for the years ending 2015 and 2016, which appear on pages F-67 and [F-●] of this prospectus, respectively.

Resumen

El presente resumen se compone de ciertas informaciones denominadas “Elementos”, que se recogen en una serie de secciones numeradas, de la A a la E (A.1 – E.7).

Este resumen contiene todos los Elementos que deben incluirse en un resumen teniendo en cuenta el tipo de valores y el tipo de sociedad. Dado que en este caso no procede incluir algunos de ellos, pueden existir secciones vacías en la secuencia de numeración de los Elementos.

Aunque un Elemento deba incluirse obligatoriamente en el presente resumen teniendo en cuenta el tipo de valores y el tipo de sociedad, es posible que no pueda ofrecerse información relevante sobre el mismo. En tal caso se incluye en el resumen la mención de “no aplicable”.

SECCIÓN A – INTRODUCCIÓN Y ADVERTENCIAS

A.1 Advertencia a los inversores

Este resumen debe leerse como introducción al folleto. Toda decisión de invertir en nuestras acciones ordinarias (las “Acciones”) deberá estar basada en la consideración del folleto en su conjunto por parte del inversor. Cuando se interponga una demanda ante un tribunal en relación con la información contenida en este documento, el inversor demandante podría, en virtud del derecho nacional de un Estado Miembro del Espacio Económico Europeo (el “EEE”), tener que soportar los gastos de traducción del documento antes de que dé comienzo el procedimiento judicial. Con arreglo a la legislación española, solo se exigirá responsabilidad civil a quienes hayan presentado este resumen, incluyendo cualquier traducción del mismo, pero únicamente cuando el mismo sea engañoso, inexacto o incoherente en relación con las demás partes del documento o cuando, al ser leído junto con las demás partes del documento, no aporte información fundamental que sirva de ayuda a los inversores a la hora de considerar si invierten o no en las Acciones.

A.2 Información sobre intermediarios financieros

No aplicable. No contrataremos a ningún intermediario financiero en relación con cualquier reventa de valores o colocación final de valores que pudiera requerir un folleto tras la publicación de este documento.

SECCIÓN B – LA SOCIEDAD

B.1 Nombre legal y comercial

Nuestra denominación social es Saeta Yield, S.A. (“Saeta Yield”) y la denominación de marca global de la sociedad y sus filiales es Saeta Yield.

B.2 Domicilio/forma jurídica/legislación/país de constitución

Somos una sociedad anónima constituida y sujeta a la legislación española. Nuestro domicilio social está sito en Cardenal Marcelo Spínola número 10, 28016, Madrid.

B.3 Operaciones en curso/principales actividades y mercados

Somos una compañía cuya vocación es proporcionar valor a sus accionistas combinando dividendos y crecimiento (“total return oriented company”), constituida para adquirir, gestionar y explotar activos de generación de energía eléctrica, renovable o convencional, y la distribución y transporte de energía eléctrica, así como cualquier otra infraestructura relacionada con la energía, en cada caso con ingresos contratados o regulados. Inicialmente, nuestros activos se componen de parques eólicos y plantas termosolares en España. En un futuro, tenemos previsto ampliar nuestra presencia mediante la adquisición de otros activos del tipo descrito más arriba, tanto en España como a nivel internacional.

Consideramos que estamos bien posicionados para los inversores que busquen una rentabilidad total, mediante la combinación de la distribución de una parte sustancial de flujo de efectivo regulado, recurrente y a largo plazo, que genere una cartera de activos de energía de bajo riesgo y alta calidad, con un crecimiento acretivo del dividendo, principalmente en virtud de un Contrato ROFO (según la definición siguiente) con un contratista líder a nivel mundial que nos proporciona acceso preferencial a activos relativos a infraestructuras energéticas ya de su propiedad o que desarrollará en el futuro.

Adicionalmente, pretendemos capitalizar las tendencias favorables en el sector de la generación de energía y de la transmisión eléctrica en el mundo, lo cual incluye la escasez de energía, y la atención prioritaria a la reducción de las emisiones de carbono. A tal efecto, consideramos que nuestro perfil de flujo de caja, junto con nuestra escala y la plataforma de acceso a oportunidades atractivas, nos ofrecerán un coste de capital más bajo en comparación con el de una compañía tradicional de ingeniería y construcción o un productor de energía independiente, y nos proporcionará una ventaja competitiva significativa para implementar nuestra estrategia de crecimiento.

Cartera Inicial

Somos propietarios de 19 activos, que suman 688,5 megavatios (“MW”) de capacidad de generación de energías renovables. Nuestros activos y operaciones actuales se organizan en las dos siguientes líneas de negocio de energía renovable:

- **Eólica:** nuestros activos eólicos consisten en 16 parques eólicos situados en toda España, con una capacidad bruta combinada de 538,5 MW, que produjeron unos ingresos totales de 78,8 millones de euros en los diez meses finalizados el 31 de octubre de 2014.
- **Termosolar:** nuestros activos termosolares son tres plantas termosolares situadas en toda España con una capacidad bruta combinada de 149,8 MW, que produjeron unos ingresos totales de 102,7 millones de euros en los diez meses finalizados el 31 de octubre de 2014.

La tabla siguiente proporciona una visión general de nuestros parques eólicos y de nuestras plantas termosolares:

	Participación	Divisa	Ubicación	Capacidad (MW ⁽¹⁾)	Situación	Contraparte	Acta de Puesta en Marcha (APM)	Vida útil restante (años)
Parques eólicos								
Serón 1			Almería	50,0			Octubre de 2008	14
Serón 2			Almería	10,0			Mayo de 2008	14
Tijola			Almería	36,8			Julio de 2008	14
Colmenar 2			Almería	30,0			Diciembre de 2007	13
La Noguera			Almería	29,9			Abril de 2009	15
Las Vegas			Cádiz	23,0			Noviembre de 2008	14
Los Isletes			Cádiz	25,3			Agosto de 2009	15
Abuela Santa Ana	100%	EUR	Albacete	49,5			Junio de 2008 – julio de 2009 ⁽²⁾	14/15
Santa Catalina – Cerro Negro			Valencia	41,5	Operativo	Mercado mayorista español/sistema de electricidad	Enero de 2012	18
Viudo I			Valencia	40,0			Enero de 2012	18
Viudo II			Valencia	26,0			Enero de 2012	18
La Caldera			Burgos	22,5			Enero de 2009	15
Sierra de las Carbas			Zamora	40,0			Junio de 2009	15
Tesosanto			Salamanca	50,0			Agosto de 2011 – junio de 2012 ⁽³⁾	17/18
Monte Gordo			Huelva	48,0			Diciembre de 2010	16
Valcaire			Granada	16,0			Noviembre de 2012	18
Total eólica				538,5				
Plantas termosolares								
Extresol 1	100%	EUR	Badajoz	50,0	Operativo	Mercado mayorista	Diciembre de 2009	20

	<u>Participación</u>	<u>Divisa</u>	<u>Ubicación</u>	<u>Capacidad (MW⁽¹⁾)</u>	<u>Situación</u>	<u>Contraparte</u>	<u>Acta de Puesta en Marcha (APM)</u>	<u>Vida útil restante (años)</u>
Manchasol 2			Ciudad Real	49,9		español/sistema de electricidad	Junio de 2011	22
Casablanca			Badajoz	49,9			Junio de 2013	24
Total termosolar				149,8				
Total eólica y termosolar				688,3				

Notas:—

- (1) Capacidad instalada. Autorización administrativa máxima de Serón 1: 49,5 MW; Serón 2: 10 MW; Tijola: 36 MW; Colmenar 2: 28 MW; La Noguera: 28,9 MW; Las Vegas: 22 MW; Los Isletes: 25,3 MW; Abuela Santa Ana: 49,5 MW; La Caldera: 22,5 MW; Sierra de las Carbas: 40 MW; Tesosanto: 50 MW; Viudo I: 40 MW; Viudo II: 26 MW; Santa Catalina-Cerro Negro: 41,5 MW; Monte Gordo: 48 MW; Valcaire: 16 MW; Extresol 1: 50 MW; Manchasol 2: 49,9 MW y Casablanca: 49,9 MW,
- (2) 37,5 MW obtuvieron el APM en junio de 2008 (Abuela Santa Ana 1) y 12 MW en julio de 2009 (Abuela Santa Ana 2).
- (3) 46 MW obtuvieron el APM en agosto de 2011 (Tesosanto 1) y 4 MW en junio de 2012 (Tesosanto 2).

El 31 de octubre de 2014, Saeta Yield adquirió cada una de las sociedades de proyecto que forman parte de nuestra cartera inicial (las “Sociedades Operativas”) y los préstamos participativos y subordinados asociados a las mismas a determinadas filiales de ACS SI (conjuntamente, la “Transmisión de Activos”). El pago de la Transmisión de Activos se produjo el 31 de octubre de 2014, el 20 de noviembre de 2014, el 27 de noviembre de 2014, el 10 de diciembre de 2014 y el 23 de diciembre de 2014, cuando se cumplieron determinadas condiciones suspensivas (la autorización de determinadas entidades públicas y el consentimiento de determinadas entidades financieras), y con fondos obtenidos de filiales de ACS SI en virtud de dos ampliaciones de capital por valor de 153,2 millones de euros y 459,7 millones de euros, aprobadas el 31 de octubre de 2014 y desembolsadas, respectivamente, el 31 de octubre de 2014 y el 20 de noviembre de 2014.

Activos ROFO

En el contexto de la Oferta, tanto nosotros, Saeta Yield, como ACS, Servicios, Comunicaciones y Energía, S.L. (“ACS SI”), una filial enteramente participada de ACS, Actividades de Construcción y Servicios, S.A. (“ACS”), hemos suscrito un acuerdo el día 29 de enero de 2015, cuya entrada en vigor tendrá lugar el día de la Admisión, conforme al cual ACS SI nos ha otorgado:

- (i) un derecho de primera oferta sobre la participación y la correspondiente deuda subordinada de ACS SI, o de cualquier entidad controlada por ACS SI, en determinados activos energéticos identificados que se encuentran operativos o en construcción (los “Activos ROFO Iniciales”) y cualesquiera activos existentes o futuros en funcionamiento o en fase de operación comercial para la generación de energía renovable o convencional y la distribución y transporte de electricidad, así como cualquier otra infraestructura relacionada con la energía en funcionamiento o en fase de operación comercial, existentes a la fecha del acuerdo o que sean desarrollado o adquiridos en el futuro (los “Activos ROFO Nuevos”), en cada caso con sujeción a cualesquiera derechos de terceros que puedan restringir su libre transmisibilidad (incluidos otros derechos de primera oferta, derechos de tanteo, opciones de compra o derechos de acompañamiento y arrastre, entre otros) o consentimientos, permisos o autorizaciones de terceros (de entidades públicas o privadas, como entidades financieras) (las “Restricciones ROFO”) y exceptuando ciertos activos sobre los cuales se ha acordado su venta o un mandato de venta por ACS SI a la fecha de este acuerdo; y
- (ii) una opción de compra sobre los Activos ROFO Iniciales españoles, todos ellos en operación, y en los que ACS SI posee una participación del 100% (los “Activos Opción de Compra”) a un precio de ejercicio basado en un valor de empresa acordado, en función del año en que se ejercite la opción de compra (2015, 2016 o 2017) para cada una de las sociedades de proyecto que poseen los Activos Opción de Compra (el “Contrato ROFO”). Asimismo, hemos acordado con ACS SI el control conjunto de las sociedades de proyecto que poseen los Activos Opción de Compra desde la fecha de formalización del Contrato ROFO.

Activos ROFO Iniciales

La siguiente tabla muestra las principales características de los Activos ROFO Iniciales (incluidos los Activos Opción de Compra) que ACS SI nos puede ofrecer de conformidad con el Contrato ROFO. Con sujeción a los términos y condiciones de dicho acuerdo, podemos adquirir los Activos ROFO Iniciales una vez cumplidos nuestros criterios de inversión (los años potenciales de adquisición se indican a continuación):

Activos ROFO Iniciales	Tipo	Ubicación	Participación de ACS SI	Capacidad (MW)/distancia (KM)	Sistema de remuneración	Contraparte/ Offtaker	Calificación (S&P)	Situación	APM/EOC ⁽¹⁾	Vencimiento del contrato/regulación	Divisa	Enterprise Value de la opción de compra
2016												
Extresol 2 ⁽²⁾	Planta termosolar	Badajoz, España	100%	50 MW ⁽³⁾	Regulado	Mercado mayorista español/sistema de electricidad	n/a	En funcionamiento	Diciembre de 2010	2035	EUR	265€m (2015) 255€m (2016) 245€m (2017)
Extresol 3 ⁽²⁾	Planta termosolar	Badajoz, España	100%	50 MW ⁽³⁾	Regulado	Mercado mayorista español/sistema de electricidad	n/a	En funcionamiento	Julio de 2012	2037	EUR	275€m (2015) 265€m (2016) 255€m (2017)
Marcona	Parque eólico	Nazca, Perú	51.0% ⁽⁴⁾	32 MW	PPA	Ministerio de Energía y Minas de Perú	BBB+	En funcionamiento	Abril de 2014	2034	USD	n/a
Tres Hermanas	Parque eólico	Nazca, Perú	51.0% ⁽⁴⁾	97 MW	PPA	Ministerio de Energía y Minas de Perú	BBB+	En construcción	Diciembre de 2015 (previsto)	2035	USD	n/a
2017												
Oaxaca ⁽²⁾	Parque eólico	Oaxaca, México	100%	102 MW	PPA	CFE	BBB+	En funcionamiento	Septiembre de 2012	2032	USD	n/a
Manchasol 1	Planta termosolar	Ciudad Real, España	100%	50 MW ⁽³⁾	Regulado	Mercado mayorista español/sistema de electricidad	n/a	En funcionamiento	Diciembre de 2010	2035	EUR	275€m (2015) 265€m (2016) 255€m (2017)
Cajamarca ^{(2)(X)}	Línea de transmisión eléctrica	Cajamarca, Perú	100%	400 KM	Regulado	Ministerio de Energía y Minas de Perú	BBB+	En construcción	Mayo de 2016 (previsto)	2046	USD	n/a
Kiyu ⁽²⁾	Parque eólico	San José, Uruguay	100%	49 MW	PPA	UTE	AAA ⁽⁵⁾	En construcción	Diciembre de 2015 (previsto)	2039	USD	n/a
Lestenergia ⁽²⁾⁽⁶⁾	Parque eólico	Castelo Branco y Guarda, Portugal	74,5% ⁽⁷⁾	124 MW ⁽⁸⁾	Regulado	EDP	BB+	En funcionamiento	2006-2009	2021-2024 ⁽⁹⁾	EUR	n/a

Notas:—

- (1) Los activos españoles (Extresol 2, Extresol 3 y Manchasol 1) reflejan la obtención del Acta de Puesta en Marcha (“APM”) mientras que los activos no españoles reflejan la entrada en operación comercial (“EOC”) O EOC prevista.
- (2) Sujeto a la refinanciación de la financiación de proyecto y/o la autorización de las autoridades públicas y las entidades financieras.
- (3) Capacidad instalada. La autorización máxima administrativa de Extresol 2, Extresol 3 y Manchasol 1 es de 49,9 MW.
- (4) El 49,0% restante del capital social pertenece a Sigma Sociedad Administradora de Fondos de Inversión, S.A. (“Sigma”). Sigma tiene una opción de compra, un derecho de adquisición preefrente, un derecho de acompañamiento y un derecho de arrastre sobre la inversión de ACS SI en estos activos. La opción de compra es ejercitable en cualquier momento dentro de los 18 meses siguientes a la EOC.
- (5) Calificación de Fitch para la calificación nacional. Calificación soberana de Uruguay de BBB.
- (6) Lestenergia se compone de seis parques eólicos: Penamacor 1 (20 MW) con EOC en junio de 2006; Penamacor 2 (14,7 MW) con EOC en septiembre de 2007; Penamacor 3A (20 MW) con EOC en junio de 2006; Penamacor 3B (25,2 MW) con EOC en septiembre de 2007; Penamacor 3B Extensión (14,7 MW) con EOC en enero de 2009; y Sabugal (29,2 MW) con EOC en abril de 2009.
- (7) CIS, una filial enteramente participada de Cobra, es propietaria del 74,54% de PROCME y GESTRC, SGPS, S.A. es propietaria del 25,46% restante de PROCME. PROCME es el accionista único de Tecneira Tecnologías Energéticas, S.A., que es el accionista único de Lestenergia.
- (8) Lestenergia tiene una opción para incrementar la capacidad en 20 MW.

- (9) Opción de extender la vida útil a un periodo adicional de 5 a 7 años tras el periodo de remuneración garantizada, bajo el compromiso de contribuir a la sostenibilidad del Sistema Nacional Eléctrico mediante el pago de una compensación desde 2013 a 2020.

B.4 Tendencias recientes más significativas que afectan a Saeta Yield y a los sectores en los que opera

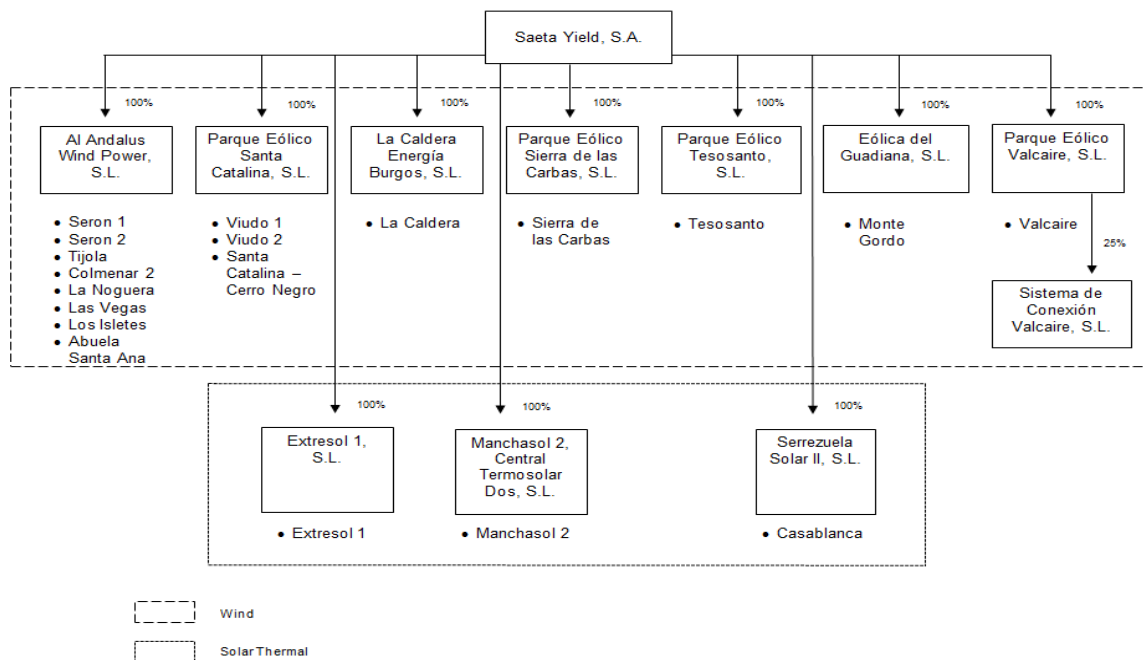
El sector de las energías renovables ha experimentado una transformación significativa en la última década debido a las iniciativas políticas para fomentar la energía verde y proteger el medio ambiente. Estos mecanismos de apoyo han desempeñado un papel crucial en la reducción de los costes y en el fomento de los avances tecnológicos.

La concienciación medioambiental, cada vez mayor, la reducción de las emisiones de carbono y de gases de efecto invernadero y la creciente atención a la seguridad del suministro energético en muchos países desarrollados, y el consiguiente mayor rigor de la regulación medioambiental, constituyen factores importantes que esperamos refuercen la demanda mundial e impulsen la prioridad que damos al desarrollo sostenible. Según “World Energy Outlook 2013”, se espera que el desarrollo de las energías renovables ahorre aproximadamente 4,1 gigatoneladas de emisiones de CO₂ en 2035, en comparación con la mezcla de fuel de 2010, al mismo nivel de generación total. También se espera que las renovables ayuden a reducir la contaminación aérea local y las emisiones de otros contaminantes, como por ejemplo el dióxido de sulfuro y los óxidos de nitrógeno.

B.5 Estructura de Saeta Yield

Saeta Yield es la sociedad matriz de un grupo constituido por 10 filiales directas enteramente participadas, cuyas operaciones se describen en el apartado B.3 anterior.

El siguiente gráfico muestra nuestra estructura corporativa y los activos renovables mantenidos por cada una de nuestras Sociedades Operativas:



B.6 Accionistas principales y Accionista Vendedor

En la fecha del folleto, ACS SI posee indirectamente una participación del 100% en Saeta Yield a través de Eyra (75%) (el “Accionista Vendedor”), Cobra Sistemas y Redes, S.A. (“Cobra SyR”) (24,9%) y Urbaenergía, S.L. (“Urbaenergía”) (0,1%).

De conformidad con la oferta pública inicial global (la “Oferta”), el Accionista Vendedor ofrece 41.604.234 acciones ordinarias de Saeta Yield (las “Acciones de la Oferta Inicial”) representativas del 51% del capital social de Saeta Yield después de la Aportación de Capital (según la definición siguiente).

Junto con la Oferta, y con sujeción a la determinación del Precio de la Oferta (según la definición siguiente), el Accionista Vendedor suscribirá, en el día hábil siguiente a la fecha de la determinación del Precio de la Oferta (según la definición siguiente), 20.013.918 Acciones nuevas de Saeta Yield (la “Aportación de Capital”).

La siguiente tabla presenta determinada información con respecto a la titularidad del capital de Saeta Yield antes de la Oferta y después de la Oferta (suponiendo la suscripción de la Aportación de Capital por el Accionista Vendedor), sin incluir la compra de Acciones por el Co-Sponsor (según la definición siguiente):

	Acciones en propiedad antes de la Oferta		Número de Acciones suscritas de conformidad con la Aportación de Capital	Número de Acciones que se ofrecen inicialmente	Acciones en propiedad después de la Oferta			
					No ejercicio de la opción de sobre-adjudicación		Ejercicio completo de la opción de sobre-adjudicación	
	Número	%	Número	%	Número	%	Número	%
Energía y Recursos Ambientales, S.A.	46.172.260	75	20.013.918	41.604.234	24.581.944	30,13	20.421.520	25,03
Cobra Sistemas y Redes, S.A.	15.327.750	24,9	-	-	15.327.750	18,79	15.327.750	18,79
Urbaenergía, S.L.	63.000	0,1	-	-	63.000	0,08	63.000	0,08
Público	-	-	-	-	41.604.234	51,00	45.764.658	56,10
Total	61.563.010	100	20.013.918	41.604.234	81.576.928	100	81.576.928	100

El Accionista Vendedor y Urbaenergía han suscrito un acuerdo con una sociedad vehículo íntegramente participada, indirectamente, por Infrastructure Partners II, uno de los fondos que gestiona Global Infrastructure Management, LLC (“GIP” o el “Co-Sponsor”), conforme al cual el Co-Sponsor ha acordado adquirir las Acciones al Accionista Vendedor y a Urbaenergía después de la Oferta representativas de hasta el 24,4% del capital social de Saeta Yield después de la Aportación de Capital, con sujeción a la condición de que se produzca la admisión a negociación de las Acciones en las Bolsas Españolas y de aprobación por las correspondientes autoridades de defensa de la competencia.

La siguiente tabla presenta la estructura accionarial de Saeta Yield antes de la Oferta y después de la Oferta (asumiendo la suscripción de la Aportación de Capital por el Accionista Vendedor) incluyendo la compra de Acciones por el Co-Sponsor:

	Acciones en propiedad antes de la Oferta		Número de Acciones suscritas de conformidad con la Aportación de Capital	Número de Acciones que se ofrecen inicialmente	Acciones en propiedad después de la Oferta			
					No ejercicio de la opción de sobre-adjudicación		Ejercicio completo de la opción de sobre-adjudicación	
	Número	%	Número	%	Número	%	Número	%
Energía y Recursos Ambientales, S.A.	46.172.260	75	20.013.918	41.604.234	4.740.173	5,81	2.659.961	3,26
Cobra Sistemas y Redes, S.A.	15.327.750	24,9	-	-	15.327.750	18,79	15.327.750	18,79
Urbaenergía, S.L.	63.000	0,1	-	-	-	-	-	-
Co-Sponsor	-	-	-	-	19.904.771	24,40	17.824.559	21,85
Público	-	-	-	-	41.604.234	51,00	45.764.658	56,10
Total	61.563.010	100	20.013.918	41.578.733	81.576.928	100	81.576.928	100

En relación con la compra de Acciones, el Co-Sponsor ha acordado adquirir a Cobra SyR, una filial de ACS SI, un número de acciones representativo del 49% del capital social de una sociedad (“DevCO”), que será titular indirectamente de (i) los

Activos Opción de Compra (a través de las siguientes participaciones en las sociedades de proyecto pertinentes: Extresol 2, S.L. (50%), Manchazol 1, Central Termosolar 1, S.L. (50%) y Extresol 3, S.L. (100%); las participaciones restantes en esas sociedades estarán sujetas a una opción de compra a favor de DevCo, que se ejercerá a más tardar el 31 de diciembre de 2015) (ii) el 100% de la deuda subordinada concedida a esas sociedades de proyecto, (iii) los derechos y obligaciones relativos al “pipeline” de DevCo acordado entre las partes (proyectos en fase inicial) y (iv) cualesquiera activos adicionales nuevos de energía renovable que DevCo adquiriera al grupo ACS SI (incluidos los Activos ROFO restantes, con sujeción a las Restricciones ROFO) o desarrolle en un futuro (los “Activos DevCo”). El objeto social de DevCo será el desarrollo, construcción y explotación, según proceda, de los Activos DevCo con la intención de transmitirlos a Saeta Yield de conformidad con el Contrato ROFO, al cual se adherirá DevCo en la fecha de cierre de los contratos con el Co-Sponsor (asumiendo las mismas obligaciones que ACS SI y sus filiales controladas por ella), o a cualquier tercero. El Co-Sponsor y Cobra SyR han suscrito un acuerdo de accionistas para regular su relación futura potencial como accionistas de DevCo.

B.7 Información financiera histórica auditada seleccionada

Las tablas siguientes presentan la información financiera consolidada intermedia de Saeta Yield correspondiente a los diez meses finalizados el 31 de octubre de 2014, y la información financiera agregada intermedia seleccionada de las Sociedades Operativas, para los diez meses finalizados el 31 de octubre de 2013.

La información financiera consolidada intermedia seleccionada de Saeta Yield correspondiente a los diez meses finalizados el 31 de octubre de 2014 se ha obtenido de los estados financieros consolidados auditados, y se encuentra condicionada en su totalidad a los mismos, en lo que respecta a los diez meses finalizados el 31 de octubre de 2014, para Saeta Yield y sus filiales (los “Estados Financieros Consolidados Auditados Intermedios de 2014”), que se incluyen en otro lugar del folleto, y que fueron elaborados de conformidad con las Normas Internacionales de Información Financiera adoptadas por la Unión Europea (las “NIIF-UE”). La información financiera agregada intermedia limitada correspondiente a las Sociedades Operativas para los diez meses finalizados el 31 de octubre de 2013 se ha recopilado de la información financiera individual no auditada de la dirección correspondiente a cada una de las Sociedades Operativas, elaborada de conformidad con el Real Decreto de 16 de noviembre de 2007 por el que se aprueba el Plan General de Contabilidad de España (los “PCGA de España”).

Cuenta de Resultados Consolidada Resumida de Saeta Yield correspondiente a los diez meses finalizados el 31 de octubre de 2014

	Con respecto a los diez meses finalizados el 31 de octubre de 2014
	(En miles de euros)
Ingresos ordinarios.....	181.495
Gastos capitalizados de trabajos realizados internamente sobre el activo.....	1.113
Coste de los materiales utilizados y otros gastos externos.....	(509)
Costes de personal.....	(299)
Otros gastos de explotación.....	(52.771)
Cargos por depreciación y amortización.....	(63.514)
Deterioro y ganancias por la enajenación de activos no corrientes.....	23.947
Ingresos de explotación.....	89.462
Ingresos financieros.....	971
Costes financieros.....	(48.660)
Resultado final.....	(47.689)
Beneficio/(Pérdida) de las sociedades contabilizado utilizando el método de la participación.....	(44)
Beneficio/(Pérdida) antes de impuestos.....	41.729
Impuesto sobre las ganancias.....	(9.902)
Beneficio/(Pérdida) atribuido a la matriz.....	31.827

Balance de Situación Consolidado Resumido de Saeta Yield a 31 de octubre de 2014

	A 31 de octubre de 2014
	(En miles de euros)
Total activos no corrientes.....	1.500.168
Total activos corrientes.....	749.211
Total activos.....	2.249.379

	<u>A 31 de octubre de 2014</u>
Total patrimonio neto atribuible a la matriz.....	355.589
Total pasivos no corrientes.....	1.249.682
Total pasivos corrientes.....	644.108
Total patrimonio neto y pasivos.....	<u>2.249.379</u>

Estado de Flujos de Efectivo Consolidado Resumido de Saeta Yield correspondiente a los diez meses finalizados el 31 de octubre de 2014

	<u>Diez meses finalizados el 31 de octubre de 2014</u>
	(En miles de euros)
Flujos de efectivo de actividades de explotación (I).....	34,220
Flujos de efectivo de actividades de inversión (II).....	(162,801)
Flujos de efectivo de actividades de financiación (III).....	137,421
Incremento/(disminución) neto en el efectivo y en los equivalentes al efectivo (I+II+III).....	<u>8,841</u>
Efectivo y equivalentes al efectivo al inicio del periodo.....	49,622
Efectivo y equivalentes al efectivo al final del periodo.....	58,463

Datos financieros adicionales por línea de negocio

Ingresos ordinarios por línea de negocio

<u>Ingresos ordinarios por línea de negocio</u>	<u>Diez meses finalizados el 31 de octubre de</u>			
	<u>2014⁽¹⁾</u>		<u>2013</u>	
	(Consolidados/NIF-EU) (Auditados)		(Agregados) ⁽²⁾ (No auditados)	
	miles de euros	% de los ingresos ordinarios	miles de euros	% de los ingresos ordinarios
Eólico.....	78.794	43,4%	75.948	50,4%
Termosolar.....	102.701	56,6%	74.866	49,6%
Total ingresos ordinarios.....	<u>181.495</u>		<u>150.814</u>	

Notas:—

- (1) Los importes consolidados correspondientes al periodo de diez meses finalizado el 31 de octubre de 2014 no son directamente comparables a la información agregada correspondiente al periodo de diez meses finalizado el 31 de octubre de 2013. Sin embargo, hemos incluido una comparación de los ingresos ordinarios de estos periodos, debido a que las diferencias en los métodos contables no afectan significativamente a esta partida.
- (2) La información financiera agregada intermedia correspondiente a las Sociedades Operativas ha sido elaborada a partir de la información financiera individual no auditada de la dirección de cada una de las Sociedades Operativas, elaborada de conformidad con los PCGA de España.

<u>EBITDA ajustado por línea de negocio</u>	<u>Diez meses finalizados el 31 de octubre de</u>			
	<u>2014⁽¹⁾</u>		<u>2013</u>	
	(Consolidado/NIF-UE) (Auditado)		(Agregado) ⁽²⁾ (No auditado)	
	miles de euros	% de los ingresos ordinarios	miles de euros	% de los ingresos ordinarios
Eólico.....	54.853	69,6%	51.381	67,7%
Termosolar.....	74.226	72,3%	53.488	71,4%
Otros.....	(50)	-	-	-
Total EBITDA ajustado ⁽³⁾.....	<u>129.029</u>	<u>71,1%</u>	<u>104.869</u>	<u>69,5%</u>

Notas:—

- (1) Los importes consolidados correspondientes al periodo de diez meses finalizado el 31 de octubre de 2014 no son comparables directamente a la información agregada correspondiente al periodo de diez meses finalizado el 31 de octubre de 2013. Sin embargo,

hemos incluido una comparación del EBITDA ajustado de estos periodos, debido a que las diferencias en los métodos contables no afectan significativamente a esta partida.

- (2) La información financiera agregada intermedia correspondiente a las Sociedades Operativa, ha sido elaborada a partir de la información financiera individual no auditada de la dirección de cada una de las Sociedades Operativas, elaborada de conformidad con los PCGA de España.
- (3) El EBITDA ajustado se calcula (i) para los diez meses finalizados el 31 de octubre de 2014, con respecto a Saeta Yield, como beneficio atribuible a la matriz, después de añadir de nuevo los impuestos sobre las ganancias, los resultados de la sociedades contabilizadas utilizando el método de la participación, los ingresos financieros, los costes financieros, el cargo por depreciación y amortización, y el deterioro y las ganancias por la enajenación de activos no corrientes, y (ii) para los diez meses finalizados el 31 de octubre de 2013 con respecto a las Sociedades Operativas, como beneficio/(pérdida) del periodo, después de añadir de nuevo el impuesto sobre las ganancias, los resultados de las sociedades contabilizadas utilizando el método de la participación, los ingresos financieros, los costes financieros, los costes de empréstito capitalizados, el cargo por depreciación y amortización y el deterioro y las ganancias por la enajenación de activos no corrientes. El EBITDA ajustado no es una medición del rendimiento con arreglo a los PCGA de España o las NIIF-UE, y se deberá considerar el EBITDA ajustado como una alternativa a los ingresos de explotación o los beneficios, o como una medida de nuestro rendimiento de explotación, los flujos de efectivo de actividades de explotación, de inversión y financiación, o como una medida de nuestra capacidad para atender nuestras necesidades de efectivo o cualquier otra medida de rendimiento con arreglo a los principios contables generalmente aceptados. Consideramos que el EBITDA ajustado es un indicador útil de nuestra capacidad de contraer y atender nuestro endeudamiento, y puede ayudar a que los analistas de valores, los inversores y otras partes nos evalúen. El EBITDA ajustado y medidas similares son utilizados por distintas empresas para distintos propósitos, y a menudo se calculan de una forma que refleja las circunstancias de esas empresas. Puede que el EBITDA ajustado no sea un indicativo de nuestros resultados de explotación históricos, ni tampoco pretende ser una predicción de los futuros resultados potenciales.

B.8 Información financiera seleccionada proforma

Hemos incluido esta información financiera seleccionada proforma para ilustrar, en base proforma, cómo nuestra cuenta de resultados consolidada correspondiente al ejercicio finalizado el 31 de diciembre de 2013 (la “Cuenta de Resultados Consolidada Proforma No Auditada”), nuestro balance de situación consolidado a 31 de diciembre de 2013 (el “Balance de Situación Consolidado Proforma No Auditado”), y nuestro estado de flujos de efectivo consolidado correspondiente al ejercicio finalizado el 31 de diciembre de 2013 (el “Estado de Flujos de Efectivo Consolidado Proforma No Auditado”) y, junto con la Cuenta de Resultados Consolidada Proforma No Auditada y el Balance de Situación Consolidado Proforma No Auditado, la “Información Financiera Consolidada Proforma No Auditada”) pueden haberse visto afectados por nuestra adquisición de las Sociedades Operativas y los préstamos participativos y subordinados asociados y por determinadas ampliaciones de capital relacionadas, suponiendo que la Transmisión del Activo se haya producido:

- El 1 de enero de 2013, a los efectos de presentar la Cuenta de Resultados Consolidada Proforma No Auditada y el Estado de Flujos de Efectivo Consolidado Proforma No Auditado correspondientes al ejercicio finalizado el 31 de diciembre de 2013; y
- El 31 de diciembre de 2013, a los efectos de presentar el Balance de Situación Consolidado Proforma No Auditado a 31 de diciembre de 2013.

La Información Financiera Consolidada Proforma No Auditada se presenta únicamente a efectos ilustrativos y refleja las estimaciones y determinadas hipótesis realizadas por nuestra dirección que se consideran razonables teniendo en cuenta las circunstancias en la fecha del folleto, y que se basan en la información disponible en el momento de la elaboración de la Información Financiera Consolidada Proforma No Auditada. Los ajustes reales pueden diferir sustancialmente de la información que se presenta en el presente. La Información Financiera Consolidada Proforma No Auditada no pretende representar lo que hubieran sido nuestra cuenta de resultados consolidada, nuestro estado consolidado de flujos de efectivo y nuestro estado consolidado de posición financiera si la Transmisión del Activo se hubiera producido en las fechas indicadas, y no pretende proyectar nuestros resultados de operaciones consolidados, nuestra posición financiera consolidada ni nuestros flujos de efectivo consolidados, a ningún periodo o fecha futuros.

Balance de Situación Consolidado Proforma No Auditado a 31 de diciembre de 2013

Activos	2013 Estados financieros agregados	2013 Saeta Yield	Corrección de calificación de deuda	Corrección de calificación de D&A – Depreciación	Corrección de calificación de D&A – Deterioro	Ampliaciones de capital	Compra de activos	Patrimonio neto de los estados financieros agregados	Operaciones intragrupo	Proforma 2013
(en miles de euros)										
Activos no corrientes:										
Activos intangibles.....	168	—	—	—	—	—	—	—	—	168
Activos tangibles - Inmovilizado material..	10.050	—	—	—	—	—	—	—	—	10.050
Activos no corrientes en proyectos.....	1.457.398	—	—	36.142	(44.213)	—	—	—	—	1.449.327
Activos financieros no corrientes con sociedades del grupo y partes vinculadas	1.536	—	—	—	—	—	353.741	(108.486)	(245.255)	1.536
-Instrumentos de patrimonio neto	44	—	—	—	—	—	108.486	(108.486)	—	44
-Otros préstamos.....	1.492	—	—	—	—	—	245.255	—	(245.255)	1.492
Activos financieros no corrientes.....	7.081	—	—	—	—	—	—	—	—	7.081
- Instrumentos de patrimonio neto	6.981	—	—	—	—	—	—	—	—	6.981
- Otros préstamos.....	100	—	—	—	—	—	—	—	—	100
Activos de impuestos diferidos	69.012	—	—	(10.843)	13.264	—	—	—	—	71.433
Total activos no corrientes	1.545.245	—	—	25.299	(30.949)	—	353.741	(108.486)	(245.255)	1.539.594
Activos corrientes:										
Existencias.....	872	—	—	—	—	—	—	—	—	872
Deudores comerciales y otras cuentas a cobrar ..	32.237	—	—	—	—	—	—	—	—	32.237
Capital solicitado sobre acciones o participaciones accionariales ordinarias	—	—	—	—	—	515.616	—	—	—	515.616
- Otros activos financieros corrientes con sociedades del grupo y partes vinculadas	87.491	—	—	—	—	—	36.061	—	(36.061)	87.491
Activos de impuestos corrientes.....	63	—	—	—	—	—	—	—	—	63
Otras cuentas a cobrar de autoridades públicas	1.256	—	—	—	—	—	—	—	—	1.256
Otros activos financieros corrientes.....	58.039	—	—	—	—	—	—	—	—	58.039
Efectivo y equivalentes al efectivo	49.622	2	—	—	—	97.399	(97.399)	—	—	49.624
Total activos corrientes ..	229.580	2	—	—	—	613.015	(61.338)	—	(36.061)	745.198
Total activos	1.774.825	2	—	25.299	(30.949)	613.015	292.403	(108.486)	(281.316)	2.284.793
Patrimonio neto:										
Capital social	72.892	3	—	—	—	61.560	—	(72.892)	—	61.563
Prima de emisión de Acciones	—	—	—	—	—	551.455	—	—	—	551.455

Activos	2013		Corrección de	Corrección de	Corrección de		Compra de	Patrimonio		Proform
	Estados financieros agregados	2013 Saeta Yield	Corrección de calificación de deuda	Calificación de D&A – Depreciación	de calificación D&A – Deterioro	Ampliaciones de capital	activos	neto de los estados financieros agregados	Operaciones intragrupo	a 2013
	(en miles de euros)									
Flujos de efectivo de actividades de inversión.....	(44.881)	—	—	—	—	—	(97.399)	—	—	(142.280)
Cantidades obtenidas de instrumentos de patrimonio neto	—	—	—	—	—	97.399	—	—	—	97.399
Emisión de nuevas acciones de capital.....	—	—	—	—	—	97.399	—	—	—	97.399
Cantidades obtenidas de instrumentos de pasivos.....	30.652	—	—	—	—	—	—	—	(17.055)	13.597
Sociedades del grupo y partes vinculadas	27.835	—	—	—	—	—	—	—	(17.055)	10.780
Instituciones de crédito	1.842	—	—	—	—	—	—	—	—	1.842
Otros empréstitos.....	975	—	—	—	—	—	—	—	—	975
Pagos de instrumentos de pasivo	(59.062)	(1)	—	—	—	—	—	—	3.153	(55,910)
Sociedades del grupo y partes vinculadas	(6.643)	(1)	—	—	—	—	—	—	3.153	(3.491)
Instituciones de crédito	(51.979)	—	—	—	—	—	—	—	—	(51.979)
Otros empréstitos.....	(440)	—	—	—	—	—	—	—	—	(440)
Dividendos y devoluciones sobre otros instrumentos de patrimonio neto pagados	(8.245)	—	—	—	—	—	—	—	8.245	—
Dividendos.....	(8.245)	—	—	—	—	—	—	—	8.245	—
Flujos de efectivo de actividades de financiación.....	(36.655)	(1)	—	—	—	97.399	—	—	(5.657)	(55.086)
Incremento/(disminución) neto en efectivo y equivalentes al efectivo	(3.899)	—	—	—	—	97.399	(97.399)	—	—	(3.900)
Efectivo y equivalentes al efectivo al inicio del ejercicio	53.522	2	—	—	—	—	—	—	—	53.524
Efectivo y equivalentes al efectivo al final del ejercicio	49.623	1	—	—	—	97.399	(97.399)	—	—	49.624

B.9 Previsiones o estimaciones de beneficios

Las previsiones de beneficios futuros atribuibles a la matriz, de caja distribuable recurrente, y el objetivo de distribuciones futuras en periodos futuros, se basan en determinadas hipótesis que consideramos razonables en la fecha del folleto. Sin embargo, no podemos garantizar que alguna o la totalidad de tales hipótesis vayan a realizarse. Nuestras previsiones de beneficios futuros atribuibles a la matriz, de caja distribuable recurrente y el objetivo de distribuciones futuras en periodos futuros, se basan en estimaciones e hipótesis acerca de circunstancias y acontecimientos que aún no se han producido y que están sujetos a todas las incertidumbres inherentes a la realización de previsiones. No habrá que basarse en estas previsiones

y objetivos como si fueran hechos o una representación exacta de resultados o acontecimientos futuros. Los resultados futuros serán distintos a este objetivo, y las diferencias pueden ser sustancialmente menos favorables.

En función de las hipótesis sustanciales que se describen a continuación y otras hipótesis que consideramos razonables, en la fecha del folleto prevemos que (i) nuestro beneficio/(pérdida) atribuible a la matriz será aproximadamente una pérdida de 13 millones de euros durante el ejercicio finalizado el 31 de diciembre de 2015 y un beneficio de 32,5 millones de euros durante el ejercicio finalizado el 31 de diciembre de 2016 y que (ii) nuestra caja distribuible recurrente estimada, excluida la liberación neta de caja retenida (según la definición de “Política de dividendos”), durante los ejercicios finalizados el 31 de diciembre de 2015 y de 2016 será de aproximadamente 71,6 millones de euros (aunque creemos que este importe incluye las entradas de efectivo neto estimadas no recurrentes, por valor de 9,6 millones de euros según lo descrito a continuación, dejando aproximadamente 62,0 millones de euros de caja distribuible recurrente) y 63,5 millones de euros, respectivamente.

A continuación incluimos nuestras previsiones de beneficio atribuible a la matriz y de caja distribuible recurrente estimada, expresada en millones, con el objeto de facilitar la presentación de la información prevista debido a las hipótesis subyacentes en las cuales se hayan basado esas previsiones, para los ejercicios finalizados el 31 de diciembre de 2015 y de 2016:

	Ejercicio finalizado el 31 de diciembre de	
	2015	2016
	(En millones de euros)	
Previsión de beneficio atribuible a la matriz:		
Ingresos ordinarios.....	223,1	224,2
Costes y gastos de explotación:		
Gastos de explotación y otros	(68,8)	(69,7)
Cargo por depreciación y amortización.....	(76,7)	(76,7)
Total costes y gastos de explotación	(145,4)	(146,3)
Ingresos de explotación.....	77,7	77,8
Otros ingresos/(gastos):		
Ingresos financieros	1,8	3,4
Costes financieros.....	(40,4)	(37,3)
Ingresos/(gastos) financieros netos.....	(38,6)	(33,8)
Gasto de formalización de deuda/ amortización anticipada	(57,2)	(0,7)
Total otros ingresos/(gastos).....	(95,7)	(34,5)
Beneficio/(pérdida) antes de impuestos	(18,0)	43,3
Impuesto sobre las ganancias.....	5,1	(10,8)
Beneficio/(pérdida) atribuible a la matriz	(13,0)	32,5
Previsión de caja distribuible recurrente estimada:		
Beneficio atribuible a la matriz.....	(13,0)	32,5
Ingresos financieros	(1,8)	(3,4)
Más:		
Cargo por depreciación y amortización.....	76,7	76,7
Costes financieros.....	40,4	37,3
Gasto de formalización de deuda/ amortización anticipada	57,2	0,7
Impuesto sobre las ganancias.....	(5,1)	10,8
EBITDA ajustado	154,4	154,5

	Ejercicio finalizado el 31 de diciembre de	
	2015	2016
	(En millones de euros)	
Menos:		
Cambios en otros activos y pasivos	(21,3)	0,1
Gastos de capital.....	0,8	-
Intereses en efectivo pagados.....	44,5	37,7
Reembolso y amortización de empréstitos bancarios.....	53,2	56,6
Impuesto sobre las ganancias pagado/(recuperado)	7,3	-
Más:		
Intereses recibidos	1,8	3,4
Liberación neta de caja retenida en las Sociedades Operativas.....	(50,1)	73,0
Previsión de caja distribuible recurrente estimada después de actividades de inversión y financiación en Saeta Yield.....	21,5	136,4
Menos:		
Liberación neta de caja retenida en las Sociedades Operativas.....	(50,1)	73,0
Previsión de caja distribuible recurrente estimada después de actividades de inversión y financiación en las Sociedades Operativas excluida la liberación neta de caja retenida.....	71,6⁽¹⁾	63,5
Menos:		
Entradas netas no recurrentes.....	9,6 ⁽²⁾	-
Previsión de caja distribuible recurrente estimada	62,0	63,5

Nota:—

- (1) El valor de la liberación neta de caja retenida es negativo para 2015 porque no distribuiremos caja durante 2015 debido a que determinadas Sociedades Operativas no cumplieron las restricciones a la distribución de dividendos en 2014.
- (2) Incluye las entradas netas estimadas no recurrentes relativas al cambio en otros activos y pasivos, los gastos de capital, los impuestos y los costes de financiación, por valor de 9,6 millones de euros.

La tabla siguiente proporciona un desglose del EBITDA ajustado y de caja distribuible recurrente, por línea de negocio, para los ejercicios finalizados el 31 de diciembre de 2015 y de 2016:

	Ejercicio finalizado el 31 de diciembre de			
	2015		2016	
	EBITDA ajustado	CAFD ⁽¹⁾	EBITDA ajustado	CAFD ⁽¹⁾
	(En millones de euros)			
Eólico.....	75,6	36,5	74,9	26,4
Termosolar.....	80,7	40,7	81,1	41,6
Gastos corporativos e impuestos ⁽²⁾	(1,9)	(5,6)	(1,5)	(4,5)
Total.....	154,4	71,6⁽³⁾	154,5	63,5

Notas:—

- (1) Caja distribuible recurrente no incluye la liberación neta de caja retenida (según la definición del presente).
- (2) “Gastos corporativos e impuestos” incluye aproximadamente 4,5 millones de euros al año, que consisten principalmente en gastos corporativos generales y administrativos a nivel de Saeta Yield (incluidas las nóminas, la remuneración del consejo de administración,

los gastos relativos al Contrato de Servicios Transitorios con ACS SI y la renta correspondiente a nuestro inmueble de oficinas) que se compensan mediante los ingresos ordinarios recibidos de conformidad con los Contratos de Servicios con las Sociedades Operativas. Adicionalmente, Saeta tendrá unos gastos financieros relativos a la línea de crédito renovable, así como los impuestos de sociedades.

- (3) Incluye unas entradas netas estimadas no recurrentes relativas al cambio en otros activos y pasivos, los gastos de capital, los impuestos y los costes financieros, por valor de 9,5 millones de euros.

Informes de auditoría

Deloitte, S.L. ha emitido dos informes en relación con nuestras previsiones de beneficio atribuible a la matriz y de caja distribuible recurrente estimada, en los ejercicios finalizados en 2015 y en 2016, que aparecen en las páginas F-76 y F-97 del folleto, respectivamente.

B.10 Salvedades en el informe de auditoría sobre información histórica

Los Estados Financieros Consolidados Auditados Intermedios de 2014, correspondientes a los diez meses finalizados el 31 de octubre de 2014, que se incluyen en otro lugar del folleto, y los estados financieros individuales auditados correspondientes a los ejercicios finalizados el 31 de diciembre de 2013, de 2012 y de 2011 para cada una de las Sociedades Operativas han sido auditados por Deloitte, S.L. (con la excepción de Parque Eólico Valcaire, S.L., que no fue auditada en ninguno de estos tres periodos, y Serrezuela Solar II, S.L., que no fue auditada en 2012 y 2011, en ambos casos al no ser legalmente necesaria auditoría y no haber sido voluntariamente solicitada) (los “Estados Financieros Anuales Auditados de las Sociedades Operativas”)

El informe de auditoría correspondiente a nuestros Estados Financieros Consolidados Auditados Intermedios de 2014 es un informe sin salvedades.

Los informes de auditoría correspondientes a nuestros Estados Financieros Anuales Auditados de las Sociedades Operativas correspondientes a los años finalizados el 31 de diciembre de 2013, de 2012 y de 2011, que se incorporan mediante referencia en el folleto, tienen salvedades debido a lo siguiente:

Salvedad en los informes de auditoría correspondientes a los estados financieros de Parque Eólico Tesosanto, S.L. correspondientes a los ejercicios finalizados el 31 de diciembre de 2012 y de 2013, los informes de auditoría correspondientes a los estados financieros de Extresol 1, S.L. correspondientes a los ejercicios finalizados el 31 de diciembre de 2011, de 2012 y de 2013, y los informes de auditoría correspondientes a los estados financieros de Manchasol 2 Central Termosolar Dos, S.L. correspondientes a los ejercicios finalizados el 31 de diciembre de 2012 y de 2013:

- Tal y como establecen las normas contables generalmente aceptadas en España, los activos tangibles son sistemáticamente amortizados durante su vida útil. La correspondiente sociedad está amortizando los mismos en función del periodo de vigencia del convenio de financiación, en lugar de en función de la vida útil estimada para bienes en las mismas condiciones y características. Si la sociedad hubiera seguido los criterios económicos basados en las vidas útiles estimadas de esos activos, la amortización acumulada de los activos tangibles sería inferior, y serían superiores el beneficio correspondiente al periodo en cuestión y las reservas.

Salvedad en los informes de auditoría correspondientes a los estados financieros de Manchasol 2 Central Termosolar Dos, S.L. correspondientes a los ejercicios finalizados el 31 de diciembre de 2012 y de 2013:

- A 31 de diciembre de 2012 y de 2013 la formalización definitiva en escritura pública de la Entrada en Operación Comercial (según la definición del contrato de préstamo sindicado) de Manchasol 2 se encontraba pendiente debido a determinadas cuestiones registrales. De conformidad con el reglamento contable aplicable, el saldo pendiente del préstamo sindicado de Manchasol 2 a 31 de diciembre de 2012 y de 2013, neto de costes de tramitación, fue clasificado como pasivo corriente (adeudado y devengado dentro de un plazo de un año) en los estados de posición financiera de Manchasol 2 a 31 de diciembre de 2012 y de 2013.

B.11 Si el capital circulante no es suficiente para los requisitos presentes del emisor, deberá incluirse una explicación

No aplicable.

SECCIÓN C – VALORES

C.1 Descripción de la clase de valores

Nuestras Acciones tienen el código ISIN ES0105058004, asignado por la Agencia Nacional de Codificación de Valores Mobiliarios, una entidad dependiente de la Comisión Nacional del Mercado de Valores (la “CNMV”). Se prevé que nuestras Acciones coticen en las bolsas de Madrid, Barcelona, Bilbao y Valencia (las “Bolsas Españolas”) y se negocien en el sistema de interconexión bursátil (el “SIBE”) bajo el símbolo (ticker) “SAY”. Las Acciones, en el momento de la Admisión, representarán la totalidad de nuestro capital social emitido.

C.2 Divisa de la emisión de los valores

Nuestras Acciones están denominadas en euros.

C.3 Número de Acciones emitidas y desembolsadas

Únicamente tenemos una clase de Acciones y cada Acción da derecho a un voto a su titular.

El Accionista Vendedor ofrece 41.604.234 Acciones de la Oferta Inicial, representativas del 51% del capital social de Saeta Yield. Asimismo, el Accionista Vendedor concederá una opción a Citigroup Global Markets Limited, Merrill Lynch International y a Société Générale como Entidades Coordinadoras Globales y Joint Bookrunners (las “Entidades Coordinadoras Globales”) y a Banco Santander, S.A. y HSBC Bank plc como Joint Bookrunners (junto con las Entidades Coordinadoras Globales, las “Entidades Aseguradoras”) (la “Opción de Sobre-adjudicación”) ejercitable por el Manager de Estabilización dentro de un plazo de 30 días naturales a contar desde la fecha en la que las Acciones empiecen a negociarse en las Bolsas Españolas, para la adquisición de un número de Acciones adicionales representativas de hasta el 10% de las Acciones de la Oferta Inicial ofrecidas por el Accionista Vendedor en la Oferta, únicamente para cubrir la sobre-adjudicación de Acciones en la Oferta, si es que se produce, y las posiciones cortas resultantes de las operaciones de estabilización, si las hubiera (las “Acciones de Sobre-adjudicación”, y junto con las Acciones de la Oferta Inicial, las “Acciones de la Oferta”).

En el momento de la Admisión, habrá en emisión 81.576.928 Acciones con un valor nominal de 1 euro cada una. Todas las Acciones estarán íntegramente desembolsadas.

C.4 Derechos vinculados a las Acciones

Las Acciones serán iguales en derechos entre sí a todos los efectos, incluyendo el derecho de voto y cualesquiera derechos a percibir dividendos u otras cuantías a distribuir que se declaren, realicen o paguen tras su emisión, así como en relación con cualesquiera cuantías a distribuir con ocasión de la disolución de Saeta Yield.

Las Acciones otorgarán a sus titulares los derechos establecidos en nuestros estatutos y en el Real Decreto Legislativo 1/2010, de 2 de Julio, que aprueba el Texto Refundido de la Ley de Sociedades de Capital) (la “Ley de Sociedades de Capital”), tales como, entre otros: (i) el derecho a asistir a las juntas generales de Saeta Yield con facultad para intervenir y votar; (ii) el derecho a percibir dividendos en proporción a la participación desembolsada en Saeta Yield; (iii) el derecho preferente a suscribir nuevas Acciones emitidas en aumentos de capital con aportaciones dinerarias; y (iv) el derecho a los activos restantes en proporción a su participación en caso de liquidación de Saeta Yield.

C.5 Descripción de las restricciones sobre la libre transmisibilidad de las Acciones

No existen en nuestros estatutos sociales restricciones a la libre transmisibilidad de las Acciones.

C.6 Solicitudes de Admisión a cotización en mercados regulados

Se solicitará la Admisión a negociación de las Acciones en las Bolsas Españolas, y en el SIBE. No se ha efectuado ni se prevé actualmente que vaya a efectuarse ninguna solicitud para que las Acciones coticen o sean admitidas a negociación en ningún otro mercado regulado.

C.7 Política de dividendos

Las previsiones de beneficios futuros atribuibles a la matriz, de caja distribuible recurrente, y el objetivo de distribuciones futuras en periodos futuros, se basan en determinadas hipótesis que consideramos razonables en la fecha del folleto. Sin embargo, no podemos garantizar que alguna o la totalidad de tales hipótesis vayan a realizarse. Nuestras previsiones de beneficios futuros atribuibles a la matriz, de caja distribuible recurrente y el objetivo de distribuciones futuras en periodos futuros, se basan en estimaciones e hipótesis acerca de circunstancias y acontecimientos que aún no se han producido y que están sujetos a todas las incertidumbres inherentes a la realización de previsiones. No habrá que basarse en estas previsiones y objetivos como si fueran hechos o una representación exacta de resultados o acontecimientos futuros. Los resultados futuros serán distintos a este objetivo, y las diferencias pueden ser sustancialmente menos favorables.

Pretendemos pagar a nuestros accionistas un dividendo trimestral regular a partir del primer trimestre de 2015. En lo que respecta al primer trimestre de 2015, esperamos pagar un dividendo por Acción en proporción al número de días transcurridos desde la liquidación de la Oferta hasta el 31 de marzo de 2015.

Esperamos pagar un dividendo trimestral en torno al día sexágimo (60) siguiente al vencimiento de cada trimestre natural, a quienes ostenten la condición de accionsitas en la fecha que se anunciará a través de un hecho relevante.

Hemos establecido nuestra política de dividendos trimestrales en función de nuestra posición actual de liquidez, y de un ratio de pagos previsto del 90% del efectivo recurrente esperado disponible para la distribución en el ejercicio, después de tomar en consideración el efectivo disponible para la distribución que esperamos que nuestros proyectos puedan generar de manera recurrente (neto de los flujos de efectivo no relacionados con la evolución ordinaria del negocio).

Pretendemos distribuir aproximadamente 57 millones de euros al año durante 2015, en la proporción indicada más arriba, y en 2016 (la “Distribución Prevista”), sobre la base de una generación de flujo de caja y de la caja existente en cada año.

Véase “Previsiones o estimaciones de beneficios” en el Elemento B.9, donde se indican nuestras previsiones de los beneficios atribuibles a la matriz y de caja distribuible recurrente estimada en los ejercicios finalizados el 31 de diciembre de 2015 y el 31 de diciembre de 2016.

En la actualidad, podemos realizar distribuciones libres de retención fiscal en España (que en la fecha de este folleto es de un 20%, y que se espera que sea de un 19% en 2016) con cargo a una prima de emisión existente de 551 millones de euros a 31 de octubre de 2014, o 732 millones de euros una vez ajustado para reflejar la Aportación de Capital. La prima de emisión es una reserva libremente distribuible. Tenemos la intención de realizar distribuciones a nuestros accionistas preferentemente con cargo a la prima de emisión, en la medida en que ello sea posible, teniendo en cuenta que tales distribuciones no están sujetas a retención fiscal en España.

Con sujeción a aprobación de la junta general de accionistas, nuestro consejo de administración puede modificar en cualquier momento la política de dividendos. Pretendemos hacer crecer nuestro negocio mediante la adquisición de proyectos operativos que creemos que facilitarán el crecimiento de nuestros beneficios y de caja distribuible recurrente después de los gastos de financiación relativos a adquisiciones, según corresponda, y nos permitirán incrementar nuestro dividendo por Acción a lo largo del tiempo. Sin embargo, la determinación del importe de los dividendos en efectivo a pagar a los titulares de nuestras Acciones será realizada por nuestro consejo de administración, con sujeción a la aprobación de la junta general de accionistas, y dependerá de nuestra situación financiera, los resultados de nuestras operaciones, el flujo de efectivo, las perspectivas a largo plazo y cualquier otro asunto que consideremos relevante. Nuestra política de dividendos deriva del convencimiento de que el interés de nuestros accionistas será mejor atendido mediante la distribución de la mayor parte del efectivo que esperamos recibir de nuestras Sociedades Operativas en forma de un dividendo trimestral, en vez de retenerlo. Asimismo, al retener una pequeña parte de nuestra caja distribuible recurrente esperada, consideramos que también proporcionaremos un mejor valor a nuestros accionistas al mantener cierta liquidez para atender la estacionalidad, potenciales nuevas adquisiciones y la capacidad de pago de dividendos en un futuro.

SECCIÓN D – RIESGOS

D.1 Información clave sobre los riesgos clave específicos de Saeta Yield o su sector

La inversión en nuestras Acciones supone un alto grado de riesgo. Deberá usted considerar cuidadosamente los riesgos e incertidumbres que se describen a continuación, junto con la restante información que se contiene en el folleto, antes de tomar

cualquier decisión de inversión. Cualquiera de los riesgos e incertidumbres siguientes podría tener un efecto negativo sustancial sobre nuestro negocio, nuestras perspectivas, los resultados de nuestras operaciones y nuestra situación financiera. El precio de mercado de nuestras Acciones podría caer debido a cualquiera de estos riesgos e incertidumbres, y podría usted perder la totalidad o parte de su inversión.

Riesgos relacionados con la situación macroeconómica

- La situación actual de la economía española y mundial puede afectar negativamente a nuestro negocio

Riesgos relacionados con nuestros activos y la explotación de nuestros proyectos

- La generación de energía eléctrica a partir de fuentes eólicas y termosolares depende en gran medida de unas condiciones meteorológicas adecuadas
- Nuestro negocio puede verse afectado negativamente por catástrofes, desastres naturales, condiciones atmosféricas adversas, cambio climático, condiciones geológicas u otras condiciones físicas inesperadas, o acciones criminales o terroristas en una o más de nuestras plantas o instalaciones.
- Los incrementos en el coste de la energía o la interrupción en su suministro podrían aumentar significativamente nuestros costes de explotación en algunos de nuestros activos
- La falta de disponibilidad de capacidad de transmisión eléctrica y otras limitaciones del sistema podrían afectar significativamente a nuestra capacidad de generación de ventas de energía eléctrica
- La adecuada explotación de nuestras plantas termosolares requiere acceso a agua
- El mantenimiento, la ampliación y la reforma de los parques eólicos y de las plantas termosolares suponen riesgos significativos que podrían suponer unos cortes energéticos imprevistos o una reducción en la producción
- Algunas de nuestras instalaciones son de nueva construcción, y puede que no tengan el rendimiento esperado
- La industria de generación energética se caracteriza por una intensa competencia tanto en el sector de energía tradicional como de energías renovables, y nuestra posición competitiva podría verse afectada negativamente por cambios en la tecnología, los precios, las normas industriales y otros factores
- Las operaciones con contrapartes nos exponen al riesgo de crédito que debemos gestionar de manera efectiva para mitigar el efecto del impago de la contraparte
- Nuestro rendimiento puede verse afectado negativamente por problemas relacionados con nuestra dependencia de contratistas y proveedores terceros
- La concentración de proveedores puede exponernos a un riesgo significativo de crédito financiero o rendimiento
- Las instalaciones que explotamos son, en algunos casos, lugares de trabajo peligrosos en los cuales se manipulan materiales peligrosos. Si no podemos mantener un entorno de trabajo seguro, puede que nos veamos expuestos a unas pérdidas financieras significativas, así como a responsabilidades civiles y penales
- Puede que nuestro seguro sea insuficiente para cubrir los riesgos relevantes, y puede que aumente el coste de nuestro seguro
- La falta de aprobación, por los copropietarios de determinadas instalaciones de evacuación o comunes, propiedad de múltiples partes, podría suponer costes de explotación adicionales y reparaciones costosas en determinados en nuestros activos
- No somos propietarios de todos los terrenos en los cuales se encuentran situados nuestros activos, lo cual podría suponer un incremento en los costes y la interrupción en nuestras actividades
- Puede que seamos objeto de litigios y otros procedimientos legales
- Dependemos de miembros clave de nuestro equipo directivo y empleados, y de su conocimiento del sector de las energías renovables y de nuestro negocio
- Estamos sujetos al riesgo de reputación, y nuestra reputación está relacionada con la del Grupo ACS

Riesgos relacionados con nuestra estrategia de crecimiento

- De conformidad con nuestra política de dividendos, pretendemos distribuir la totalidad o la práctica totalidad de nuestra caja distributable recurrente, mediante distribuciones trimestrales regulares y dividendos, y por consiguiente nuestra capacidad para crecer y realizar adquisiciones mediante efectivo podría verse limitada
- Puede que no podamos identificar o consumir cualquier adquisición futura, en condiciones favorables, o de ninguna forma
- Puede que nos veamos afectados negativamente por riesgos relacionados con adquisiciones
- Puede que nos veamos afectados negativamente por riesgos relacionados con adquisiciones de propiedad o explotación conjunta
- En el futuro, puede que adquiramos actividades e inversiones internacionales, lo cual podría someternos a incertidumbres económicas, sociales y políticas
- Si las futuras adquisiciones supusieran acuerdos de consumo, es posible que cualquier contraparte de tales acuerdos de consumo no cumpla sus obligaciones y, cuando venzan nuestros contratos, es posible que no podamos sustituirlos mediante acuerdos con condiciones similares, teniendo en cuenta la competencia creciente en los mercados en los que operamos

Riesgos relacionados con las condiciones legislativas y reguladoras

- Confiamos en determinados reglamentos e incentivos que pueden modificarse, modificarse legalmente, o abandonarse, lo cual podría afectar negativamente a nuestro negocio y a nuestro plan de crecimiento
- Estamos sujetos a riesgos relacionados con medidas políticas nacionales e internacionales para el fomento de las energías renovables
- Estamos expuestos a determinados riesgos específicos relacionados con el nuevo régimen específico de remuneraciones en España
- Estamos sujetos en España a una regulación con amplios requisitos para la construcción y explotación de instalaciones eólicas y termosolares, y el hecho de que no podamos cumplir los reglamentos o requisitos existentes o los cambios en los reglamentos o requisitos aplicables podría tener un impacto negativo sobre nuestro negocio, el resultado de nuestras operaciones o nuestra situación financiera
- Nuestro negocio está sujeto a un estricto reglamento medioambiental
- Nuestro negocio está sujeto a tributación adicional en España, específica para las plantas de energía renovable
- Riesgos relacionados con el reglamento de mercados de derivados
- Estamos sujetos a riesgo de liquidez

Riesgos relacionados con nuestro endeudamiento

- Nuestro endeudamiento podría afectar negativamente a nuestra capacidad de obtener capital adicional para financiar nuestras operaciones o pagar dividendos. También podría exponernos al riesgo de un aumento en los tipos de interés, y limitar nuestra capacidad para reaccionar a los cambios en la economía o en nuestro sector, así como afectar a nuestra caja distributable recurrente
- La imposibilidad por nuestra parte de satisfacer determinados pactos financieros podría limitar las distribuciones en efectivo a los accionistas
- Puede que tengamos que enfrentarnos a un aumento en los gastos financieros si no gestionamos de manera efectiva nuestra exposición a los riesgos de tipos de interés

Riesgos relacionados con nuestra relación con el grupo ACS y ACS SI

- Puede que no podamos consumir las futuras adquisiciones a ACS SI o DevCo
- La existencia de un potencial conflicto de intereses entre Eyra y Cobra y nosotros que puede resolverse de una manera que no sea beneficiosa para nuestros intereses
- Si Eyra resuelve el Contrato de Servicios Transitorios o incumple sus obligaciones con arreglo al contrato, puede que no podamos contratar con un proveedor de servicios sustituto en condiciones similares, ni de ninguna otra forma

Riesgos relacionados con la tributación

- Puede que nuestros costes tributarios futuros sean superiores a lo previsto si no podemos optimizar el uso de los regímenes de consolidación fiscal y depreciación gratuita según lo esperamos
- Es posible que las distribuciones de Acciones de la Oferta a titulares de Estados Unidos tengan que tributar en su totalidad como dividendos a efectos del impuesto sobre la renta federal de Estados Unidos
- Si somos una sociedad de inversión extranjera pasiva a efectos del impuesto sobre la renta federal de Estados Unidos, para un año imponible, es posible que los titulares de Acciones de la Oferta en Estados Unidos se vean sujetos a unas consecuencias adversas sustanciales a efectos de impuesto sobre la renta federal de Estados Unidos

D.3 Información clave sobre los riesgos clave específicos de las Acciones

Riesgos relacionados con la propiedad de nuestras Acciones

- Puede que no podamos pagar un nivel específico o en aumento de dividendos en efectivo, a los titulares de nuestras Acciones, en un futuro
- Nuestra política de dividendos y nuestra Distribución Prevista conlleva riesgos
- El crecimiento de nuestro negocio puede afectar negativamente a nuestra capacidad para pagar dividendos a nuestros accionistas
- Las hipótesis subyacentes a las previsiones presentadas en cualquier otro lugar del folleto son inherentemente inciertas y están sujetas a riesgos significativos de carácter comercial, económico, financiero, regulador y competitivo, que podrían suponer que nuestra caja distribuible recurrente real difiriera sustancialmente de nuestras previsiones
- No puede garantizarse que se vaya a lograr ninguna distribución objetivo de dividendos
- Somos una sociedad holding y nuestros únicos activos sustanciales, tras la consumación de esta Oferta, serán nuestras participaciones en nuestras filiales, de cuyas distribuciones dependemos para pagar dividendos, impuestos y otros gastos
- Tenemos una información financiera consolidada histórica limitada debido a nuestro historial operativo limitado, que hace que sea difícil evaluar nuestro negocio, y que puede incrementar el riesgo de una inversión en nuestras Acciones
- La Información Financiera Consolidada Proforma No Auditada que se incluye en otro lugar del folleto no representa, y es posible que no proporcione una visión fiel, de nuestra situación financiera actual o futura ni de los resultados de nuestras operaciones.
- Es posible que los tipos de interés de mercado tengan un efecto sobre el valor de nuestras Acciones
- No puede garantizarse que el Precio de la Oferta vaya a corresponderse con el valor neto tangible de las Acciones o con el precio al cual vaya a desarrollarse y continuar la negociación con las Acciones después de la Oferta.
- La volatilidad del mercado puede afectar al precio de nuestras Acciones y al valor de una inversión en nuestras Acciones
- Puede sufrir la dilución de su participación accionarial, debido a la emisión de Acciones adicionales en un futuro
- Es posible que los accionistas de determinadas jurisdicciones distintas a España no puedan ejercer sus derechos preferentes si incrementamos nuestro capital social
- Si los analistas de valores o del sector no publican o dejan de publicar investigaciones u informes acerca de nosotros, nuestro negocio o nuestro mercado, o si cambian negativamente sus recomendaciones con respecto a nuestras Acciones, podría caer el precio y el volumen de negociación de nuestras Acciones.
- Las futuras ventas de nuestras Acciones por ACS SI pueden hacer que caiga el precio de nuestras Acciones
- Puede que no exista un mercado público para nuestras Acciones
- El mercado de negociación para nuestras Acciones puede ser volátil y puede verse afectado negativamente por muchos acontecimientos
- Sufriremos un incremento de costes por ser una sociedad cotizada

SECCIÓN E – ADMISIÓN Y OFERTA

E.1 Ingresos netos totales de la Oferta y gastos estimados

No recibiremos ningún ingreso por la venta de las Acciones de la Oferta por parte del Accionista Vendedor en la Oferta, aunque recibiremos 200.139.180€ de Eyra de conformidad con la Aportación de Capital (según la definición siguiente).

Junto con la Oferta y con sujeción a la determinación del Precio de la Oferta (según la definición siguiente), el Accionista Vendedor suscribirá en el día hábil siguiente a la fecha de determinación del Precio de la Oferta 20.013.918 nuevas Acciones de Saeta Yield (la “Aportación de Capital” y las “Acciones de la Aportación de Capital”).

A efectos puramente informativos debido a la dificultad en la determinación de los gastos contraídos en la fecha de este documento, los gastos estimados (comisiones de aseguramiento, honorarios y gastos) pagaderos por el Accionista Vendedor en relación con la Oferta (sin incluir el IVA, que se añadirá, cuando corresponda) son de 23.777 miles de euros.

E.2 Motivos de la Oferta y destino de los ingresos

A través de esta Oferta, Eyra, ACS SI y Saeta Yield pretenden crear valor para nuestros accionistas al intentar lograr los objetivos siguientes:

- ofrecer una sociedad cuya vocación es proporcionar valor a sus accionistas combinando dividendos y crecimiento (“total return oriented company”), con dividendos estables, predecibles, recurrentes y en crecimiento;
- crear una sociedad con una fuente competitiva de capital social para aprovechar la adquisición de activos con ingresos contratados o regulados a largo plazo, desarrollados por las filiales de ACS SI y otros terceros; y
- alinear los intereses estratégicos, creando una relación a largo plazo que se beneficie de la experiencia y capacidades de ACS SI en el desarrollo de nuevos proyectos y que refuerce al mismo tiempo la estrategia de crecimiento de ACS SI mediante la ampliación y reforzamiento de su negocio de concesiones.

ACS SI pretende mantener una participación significativa en Saeta Yield, puesto que ACS SI considera que Saeta Yield es un elemento fundamental de su estrategia en el desarrollo de infraestructuras energéticas.

E.3 Términos y condiciones de la Oferta

De conformidad con la Oferta, el Accionista Vendedor ofrece 41.604.234 Acciones de la Oferta Inicial, representativas del 51% del capital social de Saeta Yield después de la Aportación de Capital.

Asimismo, el Accionista Vendedor otorgará una Opción de Sobre-adjudicación a las Entidades Aseguradoras, que podrá ejercer Merrill Lynch International (el “Manager de Estabilización”) dentro de un plazo de 30 días naturales a contar desde la fecha en la cual las Acciones inicien su negociación en las Bolsas Españolas, para comprar Acciones de Sobre-adjudicación representativas de hasta el 10% de las Acciones de la Oferta Inicial ofrecidas por el Accionista Vendedor en la Oferta, únicamente para cubrir las sobre-adjudicaciones de Acciones en la Oferta, en su caso, y las posiciones cortas resultantes de las operaciones de estabilización, si las hubiera.

El rango indicativo del precio de la oferta al cual se venden las Acciones de la Oferta se sitúa entre 10,45€ y 12,25€ por Acción (el “Rango del Precio de la Oferta”). El Rango del Precio de la Oferta se ha determinado en función de las negociaciones y de los acuerdos entre nosotros, el Accionista Vendedor, y las Entidades Coordinadoras Globales, y no se ha consultado a ningún perito independiente para determinar el rango de precio. El precio final de las Acciones en la Oferta (el “Precio de la Oferta”) se determinará en función de las negociaciones y acuerdos entre nosotros, el Accionista Vendedor y las Entidades Coordinadoras Globales cuando finalice el periodo de book-building (se espera que se determinará el 12 de febrero de 2015, o en una fecha cercana) y será anunciado mediante la publicación de un hecho relevante. No se consultará a ningún experto independiente para determinar el Precio de la Oferta.

Las Acciones de la Oferta no han sido registradas y no se registrarán con arreglo a la Ley de Valores de Estados Unidos de 1933 (*United States Securities Act of 1933*), en su versión modificada (la “Ley de Valores”), y se están vendiendo en Estados Unidos únicamente a compradores institucionales cualificados (“QIB”, por sus siglas en inglés) según la definición de la

Norma 144A con arreglo a la Ley de Valores (“Norma 144A”), y fuera de Estados Unidos en cumplimiento del Reglamento S con arreglo a la Ley de Valores.

Nosotros, el Accionista Vendedor y los Entidades Aseguradoras suscribiremos un Contrato de Aseguramiento (el “Contrato de Aseguramiento”) con respecto a las Acciones de la Oferta Inicial y las Acciones de Sobre-adjudicación que venda el Accionista Vendedor cuando finalice el periodo de book-building (que se espera se firmará el 12 de febrero de 2015, o en una fecha cercana). Con sujeción a la satisfacción de determinadas condiciones indicadas en el Contrato de Aseguramiento, cada Entidad Aseguradora se comprometerá, de manera independiente y no solidaria, a lograr la adquisición o a adquirir un porcentaje del número total de las Acciones de la Oferta Inicial que se indica junto a su nombre en la tabla siguiente:

Entidades Aseguradoras	% de las Acciones ofrecidas
Merrill Lynch International	35%
Citigroup Global Markets Limited	23.5%
Société Générale	23.5%
Banco Santander	9%
HSBC	9%

Se espera que la fecha de la operación bursátil (la “Fecha de la Operación”) se produzca el 13 de febrero de 2015, o en una fecha cercana. Con arreglo a la legislación española, en la Fecha de la Operación los inversores quedarán obligados incondicionalmente a pagar las Acciones de la Oferta Inicial adquiridas en la Oferta y tendrán derecho a recibirlas.

El pago realizado por los inversores finales con respecto a las Acciones de la Oferta Inicial se realizará no más tarde del tercer día hábil siguiente a la Fecha de la Operación, a cambio de la entrega, por medio de los sistemas de Iberclear, de las Acciones de la Oferta a los inversores finales, que se espera que se produzca el 18 de febrero de 2015, o en una fecha cercana (la “Fecha de Liquidación”). Se espera que las Acciones coticen en las Bolsas Españolas y en el SIBE el 16 de febrero de 2015, o en una fecha cercana, con el símbolo “SAY”.

La Oferta:

- (a) podrá retirarse, aplazarse, diferirse o suspenderse temporal o indefinidamente, por cualquier motivo, en cualquier momento antes de la determinación del Precio de la Oferta; o
- (b) podrá revocarse (i) si el Contrato de Aseguramiento no se formaliza a más tardar a las 11:59 p.m. hora de Madrid en la fecha en la que se establezca el Precio de la Oferta (que se espera que sea el 12 de febrero de 2015) o cualquier aplazamiento de la misma debidamente notificado a la CNMV; (ii) si el Contrato de Aseguramiento se resuelve antes de las 9 a.m. hora de Madrid de la Fecha de la Operación por el hecho de que se produzcan determinados acontecimientos indicados en el Contrato de Aseguramiento; (iii) si la Oferta queda suspendida o retirada por una autoridad judicial o administrativa; o (iv) si las Acciones no se admiten a cotización en las Bolsas Españolas antes del 31 de marzo de 2015.

En caso de retirada o revocación de la Oferta, todas las ofertas de compra serán canceladas, y quedarán anuladas todas las órdenes de compra relativas a la Oferta de las Acciones de la Oferta Inicial. Adicionalmente, el Accionista Vendedor no tendrá ninguna obligación de entregar las Acciones de la Oferta Inicial y los inversores (incluyendo, a los efectos de esta sección, las Entidades Aseguradoras en nombre de los inversores finales) no tendrán ninguna obligación de adquirir las Acciones de la Oferta Inicial.

En caso de que las Acciones de la Oferta Inicial ya hayan sido entregadas por el Accionista Vendedor y el precio de compra haya sido pagado por los inversores, los inversores tendrán que devolver el título sobre las Acciones de la Oferta Inicial, al Accionista Vendedor, y el Accionista Vendedor recomprará las Acciones de la Oferta Inicial a los compradores de las Acciones de la Oferta Inicial, por un importe equivalente a las cantidades pagadas por los compradores con respecto a la venta de las Acciones de la Oferta Inicial en la Oferta, junto con unos intereses calculados al interés legal (en la actualidad establecido en el 3,5%) desde la fecha en la cual los compradores hayan pagado las Acciones de la Oferta hasta la fecha en la cual reembolsen el precio de compra.

En relación con la Oferta, el Manager de Estabilización, o cualquiera de sus agentes, podrá realizar operaciones (aunque no estará obligado a ello), en la medida autorizada por la ley aplicable, para estabilizar, respaldar, mantener o afectar de cualquier otra forma al precio, así como sobre-adjudicaciones de Acciones, o efectuar otras operaciones con vistas a respaldar el precio de mercado de las Acciones a un nivel superior al que de otro modo estaría vigente en el mercado abierto.

E.4 Descripción de cualquier interés que sea importante para la Oferta

No aplicable.

E.5 Entidades que ofrecen las Acciones y acuerdos de no disposición (*lock-up*)

(A) Entidades que ofrecen las Acciones

El Accionista Vendedor es la entidad que ofrece las Acciones de la Oferta.

(B) Acuerdos de no disposición (“*Lock-up*”)

De conformidad con los términos del Contrato de Aseguramiento que suscribiremos nosotros, el Accionista Vendedor y las Entidades Aseguradoras, las partes siguientes estarán sujetas a acuerdos de no disposición temporal (*lock-up*) durante el periodo desde la formalización del Contrato de Aseguramiento hasta la fecha que se corresponda con los días siguientes después de la Fecha de Liquidación de la Oferta:

Saeta Yield.....	180 días
Accionista Vendedor.....	360 días

Cobra SyR y Urbaenergía acordarán con las Entidades Aseguradoras restricciones de *lock-up* similares desde la fecha de formalización del Contrato de Aseguramiento hasta 360 días después de la Fecha de Liquidación.

El Co-Sponsor ha aceptado un compromiso de *lock-up* hasta 360 días a contar desde la Fecha de Liquidación, en términos similares a los del Accionista Vendedor.

Los acuerdos de *lock-up* están sujetos a las excepciones habituales.

E.6 Dilución

No aplicable. Como toda la Oferta es secundaria, no comportará ningún efecto de dilución.

E.7 Gastos aplicados a los inversores

Con independencia de cualquier gasto, comisión de agencia o de otro tipo que pueda ser aplicada por las entidades que participen en Iberclear de conformidad con sus correspondientes comisiones (y que sean ajenas a Saeta Yield), a efectos de la transmisión de las Acciones no cobraremos a los inversores finales gasto alguno de forma adicional al Precio de la Oferta.

Asimismo, es posible que las compras de Acciones de la Oferta tengan que pagar impuestos del timbre y otros cargos en cumplimiento de las leyes y prácticas del país de compra, además del Precio de la Oferta.

SAETA YIELD, S.A.
TABLA DE EQUIVALENCIAS DEL FOLLETO
RELATIVO A LA OFERTA DE VENTA DE ACCIONES Y POSTERIOR ADMISIÓN A
NEGOCIACIÓN

Madrid, a 30 de enero de 2015

- 1 Documento de registro.** Información sobre el emisor requerida por el Anexo I del Reglamento (CE) No 809/2004, de la Comisión Europea, relativo a la información contenida en los folletos así como al formato, la incorporación por referencia, la publicación de dichos folletos y la difusión de publicidad (el “Reglamento 809/2004”)

Epígrafe del Anexo I del Reglamento 809/2004	Equivalencia en el Folleto
1 Personas responsables	
1.1 Identificación de las personas responsables del documento de registro de acciones.	<ul style="list-style-type: none"> Sección <i><u>Important Information about this Prospectus</u></i> (Información Relevante sobre este Folleto).
1.2 Declaración de las personas responsables del documento de registro de acciones.	<ul style="list-style-type: none"> Sección <i><u>Important Information about this Prospectus</u></i> (Información Relevante sobre este Folleto).
2 Auditores de cuentas	
2.1 Nombre y dirección de los auditores del emisor para el período cubierto por la información financiera histórica (así como su afiliación a un colegio profesional).	<ul style="list-style-type: none"> Sección <i><u>Independent Auditors</u></i> (Auditores Independientes).
2.2 Si los auditores han renunciado, han sido apartados de sus funciones o no han sido redesignados durante el período cubierto por la información financiera histórica.	<ul style="list-style-type: none"> No aplicable.
3 Información financiera seleccionada	
3.1 Información financiera histórica seleccionada relativa al emisor.	<ul style="list-style-type: none"> Sección <i><u>Presentation of Financial Information</u></i> (Presentación de Información Financiera). Sección <i><u>Selected Financial Information</u></i> (Información Financiera Seleccionada).
3.2 Si se proporciona información financiera intermedia, datos comparativos del mismo período del ejercicio anterior, salvo que el requisito para la información comparativa del balance se satisfaga presentando la información del balance final del ejercicio.	<ul style="list-style-type: none"> Sección <i><u>Presentation of Financial Information</u></i> (Presentación de Información Financiera). Sección <i><u>Selected Financial Information</u></i> (Información Financiera Seleccionada).
4 Factores de riesgo	<ul style="list-style-type: none"> Sección <i><u>Risk Factors</u></i> (Factores de Riesgo).
5 Información sobre el emisor	
5.1 Historia y evolución del emisor.	
5.1.1 Nombre legal y comercial del emisor.	<ul style="list-style-type: none"> Portada del Folleto. Sección <i><u>Business</u></i> (Negocio); sub-sección <i><u>History</u></i> (Historia).

Epígrafe del Anexo I del Reglamento 809/2004	Equivalencia en el Folleto
5.1.2 Lugar de registro del emisor y número de registro.	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-sección <u>History</u> (Historia).
5.1.3 Fecha de constitución y período de actividad del emisor.	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-sección <u>History</u> (Historia).
5.1.4 Domicilio y personalidad jurídica del emisor, legislación conforme a la cual opera, país de constitución, y dirección y número de teléfono de su domicilio social (o lugar principal de actividad empresarial si es diferente de su domicilio social).	<ul style="list-style-type: none"> Portada del Folleto. Sección <u>Business</u> (Negocio); sub-sección <u>History</u> (Historia). Contraportada del Folleto, en la que consta el domicilio social del emisor.
5.1.5 Acontecimientos importantes en el desarrollo de la actividad del emisor.	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-sección <u>History</u> (Historia). Sección <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <u>Recent Developments</u> (Acontecimientos Recientes).
5.2 Inversiones.	
5.2.1 Descripción de las principales inversiones del emisor en cada ejercicio para el periodo cubierto por la información financiera histórica hasta la fecha del documento de registro.	<ul style="list-style-type: none"> Sección <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <u>Liquidity and Capital Resources</u> (Liquidez y Recursos de Capital); apartado <u>Capital Expenditures</u> (Inversiones de Capital).
5.2.2 Descripción de las inversiones principales del emisor actualmente en curso, incluida la distribución de estas inversiones geográficamente (nacionales y en el extranjero) y el método de financiación.	<ul style="list-style-type: none"> Sección <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <u>Liquidity and Capital Resources</u> (Liquidez y Recursos de Capital); apartado <u>Capital Expenditures</u> (Inversiones de Capital).
5.2.3 Información sobre las principales inversiones futuras del emisor sobre las cuales sus órganos de gestión hayan adoptado ya compromisos firmes.	<ul style="list-style-type: none"> No aplicable.
6 Descripción del negocio	
6.1 Actividades principales.	
6.1.1 Descripción de, y factores clave relativos a, la naturaleza de las operaciones del emisor y de sus principales actividades, declarando las principales categorías de productos vendidos y/o servicios	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-secciones <u>About Saeta Yield</u> (Sobre Saeta Yield), <u>Overview of Our Initial Portfolio</u> (Visión General de Nuestros Activos Iniciales) y <u>Our Business Strategy</u> (Nuestra

Epígrafe del Anexo I del Reglamento 809/2004	Equivalencia en el Folleto
prestados en cada ejercicio durante el período cubierto por la información financiera histórica.	Estrategia de Negocio).
6.1.2 Indicación de todo nuevo producto y/o servicio significativos que se hayan presentado y, en la medida en que se haya divulgado públicamente su desarrollo, dar la fase en que se encuentra.	<ul style="list-style-type: none"> No aplicable.
6.2 Mercados principales	
6.2.1 Descripción de los mercados principales en que el emisor compite, incluido un desglose de los ingresos totales por categoría de actividad y mercado geográfico para cada ejercicio durante el período cubierto por la información financiera histórica.	<ul style="list-style-type: none"> Sección <i>Industry and Market Opportunity</i> (Industria y Oportunidades de Mercado). Sección <i>Business</i> (Negocio); sub-secciones <i>About Saeta Yield</i> (Sobre Saeta Yield) y <i>Overview of Our Initial Portfolio</i> (Visión General de Nuestros Activos Iniciales). Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <i>Business Line Reporting</i> (Informe por Líneas de Negocio). Sección <i>Selected Financial Information</i> (Información Financiera Seleccionada); sub-sección <i>Additional financial data by business line</i> (Información financiera adicional por líneas de negocio).
6.3 Cuando la información dada de conformidad con los puntos 6.1. y 6.2. se haya visto influenciada por factores excepcionales, debe mencionarse este hecho.	<ul style="list-style-type: none"> Sección <i>Industry and Market Opportunity</i>. (Industria y Oportunidades de Mercado). Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <i>Factors Affecting Our Results of Operations</i> (Factores que Afectan a Nuestros Resultados Operativos).
6.4 Si es importante para la actividad empresarial o para la rentabilidad del emisor, revelar información sucinta relativa al grado de dependencia del emisor de patentes o licencias, contratos industriales, mercantiles o financieros, o de nuevos procesos de fabricación.	<ul style="list-style-type: none"> Sección <i>Business</i> (Negocio); sub-sección <i>Counterparties and Contracts</i> (Contrapartes y Contratos). Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <i>Financing</i> (Financiación). Sección <i>Related Party Transactions</i> (Operaciones con Partes Vinculadas).

Epígrafe del Anexo I del Reglamento 809/2004	Equivalencia en el Folleto
<p>6.5 Se incluirá la base de cualquier declaración efectuada por el emisor relativa a su posición competitiva.</p>	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-sección <u>Our Competitive Strengths</u> (Nuestras Fortalezas Competitivas).
<p>7 Estructura organizativa</p>	
<p>7.1 Si el emisor es parte de un grupo, una breve descripción del grupo y la posición del emisor en el grupo.</p>	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-sección <u>Corporate Structure</u> (Estructura Corporativa).
<p>7.2 Lista de las filiales significativas del emisor, incluido el nombre, el país de constitución o residencia, la participación en el capital y, si es diferente, su proporción de derechos de voto.</p>	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-secciones <u>Corporate Structure</u> (Estructura Corporativa) y <u>Overview of Our Initial Portfolio</u> (Visión General de Nuestros Activos Iniciales).
<p>8 Propiedad, instalaciones y equipo</p>	
<p>8.1 Información relativa a todo inmovilizado material tangible existente o previsto, incluidas las propiedades arrendadas, y cualquier gravamen importante al respecto.</p>	<ul style="list-style-type: none"> Sección <u>Selected Financial Information</u> (Información Financiera Seleccionada); partidas bajo el título <u>Non-Current Assets</u> (Activo no Corriente) en el apartado <u>Consolidated Statement of Financial Position of Saeta Yield as of October 31, 2014</u> (Balance de Situación Consolidado de Saeta Yield a 31 de octubre de 2014). Sección <u>Business</u> (Negocio); sub-sección <u>Description of Our Initial Portfolio</u> (Descripción de Nuestros Activos Iniciales).
<p>8.2 Descripción de cualquier aspecto medioambiental que pueda afectar al uso por el emisor del inmovilizado material tangible.</p>	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-sección <u>Regulatory and Environmental Matters</u> (Aspectos Regulatorios y Medioambientales).
<p>9 Análisis operativo y financiero</p>	
<p>9.1 Situación financiera.</p>	<ul style="list-style-type: none"> Sección <u>Selected Financial Information</u> (Información Financiera Seleccionada). Sección <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
<p>9.2 Resultados de explotación.</p>	
<p>9.2.1 Información relativa a factores significativos, incluidos los acontecimientos inusuales o infrecuentes o los nuevos avances, que afecten de manera importante a los ingresos del emisor por operaciones, indicando en qué medida han resultado afectados los ingresos.</p>	<ul style="list-style-type: none"> Sección <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-secciones <u>Results of Operations</u> (Resultados Operativos); <u>Factors Affecting the Comparability of Our Financial Condition and Results of Operations</u> (Factores que Afectan a la Comparabilidad entre Nuestra Condición

Epígrafe del Anexo I del Reglamento 809/2004	Equivalencia en el Folleto
	Financiera y Nuestros Resultados Operativos) y <i>Factors Affecting Our Results of Operations</i> (Factores que Afectan a Nuestros Resultados Operativos).
<p>9.2.2 Cuando los estados financieros revelen cambios importantes en las ventas netas o en los ingresos, proporcionar un comentario narrativo de los motivos de esos cambios.</p>	<ul style="list-style-type: none"> Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-secciones <i>Results of Operations</i> (Resultados Operativos) y <i>Factors Affecting Our Result of Operations</i> (Factores que Afectan a Nuestros Resultados Operativos).
<p>9.2.3 Información relativa a cualquier actuación o factor de orden gubernamental, económico, fiscal, monetario o político que, directa o indirectamente, hayan afectado o pudieran afectar de manera importante a las operaciones del emisor.</p>	<ul style="list-style-type: none"> Sección <i>Regulation</i> (Regulación). Sección <i>Industry and Market Opportunity</i> (Industria y Oportunidades de Mercado).
<p>10 Recursos financieros</p>	
<p>10.1 Información relativa a los recursos financieros del emisor (a corto y a largo plazo).</p>	<ul style="list-style-type: none"> Sección <i>Selected Financial Information</i> (Información Financiera Seleccionada); partidas incluidas bajo los títulos <i>Non-Current Liabilities</i> (Pasivo No Corriente) y <i>Current Liabilities</i> (Pasivo Corriente) en el apartado <i>Consolidated Statement of Financial Position of Saeta Yield as of October 31, 2014</i> (Balance de Situación Consolidado de Saeta Yield a 31 de octubre de 2014). Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-secciones <i>Liquidity and Capital Resources</i> (Liquidez y Recursos de Capital) y <i>Financing</i> (Financiación).
<p>10.2 Explicación de las fuentes y cantidades y descripción narrativa de los flujos de tesorería del emisor.</p>	<ul style="list-style-type: none"> Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <i>Liquidity and Capital Resources</i> (Liquidez y Recursos de Capital); apartados <i>Liquidity position</i> (Posición de Caja) y <i>Sources of liquidity</i> (Fuentes de Liquidez).
<p>10.3 Información sobre las condiciones de los préstamos y la estructura de financiación del emisor.</p>	<ul style="list-style-type: none"> Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y

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	Resultados Operativos); sub-sección <i>Financing</i> (Financiación).
<p>10.4 Información relativa a cualquier restricción sobre el uso de los recursos de capital que, directa o indirectamente, haya afectado o pudiera afectar de manera importante a las operaciones del emisor.</p>	<ul style="list-style-type: none"> Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <i>Financing</i> (Financiación); apartado <i>Financial Covenants</i> (Restricciones Financieras).
<p>10.5 Información relativa a las fuentes previstas de los fondos necesarios para cumplir los compromisos mencionados en 5.2.3. y 8.1.</p>	<ul style="list-style-type: none"> Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-secciones <i>Liquidity and Capital Resources</i> (Liquidez y Recursos de Capital) y <i>Financing</i> (Financiación).
<p>11 Investigación y desarrollo, patentes y licencias</p>	
<p>11.1 Descripción de las políticas de investigación y desarrollo del emisor para cada ejercicio durante el período cubierto por la información financiera histórica, incluida la cantidad dedicada a actividades de investigación y desarrollo emprendidas por el emisor.</p>	<ul style="list-style-type: none"> Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <i>Description of Key Revenue and Expense Components</i> (Descripción de los Componentes Clave de Ingresos y Gastos); apartado <i>Other operating expenses</i> (Otros gastos de explotación).
<p>12 Información sobre tendencias</p>	
<p>12.1 Tendencias recientes más significativas de la producción, ventas e inventario, y costes y precios de venta desde el fin del último ejercicio.</p>	<ul style="list-style-type: none"> Sección <i>Industry and Market Opportunity</i>. (Industria y Oportunidades de Mercado). Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <i>Factors Affecting Our Results of Operations</i> (Factores que Afectan a Nuestros Resultados Operativos).
<p>12.2 Información sobre cualquier tendencia conocida, incertidumbres, demandas, compromisos o hechos que pudieran razonablemente tener una incidencia importante en las perspectivas del emisor, por lo menos para el ejercicio actual.</p>	<ul style="list-style-type: none"> Sección <i>Risk Factors</i> (Factores de Riesgo). Sección <i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-secciones <i>Factors Affecting Our Results of Operations</i> (Factores que Afectan a Nuestros Resultados Operativos) y <i>Recent Developments</i>

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	<p>(Acontecimientos Recientes).</p> <ul style="list-style-type: none"> Sección <i>Industry and Market Opportunity</i>. (Industria y Oportunidades de Mercado). Sección <i>Regulation</i> (Regulación).
13 Previsiones o estimaciones de beneficios	
13.1 Declaración que enumere los principales supuestos en los que el emisor ha basado su previsión o su estimación.	<ul style="list-style-type: none"> Sección <i>Cash Dividend Policy</i> (Política de Dividendos); sub-sección <i>Assumptions and Considerations Underlying Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and 2016</i>. (Asunciones y Consideraciones Subyacentes a las Previsiones de Beneficio Atribuible a la Matriz y de Caja Distribuible Recurrente para los años finalizados el 31 de diciembre de 2015 y de 2016).
13.2 Informe elaborado por contables o auditores independientes que declare que, a juicio de esos contables o auditores independientes, la previsión o estimación se ha calculado correctamente sobre la base declarada, y que el fundamento contable utilizado para la previsión o estimación de los beneficios es coherente con las políticas contables del emisor.	<ul style="list-style-type: none"> Sección <i>Cash Dividend Policy</i> (Política de Dividendos); sub-sección <i>Auditor reports</i> (Informes del Auditor). Páginas F-76 y F-97 del Folleto.
13.3 La previsión o estimación de los beneficios debe prepararse sobre una base comparable con la información financiera histórica.	<ul style="list-style-type: none"> Sección <i>Cash Dividend Policy</i> (Política de Dividendos); sub-sección <i>Forecasts of Profit Attributable to the Parent and of Estimated Recurrent Cash Available for Distribution for the Years Ending December 31, 2015 and December 31, 2016</i> (Previsiones de Beneficio Atribuible a la Matriz y de Caja Distribuible Recurrente para los años finalizados el 31 de diciembre de 2015 y el 31 de diciembre de 2016).
13.4 Si el emisor ha publicado en un folleto una previsión de beneficios para una fecha no transcurrida, debe entonces proporcionar una declaración de si efectivamente ese pronóstico sigue siendo tan correcto como en la fecha del documento de registro, o una explicación de por qué el pronóstico ya no es válido, si ese es el caso.	<ul style="list-style-type: none"> No aplicable.
14 Órganos de administración, de gestión y de supervisión, y altos directivos	
14.1 Información sobre la composición del	<ul style="list-style-type: none"> Sección <i>Board of Directors and Management</i>

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Órgano de Administración.	(Consejo de Administración y Alta Dirección); sub-sección <u>Board of Directors</u> (Consejo de Administración).
14.2 Nombre, dirección profesional y cargo en el emisor de los miembros de los órganos de administración, de gestión o de supervisión, indicando las principales actividades que éstas desarrollan al margen del emisor, si dichas actividades son significativas con respecto a ese emisor.	
(a) Miembros de los órganos de gestión y supervisión.	
(i) Miembros del Órgano de Administración:	
<ul style="list-style-type: none"> Nombre, dirección profesional y cargo en el emisor de los miembros de los órganos de administración. 	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Board of Directors</u> (Consejo de Administración).
<ul style="list-style-type: none"> Datos sobre la preparación y experiencia pertinentes de gestión. 	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Board of Directors</u> (Consejo de Administración).
<ul style="list-style-type: none"> Naturaleza de toda relación familiar entre cualquiera de los miembros del Órgano de Administración. 	<ul style="list-style-type: none"> No aplicable.
<ul style="list-style-type: none"> Nombres de todas las empresas y asociaciones de las que cada uno de los miembros del Órgano de Administración haya sido, en cualquier momento de los cinco años anteriores, miembro de los órganos de administración, de gestión o de supervisión, o socio, indicando si esa persona sigue siendo miembro de los órganos de administración, de gestión o de supervisión, o si es socio. 	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Board of Directors</u> (Consejo de Administración).
<ul style="list-style-type: none"> Información sobre: (a) cualquier condena en relación con delitos de fraude por lo menos en los cinco años anteriores; (b) cualquier quiebra, suspensión de pagos o liquidación con las que estuviera relacionada por lo menos durante los cinco años anteriores; (c) cualquier incriminación pública oficial y/o sanciones de esa persona por autoridades estatutarias o reguladoras (incluidos los organismos profesionales designados); (d) cualquier incriminación por un tribunal por su actuación como miembro de los órganos de administración, de gestión o de supervisión de un emisor o por 	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>No convictions and other negative statements</u> (Ausencia de condenas y otras declaraciones negativas).

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su actuación en la gestión de los asuntos de un emisor durante por lo menos los cinco años anteriores.	
(ii) Miembros de los órganos de gestión y supervisión.	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Board Committees</u> (Comisiones del Consejo de Administración); apartados <u>Audit Committee</u> (Comisión de Auditoría) y <u>Appointments and Compensation Committee</u> (Comisión de Nombramientos y Retribuciones).
(b) Socios comanditarios, si se trata de una sociedad comanditaria por acciones.	<ul style="list-style-type: none"> No aplicable.
(c) Fundadores, si el emisor se constituyó hace menos de cinco años.	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-sección <u>History</u> (Historia).
(d) Cualquier alto directivo que sea pertinente para establecer que el emisor posee las calificaciones y la experiencia apropiadas para gestionar las actividades del emisor.	
<ul style="list-style-type: none"> Nombre, dirección profesional y cargo en el emisor de los altos directivos. 	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Management Team</u> (Equipo Directivo).
<ul style="list-style-type: none"> Datos sobre la preparación y experiencia pertinentes de gestión de los altos directivos. 	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Management Team</u> (Equipo Directivo).
<ul style="list-style-type: none"> Naturaleza de toda relación familiar entre cualquiera de los altos directivos. 	<ul style="list-style-type: none"> No aplicable.
<ul style="list-style-type: none"> Nombres de todas las empresas y asociaciones de las que cada uno de los altos directivos haya sido, en cualquier momento de los cinco años anteriores, miembro de los órganos de administración, de gestión o de supervisión, o socio, indicando si esa persona sigue siendo miembro de los órganos de administración, de gestión o de supervisión, o si es socio. 	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Management Team</u> (Equipo Directivo).
<ul style="list-style-type: none"> Información sobre: (a) cualquier condena en relación con delitos de fraude por lo menos en los cinco años anteriores; (b) cualquier quiebra, suspensión de pagos o liquidación con las que estuviera relacionada por lo menos durante los cinco años anteriores; (c) cualquier incriminación pública oficial y/o sanciones de esa persona por autoridades estatutarias o reguladoras (incluidos los organismos profesionales 	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>No convictions and other negative statements</u> (Ausencia de condenas y otras declaraciones negativas).

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designados); (d) cualquier incriminación por un tribunal por su actuación como miembro de los órganos de administración, de gestión, de supervisión de un emisor, o alto directivo o por su actuación en la gestión de los asuntos de un emisor durante por lo menos los cinco años anteriores.	
14.3 Conflictos de interés de los órganos de administración, de gestión y de supervisión, y altos directivos.	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Corporate Governance</u> (Gobierno Corporativo).
15 Remuneración y beneficios	
15.1 Importe de la remuneración pagada (incluidos los honorarios contingentes o atrasados) y prestaciones en especie concedidas a esas personas por el emisor y sus filiales por servicios de todo tipo prestados por cualquier persona al emisor y sus filiales.	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Corporate Governance</u> (Gobierno Corporativo); apartado <u>Compensation of Directors</u> (Remuneración de los Consejeros) y sub-sección <u>Management Team</u> (Equipo Directivo); apartado <u>Remuneration of the management team</u> (Remuneración del equipo directivo).
15.2 Importes totales ahorrados o acumulados por el emisor o sus filiales para prestaciones de pensión, jubilación o similares.	<ul style="list-style-type: none"> No aplicable.
16 Prácticas de gestión	
16.1 Fecha de expiración del actual mandato, en su caso, y período durante el cual la persona ha desempeñado servicios en ese cargo.	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Board of Directors</u> (Consejo de Administración).
16.2 Información sobre los contratos de los miembros de los órganos de administración, de gestión o de supervisión con el emisor o cualquiera de sus filiales que prevean beneficios a la terminación de sus funciones, o la correspondiente declaración negativa.	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Corporate Governance</u> (Gobierno Corporativo); apartado <u>Compensation of Directors</u> (Retribución); sub-apartado <u>Remuneration of the chief executive officer</u> (Remuneración del director ejecutivo).
16.3 Información sobre el comité de auditoría y el comité de retribuciones del emisor, incluidos los nombres de los miembros del comité y un resumen de su reglamento interno.	<ul style="list-style-type: none"> Sección <u>Board of Directors and Management</u> (Consejo de Administración y Alta Dirección); sub-sección <u>Board Committees</u> (Comisiones del Consejo de Administración); apartados <u>Audit Committee</u> (Comisión de Auditoría).y <u>Appointments and Compensation Committee</u> (Comisión de Nombramientos y

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	Retribuciones).
<p>16.4 Declaración de si el emisor cumple el régimen o regímenes de gobierno corporativo de su país de constitución. En caso de que el emisor no cumpla ese régimen, debe incluirse una declaración a ese efecto, así como una explicación del motivo por el cual el emisor no cumple dicho régimen.</p>	<ul style="list-style-type: none"> Sección <i>Board of Directors and Management</i> (Consejo de Administración y Alta Dirección); sub-sección <i>Corporate Governance</i> (Gobierno Corporativo).
<p>17 Empleados</p>	
<p>17.1 Número de empleados al final del período o la media para cada ejercicio durante el período cubierto por la información financiera histórica y hasta la fecha del documento de registro (y las variaciones de ese número, si son importantes) y, si es posible y reviste importancia, un desglose de las personas empleadas por categoría principal de actividad y situación geográfica. Si el emisor emplea un número significativo de empleados eventuales, incluir datos sobre el número de empleados eventuales por término medio durante el ejercicio más reciente.</p>	<ul style="list-style-type: none"> Sección <i>Business</i> (Negocio); sub-sección <i>Employees</i> (Empleados).
<p>17.2 Acciones y opciones de compra de acciones de los miembros de los órganos de administración, gestión y supervisión, y de los altos directivos.</p>	<ul style="list-style-type: none"> Sección <i>Board of Directors and Management</i> (Consejo de Administración y Alta Dirección); sub-sección <i>Corporate Governance</i> (Gobierno Corporativo); apartado <i>Compensation of Directors</i> (Remuneración de los Consejeros) y sub-sección <i>Management Team</i> (Equipo Directivo); apartado <i>Remuneration of the management team</i> (Remuneración del equipo directivo).
<p>17.3 Descripción de todo acuerdo de participación de los empleados en el capital del emisor.</p>	<ul style="list-style-type: none"> No aplicable.
<p>18 Accionistas principales</p>	
<p>18.1 Nombre de cualquier persona que no pertenezca a los órganos de administración, de gestión o de supervisión que, directa o indirectamente, tenga un interés declarable, según el derecho nacional del emisor, en el capital o en los derechos de voto del emisor, así como la cuantía del interés de cada una de esas personas o, en caso de no haber tales personas, la correspondiente declaración negativa.</p>	<ul style="list-style-type: none"> Sección <i>Principal Shareholders and Selling Shareholder</i> (Accionistas Principales y Accionista Oferente).

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18.2 Si los accionistas principales del emisor tienen distintos derechos de voto, o la correspondiente declaración negativa.	<ul style="list-style-type: none"> No aplicable.
18.3 Declaración de si el emisor es directa o indirectamente propiedad o está bajo control y quién lo ejerce, y describir el carácter de ese control y las medidas adoptadas para garantizar que no se abusa de ese control.	<ul style="list-style-type: none"> No aplicable.
18.4 Descripción de todo acuerdo, conocido del emisor, cuya aplicación pueda en una fecha ulterior dar lugar a un cambio en el control del emisor.	<ul style="list-style-type: none"> No aplicable.
19 Operaciones de partes vinculadas	
19.1 Operaciones con partes vinculadas (que para estos fines se definen según las normas adoptadas en virtud del Reglamento (CE) no 1606/2002 y en la Orden EHA/3050/2004, de 15 de septiembre, sobre la información de las operaciones vinculadas que deben suministrar las sociedades emisoras de valores admitidos a negociación en mercados secundarios oficiales), que el emisor haya realizado durante el período cubierto por la información financiera histórica, si son aplicables.	<ul style="list-style-type: none"> Sección <i>Related Party Transactions</i> (Operaciones con Partes Vinculadas).
20 Información financiera relativa al activo y el pasivo del emisor, posición financiera y pérdidas y beneficios	
20.1 Información financiera histórica.	
20.1.1 Balance de situación.	<ul style="list-style-type: none"> Sección <i>Documents Incorporated by Reference</i> (Documentos Incorporados por Referencia); referencia a las <i>Annual Audited Asset Company Financial Statements</i> (Estados Financieros Anuales Auditados de las Sociedades Operativas).
20.1.2 Cuenta de resultados.	<ul style="list-style-type: none"> Sección <i>Documents Incorporated by Reference</i> (Documentos Incorporados por Referencia); referencia a las <i>Annual Audited Asset Company Financial Statements</i> (Estados Financieros Anuales Auditados de las Sociedades Operativas).
20.1.3 Estado de flujos de tesorería.	<ul style="list-style-type: none"> Sección <i>Documents Incorporated by Reference</i> (Documentos Incorporados por Referencia); referencia a las <i>Annual Audited Asset Company Financial Statements</i> (Estados Financieros Anuales Auditados de las

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	Sociedades Operativas).
20.2 Información financiera pro-forma.	<ul style="list-style-type: none"> Sección <u>Unaudited Pro Forma Consolidated Financial Information</u> (Información Financiera Pro Forma Consolidada No Auditada).
20.3 Estados financieros.	<ul style="list-style-type: none"> Sección <u>Financial Statements</u> (Estados Financieros).
20.4 Auditoría de la información financiera histórica anual.	<ul style="list-style-type: none"> Sección <u>Presentation of Financial Information</u> (Presentación de Información Financiera). Sección <u>Independent Auditors</u> (Auditores Independientes).
20.5 Edad de la información financiera más reciente.	<ul style="list-style-type: none"> Sección <u>Presentation of Financial Information</u> (Presentación de Información Financiera).
20.6 Información intermedia y demás información financiera.	<ul style="list-style-type: none"> Sección <u>Selected Financial Information</u> (Información Financiera Seleccionada). <p>Apartados:</p> <ul style="list-style-type: none"> <u>Consolidated Income Statement of Saeta Yield for the ten months ended October 31, 2014</u> (Cuenta de Resultados Consolidada de Saeta Yield correspondiente a los 10 meses finalizados el 31 de octubre de 2014). A efectos comparativos, se incluye información agregada limitada (Ventas y EBITDA Ajustado) no auditada de las Sociedades Operativas de los 10 meses finalizados el 31 de octubre de 2013. <u>Consolidated Statement of Financial Position of Saeta Yield as of October 31, 2014</u> (Balance de Situación Consolidado de Saeta Yield a 31 de octubre de 2014). <u>Consolidated Statement of Cash Flows of Saeta Yield for the ten months ended October 31, 2014</u> (Estado de Flujos de Efectivo Consolidado de Saeta Yield correspondiente a los 10 meses finalizados el 31 de octubre de 2014).
20.7 Política de dividendos.	<ul style="list-style-type: none"> Sección <u>Cash Dividend Policy</u> (Política de Dividendos). Sección <u>Description of Share Capital</u> (Descripción del Capital Social); subsección <u>Dividend and Liquidation Rights</u> (Dividendos y Derechos en la Liquidación).
20.8 Procedimientos judiciales y de arbitraje.	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); subsección <u>Legal Proceedings</u> (Procesos Legales).
20.9 Cambios significativos en la posición financiera o comercial del emisor.	<ul style="list-style-type: none"> Sección <u>Management's Discussion and Analysis of Financial Condition and Results of</u>

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	<p><u>Operations</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-secciones <u>Factors Affecting the Comparability of Our Financial Condition and Results of Operations</u> (Factores que Afectan a la Comparabilidad entre Nuestra Condición Financiera y Nuestros Resultados Operativos) y <u>Factors Affecting Our Result of Operations</u> (Factores que Afectan a Nuestros Resultados Operativos).</p>
21 Información adicional	
21.1 Capital social.	
21.1.1 Importe del capital emitido.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social).
21.1.2 Si hay acciones que no representan capital, se declarará el número y las principales características de esas acciones.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social).
21.1.3 Número, valor contable y valor nominal de las acciones del emisor en poder o en nombre del propio emisor o de sus filiales.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social); sub-sección <u>General</u> (General).
21.1.4 Importe de todo valor convertible, valor canjeable o valor con warrants, indicando las condiciones y los procedimientos que rigen su conversión, canje o suscripción.	<ul style="list-style-type: none"> No aplicable.
21.1.5 Información y condiciones de cualquier derecho de adquisición y/o obligaciones con respecto al capital autorizado pero no emitido o sobre un compromiso de aumentar el capital.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social); sub-sección <u>General</u> (General).
21.1.6 Información sobre cualquier capital de cualquier miembro del grupo que esté bajo opción o que se haya acordado condicional o incondicionalmente someter a opción y detalles de esas opciones, incluidas las personas a las que se dirigen esas opciones.	<ul style="list-style-type: none"> No aplicable.
21.1.7 Evolución del capital social, resaltando la información sobre cualquier cambio durante el período cubierto por la información financiera histórica.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social); sub-sección <u>General</u> (General).
21.2 Estatutos y escritura de constitución.	
21.2.1 Descripción del objeto social y fines del emisor y dónde pueden encontrarse en los estatutos y escritura de constitución.	<ul style="list-style-type: none"> Sección <u>Business</u> (Negocio); sub-secciones <u>About Saeta Yield</u> (Sobre Saeta Yield) y <u>Purpose of Saeta Yield</u> (Finalidad de Saeta Yield).

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	<ul style="list-style-type: none"> Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); segundo párrafo introductorio.
<p>21.2.2 Breve descripción de cualquier disposición de las cláusulas estatutarias o reglamento interno del emisor relativa a los miembros de los órganos de administración, de gestión y de supervisión:</p>	
(a) Consejo de Administración.	<ul style="list-style-type: none"> Sección <u><i>Board of Directors and Management</i></u> (Consejo de Administración y Alta Dirección); sub-sección <u><i>Board of Directors</i></u> (Consejo de Administración).
(b) Reglamento del Consejo de Administración.	<ul style="list-style-type: none"> Sección <u><i>Board of Directors and Management</i></u> (Consejo de Administración y Alta Dirección); sub-secciones <u><i>Corporate Governance</i></u> (Gobierno Corporativo); apartado <u><i>Internal Code of Conduct</i></u> (Reglamento Interno de Conducta).
(c) Comisiones del Consejo de Administración.	<ul style="list-style-type: none"> Sección <u><i>Board of Directors and Management</i></u> (Consejo de Administración y Alta Dirección); sub-sección <u><i>Board Committees</i></u> (Comisiones del Consejo de Administración).
<p>21.2.3 Descripción de los derechos, preferencias y restricciones relativas a cada clase de las acciones existentes.</p>	<ul style="list-style-type: none"> Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social).
<p>21.2.4 Descripción de qué se debe hacer para cambiar los derechos de los tenedores de las acciones, indicando si las condiciones son más exigentes que las que requiere la ley.</p>	<ul style="list-style-type: none"> No aplicable.
<p>21.2.5 Descripción de las condiciones que rigen la manera de convocar las juntas generales anuales y las juntas generales extraordinarias de accionistas, incluyendo las condiciones de admisión.</p>	<ul style="list-style-type: none"> Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); sub-sección <u><i>Shareholders' Meeting and Voting Rights</i></u> Junta General de Accionistas y Derechos de Voto).
<p>21.2.6 Breve descripción de cualquier disposición de las cláusulas estatutarias o reglamento interno del emisor que tenga por efecto retrasar, aplazar o impedir un cambio en el control del emisor.</p>	<ul style="list-style-type: none"> No aplicable.
<p>21.2.7 Indicación de cualquier disposición de las cláusulas estatutarias o reglamentos internos, en su caso, que rijan el umbral de participación por encima del cual deba revelarse la participación del accionista.</p>	<ul style="list-style-type: none"> Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); sub-sección <u><i>Reporting Requirements</i></u> (Requisitos de Notificación); apartado <u><i>Transactions Affecting Voting Rights</i></u> (Operaciones que Afectan a los Derechos de Voto).
<p>21.2.8 Descripción de las condiciones</p>	<ul style="list-style-type: none"> No aplicable.

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impuestas por las cláusulas estatutarias o reglamento interno que rigen los cambios en el capital, si estas condiciones son más rigurosas que las que requiere la ley.	
22 Contratos relevantes	
<p>22.1 Resumen de cada contrato relevante, al margen de los contratos celebrados en el desarrollo corriente de la actividad empresarial, del cual es parte el emisor o cualquier miembro del grupo, celebrado durante los dos años inmediatamente anteriores a la publicación del documento de registro.</p>	<ul style="list-style-type: none"> • Sección <u>Business</u> (Negocio); sub-sección <u>Description of Our Initial Portfolio</u> (Descripción de Nuestros Activos Iniciales). • Sección <u>Related Party Transactions</u> (Operaciones con Partes Vinculadas). • Sección <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos); sub-sección <u>Financing</u> (Financiación).
<p>22.2 Resumen de cualquier otro contrato (que no sea un contrato celebrado en el desarrollo corriente de la actividad empresarial) celebrado por cualquier miembro del grupo que contenga una cláusula en virtud de la cual cualquier miembro del grupo tenga una obligación o un derecho que sean relevantes para el grupo hasta la fecha del documento de registro.</p>	<ul style="list-style-type: none"> • Sección <u>Business</u> (Negocio); sub-sección <u>Description of Our Initial Portfolio</u> (Descripción de Nuestros Activos Iniciales). • Sección <u>Related Party Transactions</u> (Operaciones con Partes Vinculadas).
23 Información de terceros, declaraciones de expertos y declaraciones de interés	
<p>23.1 Cuando se incluya una declaración o un informe atribuido a una persona en calidad de experto, proporcionar el nombre de dicha persona, su dirección profesional, sus cualificaciones y, en su caso, cualquier interés importante que tenga en el emisor. Si el informe se presenta a petición del emisor, una declaración de que se incluye dicha declaración o informe, la forma y el contexto en que se incluye, y con el consentimiento de la persona que haya autorizado el contenido de esa parte del documento de registro.</p>	<ul style="list-style-type: none"> • No aplicable.
<p>23.2 En los casos en que la información proceda de un tercero, proporcionar una confirmación de que la información se ha reproducido con exactitud y que, en la medida en que el emisor tiene conocimiento de ello y puede determinar a partir de la información publicada por ese tercero, no se ha omitido ningún hecho que</p>	<ul style="list-style-type: none"> • No aplicable.

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<p>haría la información reproducida inexacta o engañosa. Además, el emisor debe identificar la fuente o fuentes de la información.</p>	
<p>24 Documentos para consulta</p>	
<p>24.1 Declaración de que, en caso necesario, pueden inspeccionarse los siguientes documentos (o copias de los mismos) durante el período de validez del documento de registro: (a) los estatutos y la escritura de constitución del emisor; (b) todos los informes, cartas, y otros documentos, información financiera histórica, evaluaciones y declaraciones elaborados por cualquier experto a petición del emisor, que estén incluidos en parte o mencionados en el documento de registro; (c) la información financiera histórica del emisor o, en el caso de un grupo, la información financiera histórica del emisor y sus filiales para cada uno de los dos ejercicios anteriores a la publicación del documento de registro. Indicación de dónde pueden examinarse los documentos para consulta, por medios físicos o electrónicos.</p>	<ul style="list-style-type: none"> • Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); segundo párrafo introductorio en relación a la escritura de constitución y a los estatutos sociales. • Sección <u><i>Presentation of Financial Information</i></u> (Presentación de la Información Financiera). • Sección <u><i>Documents Incorporated by Reference</i></u> (Documentos Incorporados por Referencia).
<p>25 Información sobre participaciones</p>	
<p>25.1 Información relativa a las empresas en las que el emisor posee una proporción del capital que puede tener un efecto significativo en la evaluación de sus propios activos y pasivos, posición financiera o pérdidas y beneficios.</p>	<ul style="list-style-type: none"> • Sección <u><i>Business</i></u> (Negocio); sub-secciones <u><i>Corporate Structure</i></u> (Estructura Corporativa) y <u><i>Overview of Our Initial Portfolio</i></u> (Visión General de Nuestros Activos Iniciales).

2 Nota sobre las acciones. Información sobre los valores a emitir requerida por el Anexo III del Reglamento 809/2004

Epígrafe del Anexo III del Reglamento 809/2004	Equivalencia en el Folleto
1 Personas responsables	
1.1 Identificación de las personas responsables de la nota sobre las acciones.	<ul style="list-style-type: none"> Sección <u>Important Information about this Prospectus</u> (Información Relevante sobre este Folleto).
1.2 Declaración de las personas responsables de la nota sobre las acciones.	<ul style="list-style-type: none"> Sección <u>Important Information about this Prospectus</u> (Información Relevante sobre este Folleto).
2 Factores de riesgo	<ul style="list-style-type: none"> Sección <u>Risk Factors</u> (Factores de Riesgo).
3 Información esencial	
3.1 Declaración sobre el capital circulante.	<ul style="list-style-type: none"> Sección <u>Capitalization and Indebtedness</u> (Capitalización y Endeudamiento).
3.2 Capitalización y endeudamiento.	<ul style="list-style-type: none"> Sección <u>Capitalization and Indebtedness</u> (Capitalización y Endeudamiento). Sección <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> (Discusión y Análisis del Órgano de Administración de la Situación Financiera y Resultados Operativos).
3.3 Interés de las personas físicas y jurídicas participantes en la emisión/oferta.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Other Relationships</u> (Otras Relaciones).
3.4 Motivos de la oferta y destino de los ingresos.	<ul style="list-style-type: none"> Sección <u>Use of Proceeds</u> (Destino de los Ingresos).
4 Información relativa a los valores que van a ofertarse/admitirse a negociación	
4.1 Descripción del tipo y la clase de los valores ofertados y/o admitidos a cotización, con el Código ISIN (número internacional de identificación del valor) u otro código de identificación del valor.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social); sub-sección <u>General</u> (General).
4.2 Legislación según la cual se han creado los valores.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social); sub-sección <u>General</u> (General).
4.3 Indicación de si los valores están en forma registrada o al portador y si los valores están en forma de título o de anotación en cuenta. En el último caso, nombre y dirección de la entidad responsable de la llevanza de las anotaciones.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social); sub-sección <u>General</u> (General).
4.4 Divisa de la emisión de los valores.	<ul style="list-style-type: none"> Sección <u>Description of Share Capital</u> (Descripción del Capital Social); sub-sección <u>General</u> (General).

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<p>4.5 Descripción de los derechos vinculados a los valores, incluida cualquier limitación de esos derechos, y procedimiento para el ejercicio de los mismos.</p>	
<p>4.5.1 Derechos a participar en las ganancias sociales y en el patrimonio resultante de la liquidación.</p>	<ul style="list-style-type: none"> • Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); sub-sección <u><i>Dividend and Liquidation Rights</i></u> (Dividendos y Derechos en la Liquidación).
<p>4.5.2 Derechos de asistencia y voto.</p>	<ul style="list-style-type: none"> • Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); sub-sección <u><i>Shareholders' Meetings and Voting Rights</i></u> (Juntas Generales de Accionistas y Derechos de Voto).
<p>4.5.3 Derechos de suscripción preferente en las ofertas de suscripción de valores de la misma clase.</p>	<ul style="list-style-type: none"> • Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); sub-sección <u><i>Pre-emptive Rights and Increases of Share Capital</i></u> (Derechos de Suscripción Preferente y Aumentos del Capital Social).
<p>4.5.4 Derecho de participación en los beneficios del emisor.</p>	<ul style="list-style-type: none"> • Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); sub-sección <u><i>Dividend and Liquidation Rights</i></u> (Dividendos y Derechos en la Liquidación); apartado <u><i>Dividend Distribution</i></u> (Distribución de dividendos).
<p>4.5.5 Derechos de participación en cualquier excedente en caso de liquidación.</p>	<ul style="list-style-type: none"> • Sección <u><i>Description of Share Capital</i></u> (Descripción del Capital Social); sub-secciones <u><i>Dividend and Liquidation Rights</i></u> (Dividendos y derechos en la Liquidación) y <u><i>Shareholder Liquidation Rights</i></u> (Derechos de los Accionistas en la Liquidación).
<p>4.5.6 Cláusulas de amortización.</p>	<ul style="list-style-type: none"> • No aplicable.
<p>4.5.7 Cláusulas de conversión.</p>	<ul style="list-style-type: none"> • No aplicable.
<p>4.6 En el caso de nuevas emisiones, declaración de las resoluciones, autorizaciones y aprobaciones en virtud de las cuales los valores han sido o serán creados y/o emitidos.</p>	
<p>4.6.1 Acuerdos sociales.</p>	<ul style="list-style-type: none"> • Sección <u><i>Plan of Distribution</i></u> (Plan de Distribución); sub-sección <u><i>Authorizations of the Offering</i></u> (Autorizaciones de la Oferta).
<p>4.6.2 Autorizaciones.</p>	<ul style="list-style-type: none"> • Sección <u><i>Plan of Distribution</i></u> (Plan de Distribución); sub-sección <u><i>Authorizations of the Offering</i></u> (Autorizaciones de la Oferta).
<p>4.7 En el caso de nuevas emisiones, fecha prevista de emisión de los valores.</p>	<ul style="list-style-type: none"> • Sección <u><i>Plan of Distribution</i></u> (Plan de Distribución); sub-secciones <u><i>The Offering</i></u> (La Oferta) y <u><i>Tentative Calendar of the Offering</i></u> (Calendario Orientativo de la Oferta).

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<p>4.8 Descripción de cualquier restricción sobre la libre transmisibilidad de los valores.</p>	<ul style="list-style-type: none"> Sección <i>Description of Share Capital</i> (Descripción del Capital Social); sub-sección <i>Representation and Transfer of Shares</i> (Representación y Transmisión de las Acciones).
<p>4.9 Indicación de la existencia de cualquier oferta obligatoria de adquisición y/o normas de retirada y recompra obligatoria en relación con los valores.</p>	<ul style="list-style-type: none"> Sección <i>Market Information</i> (Información de Mercado); sub-sección <i>Tender Offers</i> (Ofertas Públicas de Adquisición).
<p>4.10 Indicación de las ofertas públicas de adquisición realizadas por terceros sobre el capital del emisor, que se hayan producido durante el ejercicio anterior y el actual. Debe declararse el precio o las condiciones de canje de estas ofertas y su resultado.</p>	<ul style="list-style-type: none"> No aplicable.
<p>4.11 Por lo que se refiere al país del domicilio social del emisor y al país o países en los que se está haciendo la oferta o se solicita la admisión a cotización: (i) información sobre la renta retenidos en origen e (ii) indicación de si el emisor asume la responsabilidad de la retención de impuestos en origen.</p>	<ul style="list-style-type: none"> Sección <i>Taxation</i> (Tributación).
<p>5 Cláusulas y condiciones de la oferta</p>	
<p>5.1.1 Condiciones, estadísticas de la oferta, calendario previsto y procedimiento para la suscripción de la oferta.</p>	
<p>5.1.2 Condiciones a las que está sujeta la oferta.</p>	<ul style="list-style-type: none"> Sección <i>Plan of Distribution</i> (Plan de Distribución); sub-sección <i>Authorizations of the Offering</i> (Autorizaciones de la Oferta).
<p>5.1.3 Importe total de la emisión/oferta, distinguiendo los valores ofertados para la venta y los ofertados para suscripción; si el importe no es fijo, descripción de los acuerdos y del momento en que se anunciará al público el importe definitivo de la oferta.</p>	<ul style="list-style-type: none"> Portada del Folleto.
<p>5.1.4 Plazo, incluida cualquier posible modificación, durante en el que estará abierta la oferta y descripción del proceso de solicitud.</p>	<ul style="list-style-type: none"> Sección <i>Plan of Distribution</i> (Plan de Distribución); sub-secciones <i>The Offering</i> (La Oferta) y <i>Tentative Calendar of the Offering</i> (Calendario Orientativo de la Oferta).
<p>5.1.5 Indicación de cuándo, y en qué circunstancias, puede revocarse o suspenderse la oferta y de si la revocación puede producirse una vez iniciada la negociación.</p>	<ul style="list-style-type: none"> Sección <i>Important Information about this Prospectus</i> (Información Relevante sobre este Folleto). Sección <i>Plan of Distribution</i> (Plan de Distribución); sub-sección <i>Withdrawal and Revocation of the Offering</i> (Desistimiento y Revocación de la Oferta).

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5.1.6 Descripción de la posibilidad de reducir suscripciones y la manera de devolver el importe sobrante de la cantidad pagada por los solicitantes.	<ul style="list-style-type: none"> No aplicable.
5.1.7 Detalles de la cantidad mínima y/o máxima de solicitud (ya sea por el número de los valores o por el importe total de la inversión).	<ul style="list-style-type: none"> No aplicable.
5.1.8 Indicación del plazo en el cual pueden retirarse las solicitudes, siempre que se permita a los inversores dicha retirada.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-secciones <u>The Offering</u> (La Oferta) y <u>Tentative Calendar of the Offering</u> (Calendario Orientativo de la Oferta).
5.1.9 Método y plazos para el pago de los valores y para la entrega de los mismos.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-secciones <u>The Offering</u> (La Oferta) y <u>Tentative Calendar of the Offering</u> (Calendario Orientativo de la Oferta).
5.1.10 Descripción completa de la manera y fecha en la que se deben hacer públicos los resultados de la oferta.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>The Offering</u> (La Oferta).
5.1.11 Procedimiento para el ejercicio de cualquier derecho preferente de compra, la negociabilidad de los derechos de suscripción y el tratamiento de los derechos de suscripción no ejercidos.	<ul style="list-style-type: none"> No aplicable.
5.2 Plan de colocación y adjudicación.	
5.2.1 Diversas categorías de posibles inversores a los que se ofertan los valores. Si la oferta se hace simultáneamente en los mercados de dos o más países y si se ha reservado o se va a reservar un tramo para determinados países, indicar el tramo.	<ul style="list-style-type: none"> Portada del Folleto. Sección <u>Important Information about this Prospectus</u> (Información Relevante sobre este Folleto). Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Selling Restrictions</u> (Restricciones de Venta). Sección <u>Transfer Restrictions</u> (Restricciones de Transmisión).
5.2.2 En la medida en que tenga conocimiento de ello el emisor, indicar si los accionistas principales o los miembros de los órganos de administración, de gestión o de supervisión del emisor tienen intención de suscribir la oferta, o si alguna persona tiene intención de suscribir más del cinco por ciento de la oferta.	<ul style="list-style-type: none"> No aplicable.
5.2.3 Información previa sobre la adjudicación:	
(a) División de la oferta en tramos, incluidos los tramos institucional, minorista y de empleados del emisor y otros tramos.	<ul style="list-style-type: none"> No aplicable.

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(b) Condiciones en las que pueden reasignarse los tramos, volumen máximo de dicha reasignación y, en su caso, porcentaje mínimo destinado a cada tramo.	<ul style="list-style-type: none"> No aplicable.
(c) Método o métodos de asignación que deben utilizarse para el tramo minorista y para el de empleados del emisor en caso de sobre-suscripción de estos tramos.	<ul style="list-style-type: none"> No aplicable.
(d) Descripción de cualquier trato preferente predeterminado que se conceda a ciertas clases de inversores o a ciertos grupos afines (incluidos los programas para amigos y familia) en la asignación, el porcentaje de la oferta reservada a ese trato preferente y los criterios para la inclusión en tales clases o grupos.	<ul style="list-style-type: none"> No aplicable.
(e) Si el tratamiento de las suscripciones u ofertas de suscripción en la asignación depende de la empresa que las realiza o de la empresa a través de la que se realiza.	<ul style="list-style-type: none"> No aplicable.
(f) Cantidad mínima de adjudicación, en su caso, en el tramo minorista.	<ul style="list-style-type: none"> No aplicable.
(g) Condiciones para el cierre de la oferta así como la fecha más temprana en la que puede cerrarse la oferta.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-secciones <u>The Offering</u> (La Oferta), <u>Tentative Calendar of the Offering</u> (Calendario Orientativo de la Oferta) y <u>Authorizations of the Offering</u> (Autorizaciones de la Oferta).
(h) Si se admiten o no las suscripciones múltiples y, en caso de no admitirse, cómo se gestionan las suscripciones múltiples.	<ul style="list-style-type: none"> No aplicable.
5.2.4 Proceso de notificación a los solicitantes de la cantidad asignada e indicación de si la negociación puede comenzar antes de efectuarse la notificación.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución) sub-sección <u>Tentative Calendar of the Offering</u> (Calendario Orientativo de la Oferta).
5.2.5 Sobre-adjudicación y «green shoe»:	
(a) Existencia y volumen de cualquier mecanismo de sobre-adjudicación y/o de «green shoe».	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Over-Allotment Option</u> (Opción de Sobre-Adjudicación).
(b) Período de existencia del mecanismo de sobre-adjudicación y/o de «green shoe».	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Over-Allotment Option</u> (Opción de Sobre-Adjudicación).
(c) Cualquier condición para el uso del mecanismo de sobre-adjudicación o de	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Over-Allotment</u>

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«green shoe».	<u>Option</u> (Opción de Sobre-Adjudicación).
5.3 Precios.	
5.3.1 Indicación del precio al que se ofertarán los valores. Cuando no se conozca el precio o cuando no exista un mercado establecido y/o líquido para los valores, indicar el método para la determinación del precio de oferta, incluyendo una declaración sobre quién ha establecido los criterios o es formalmente responsable de su determinación. Indicación del importe de todo gasto e impuesto cargados específicamente al suscriptor o comprador.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Pricing of the Offering</u> (Precio de la Oferta).
5.3.2 Proceso de publicación del precio de oferta.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Pricing of the Offering</u> (Precio de la Oferta).
5.3.3 Si los tenedores de participaciones del emisor tienen derechos de adquisición preferente y este derecho está limitado o suprimido, indicar la base del precio de emisión si ésta es dineraria, junto con las razones y los beneficiarios de esa limitación o supresión.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Authorizations of the Offering</u> (Autorizaciones de la Oferta).
5.3.4 En los casos en que haya o pueda haber una disparidad importante entre el precio de oferta pública y el coste real en efectivo para los miembros de los órganos de administración, de gestión o de supervisión, o altos directivos o personas vinculadas, de los valores adquiridos por ellos en operaciones realizadas durante el último año, o que tengan el derecho a adquirir, debe incluirse una comparación de la contribución pública en la oferta pública propuesta y las contribuciones reales en efectivo de esas personas.	<ul style="list-style-type: none"> No aplicable.
5.4 Colocación y aseguramiento.	
5.4.1 Nombre y dirección del coordinador o coordinadores de la oferta global y de determinadas partes de la misma y, en la medida en que tenga conocimiento de ello el emisor o el oferente, de los colocadores en los diversos países donde tiene lugar la oferta.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>The Offering</u> (La Oferta). Contraportada del Folleto en la que constan las direcciones de las entidades coordinadoras globales.
5.4.2 Nombre y dirección de cualquier agente de pagos y de las entidades depositarias	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>The Offering</u> (La

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en cada país.	<p>Oferta).</p> <ul style="list-style-type: none"> • Contraportada del Folleto en la que constan las direcciones de las entidades coordinadoras globales.
<p>5.4.3 Nombre y dirección de las entidades que acuerdan asegurar la emisión con un compromiso firme, y detalles de las entidades que acuerdan colocar la emisión sin compromiso firme o con un acuerdo de «mejores esfuerzos». Indicación de las características importantes de los acuerdos, incluidas las cuotas. En los casos en que no se suscriba toda la emisión, declaración de la parte no cubierta. Indicación del importe global de la comisión de suscripción y de la comisión de colocación.</p>	<ul style="list-style-type: none"> • Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>The Offering</u> (La Oferta). • Contraportada del Folleto en la que constan las direcciones de las entidades coordinadoras globales y entidades aseguradoras. • En relación a las características importantes de los acuerdos de colocación y aseguramiento: sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>The Offering</u> (La Oferta).
<p>5.4.4 Cuándo se ha alcanzado o se alcanzará el acuerdo de aseguramiento.</p>	<ul style="list-style-type: none"> • Sección <u>Plan of Distribution</u> (Plan de Distribución) sub-secciones <u>The Offering</u> (La Oferta) y <u>Tentative Calendar of the Offering</u> (Calendario Orientativo de la Oferta).
<p>6 Acuerdos de admisión a cotización y negociación</p>	
<p>6.1 Indicación de si los valores ofertados son o serán objeto de una solicitud de admisión a cotización, con vistas a su distribución en un mercado regulado o en otros mercados equivalentes, indicando los mercados en cuestión. Esta circunstancia debe mencionarse, sin crear la impresión de que se aprobará necesariamente la admisión a cotización. Si se conocen, deben darse las fechas más tempranas en las que los valores se admitirán a cotización.</p>	<ul style="list-style-type: none"> • Portada del Folleto. • Sección <u>Market Information</u> (Información de Mercado).
<p>6.2 Todos los mercados regulados o mercados equivalentes en los que, según tenga conocimiento de ello el emisor, estén admitidos ya a cotización valores de la misma clase que los valores que van a ofertarse o admitirse a cotización.</p>	<ul style="list-style-type: none"> • No aplicable.
<p>6.3 Si, simultáneamente o casi simultáneamente a la creación de los valores para los que se busca la admisión en un mercado regulado, se suscriben o se colocan privadamente valores de la misma clase, o si se crean valores de otras clases para colocación pública o privada, deben darse detalles sobre la</p>	<ul style="list-style-type: none"> • Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-secciones <u>The Offering</u> (La Oferta) y <u>Selling Restrictions</u> (Restricciones de Venta).

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naturaleza de esas operaciones y del número y las características de los valores a los cuales se refieren.	
6.4 Detalles de las entidades que tienen un compromiso firme de actuar como intermediarios en la negociación secundaria, aportando liquidez a través de las órdenes de oferta y demanda y descripción de los principales términos de su compromiso.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub- sección <u>Liquidity Providers</u> (Proveedores de liquidez).
6.5 Estabilización: en los casos en que un emisor o un accionista vendedor haya concedido una opción de sobre- adjudicación o se prevé que puedan realizarse actividades de estabilización de precios en relación con la oferta.	
6.5.1 El hecho de que pueda realizarse la estabilización, de que no hay ninguna garantía de que se realice y que puede detenerse en cualquier momento.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub- sección <u>Stabilization</u> (Estabilización).
6.5.2 Principio y fin del período durante el cual puede realizarse la estabilización.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub- sección <u>Stabilization</u> (Estabilización).
6.5.3 Identidad de la entidad que dirija la estabilización para cada jurisdicción pertinente, a menos que no se conozca en el momento de la publicación.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub- sección <u>Stabilization</u> (Estabilización).
6.5.4 Hecho de que las operaciones de estabilización puedan dar lugar a un precio de mercado más alto del que habría de otro modo.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub- sección <u>Stabilization</u> (Estabilización).
7 Tenedores vendedores de valores	
7.1 Nombre y dirección profesional de la persona o de la entidad que se ofrece a vender los valores, naturaleza de cualquier cargo u otra relación importante que los vendedores hayan tenido en los últimos tres años con el emisor o con cualquiera de sus antecesores o personas vinculadas.	<ul style="list-style-type: none"> Sección <u>Principal Shareholders and Selling Shareholder</u> (Accionistas Principales y Accionista Oferente).
7.2 Número y clase de los valores ofertados por cada uno de los tenedores vendedores de valores.	<ul style="list-style-type: none"> Sección <u>Principal Shareholders and Selling Shareholder</u> (Accionistas Principales y Accionista Oferente).
7.3 Compromisos de no disposición (lock-up agreements). Partes implicadas. Contenido y excepciones del acuerdo. Indicación del periodo de no disposición.	<ul style="list-style-type: none"> Sección <u>Plan of Distribution</u> (Plan de Distribución); sub- sección <u>Lock-up</u> (No Disposición).

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8 Gastos de la emisión/oferta	
8.1 Ingresos netos totales y cálculo de los gastos totales de la emisión/oferta.	<ul style="list-style-type: none"> • Sección <u>Use of Proceeds</u> (Destino de los Ingresos). • Sección <u>Plan of Distribution</u> (Plan de Distribución); sub-sección <u>Offering Expenses</u> (Gastos de la Oferta).
9 Dilución	
9.1 Cantidad y porcentaje de la dilución inmediata resultante de la oferta.	<ul style="list-style-type: none"> • No aplicable.
9.2 En el caso de una oferta de suscripción a los tenedores actuales, importe y porcentaje de la dilución inmediata si no suscriben la nueva oferta.	<ul style="list-style-type: none"> • No aplicable.
10 Información adicional	
10.1 Si en la nota sobre los valores se menciona a los asesores relacionados con una emisión, una declaración de la capacidad en que han actuado los asesores.	<ul style="list-style-type: none"> • Sección <u>Legal Matters</u> (Asuntos Legales).
10.2 Indicación de otra información de la nota sobre los valores que haya sido auditada o revisada por los auditores y si los auditores han presentado un informe. Reproducción del informe o, con el permiso de la autoridad competente, un resumen del mismo.	<ul style="list-style-type: none"> • Sección <u>Independent Auditors</u> (Auditores Independientes).
10.3 Cuando en la Nota sobre los valores se incluya una declaración o un informe atribuido a una persona en calidad de experto, proporcionar el nombre de esas personas, dirección profesional, cualificaciones e interés importante en el emisor, según proceda. Si el informe se presenta a petición del emisor, una declaración de que se incluye dicha declaración o informe, la forma y el contexto en que se incluye, y con el consentimiento de la persona que haya autorizado el contenido de esa parte de la Nota sobre los valores.	<ul style="list-style-type: none"> • No aplicable.
10.4 En los casos en que la información proceda de un tercero, proporcionar una confirmación de que la información se ha reproducido con exactitud y que, en la medida en que el emisor tiene conocimiento de ello y puede determinar a partir de la información publicada por ese tercero, no se ha omitido ningún hecho	<ul style="list-style-type: none"> • No aplicable.

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que haría la información reproducida inexacta o engañosa. Además, el emisor debe identificar la fuente o fuentes de la información.	

3 Resumen. Información requerida por el Anexo XXII del Reglamento 809/2004

La información requerida por el Anexo XXII del Reglamento 809/2004 se encuentra recogida en la sección denominada *Summary* (Resumen) del Folleto.

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