



## COMISIÓN NACIONAL DEL MERCADO DE VALORES

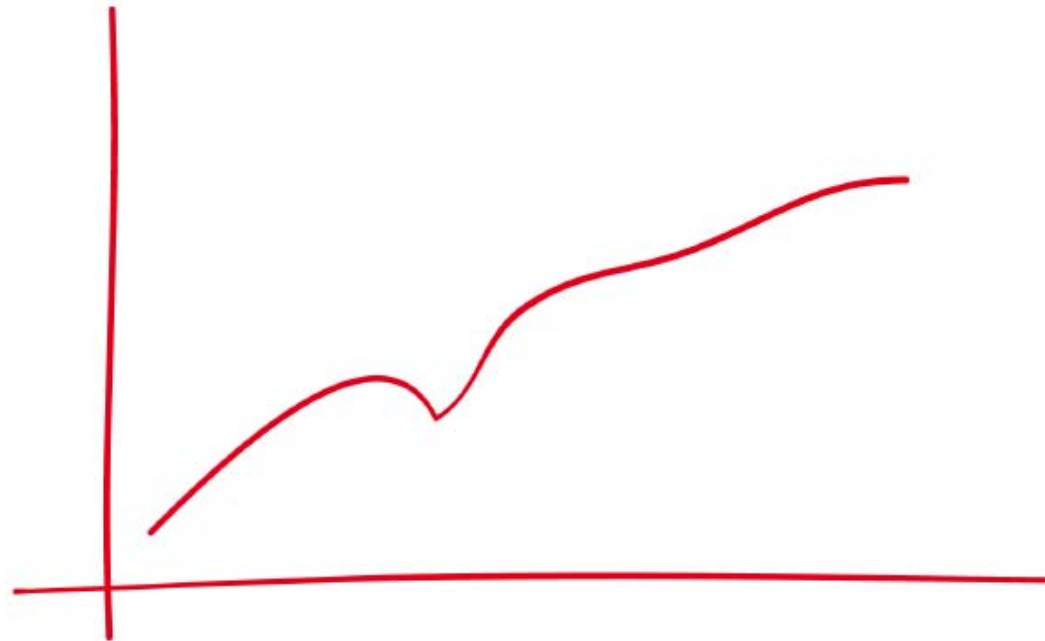
Madrid, 30 de julio de 2014

Muy Sres. nuestros:

ACCIONA adjunta presentación en inglés que se seguirá en la multiconferencia de hoy a las 12:00PM. La presentación podrá ser seguida vía webcast a través de la Web de ACCIONA ([www.accion.es](http://www.accion.es)).

Atentamente,

Jorge Vega-Penichet López  
Secretario del Consejo de Administración



**H1 2014**  
JANUARY - JUNE

30<sup>th</sup> July 2014

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## 1. H1 2014 key highlights

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# H1 2014 key highlights

## H1 2014 key highlights

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Strategic  
alliance with  
KKR

- ▶ Sale of a 1/3<sup>rd</sup> stake in ACCIONA Energía Internacional
- ▶ Acquisition price of €417m + Earn-out (€50m) + Management fee
  - 2.3GW net operating renewable capacity
  - 55 assets in 14 international markets
  - c.€120m cash distributable to partners

2

H1 highlights

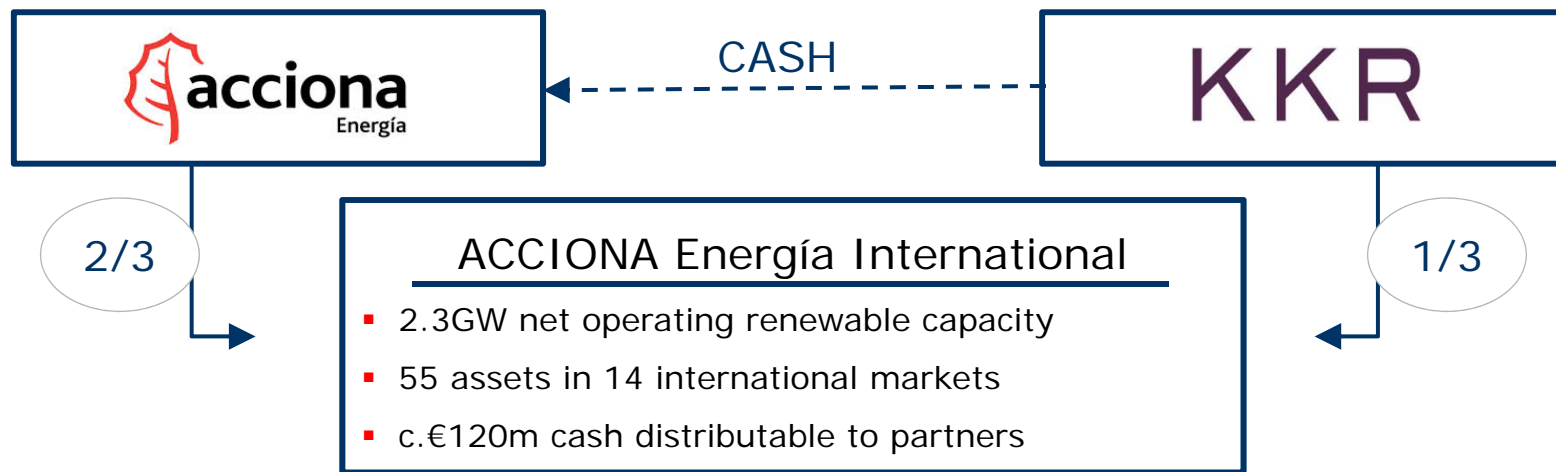
- ▶ New accounting since January 2014:
  - IFRS 11 implementation
  - Extension of accounting useful life for wind assets
- ▶ Renewables: New remuneration scheme applicable since July 2013 (RDL 9/2013)
- ▶ Extraordinary capital gains from disposals in H1 2014:
  - German wind assets
  - Two minority stakes in transport concessions

# 1 Strategic alliance with KKR

## Minority partnership

KKR acquires a 1/3 stake in AEI for €417m (excluding earn-out)

The relationship of the partners will be governed by a Shareholders Agreement



### Management Services Agreement

AE will provide AEI fully-comprehensive services required for its proper operation in exchange of an annual fee

### Right Of First Offer

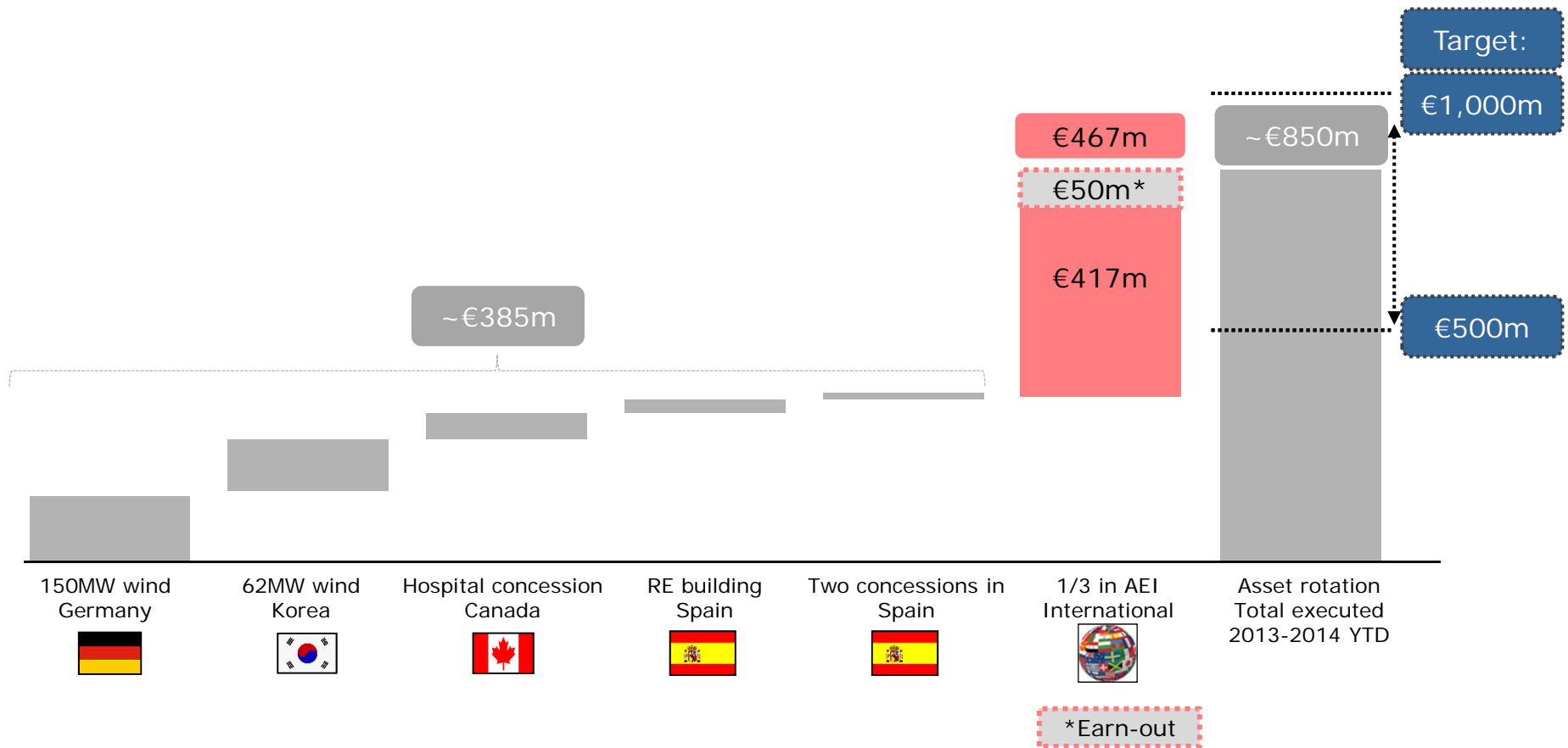
AE will grant AEI a ROFO on future assets developed within AEI operational territory

### Potential YieldCo




The agreement reflects the partners' intention to pursue the international listing of a YieldCo with a significant subset of AEI assets

# 1 Partnership with KKR

Consistent with ACCIONA's strategy asset rotation and incorporation of minority shareholders to core businesses → Initial target for the period 2013-2014 of €500m-€1,000m<sup>1</sup> exceeded with this landmark transaction









## 2 H1 2014 key highlights

<p><b>Accounting</b> (Since Jan 2014)</p>	<ul style="list-style-type: none"> <li>▶ <b>IFRS 11 implementation:</b> New consolidation method → Proportionally accounted assets now accounted by equity method</li> <li>▶ <b>Extension of accounting useful life:</b> Extension from 20 to 25 years of the wind assets, in line with sector</li> </ul>	<ul style="list-style-type: none"> <li>▶ H1 2013 restated to be comparable</li> <li>▶ Impact H1 2014:               <ul style="list-style-type: none"> <li>• 7,006 wind MW (5,486MW attrib.)</li> <li>• Depreciation: -€61m</li> </ul> </li> </ul> 
<p><b>Renewables Spain</b></p>	<ul style="list-style-type: none"> <li>▶ New regulatory framework applicable since July 2013</li> <li>▶ New remuneration scheme based on pool + investment incentive (€/MW) to achieve "regulated return"</li> </ul>	<ul style="list-style-type: none"> <li>▶ Impact RDL 9/2013 H1 2014:               <ul style="list-style-type: none"> <li>• Revenues: -€131m</li> <li>• EBITDA: -€121m</li> <li>• EBT: -€152m (incl. equity accounted)</li> </ul> </li> </ul> 
<p><b>Disposals</b></p>	<ul style="list-style-type: none"> <li>▶ <b>Disposal of German wind assets</b> (150MW) for EV €157m</li> <li>▶ Debt decons. as of Dec 2013: €85m</li> <li>▶ <b>Sale of two minority stakes</b> of 11.78% and 12.88% of two transport <b>concessions</b> in Barcelona to Globalvía</li> </ul>	<ul style="list-style-type: none"> <li>▶ Impact H1 2014:               <ul style="list-style-type: none"> <li>• No P&amp;L contribution for 2014</li> <li>• Capital gain: +€28m / Cash: +€67m</li> </ul> </li> <li>▶ Impact H1 2014:               <ul style="list-style-type: none"> <li>• Cash: +€16m</li> <li>• Capital gain: +€8m</li> </ul> </li> </ul> 



# H1 2014 key figures

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	(€m)	% Chg. vs H1 2013	
Revenues	3,005	-2.5%	
EBITDA	472	-16.3%	
EBITDA (ex regulatory impact)	593	+5.1%	
EBIT	254	+18.2%	
Ordinary capex	190	-6.4%	
NFD	5,848	-12.3%	

## 2. Group financial information

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# Group: Capex by division

## Capex breakdown By division

(€m)	Capex	
	Jan-Jun 13	Jan-Jun 14
Energy	93	188
WISE	110	21
Infrastructure	95	10
Water	12	5
Service	4	6
Other Activities	0	-18
<b>Net ordinary capex</b>	<b>203</b>	<b>190</b>
Extraordinary divestments	0	-83
<b>Total net capex</b>	<b>203</b>	<b>108</b>

-6%

## Key highlights

- Net ordinary capex slightly below H1 2013 (-6%)
- Energy captures most of the investment effort:
  - 266MW under construction
    - 100% international
    - 174MW wind
    - 92MW SPV
  - 17MW wind and 2MW SPV installed during H1 2014
- €83m of extraordinary divestments correspond to cash proceeds of:
  - The sale of German assets (150MW) completed in January 2014
  - The sale of two transport concessions in Spain in June 2014

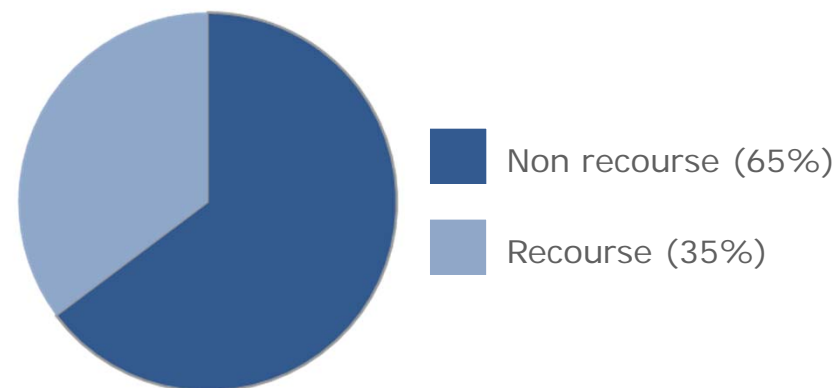
# Group: Debt breakdown by division and nature

## Net debt breakdown By division

(€m)	Net Debt 31-Dec-13	Net Debt 30-Jun-14
Energy	4,810	4,607
WISE	222	437
Infrastructure	142	295
Water	54	104
Service	26	39
Other Activities	1,008	804
<b>Total Net Debt</b>	<b>6,040</b>	<b>5,848</b>

-3%

## Gross debt breakdown By nature



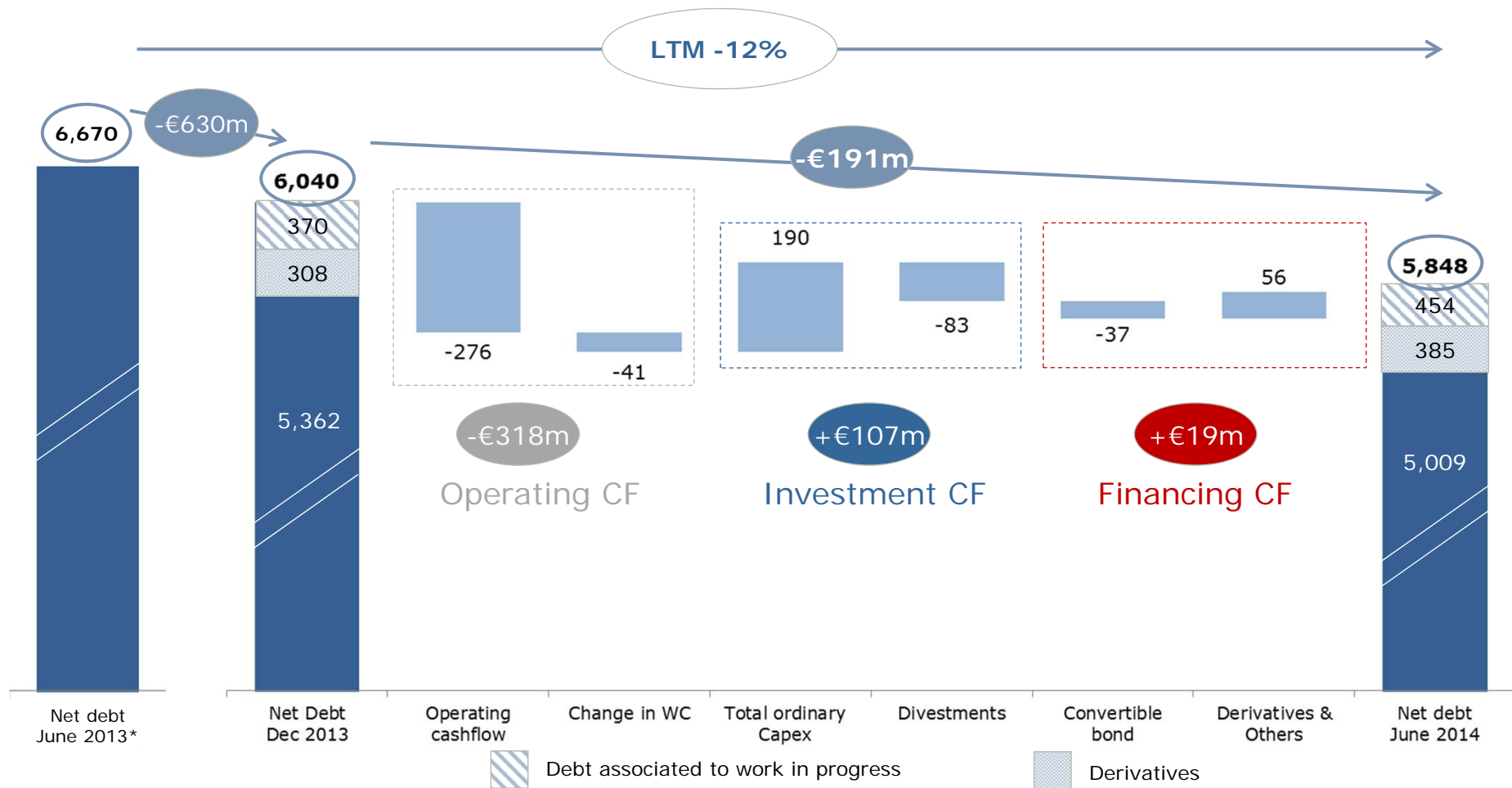
€7,380m

(Million Euro)	30-Jun-14
Gross debt	7,380
Cash & cash equivalents	-1,531
<b>Net Financial Debt</b>	<b>5,848</b>

Diversification of funding sources (convertible bond, private placement, EIB loan, EMTN programme and ECP)

# Group: Net debt evolution

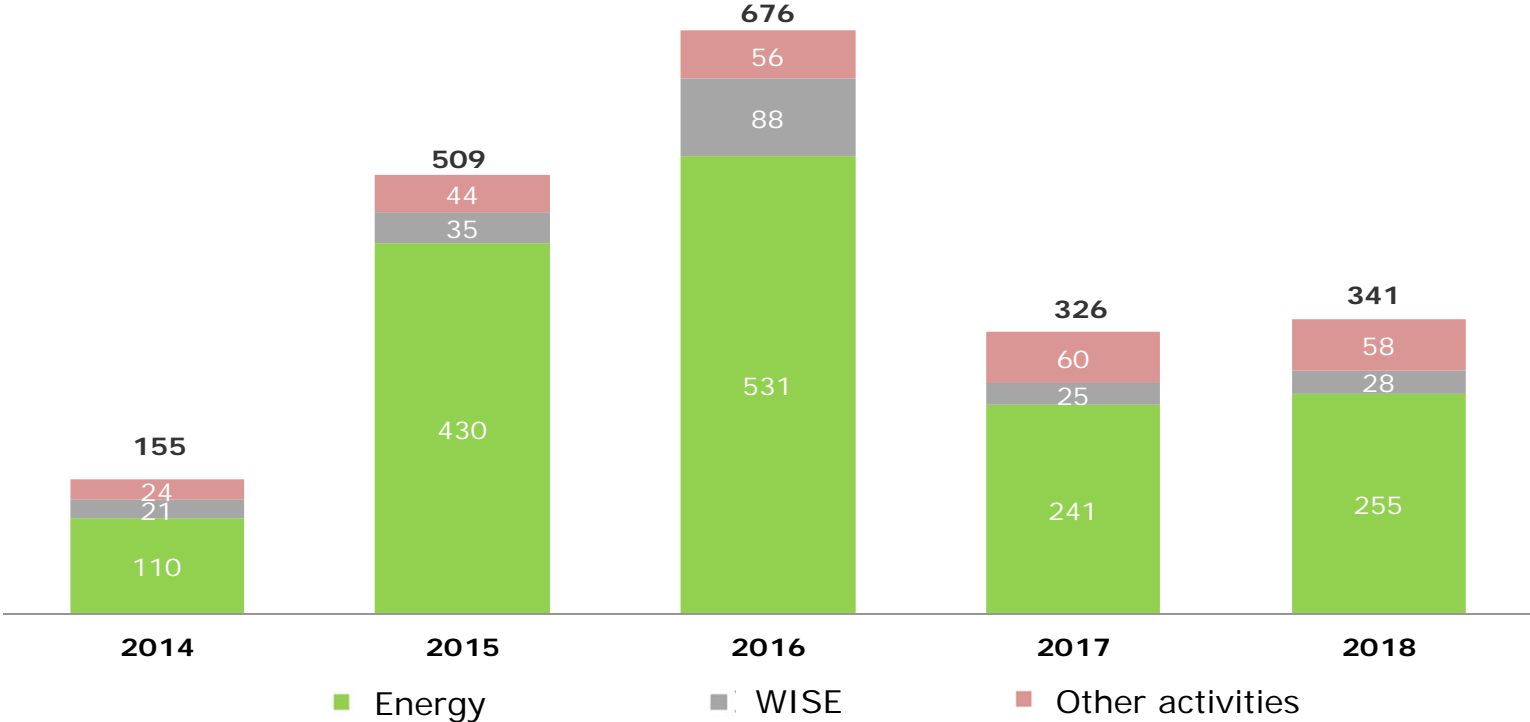
## Net debt reconciliation H1 2014 (€m)



\*IFRS 11 restated

# Group: Debt amortization schedule

Principal repayment schedule 2014-2018 (€m)<sup>1</sup>



Undrawn corporate credit lines of €1.8bn as of 30<sup>th</sup> June 2014

<sup>1</sup> Excludes bilateral credit policies, project bridge financing and real estate development loans  
 Note: Repayment schedule during the period to December 2018

# Group: Transforming ACCIONA's corporate debt structure

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## Main objectives

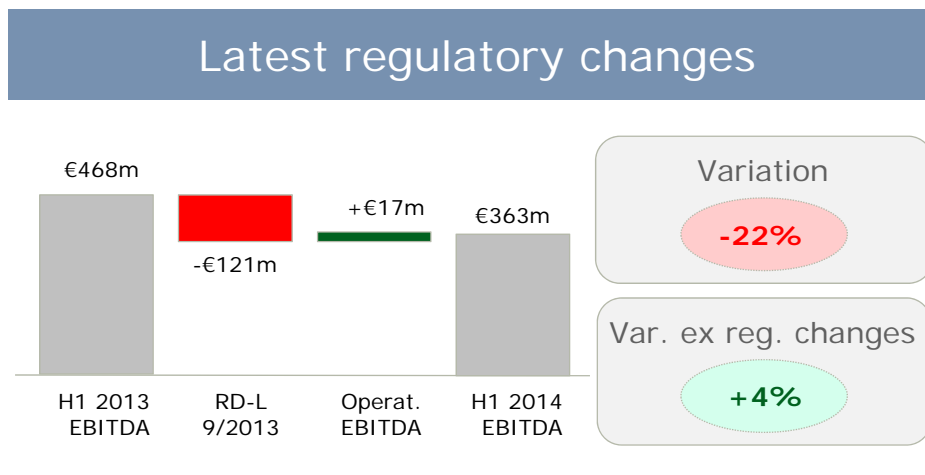
- Diversify access to corporate debt financing, reducing traditional dependence on banking debt, increasing access to capital markets
- Extend average life of corporate debt
- Reduce financing costs and optimise liquidity
- Focus corporate debt by simplifying structure and reducing structural subordination of new debt instruments we are issuing (i.e. bonds)

## Significant progress to date on this gradual transformation

- Convertible bond, private placement, EIB loan, EMTN programme, and commercial paper programme – €1.1m as of July, reducing bank finance to c. 55%
- >50% of credit lines moved to finance entity ACCIONA Financiación Filiales. Target close to 100% by year end
- Considering reducing credit line limits given ample liquidity position in order to reduce financing costs associated to up-front and availability fees
- Cash pooling at groupwide level – fully implemented by year-end

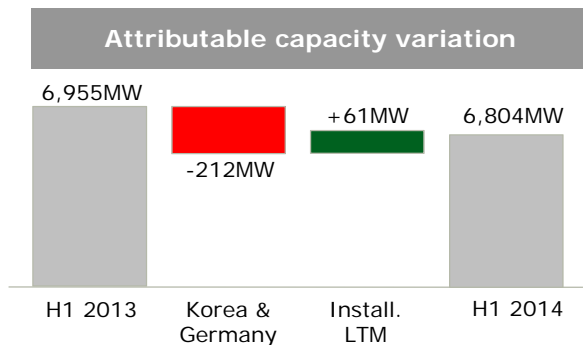
# Energy: Key figures

Key figures				
(Million Euro)	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
<b>Revenues</b>	<b>1,047</b>	<b>980</b>	<b>-66</b>	<b>-6.3%</b>
<b>EBITDA</b>	<b>468</b>	<b>363</b>	<b>-104</b>	<b>-22.3%</b>
<i>Margin (%)</i>	44.7%	37.0%		



## Capacity

- Reduced perimeter (-151MW) after the sale of 212MW (Korea and Germany) partially offset by the installation of 61MW



## Production

- Attributable production in line (despite having a reduced perimeter) mainly driven by hydro and international wind

Attributable TWh	Jan-Jun 14	Chg. (%)
Wind spain	4.00	-6.1%
Wind international	3.14	+5.0%
Hydro	1.73	+5.5%
Solar and other	0.46	-10.1%
<b>TOTAL</b>	<b>9.32</b>	<b>-0.7%</b>

## Industrial & Develop.

- Net improvement of €25m relative to the same period last year, boosted by the good performance of AWP

EBITDA (€m)	Jan-Jun 14	Chg. (€m)
Biofuels & others	0	+1
Windpower	-5	+23
D&C <sup>1</sup>	-17	+2
<b>TOTAL</b>	<b>-22</b>	<b>+25</b>

<sup>1</sup> Development and Construction



# Energy: Severe impact of cumulative measures

## Impact of regulatory changes 2012-2013

	Law 15/2012 <sup>1</sup> + RDL 2/2013 <sup>2</sup>	RDL 9/2013	= Total impact	
Revenues	-€16m	-€131m	-€147m	
EBITDA	-€60m	-€121m	-€181m	
EBT	-€65m	-€152m	-€216m	













EBT would have been €216m higher excluding the total impact of regulatory measures introduced in Spain since 2012

<sup>1</sup> Law 15/2012: 7% generation revenue tax, hydro levy and CSP economic framework

<sup>2</sup> RDL 2/2013: Removal of the pool + premium option and revision of the tariff update formula

# Energy: Wind drivers by country

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

	H1 2014		H1 2013		Chg. (%)
	Av. price (€/MWh)	LF (%)	Av. price (€/MWh)	LF (%)	Av. price (€/MWh)
 Spain Average	47.9	27.8%	85.6	29.7%	-44.0%
<i>Spain - Regulated</i>	56.9		-		
<i>Spain - Not regulated</i>	28.4		-		
 Canada	40.2	35.0%	55.1	38.0%	-27.1%
 USA	42.4	44.0%	43.3	38.1%	-2.2%
 India	42.6	25.4%	45.0	28.9%	-5.5%
 Mexico	51.6	39.9%	52.4	37.2%	-1.5%
 Australia	61.1	34.8%	66.0	34.0%	-7.4%
 Greece	87.5	32.3%	90.0	32.6%	-2.8%
 Poland	97.8	26.4%	98.8	18.1%	-1.0%
 Croatia	103.8	34.8%	105.3	n.m.	-1.4%
 Portugal	104.6	33.2%	105.2	34.2%	-0.5%
 Hungary	111.3	24.9%	114.5	27.8%	-2.8%
 Italy	147.0	19.3%	146.3	20.5%	0.5%


Note: USA includes a "normalized" PTC of 23\$/MWh (~17€/MWh)

# Energy: Installed capacity and under construction

## Installed MW + Under construction MW @ H1 2014

MW	Installed MW			Under constr.
	Total	Attributable	Eq accounted	Attributable
Wind Spain	4,743	3,466	619	0
Wind international	2,263	2,021	48	174
Conventional Hydro	681	681	0	0
Hydro special regime	248	248	0	0
Solar Thermoelectric	314	314	0	0
Biomass	61	61	0	0
Solar PV	51	6	30	92
Cogeneration	9	9	0	0
<b>TOTAL</b>	<b>8,370</b>	<b>6,804</b>	<b>697</b>	<b>266</b>

Wind - Under construction  
 → Chile 36MW   
 → South Africa 138MW 

SPV - Under construction  
 → South Africa 92MW 



Note: Attributable MW means consolidated MW

# Energy: Capacity under the equity accounting method

## Detail of capacity via the equity accounting method

30-Jun-14	H1 2014 (proportional figures)				
	MW	GWh	EBITDA	NFD	Average COD
Wind Spain	619	842	20	262	2005
Wind International	48	63	3	15	2005
Australia	33	43	2	10	2005
Hungary	11	12	1	5	2006
USA	4	8	0	0	2003
Solar PV	30	28	10	108	2008
<b>Total equity accounted</b>	<b>697</b>	<b>933</b>	<b>33</b>	<b>385</b>	<b>2006</b>

The 697MW contributed €5m in H1 2014 results as income from associates

# Infrastructure: Key figures and backlog

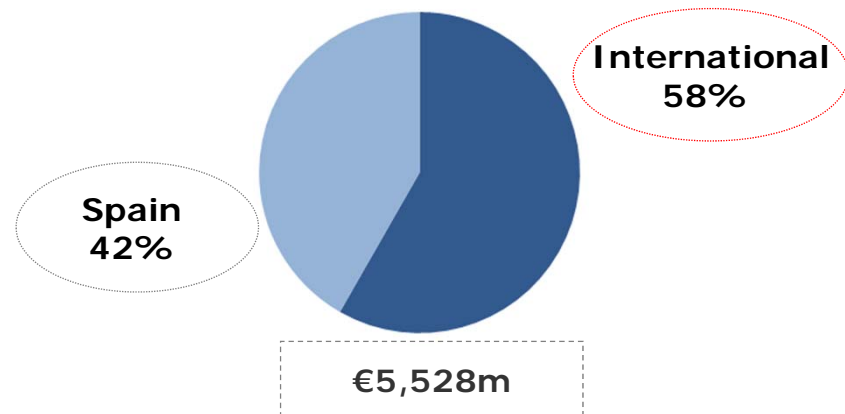
## Key figures

(Million Euro)	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
<b>Revenues</b>	<b>1,303</b>	<b>1,186</b>	<b>-117</b>	<b>-9.0%</b>
<b>EBITDA</b>	<b>56</b>	<b>45</b>	<b>-11</b>	<b>-19.3%</b>
<i>Margin (%)</i>	4.3%	3.8%		

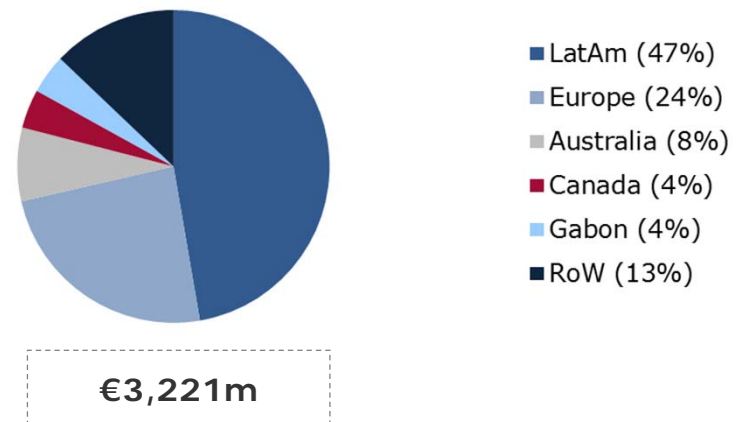
## Key highlights

- Revenues decrease due to lower volumes in construction
- Concessions: Revenues in line and higher EBITDA (+8.3%) → No effect from the disposal of Royal Jubilee Hospital in Canada in 2013 (equity accounted)
- International backlog reaches an overall weight of 58%

## Construction backlog H1 2014



## International backlog H1 2014 By region



# Infrastructure: Concessions



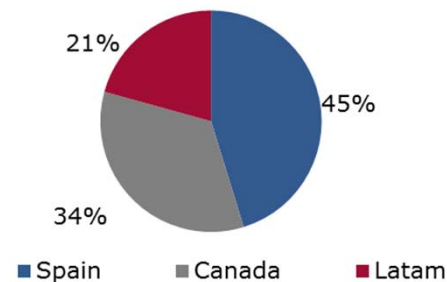
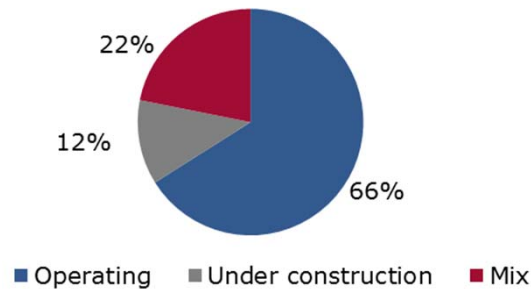
	Road	Rail	Canal	Port	Hospital	Total
# of concessions	12	1	1	1	5	20
Proportional EBITDA H1 2014 (€m)	48	1	1	0	11	58
<i>Consolidated EBITDA H1 2014 (€m)</i>	17	0	0	0	7	20
Average life (yrs)	33	35	30	30	29	31
Average consumed life (yrs)	7	5	8	9	6	7
<b>Invested capital (€m)</b>	1,338	43	63	17	237	<b>1,776</b>

**Equity:**  
€429m  
**Net debt<sup>1</sup>:**  
€1,347m

By degree of construction

By region

Invested capital  
(€1,776m)



Note: EBITDA and invested capital include -€4m and +€79m from holdings respectively. Lives are weighted by BV excluding holdings  
<sup>1</sup>Debt figure includes net debt from concessions held for sale (€21m) and those accounted by the equity method (€936m)

# Water and Service

## Water: key figures

<i>(Million Euro)</i>	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
<b>Revenues</b>	<b>222</b>	<b>214</b>	<b>-8</b>	<b>-3.7%</b>
<b>EBITDA</b>	<b>12</b>	<b>11</b>	<b>-1</b>	<b>-9.7%</b>
<i>Margin (%)</i>	5.6%	5.2%		

## Key highlights

- ACCIONA Water includes: construction & operation of desalination, waste water and reuse plants. Also includes water concessions (around 6 million people served)
- Water backlog stands at €9.8bn

## Service: key figures

<i>(Million Euro)</i>	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
<b>Revenues</b>	<b>289</b>	<b>335</b>	<b>47</b>	<b>16.1%</b>
<b>EBITDA</b>	<b>7</b>	<b>9</b>	<b>2</b>	<b>36.4%</b>
<i>Margin (%)</i>	2.3%	2.7%		

## Key highlights

- ACCIONA Service includes: facility services, airport handling, waste management, logistic services and other
- Revenues up 16.1% to €335m boosted by higher volumes at facility services
- EBITDA increase of 36.4% driven by handling activity

# Other activities

## Other activities: key figures

(Million Euro)	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
<b>Revenues</b>	<b>279</b>	<b>339</b>	<b>60</b>	<b>21.6%</b>
<b>EBITDA</b>	<b>21</b>	<b>42</b>	<b>20</b>	<b>96.4%</b>
<i>Margin (%)</i>	7.6%	12.3%		

## Other activities: EBITDA breakdown

(Million Euro)	Jan-Jun 13	Jan-Jun 14	Chg.	Chg. (%)
Trasmediterranea	-7	-5	2	-26.6%
Real Estate	-0.3	5	6	n.m.
Bestinver	31	44	12	39.4%
Winery	0.2	0.5	0.3	150.1%
Corp. & other	-3	-3	0.3	-11.0%
<b>EBITDA</b>	<b>21</b>	<b>42</b>	<b>20</b>	<b>96.4%</b>

## Key highlights

### Trasmediterranea:

- Trasmediterranea's EBITDA amounted to -€5m compared to -€7m from previous year
- EBITDA increases by €2m due to higher average prices for passengers and vehicles in the period

### Real Estate:

- Real Estate EBITDA reached €5m boosted by positive performance of the international development activity (Mexico in particular)

### Bestinver:

- AUM reached €10,198m as of June 2014, +14.2% with reference to December 2013
- Bestinver reported EBITDA of €44m (+39.4%) vs. H1 2013



### 3. Closing remarks

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## Closing remarks

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Results severely impacted by new regulation

→ Regulatory impact (RDL 9/2013): -€152m EBT

→ Total impact (Law 15/2012+ RDL 2/2013 + RDL 9/2013): -€216m EBT

Improvements at operating level (vs. June 2013)

→ EBITDA up +5% ex regulatory impact (RDL 9/2013)

→ Net debt down by 12% and increased liquidity up by +46%

Rigorous Action Plan for the transformation of growth model:

→ Minority partnership with KKR

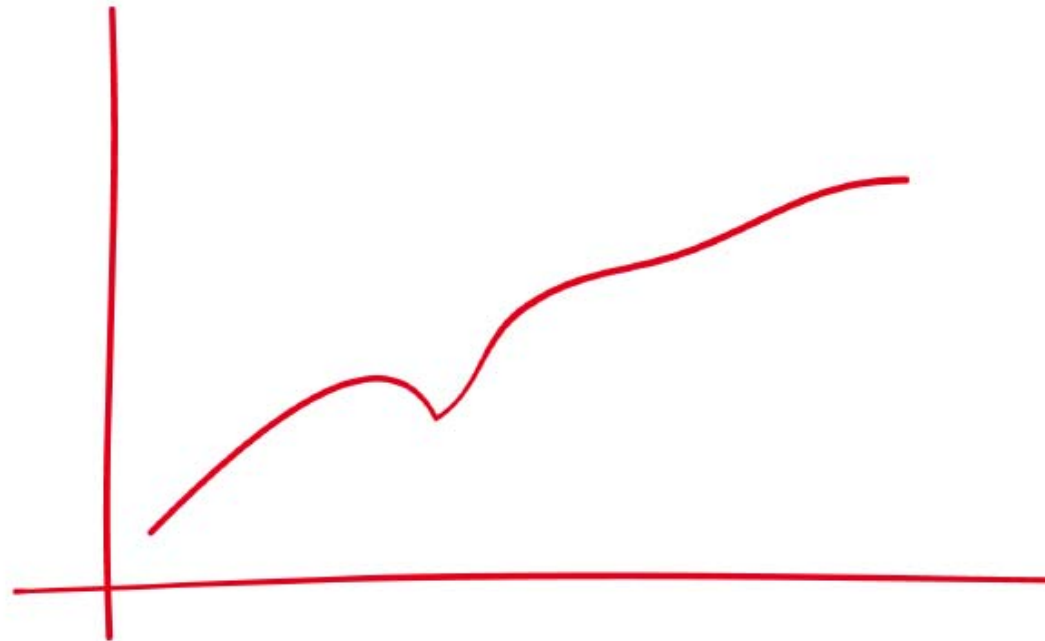
→ Disposals on track

→ Cost cutting

→ 2013 dividend cancellation

→ Corporate debt structure transformation

→ Reorganisation



**H1 2014**  
JANUARY - JUNE

30<sup>th</sup> July 2014