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13th January 2014, Madrid

Improved Outlook

ACIONA starts a new cycle with strengthened businesses and capabilities

Improved outlook based on key factors:

- ▶ **Strong and well positioned company** → profound 2014 transformation
- ▶ **Overcoming regulatory impact** → major negative impact but there is visibility at last and ACCIONA can now fully focus on its growth strategy
- ▶ **Action Plan / Transformation** → major delivery of Plan targets in 2014
- ▶ **Improved economic Outlook** → economic recovery taking place despite risks and challenges

Overcoming the regulatory impact

New framework model for Spanish renewables

Major negative impact but ACCIONA can now move on

▶ **Key concern over the last 3 years** → Affecting 70% of installed capacity

▶ **Summary of measures in three waves:**

1. Generation tax and CSP regulatory changes → c. €100m
2. Removal of pool + premium option & revision of tariff update formula → c. €65m
3. New regulatory framework for renewables → c. €200m

▶ **Dramatic impact in a normalized year** → €365m or 25% of Group's EBITDA and more than 50% at PBT level 2014 → Significant impairments & first-ever losses in 2013, but Group back to profits in 2014

▶ **PF structures under control** → Focus on protecting terminal value of all Spanish assets → Value crystallization potential

Action Plan / Transformation

Regulatory reform a catalyst for change
Acceleration of processes already underway

- ▶ De-gearing / reduction of financial risk - following a phase of very strong capital-intensive growth (Energy in particular)
- ▶ Consolidation / rationalization of our core businesses
- ▶ Transformation of growth model:
 - Less capital intensive
 - Focus on core competences

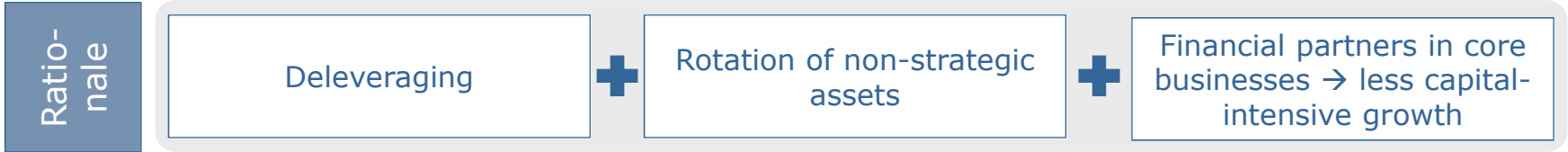
Action Plan anticipated further regulatory impacts and was aimed to ensure ACCIONA's financial flexibility

Action Plan / Transformation Achievements

Strategic / Financial measures	Capex	▶ Significant short term capex reduction → 2013-14 target implied 50% reduction vs previous business plan
	Costs	▶ Significant cost reduction plan being implemented in Energy, Infrastructure & Other Activ. More initiatives under consideration
	Dividend	▶ Dividend distribution during 2014 cancelled
	Debt	▶ Significant deleverage → ND/EBITDA down from 5.7x Dec 2013 to ~5x expected Dec 2014 ▶ Transformation of corporate debt – capital markets and term extension
	Disposals/ Partnerships	▶ Target: €0.5-1.0bn worth of assets in 2013-14 – KKR partnership in 2014 a landmark deal for ACCIONA ▶ 2013-14 YTD → Disposals to date ~€0.9bn
Reorganisation	Corporate	▶ Senior management changes ▶ Infra / Water / Service: – A single & more comprehensive global offer to clients with synergies among business units. More efficient international organizational structure – Focus on accountability and risk control through specialization, technical excellence and consistent execution




Action Plan / Transformation




Rotations / Partnerships



Status	<p>▶ c.€0.9bn (Target €0.5-1.0bn of EV in 2013-14) → Target achieved</p>
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|----------------|---|
| Main disposals | <ul style="list-style-type: none">  ▪ Germany renewable assets <ul style="list-style-type: none"> • 150MW • EV: €157m (Incl. ND of €85m)  ▪ Korea renewable assets <ul style="list-style-type: none"> • 64MW • EV: €114m (Inc. ND of €20m)  ▪ Royal Jubilee Hospital concession in Canada  ▪ Real Estate rental asset |
|----------------|---|

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| <ul style="list-style-type: none">  ▪ Partnership with KKR <ul style="list-style-type: none"> • KKR acquires a 1/3 stake in AEI for €397m (excluding earn-out consideration) • 2.2GW net operating renewable capacity  ▪ Two tram concessions  ▪ Minority stake in BME |
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Action Plan / Transformation

Other business developments during 2014

Real Estate

- ▶ **Real Estate team reinforced** with Walter de Luna (former CEO of SAREB)
- ▶ Focus on Residential as core strategic advantage

AWP

- ▶ Significant operational improvement of the 3MW turbine
- ▶ LCE down 25%
- ▶ Business turn-around → 9M 2014 EBITDA of +€15m vs -€34m 9M 2013
- ▶ Record backlog > 1GW

Bestinver

- ▶ New management & investment teams:
 - Luis Rivera → Chairman
 - Beltrán Lastra → Chief Investment Officer
 - Ricardo Cañete → Iberian Equity Manager

2015 – further progress and improvement to come

2015 – Likely to strike the right balance between our three strategic priorities:

1

De-leverage

2

Shareholder remuneration

3

Growth

Some key 2015 initiatives include:

- ▶ **Energy** → Re-activation of development activity / growth opportunities
- ▶ **Infrastructure** → consolidate business integration and improvement of results
- ▶ **Real Estate** → Strengthened team to explore partnership/growth opportunities
- ▶ **Bestinver** → stabilization of AUM and transformation into a multi asset manager
- ▶ **Trasmediterránea** → Continued operational improvement and potential disposal



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