



9M 2016 January-September Results presentation

4th November 2016

2 | Disclaimer



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

3 | Key highlights



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

4 | 9M 2016 key figures



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

5 | 9M 2016 Extraordinaries



Breakdown of €92m extraordinary effects at EBT

Positive effects

+€711m

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

Negative effects

-€619m

(with limited
impact in cash-
flow)

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

6 | Group: Capex by division

Capex breakdown

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

Key highlights

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

7 | Group: Refinancing transactions



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

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

Syndicated facility increased and Maturity Extended

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

Refinancing of PF structures with corporate debt

- **CSP Spain:** Refinancing of a Project Finance structure with gross debt of €475m related to three CSP plants in Spain (150MW) with €400m of corporate debt
- **USD Wind Assets:** Refinancing of four Project Finance structures totaling gross debt of US\$635m related to four wind projects in Mexico, Chile and US with a 5-year syndicated loan facility (corporate debt) of US\$550m
- **Spanish Wind and Hydro:** Refinancing of a Project Finance of €965m related to 1,133 MWs of Wind and 177 MWs of Hydro in Spain.
- Average interest cost reduced by ~400bps¹
- Cash optimization

¹ Based on current financing conditions

8 | Group: Debt breakdown by division and nature

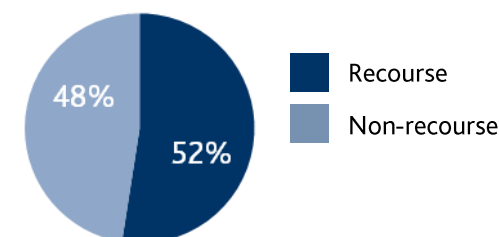


31-Dec-15		30-Sep-16				
		Recourse debt	Non-recourse debt	Gross debt	Cash + C. Equiv.	Net debt
(€m)	Net debt					
Energy	4,295	1,977	2,911	4,889	-504	4,385
Infrastructure	162	797	345	1,142	-921	221
Construction	136	571	224	795	-664	131
Water	17	164	115	279	-238	41
Services	9	62	6	68	-20	49
Other businesses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

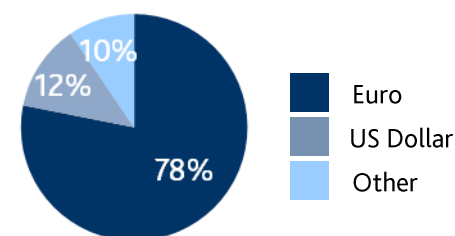


Average cost of debt down
66 bps since December 2015

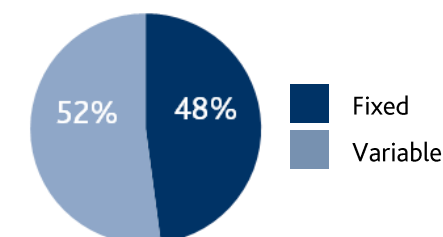
Gross debt - Nature



Gross debt - Currency



Gross debt - Interest rate



9 | Group: Recourse debt & liquidity



Debt with recourse: €3,810m

Debt with recourse (€m)	30-Sep-16
Bank debt	2,730
Commercial paper programme	263
Bonds	296
Convertible bond	320
Other (ECAs, Supranationals)	201
Capital markets	1,080
Total debt with recourse	3,810
Liquidity (€m)	30-Sep-16
Cash	1,835
Available committed credit lines	1,665
Total liquidity	3,500

Average cost of debt

3.90%

2.79%

Dec 2015

Sept 2016

Average maturity (years)

2.41

2.94

Dec 2015

Sept 2016

Averg. matur. Undrawn credit lines (years)

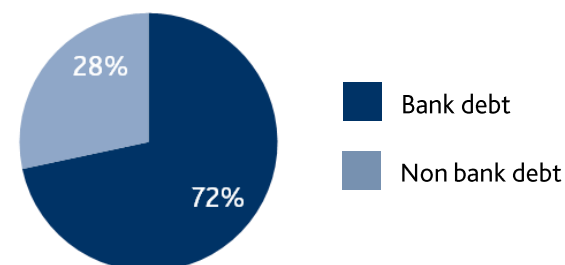
3.90

3.88

Dec 2015

Sept 2016

Bank debt vs. capital markets

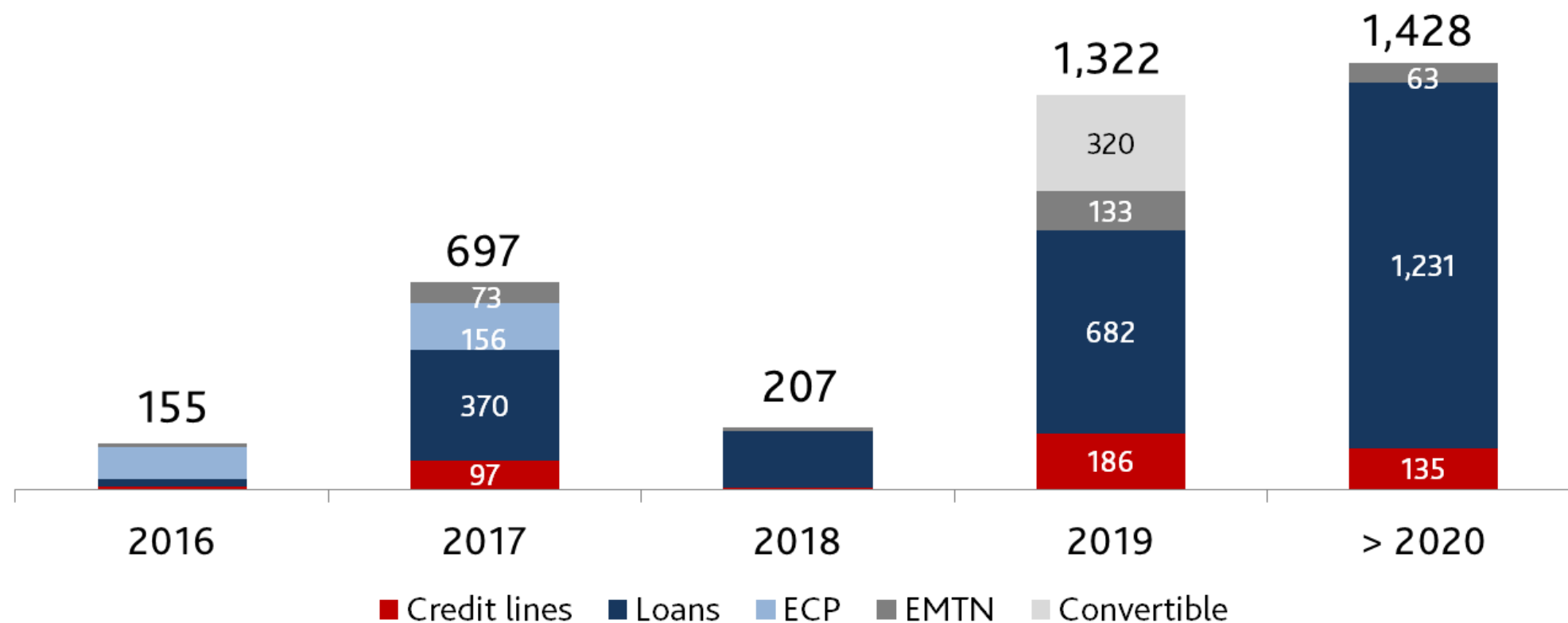


Tactically tapping banking market given its strong liquidity, whilst maintaining diversified corporate debt mix

10 | Group: Recourse debt & liquidity



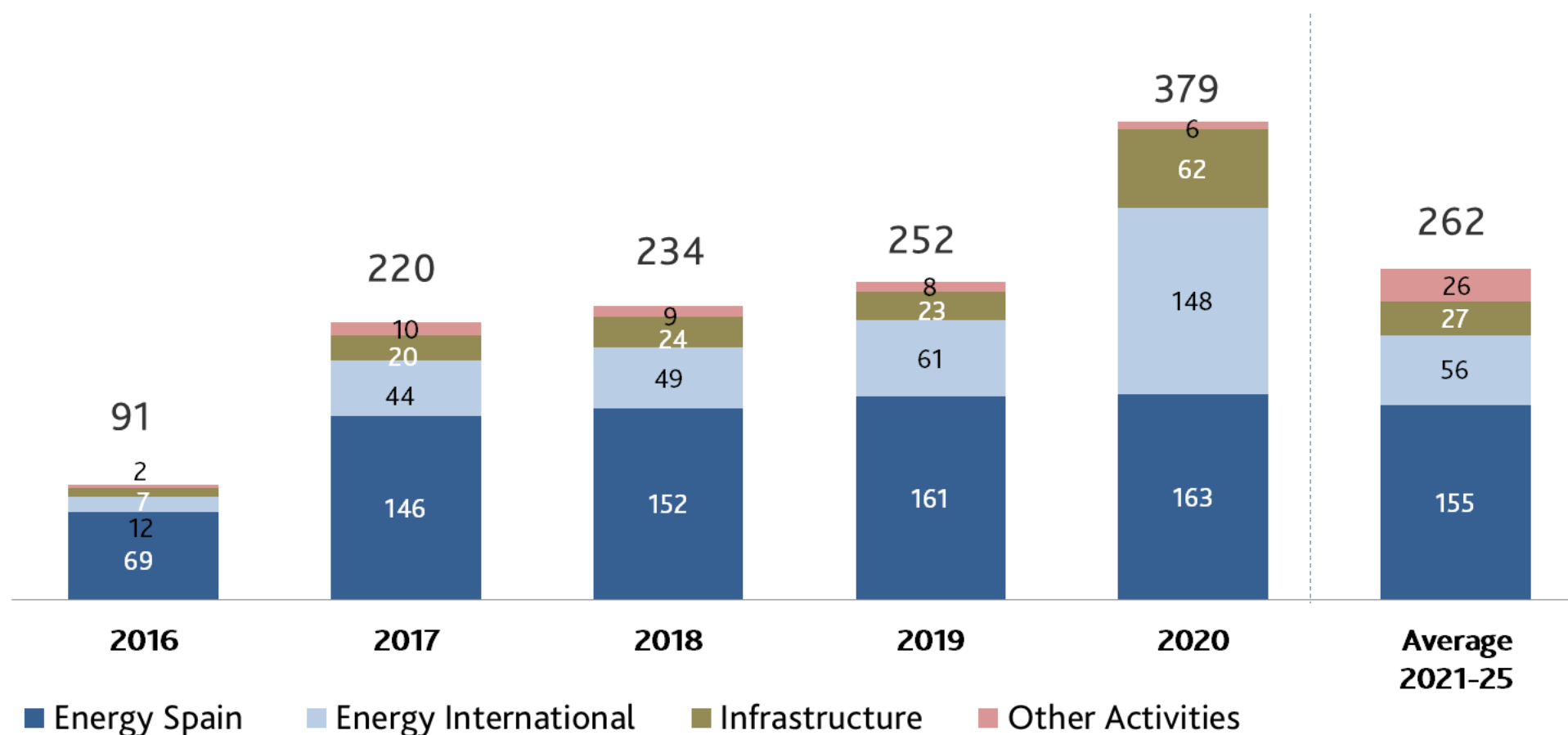
Maturity profile of debt with recourse (€3,810m)



11 | Group: Non-recourse debt amortization schedule

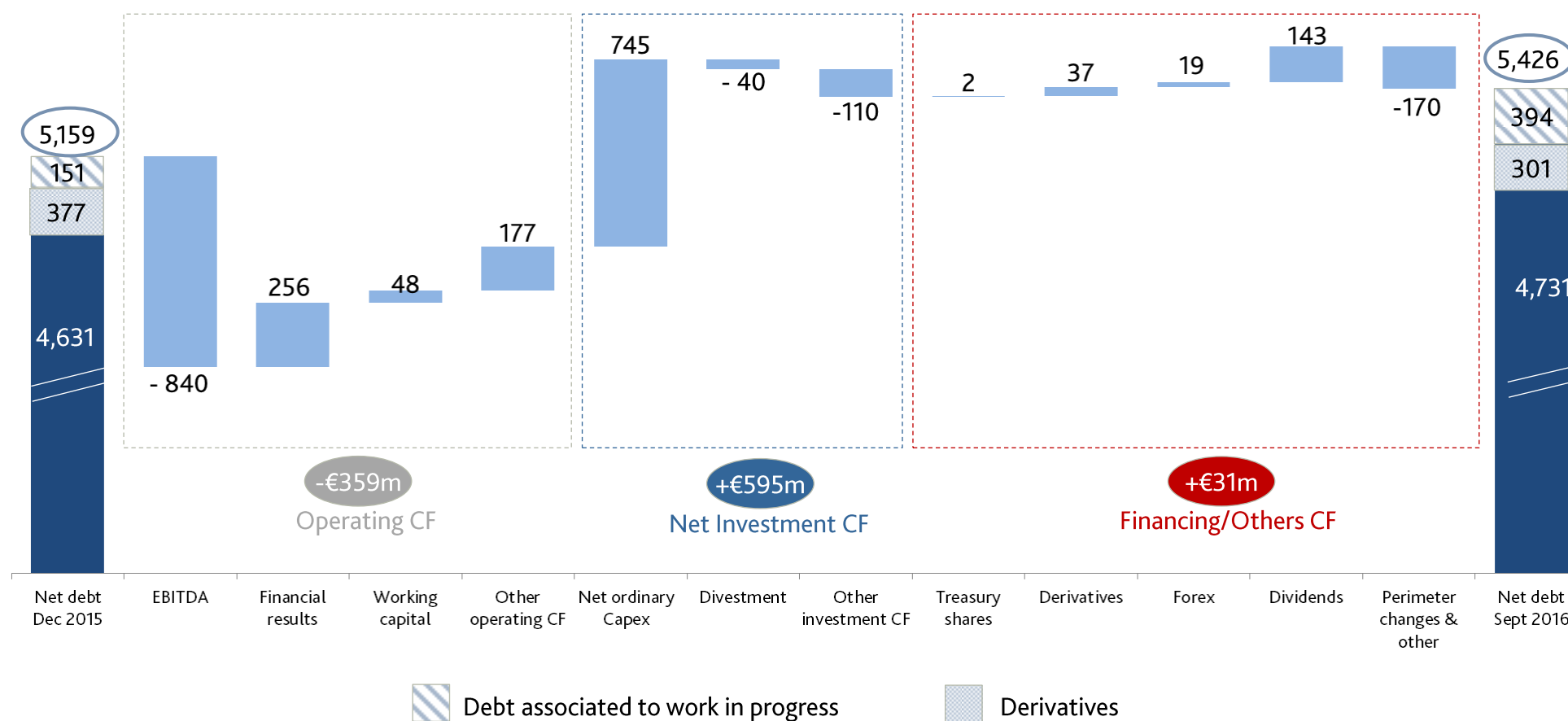


Principal repayment schedule 2016-2025 (€m)



12 | Group: Net debt evolution

Net debt reconciliation 9M 2016 (€m)



13 | Energy: Key figures

Key figures

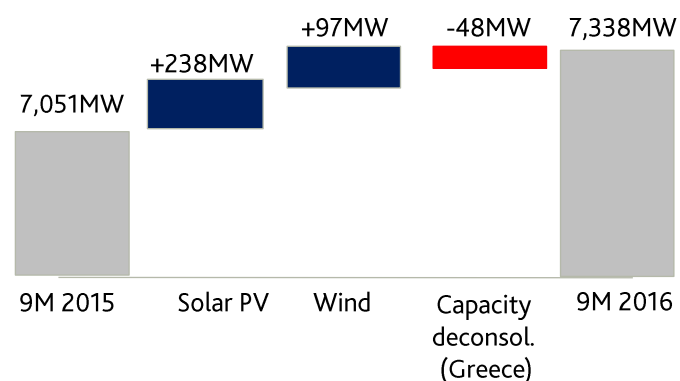
(Million Euro)	Jan-Sep 15	Jan-Sep 16	Chg.	Chg. (%)
Revenues	2,097	1,360	-737	-35.2%
EBITDA	679	534	-145	-21.4%
Margin (%)	32.4%	39.3%		

- AWP deconsolidated as of 1st April 2016

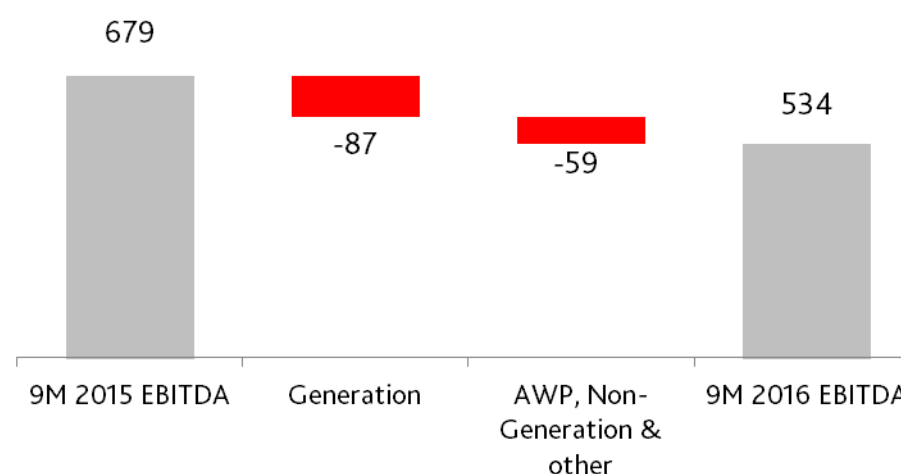
Capacity

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

Consolidated capacity variation



EBITDA evolution (€m)



Production

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

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

14 | Energy: 9M 2016 installations and WIP



Under construction MW

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

* Peak capacity

15 | Energy: Growth visibility



New Capacity Awarded during 2016

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

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

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

16 | Infrastructure: Construction



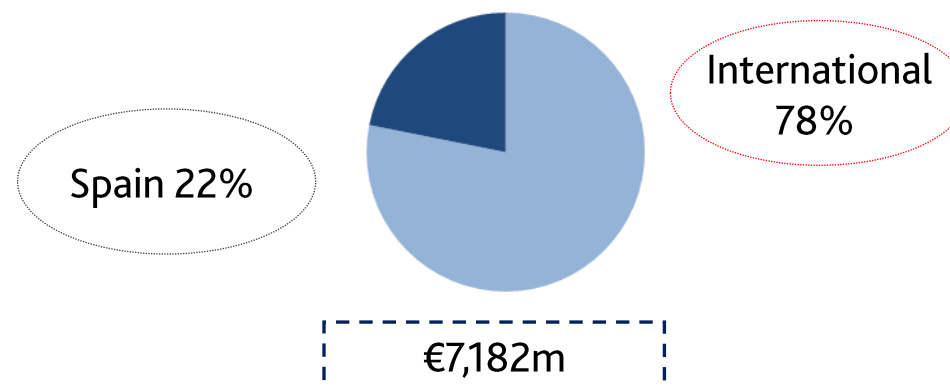
Key figures

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

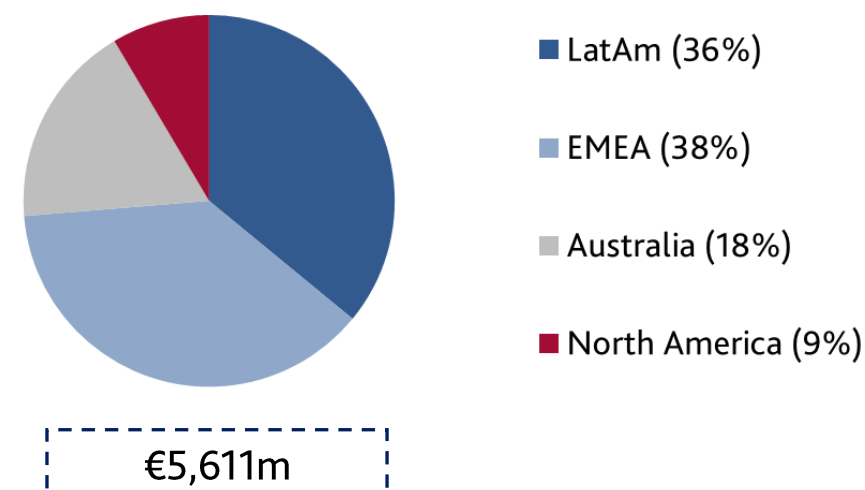
Key highlights

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

Construction backlog 9M 2016 (€m)



International backlog 9M 2016 by region

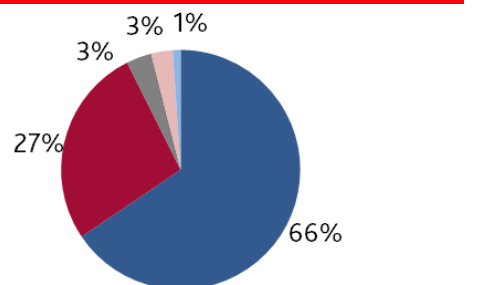


17 | Infrastructure: Concessions



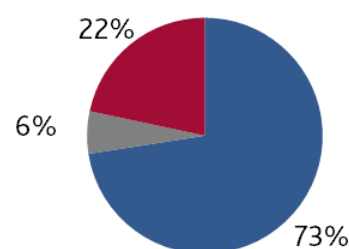
							
	Road	Rail	Canal	Port	Hospital	Water	TOTAL
# of concessions	13	2	1	1	6	56	79
Proportional EBITDA 9M 2016 (€m)	49	2	3	0	18	105	172
Consolidated EBITDA 9M 2016 (€m)	31	0	0	0	9	78	114
Average life (yrs)	33	29	30	30	28	n.m.	n.m
Average consumed life (yrs)	9	5	10	11	7	n.m.	n.m
Invested capital ¹ (€m)	954	55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

By region



■ Spain ■ Latam ■ Canada ■ Australia ■ Africa

By degree of construction



■ Operating ■ Under construction ■ Mix

	Equity	Net debt
Infrastruc.	475	933 ²
Water	230	261 ³
Total	705	1.193

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

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

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

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

18 | Infrastructure: Water and Service



Water: key figures

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

Key highlights

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

Service: key figures

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

Key highlights

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

19 | Other activities

Other activities: key figures

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

Other activities: EBITDA breakdown

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

Key figures

Trasmediterránea:

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

Real Estate:

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

Bestinver:

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

20 | Closing remarks



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

Securing growth for the future at attractive returns – margins:

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

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

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

On track to meet FY2016 targets

Appendix

22 | Energy: Equity-accounted generation capacity



Detail of capacity accounted under the equity method

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

Note: Average COD weighted per MW

23 | Energy: Wind drivers by country



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

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

Note: Prices for consolidated MWs

* Prices include regulatory incentive and any adjustments due to the application of the banding mechanism

**303MW located in the US additionally receive a "normalized" PTC of \$23/MWh



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