acciona

H1 2017 January-June
Results presentation

28th July 2017

2 | Disclaimer

This document has been prepared by ACCIONA, S.A. ("ACCIONA" or the "Company") exclusively for use during the presentation of financial results for the first half of 2017 (H1 2017). Therefore it cannot be disclosed or made public by any person or entity with an aim other than the one expressed above, without the prior written consent of the Company.

The Company does not assume any liability for the content of this document if used for different purposes thereof.

The information and any opinions or statements made in this document have not been verified by independent third parties, nor audited; therefore no express or implied warranty is made as to the impartiality, accuracy, completeness or correctness of the information or the opinions or statements expressed herein.

Neither the Company, its subsidiaries or any entity within ACCIONA Group or subsidiaries, any of its advisors or representatives assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents.

The information contained in this document on the price at which securities issued by ACCIONA have been bought or sold, or on the performance of those securities, cannot be used to predict the future performance of securities issued by ACCIONA.

Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

IMPORTANT INFORMATION

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law (Law 24/1988, of July 28, as amended and restated from time to time), Royal Decree-Law 5/2005, of March 11, and/or Royal Decree 1310/2005, of November 4, and its implementing regulations.

In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, nor a request for any vote or approval in any other jurisdiction.

Particularly, this document does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking information and statements about ACCIONA, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions.

Although ACCIONA believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ACCIONA shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of ACCIONA, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the documents sent by ACCIONA to the Comisión Nacional del Mercado de Valores, which are accessible to the public.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of ACCIONA. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to ACCIONA or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included herein are based on information available to ACCIONA, on the date hereof. Except as required by applicable law, ACCIONA does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

H1 2017 Results Report includes the list and definition of the Alternative Performance Measures (APMs) used both in this presentation and the Results Report, according to the guidelines published by the European Securities and Markets Authority (ESMA)

Key highlights

- A positive first half driven by good performance…
  - …across the Infrastructure division, particularly in International Construction, with higher volumes and consolidation of margin levels
  - … Energy Generation, where higher prices in Spain and new capacity abroad have offset lower output across the portfolio
- Significant growth in Ordinary EBT and Ordinary Attributable Net Profit
- Net Debt increases mainly due to certain one-off investments and seasonal working capital
- Marked reduction in financial expenses evidences consolidation of new funding model
- Real Estate residential rental business to be contributed to Testa Residencial at a value of €400m GAV / €336m NAV – as per yesterday's announcement

4 | Residential business integrated into Testa Residencial

- ACCIONA contributes it residential rental business to Testa Residencial SOCIMI in Exchange for a 21% stake
- The transaction is subject to certain precedent conditions including Testa Residencial's shareholder approval
- This combination fulfils ACCIONA's strategic goal of optimising the value of its residential rental business
- The transaction will result in deconsolidation of c.€45m of net debt (classified as held-for-sale as of H1 2017)

Residential business integrated into Testa Residencial

Key Operational Figures

	ACCIONA	Testa	TR+ANA
GAV (€m)	400	1,779	**2,179**
NAV (€m)	336	1,480	**1,816**
Assets	10	108	**118**
Units	1,058	7,983	**9,041**
Gross rents (€m)	13	57	**70**
Net rents (€m)	9	40	**50**

Spain's benchmark residential SOCIMI/REIT

Quality assets & locations

Industrialised scale & asset management

Focus on maximising returns

H1 2017 key figures

	H1 2017 (€m)	% Chg. vs H1 2016
Revenues	3,388	+22.6%
EBITDA	579	+10.4%
Ordinary EBT	148	+69.8%
Ordinary Net Profit	80	+81,5%

	H1 2017 (€m)	H1 2016 (€m)
Gross Capex	484	527
Net Investment Cashflow[1]	501	450
Net Financial Debt	5,571	5,452

[1] Net Investment Cashflow is equivalent to Gross Capex less Divestments and plus or minus Other Investment Cashflows (related to timing of Capex payments)

Group: Capex by division

Capex breakdown

(€m)	Capex	
	Jan-Jun 16	Jan-Jun 17
Energy	284	156
Infrastructure	183	263
Construction	82	246
Water	87	12
Service	14	5
Other Activities	60	65
Gross capex	527	484
Divestments	0	-13
Net capex	527	472
Net Investment cashflow	450	501

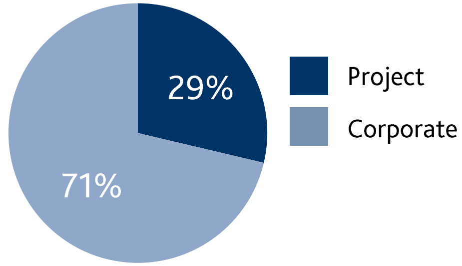
Key highlights

- Significant investment in the Infrastructure division during the period
  - One-off Geotech acquisition (€139m)
  - Investments in International construction projects
- Energy division capex, mainly related to:
  - Completion of the El Romero solar PV facility in Chile (146 MWp)
  - Bannur windfarm in India: 69MW of capacity added in H1 and remaining 6MWs under construction
  - New wind facilities under construction: El Cortijo (168MW in Mexico) and Mt. Gellibrand (132MW in Australia)
- In Other Activities the capex reflects mainly the one-off acquisition of one vessel by Trasmediterránea
- Divestments: equity proceeds from the disposal of a Real Estate commercial asset

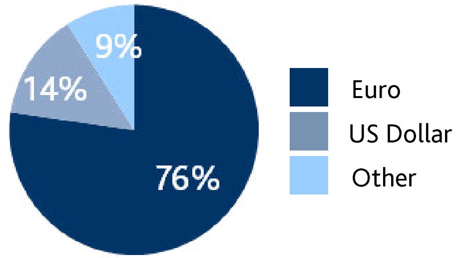
Group: Debt breakdown by division and nature

(€m)	31-Dec-16 Net debt	30-Jun-17 Corporate Debt allocation	Project Debt	Gross debt	Cash + C. Equiv.	Net debt
Energy	**4,294**	2,977	1,629	**4,606**	-322	**4,284**
Infrastructure	**-16**	1,033	339	**1,373**	-972	**400**
Construction	-65	824	225	1,049	-716	333
Water	21	159	107	266	-231	35
Services	27	50	8	57	-25	32
Other businesses	**114**	161	37	**197**	-65	**132**
Corporate	**739**	815	0	**815**	-61	**755**
Total	5,131	4,986	2,005	**6,991**	-1,420	**5,571**

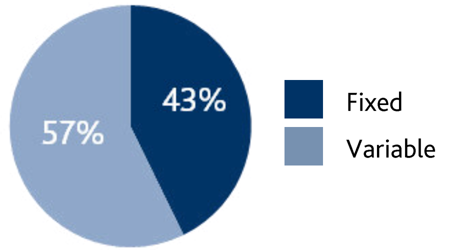
Gross debt - Level



Gross debt - Currency

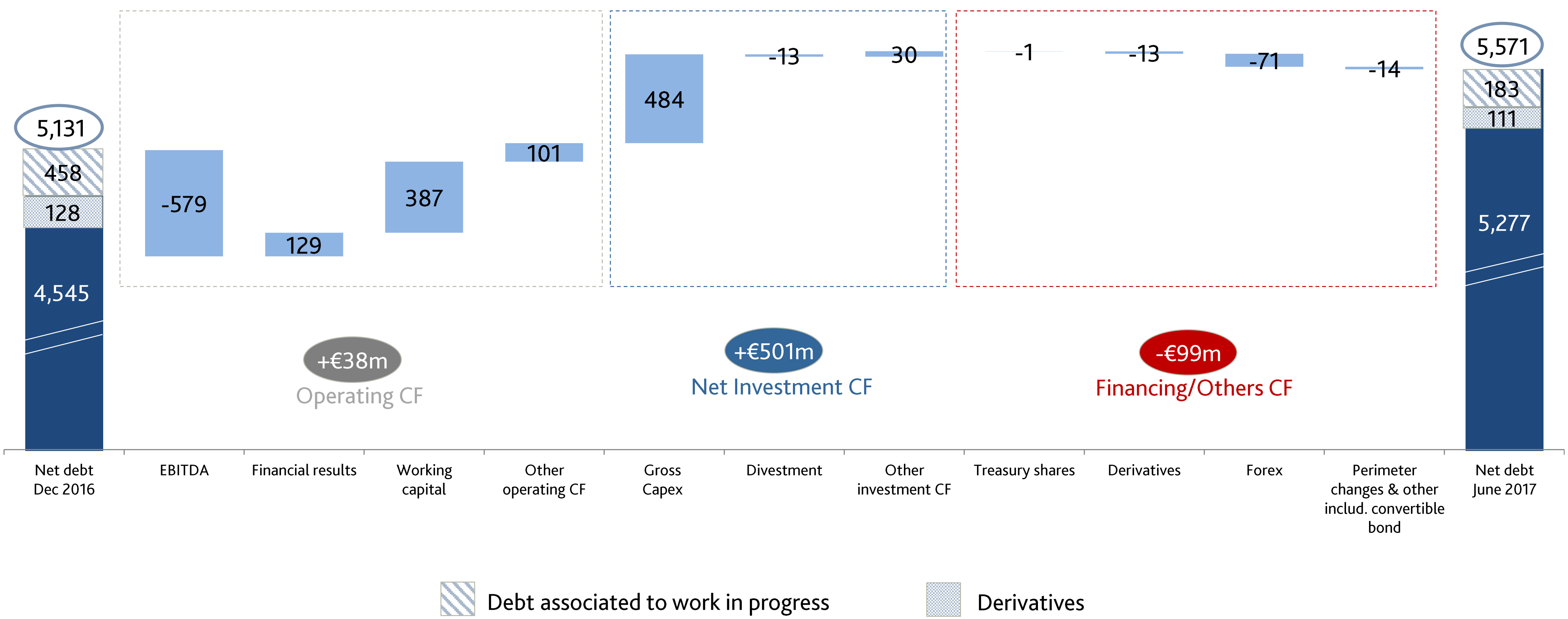


Gross debt - Interest rate



Group: Net debt evolution

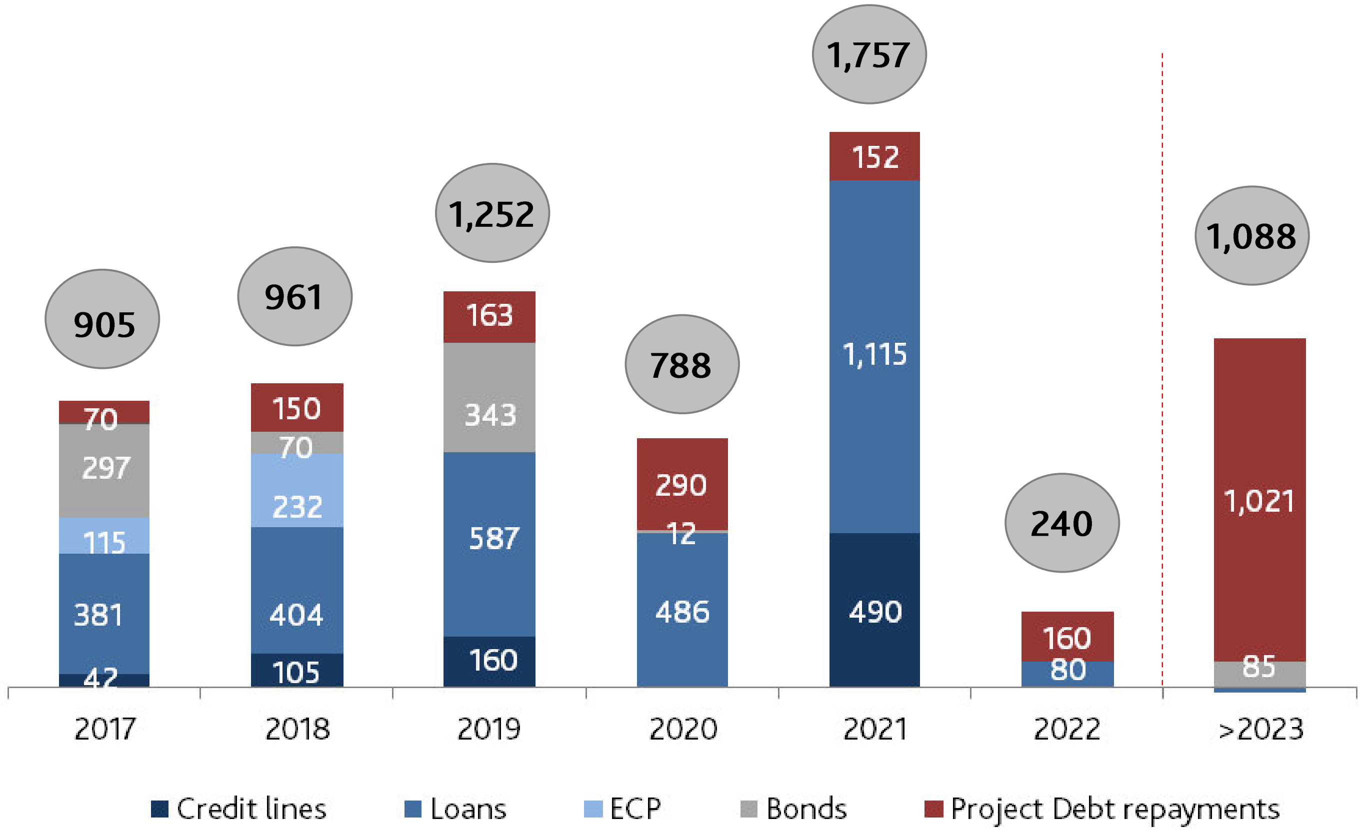
Net debt reconciliation H1 2017 (€m)



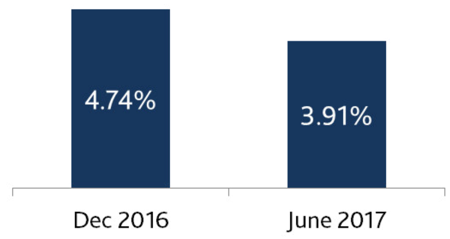
Debt evolution reflects Capex (including one-off factors such as Geotech) as well as WC seasonality

Group: Debt & liquidity

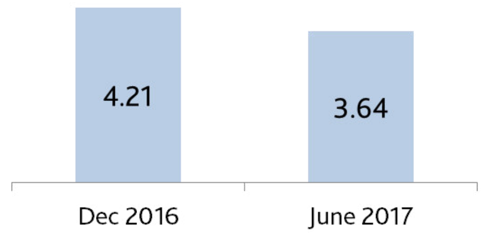
Maturity profile of Group gross debt



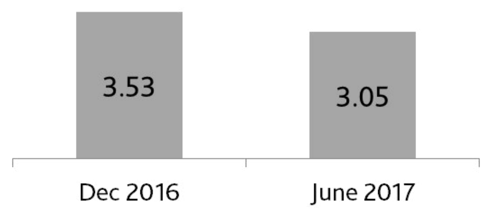
Average cost of debt



Average maturity (years)



Averg. matur. undrawn credit lines (years)



Liquidity

Cash €1,420m + Available commited credit lines €1,514m → Total Liquidity 30 June 2017 €2,934m

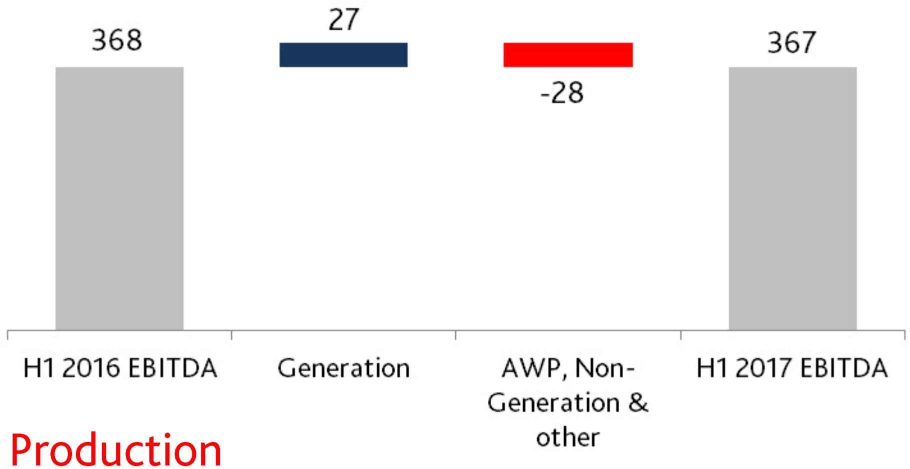
Note: Acciona's corporate €2,200 million syndicated facility was extended and the price reduced in July 2017 resulting in an increase in the average maturity of both our corporate debt and undrawn credit linest

Energy: Key figures

Key figures

(Million Euro)	Jan-Jun 16	Jan-Jun 17	Chg.	Chg. (%)
Revenues	952	870	-82	-8.6%
EBITDA	368	367	-1	-0.3%
Margin (%)	*38.7%*	*42.2%*		

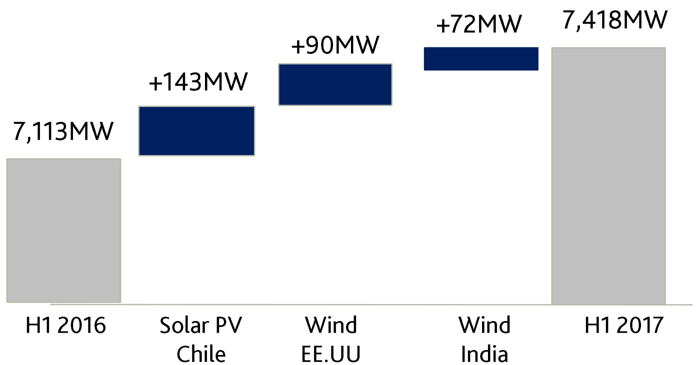
EBITDA evolution (€m)



Capacity

- 305MW added during the last twelve months takes consolidated capacity to over 7,4GW
- Capacity under construction: 6MW in India (Bannur windfarm), 168MW in Mexico (El Romero windfarm) and 132MW in Australia (Mt.Gellibrand windfarm)

Consolidated capacity variation



Production

- Spain: Lower wind and hydro LF vs same period 2016
- International: Lower LF that more than offset the production from new capacity installed in 2016 (Chile PV plant and US wind farm)

Consolidated TWh	Jan-Jun 17	Chg. (%) vs. Jan-Jun 16
Wind Spain	3.75	-10.3%
Wind International	3.08	-9.7%
Hydro	1.20	-15.3%
Solar and other	0.68	40.2%
TOTAL	**8.72**	**-8.2%**

Infrastructure: Construction

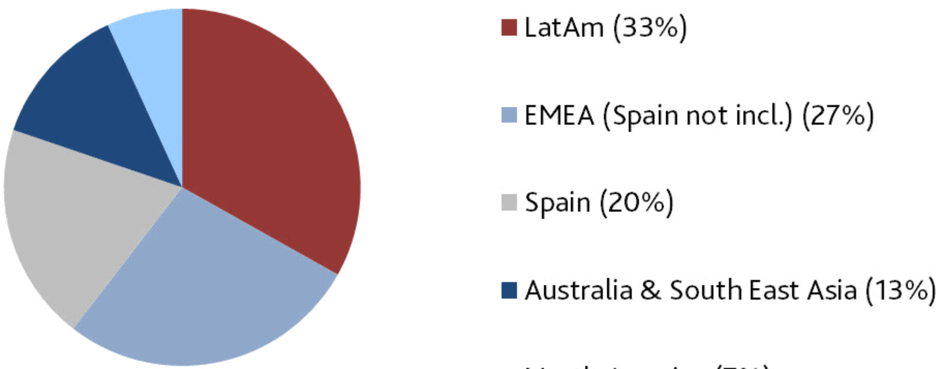
Construction & Industrial: Key figures

(Million Euro)	Jan-Jun 16	Jan-Jun 17	Chg.	Chg. (%)
Revenues	873	1,548	675	77.3%
EBITDA	27	83	56	211.7%
Margin (%)	*3.0%*	*5.3%*		

Concessions: Key figures

(Million Euro)	Jan-Jun 16	Jan-Jun 17	Chg.	Chg. (%)
Revenues	52	67	15	29.3%
EBITDA	24	27	3	13.6%
Margin (%)	*46.3%*	*40.7%*		

Construction backlog



€7,285m

Key highlights

- Key figures:
  - Construction: Revenues up 77% and EBITDA up 212% to €83m, backed by good volumes and capital-intense higher margin projects in International Construction. The Spanish construction activity remains weak
  - Concessions: Revenues of €67m and EBITDA of €27m (up 14% vs H1 2016)
- Backlog amounted to €7.3bn as executed works are mostly offset by new contract awards (-1.2% vs 1H 2016)

Infrastructure: Water and Service

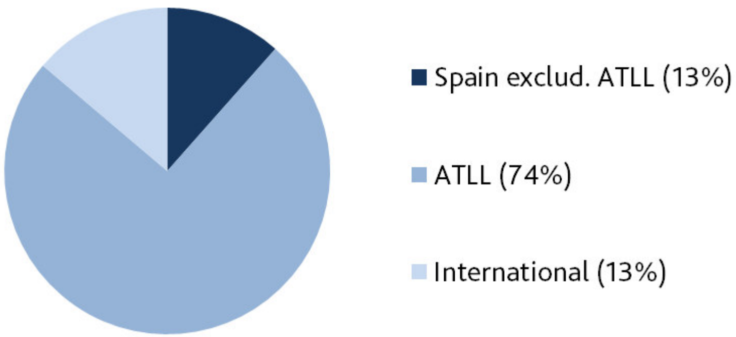
Water: key figures

(Million Euro)	Jan-Jun 16	Jan-Jun 17	Chg.	Chg. (%)
Revenues	331	337	6	1.9%
EBITDA	56	61	5	8.3%
Margin (%)	*16.9%*	*18.0%*		

Services: key figures

(Million Euro)	Jan-Jun 16	Jan-Jun 17	Chg.	Chg. (%)
Revenues	327	357	30	9.2%
EBITDA	11	11	1	5.7%
Margin (%)	*3.2%*	*3.1%*		

Water Backlog



€10,392m

Key highlights

- Key figures:
  - Water: Growth of 2% in Revenues and 8% in EBITDA driven by good performance of both, the O&M and the Construction activity
  - Services: Revenues and EBITDA amounted to €357m and €11m respectively
- Water backlog stands at €10.4bn → D&C: €0.6bn; O&M: €9.8bn

Other activities

acciona

Other activities: Key figures

(Million Euro)	Jan-Jun 16	Jan-Jun 17	Chg.	Chg. (%)
Trasmediterránea	194	190	-4	-2.2%
Real Estate	34	26	-8	-24.2%
Bestinver	39	46	6	16.4%
Corp. & other	20	19	-1	-7.2%
Revenues	**288**	**280**	**-8**	**-2.6%**
Trasmediterránea	14	2	-13	-88.7%
Real Estate	0	0	0	-8.4%
Bestinver	29	33	4	14.1%
Corp. & other	-3	-4	-1	-32.7%
Margin (%)	*13.9%*	*11.0%*		
EBITDA	**40**	**31**	**-9**	**-23.3%**

Key figures

Trasmediterránea:

- EBITDA decrease due to:
  - Higher fuel costs during the period
  - Addition of new routes and increased frequency of existing ones
  - Pricing pressure

Bestinver:

- Increase of AUMs that amounted to €5,792m as of June 2017, relative to €5,222m in December 2016
- Significant gross inflows
- Bestinver reported EBITDA of €33m, up €4m, on the back of higher average AUMs
- Strong performance of key funds YTD vs respective benchmarks

Closing remarks

Good progress in core businesses during H1, continuing with Q1 trends:

- EBITDA up 10.4% driven by Energy Generation in Spain, International Construction, Water and Bestinver
- Lower financial charges – structural transformation

H1 Net Debt reflects one-off investments and seasonality of working capital

Contribution of residential business to Testa a major milestone for new Real Estate strategy

FY 2017 outlook remains unchanged

Appendix

Energy: Equity-accounted generation capacity

Detail of capacity accounted under the equity method

	H1 2017 (proportional figures)				
30-Jun-17	**MW**	**GWh**	**EBITDA**	**NFD**	**Average COD**
Wind Spain	619	687	34	185	2005
Wind International	48	56	4	4	2005
Australia	32	35	2	2	2005
Hungary	12	14	1	2	2006
USA	4	8	0	0	2003
Solar PV	30	31	11	67	2008
Total equity accounted	**697**	**774**	**48**	**257**	

Note: Average COD weighted per MW

Energy: H1 2017 installations and WIP

MW installed in H1 2017

Tecnology	Country	Asset name	MW	Installation date	Details
Wind	India	Bannur	69	H1 2017	Feed-in tariff + GBI (Generation Based Incentive)
Total			69		

MW Under construction

Technology	Country	Asset name	Project MW	Expected COD	Details
Wind	India	Bannur	6	Q2 2017	Feed-in tariff + GBI (Generation Based Incentive)
Wind	Mexico	El Cortijo	168	Q3 2018	13 years PPA with CFE
Wind	Australia	Mt. Gellibrand	132	Q2 2018	10 years PPA (CELs)
Total			306		

Energy: Wind drivers by country

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

	H1 2017		H1 2016		Chg. (%)
	Av. price (€/MWh)	LF (%)	Av. price (€/MWh)	LF (%)	Av. price (€/MWh)
Spain Average	67,2*	25,1%	49,6	28,2%	35,4%
Spain - Regulated	*78,5**		*60,7*		
Spain - Not regulated	*60,9*		*27,1*		
Canada	57,9	30,9%	55,0	29,9%	5,3%
USA**	32,1	34,1%	29,1	38,7%	10,1%
India	53,0	27,5%	52,4	25,1%	1,1%
Mexico	70,6	34,4%	66,9	40,0%	5,6%
Costa Rica	107,2	54,9%	103,7	65,9%	3,4%
Australia	63,4	29,9%	75,0	34,7%	-15,5%
Poland	68,9	20,2%	78,4	23,3%	-12,0%
Croatia	105,6	31,0%	105,2	36,7%	0,3%
Portugal	107,9	28,5%	106,9	33,2%	0,9%
Hungary	0,0	26,8%	0,0	24,5%	n.d
Italy	153,6	18,2%	134,7	22,8%	14,1%
Chile	99,5	26,2%	98,7	19,1%	0,8%
South Africa	80,1	29,4%	64,1	30,2%	25,0%

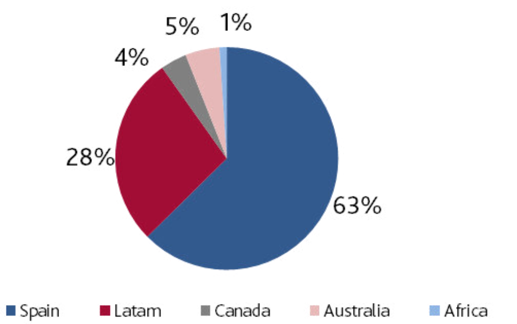
Note: Prices for consolidated MWs
* Prices include regulatory incentive and any adjustments due to the application of the banding mechanism
**303MW located in the US additionally receive a “normalized” PTC of $23/MWh

Infrastructure: Concessions

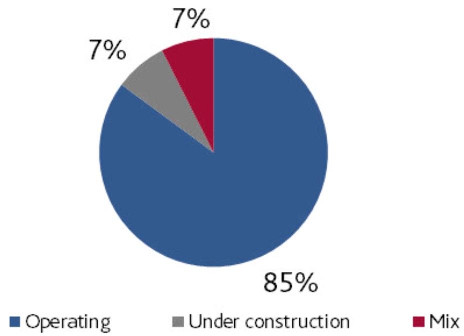
	Road	Rail	Canal	Port	Hospital	Water	TOTAL
# of concessions	13	2	1	1	6	57	**80**
Proportional EBITDA H1 2017 (€m)	39	2	1	0	13	62	**112**
Consolidated EBITDA H1 2017 (€m)	*26*	*0*	*0*	*0*	*7*	*52*	***80***
Average life (yrs)	34	35	30	30	29	26	**31**
Average consumed life (yrs)	8	7	10	11	6	11	**9**
Invested capital[1] (€m)	943	63	81	18	278	436	**1,845**

Invested capital (€1,845m)

By region



By degree of construction



	Equity	Net debt
Infrastruc.	498	911 [2]
Water	199	236 [3]
Total	697	1,148

Note: For construction concessions EBITDA and invested capital include -€6m and €26m 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 (€142m) and those accounted by the equity method (€615m)

[3] Debt figure includes net debt from water concessions accounted by the equity method (€132m)

H1 2017 January-June
Results presentation

28th July 2017