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ACCIONA's transformation



ACCIONA faces **challenges** ...

- ▶ Regulatory: major retroactive changes → significant impact so far and uncertainty about ongoing Reform
- ▶ Operational: related to the business cycle



... but also significant growth **opportunities** in its core businesses



The company is implementing a **far-reaching Action Plan** in order to respond to these challenges, transform the group, and position it for future growth



Significant progress has already been made and there are additional developments underway

1. Overview of ACCIONA

Overview of ACCIONA

ACCIONA in a nutshell

- ➔ Listed company based in Spain – IBEX 35
- ➔ ~€2.4bn market capitalisation¹; EV of ~€9.8bn
- ➔ A global leader in Renewable Energy, Infrastructures and Water
- ➔ Sustainable development as cornerstone of the business
- ➔ ~45% of its revenues in 2013E from international markets
- ➔ Family-owned company: ~60% Entrecanales families

¹As of 31/12/2013 (€41.77)

ACCIONA Group

Current structure



EBITDA 2013E¹: €1.3bn

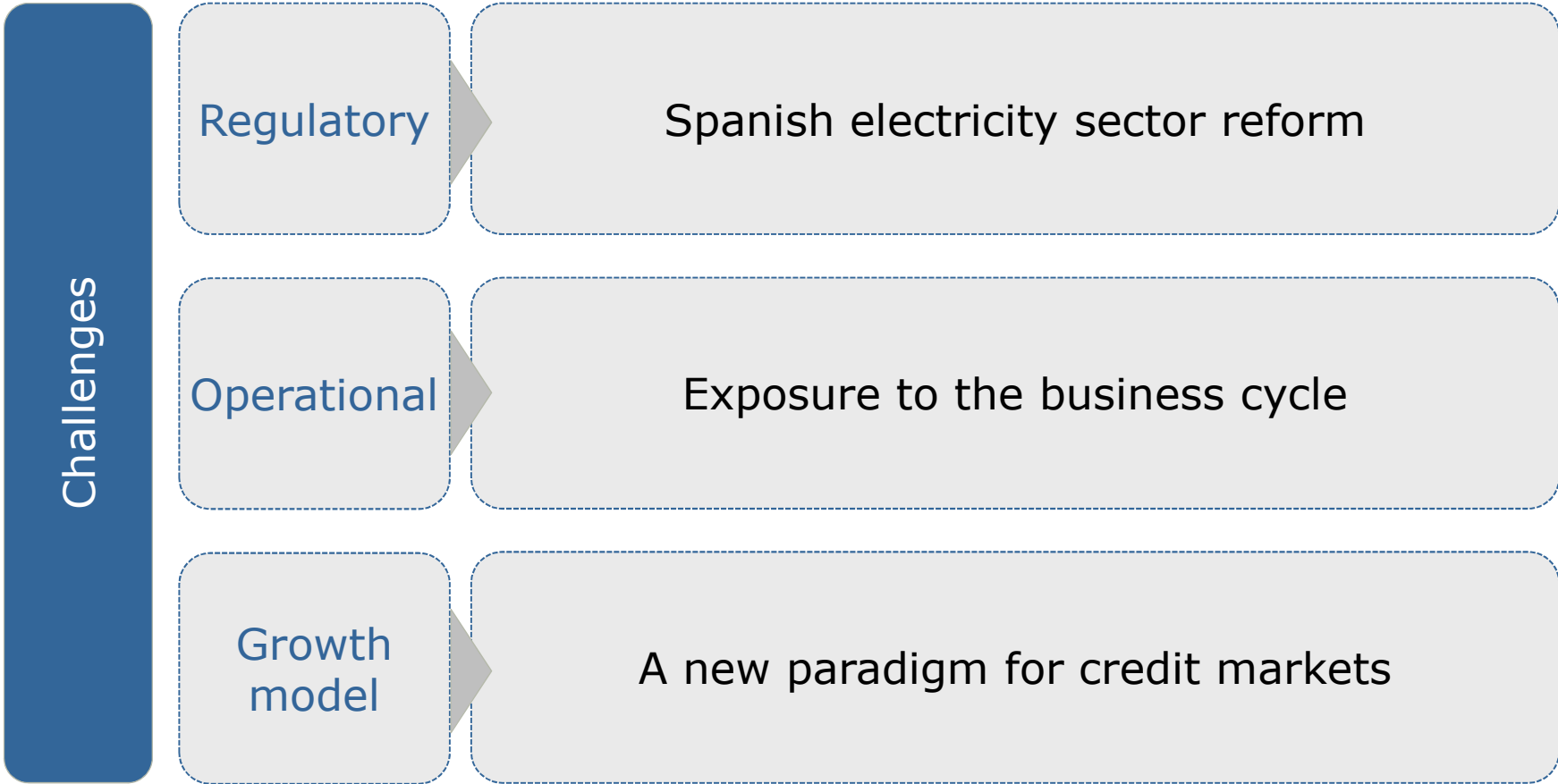


EBITDA contribution – Analyst consensus as of 8/01/2014
¹Analyst consensus

2. Challenges, Opportunities and Action Plan

Current challenges

ACCIONA is currently facing challenges affecting its core businesses



Opportunities

ACCIONA is a global leader in its core businesses and can contribute to addressing global challenges



These long-term trends present a huge business opportunity

US\$57Tr of investment to 2030 to satisfy demand for infrastructures, of which:

- ▶ Energy → US\$ 12Tr
- ▶ Roads, Rail, Ports, Airports → US\$24Tr
- ▶ Water → US\$12Tr

Action Plan

What we aim to achieve

The Action Plan aims to achieve the following:

- ▶ Mitigate significant impact of regulatory changes affecting the Spanish renewable energy portfolio
- ▶ Financial deleveraging and access to a wider range of sources of capital
- ▶ Transformation of the growth model:
 - Focus on ACCIONA's core competences as developer of infrastructures → increased separation of developer & operator from LT owner/financier
 - Less capital-intensive growth and less reliant on bank debt
 - Access to new sources of long-term capital via private partnerships / transactions (pension funds, sovereign funds, infra funds, insurance)

3. Detail on the delivery of the Action Plan

ACCIONA has a Plan and is delivering

ACCIONA is taking determined actions as a response to the challenges faced

Strategic / Financial measures

Dividend

- ▶ **2013 interim dividend canceled** → unprecedented

Capex

- ▶ Significant short term **capex reduction** → 9M13 capex -48%

Costs

- ▶ Significant **cost reduction** plan being implemented in Energy, Infrastructure & Other Activ. More initiatives under consideration

Disposals

- ▶ Plan to dispose **€0.5-1.0bn** worth of assets in **2013-14**

Reorganisation

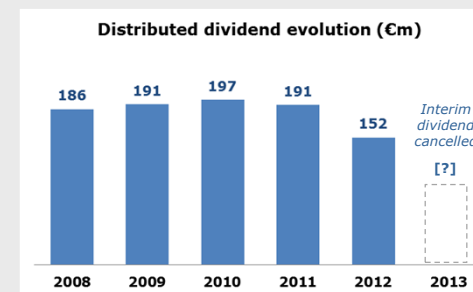
- ▶ Divisional reorganisation
- ▶ Senior management changes

Dividend / Capex / Costs

Dividend

Interim dividend cancelled

- ▶ Unprecedented decision in the recent history of the company
- ▶ Reflects prudent financial management in the light of the impact of negative regulatory changes already suffered since Jan. 2013, as well as the high uncertainty regarding additional impacts derived from the new legislation underway

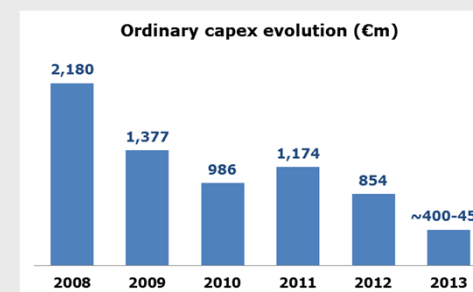


Dividend distributed the following year against the results of the year shown in the table

Capex

Significant short-term capex reduction

- ▶ Execution of committed investments only
- ▶ 2013-2014 target implies ~50% reduction vs previous investment plan
- ▶ 9M13 capex down -48% vs 9M12



Costs

Cost reduction plan

- ▶ Significant cost reductions already implemented in Infrastructure and Trasmediterránea
- ▶ Cost reduction being implemented in the Energy division → on track. Est. €35-40m/pa
- ▶ Synergies to arise from structure simplification → Infr./Water/Serv. divisions
- ▶ Further cost reduction initiatives under consideration

Asset disposals

Rationale

- ▶ Deleveraging
- ▶ Rotation of non-strategic assets
- ▶ Incorporation of financial partners in core businesses → less capital-intensive growth

Asset disposals



- ▶ December'13: Disposal of **Germany renewable assets**:
 - 18 wind farms totaling 150.3MW
 - Average weighted life: 8 years
 - EV: €157m (Incl. Net Debt of €85m)
 - EV/EBITDA: 10x



- ▶ October'13: Disposal of **Korea renewable assets**:
 - Capacity sold: 64MW
 - EV: €114m (Inc. Net Debt of €20m)



- ▶ Agust'13: Disposal of Royal Jubilee Hospital **concession** in Canada



- ▶ December'13: Disposal of **Real Estate** rental asset

ACCIONA is also working in other disposals in addition to the **~€370m** worth of disposals sold in 2013

- ▶ Rotation of non-strategic assets
- ▶ Incorporation of financial partners in core businesses → less capital-intensive growth

Reorganisation

ACCIONA is also going through a deep business reorganisation



Conclusions



ACCIONA is facing regulatory, operational and business growth model challenges affecting its core divisions ...



... but it also has significant growth opportunities in key sectors where it is a global leader → renewables and infrastructure



The company is implementing a comprehensive Action Plan to address challenges and prepare the company to embark in a new growth stage:

Interim dividend cancellation, capex reduction, cost cutting, assets disposals, partnerships, group reorganisation



Action Plan on track → Disposals to date worth ~€370m



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