ACCIONA, S.A.

AND

SUBSIDIARIES
(Consolidated Group)

CONSOLIDATED

FINANCIAL STATEMENTS

AND

DIRECTORS' REPORT

2013

Deloitte.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
ACCIONA, S.A.:

We have audited the consolidated financial statements of Acciona, S.A. (the Parent) and Subsidiaries (the Group), which comprise the consolidated balance sheet at 31 December 2013 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2.1 to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2013 present fairly, in all material respects, the consolidated equity and consolidated financial position of Acciona, S.A. and Subsidiaries at 31 December 2013, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

Without qualifying our audit opinion, we draw attention to Note 2.1 to the consolidated financial statements, which indicates that the accompanying consolidated financial statements include significant impairment losses, due mainly to the new legislation affecting the renewable energy industry. The aforementioned impairment losses were recognised mainly on the basis of the parameters established in the regulations, currently in the process of being approved, to implement Royal Decree-Law 9/2013, which came into force on 14 July 2013, which has had a significant impact on the business plan of the Group's Energy Division and on the assumptions included therein. Notes 2, 4, 6 and 28 to the accompanying consolidated financial statements include the effects arising from the aforementioned regulatory change and the assumptions used by the directors to calculate these impacts, which constitute their best estimates at the date of preparation of the accompanying consolidated financial statements.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
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The accompanying consolidated directors' report for 2013 contains the explanations which the directors of Acciona, S.A. consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2013. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Acciona, S.A. and Subsidiaries.

DELOITTE, S.L.

Registered in ROAC UNDER NO. S0692

Raquel Martínez

Raquel Martínez Armendáriz

26 February 2014

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APPENDICES

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS FOR 2013 and 2012 (Thousands of euros)

ASSETS	Note	31/12/13	31/12/12
Property, plant and equipment	4	8,513,655	10,144,316
Investment property	5	315,325	327,082
Goodwill	6	97,407	1,048,086
Other intangible assets	7	679,444	806,486
Non-current financial assets	10	183,712	130,285
Investments accounted for using the proportional method	8	161,515	148,725
Biological assets	11	6,830	6,825
Deferred tax assets	23	1,053,581	928,421
Non-current receivables and other non-current assets	12	514,455	430,896
NON-CURRENT ASSETS		**11,525,924**	**13,971,122**
Biological assets	11	--	--
Inventories	13	1,047,145	1,183,045
Trade and other receivables	14	1,859,052	2,370,601
Other current financial assets	10	368,653	369,914
Current income tax assets	23	96,999	62,572
Other current assets		181,799	237,613
Cash and cash equivalents	15	1,247,944	1,196,105
Non-current assets classified as held for sale and discontinued operations	24	456,119	428,325
CURRENT ASSETS		**5,257,711**	**5,848,175**
TOTAL ASSETS		**16,783,635**	**19,819,297**

LIABILITIES AND EQUITY	Note	31/12/13	31/12/12
Share capital		57,260	57,260
Retained earnings		3,242,767	5,153,741
Treasury shares		(6,461)	(4,107)
Translation differences		(63,628)	22,828
Interim dividend		--	--
Equity attributable to equity holders of the Parent		**3,229,938**	**5,229,722**
Non-controlling interests		169,145	278,548
EQUITY	16	**3,399,083**	**5,508,270**
Debt instruments and other marketable securities	21	251,853	269,304
Bank borrowings	18	5,988,012	6,669,477
Deferred tax liabilities	23	833,478	910,416
Provisions	17	517,529	550,034
Other non-current liabilities	22	532,438	471,320
NON-CURRENT LIABILITIES		**8,123,310**	**8,870,551**
Debt instruments and other marketable securities	21	162,406	6,542
Bank borrowings	18	1,929,792	2,102,269
Trade and other payables		2,206,928	2,335,187
Provisions		186,354	173,176
Current income tax liabilities	23	25,916	30,735
Other current liabilities	22	468,092	484,892
Liabilities associated with non-current assets classified as held for sale and discontinued operations	24	281,754	307,675
CURRENT LIABILITIES		**5,261,242**	**5,440,476**
TOTAL EQUITY AND LIABILITIES		**16,783,635**	**19,819,297**

The accompanying Notes 1 to 37 are an integral part of the consolidated balance sheet for 2013.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS FOR 2013 and 2012
(Thousands of euros)

	NOTE	2013	2012
Revenue	26	6,607,009	7,015,960
Other income		364,586	500,496
Changes in inventories of finished goods and work in progress		3,978	(7,466)
Procurements	27	(1,531,817)	(1,656,283)
Staff costs	27	(1,334,360)	(1,325,461)
Other operating expenses	27	(2,881,113)	(3,096,671)
Depreciation and amortisation charge and change in provisions and allowances	4,5,7,27	(1,152,737)	(741,153)
Impairment and gains or losses on disposals of non-current assets	26	(1,840,854)	(45,699)
Other gains or losses		(5,628)	2,477
PROFIT FROM OPERATIONS		**(1,770,936)**	**646,200**
Finance income	29	73,444	74,716
Finance costs	29	(475,064)	(501,517)
Translation differences		(18,752)	28,588
Net gains/losses arising from changes in value of financial instruments at fair value	20	5,209	(3,254)
Net gains/losses arising from changes in value of non-financial assets at fair value		--	--
Result of companies accounted for using the equity method	8	11,878	780
PROFIT BEFORE TAX		**(2,174,221)**	**245,513**
Income tax expense	23	145,781	(61,331)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(2,028,440)**	**184,182**
Profit/Loss after tax from discontinued operations	**24**	**--**	**--**
PROFIT FOR THE YEAR		**(2,028,440)**	**184,182**
Non-controlling interests	16	56,069	5,219
PROFIT ATTRIBUTABLE TO THE PARENT		**(1,972,371)**	**189,401**
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	**32**	**(34.55)**	**3.30**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (euros)	**32**	**(34.55)**	**3.30**
BASIC EARNINGS PER SHARE (euros)	32	(34.55)	3.30
DILUTED EARNINGS PER SHARE (euros)	32	(34.55)	3.30

The accompanying Notes 1 to 37 are an integral part of the consolidated income statement for 2013.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2012
(Thousands of euros)

	Note	2013	2012
A) CONSOLIDATED PROFIT FOR THE YEAR		**(2,028,440)**	**184,182**
1. Profit attributable to the Parent		(1,972,371)	189,401
2. Non-controlling interests		(56,069)	(5,219)
B) ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		**(269)**	**(167)**
1. Revaluation/(Reversal of the revaluation) of property, plant and equipment and intangible assets		--	--
2. Actuarial gains and losses and other adjustments	17	(332)	(237)
3. Tax effect		63	70
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		**123.863**	**(77,353)**
Income and expense recognised directly in equity		**25,590**	**(154,466)**
1. Revaluation of financial instruments:		7,898	(1,703)
a) Available-for-sale financial assets	10	7,898	(1,703)
b) Other income / (expenses)		--	--
2. Cash flow hedges	20	167,453	(220,959)
3. Translation differences		(138,794)	1,997
4. Other income and expenses recognised directly in equity		--	--
5. Tax effect		(10,967)	66,199
Transfers to the income statement:		**98,273**	**77,113**
1. Revaluation of financial instruments:		(1,468)	--
a) Available-for-sale financial assets		(1,468)	--
b) Other income / (expenses)		--	--
2. Cash flow hedges	20	139,508	110,161
3. Translation differences		2,350	--
4. Other income and expenses recognised directly in equity		--	--
5. Tax effect		(42,117)	(33,048)
TOTAL RECOGNISED INCOME / (EXPENSE) (A+B+C)		**(1,904,846)**	**106,662**
a) Attributable to the Parent		(1,842,406)	113,807
b) Attributable to non-controlling interests		(62,440)	(7,145)

The accompanying Notes 1 to 37 are an integral part of the consolidated statement of comprehensive income for 2013.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY FOR 2013 (thousands of euros)

	Equity attributable to the Parent (thousands of euros) Shareholders' equity							
	Share capital	**Share premium, reserves and interim dividend**	**Treasury shares**	**Profit for the year attributable to the Parent**	**Other equity instruments**	**Valuation adjustments**	**Non-controlling interests**	**Total equity**
Opening balance at 01/01/13	**57,260**	**5,487,071**	**(4,107)**	**189,401**	--	**(499,903)**	**278,548**	**5,508,270**
Adjustments due to changes in accounting policies								--
Adjustments due to errors								--
Adjusted opening balance	**57,260**	**5,487,071**	**(4,107)**	**189,401**	--	**(499,903)**	**278,548**	**5,508,270**
Total recognised income/(expense)				(1,972,371)		129,965	(62,440)	**(1,904,846)**
Transactions with shareholders or owners	--	(151,690)	(7,704)	--	--	--	(45,536)	(204,930)
Capital increases/(reductions)								--
Conversion of financial liabilities into equity								--
Dividends paid		(151,690)					(12,477)	(164,167)
Treasury share transactions (net)	--	--	(7,704)					(7,704)
Increases/(Decreases) due to business combinations		--				--	(33,059)	(33,059)
Other transactions with shareholders or owners								--
Other changes in equity	--	186,067	5,350	(189,401)	--	--	(1,427)	589
Share-based payments		(5)	5,350					5,345
Transfers between equity items		189,401		(189,401)				--
Other changes		(3,329)					(1,427)	(4,756)
Closing balance at 31/12/13	**57,260**	**5,521,448**	**(6,461)**	**(1,972,371)**	--	**(369,938)**	**169,145**	**3,399,083**

The accompanying Notes 1 to 37 are an integral part of the consolidated statement of changes in total equity for 2013.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2012 (thousands of euros)

	Equity attributable to the Parent (thousands of euros) Shareholders' equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Profit for the year attributable to the Parent	Other equity instruments	Valuation adjustments	Non-controlling interests	Total equity
Opening balance at 01/01/12	**63,550**	**5,913,842**	**(411,129)**	**202,062**	--	**(424,309)**	**300,662**	**5,644,677**
Adjustments due to changes in accounting policies								
Adjustments due to errors								
Adjusted opening balance	**63,550**	**5,913,842**	**(411,129)**	**202,062**	--	**(424,309)**	**300,662**	**5,644,677**
Total recognised income/(expense)				189,401		(75,594)	(7,145)	**106,662**
Transactions with shareholders or owners	(6,290)	(624,931)	398,556	--	--	--	(11,453)	(244,118)
Capital increases/(reductions)								--
Conversion of financial liabilities into equity								--
Dividends paid		(184,673)					(11,051)	(195,724)
Treasury share transactions (net)	(6,290)	(440,258)	398,556					(47,992)
Increases/(Decreases) due to business combinations		--				--	(402)	(402)
Other transactions with shareholders or owners								--
Other changes in equity	--	198,161	8,466	(202,062)	--	--	(3,516)	1,049
Share-based payments		(2,256)	8,466					6,210
Transfers between equity items		202,062		(202,062)				--
Other changes		(1,646)					(3,516)	(5,161)
Closing balance at 31/12/12	**57,260**	**5,487,071**	**(4,107)**	**189,401**	--	**(499,903)**	**278,548**	**5,508,270**

The accompanying Notes 1 to 37 are an integral part of the consolidated statement of changes in total equity for 2013.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR 2013 AND 2012 (Thousands of euros)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES	**791,112**	**752,923**
Profit before tax from continuing operations	**(2,174,221)**	**245,513**
Adjustments for:	**3,314,241**	**1,126,894**
Depreciation and amortisation charge and provisions	3,013,487	785,795
Other adjustments to profit (net)	300,754	341,099
Changes in working capital	**167,592**	**(24,748)**
Other cash flows from operating activities:	**(516,500)**	**(594,736)**
Interest paid	(455,888)	(503,460)
Interest received	44,082	100,473
Income tax recovered/(paid)	(110,855)	(161,450)
Other amounts received/(paid) relating to operating activities	6,161	(30,299)
CASH FLOWS FROM INVESTING ACTIVITIES	**(297,842)**	**(976,453)**
Payments due to investment:	**(436,596)**	**(897,120)**
Group companies, associates and business units	(13,710)	(144,926)
Property, plant and equipment, intangible assets and investment property	(422,886)	(752,194)
Proceeds from disposal:	**137,483**	**66,449**
Group companies, associates and business units	98,725	23,877
Property, plant and equipment, intangible assets and investment property	38,758	42,572
Other cash flows from investing activities:	**1,271**	**(145,782)**
Dividends received	4,664	6,331
Other amounts received/(paid) relating to investing activities	(3,393)	(152,113)
CASH FLOWS FROM FINANCING ACTIVITIES	**(404,117)**	**(134,715)**
Proceeds and (payments) relating to equity instruments:	**(7,704)**	**(47,992)**
Purchases	(7,704)	(47,992)
Disposals	--	--
Proceeds and (payments) relating to financial liability instruments:	**(258,727)**	**80,444**
Proceeds from issues	763,886	1,513,708
Repayments and redemptions	(1,022,613)	(1,433,264)
Dividends and returns on other equity instruments paid	**(164,167)**	**(195,724)**
Other cash flows from financing activities	**26,481**	**28,557**
Other amounts received/(paid) relating to financing activities	26,481	28,557
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(37,314)**	**12,572**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**51,839**	**(345,673)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,196,105	1,541,778
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,247,944	1,196,105
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	996,966	935,613
Other financial assets	250,978	260,492
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	**1,247,944**	**1,196,105**

The accompanying Notes 1 to 37 are an integral part of the consolidated statement of cash flows for 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 OF ACCIONA, S.A. AND SUBSIDIARIES (Consolidated Group)

1.- Group activities

Acciona, S.A. ("the Parent" or "the Company") and its subsidiaries make up the Acciona Group ("Acciona" or "the Group"). Acciona, S.A.'s registered office and headquarters are in Alcobendas (province of Madrid) at Avenida de Europa 18.

The Acciona Group companies operate in several sectors of economic activity, including most notably:

- Acciona Infrastructure: including mainly construction and engineering activities and transport and hospital concessions.

- Acciona Energy: including the various industrial and commercial activities of the electricity business, ranging from the construction of wind farms to the generation, distribution and retailing of various energy sources.

- Acciona Water: including the activities relating to the construction of desalinisation plants, water treatment plants and drinking water stations as well as the management of the entire water cycle, an activity that covers from the initial harnessing of the water, its treatment, including desalinisation, to its cleansing and return to the environment after use. It also operates concessions for services related to the water cycle.

- Acciona Service: including the activities of facility services, airport handling services, waste collection and treatment, and logistics services, among others.

- Other Activities: businesses relating to fund management and stock market brokerage, wine production, as well as the activities of the Acciona Trasmediterránea subgroup, the real estate business, and other investments.

Note 28 to the accompanying consolidated financial statements "Segment Reporting" includes detailed information relating to the assets, liabilities and transactions carried out in each of the above business divisions making up the Acciona Group.

2. Basis of presentation of the consolidated financial statements and basis of consolidation

2.1 Basis of presentation and regulatory framework for the Energy division

Basis of presentation

The consolidated financial statements for 2013 of the Acciona Group were prepared by the directors of Acciona, S.A. at the Board of Directors Meeting held on 25 February 2014, and present a true and fair image of the Group's consolidated equity and consolidated financial position at 31 December 2013, and the consolidated results of its operations, the changes in the consolidated statement of comprehensive income, the changes in the consolidated equity and the consolidated cash flows in the year then ended.

These consolidated financial statements were prepared in accordance with the regulatory financial reporting framework applicable to the Group and, in particular, with International Financial Reporting Standards (IFRS) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council. The main mandatory accounting principles and measurement bases applied, the alternative treatments permitted by the relevant legislation in this connection and the standards and interpretations issued but not yet in force at the date of formal preparation of these consolidated financial statements are summarised in Note 3.

These consolidated financial statements were prepared on the basis of the accounting records kept by the Parent and by the other Group companies. These records include the figures relating to the joint ventures, groupings and consortia in which the Group companies have interests, which are proportionately consolidated through the inclusion in the consolidated financial statements of the proportion of the assets, liabilities and transactions of these entities relating to the Group's percentage of ownership, after the appropriate eliminations of asset and liability balances and intra-Group transactions in the year.

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The Acciona Group's consolidated financial statements for 2012 were approved by the shareholders at the Annual General Meeting on 6 June 2013. The consolidated financial statements for 2013 of the Acciona Group and the separate financial statements for 2013 of the companies making up the Group have not yet been approved by the shareholders at their respective Annual General Meetings. However, the Parent's Board of Directors considers that the aforementioned financial statements will be approved without any material changes.

These consolidated financial statements are presented in thousands of euros (unless otherwise indicated) because the euro is the functional currency of the principal economic area in which the Acciona Group operates. Foreign operations are accounted for in accordance with the policies established in Notes 2.2-g and 3.2-q.

Regulatory framework for the Energy division

The business of electricity production under the special regime in Spain is regulated by Spanish Electricity Industry Law 54/1997, of 27 November, and by the subsequent implementing regulations.

Most of the Group's electricity production facilities in Spain are governed, as far as the remuneration framework for the support of renewable energy sources is concerned, by the special regime provided for in Royal Decree 661/2007, of 25 May, regulating electricity production under the special regime.

Transitional Provision One of Royal Decree 661/2007 acknowledges the right of wind generated power facilities, inter alia, with start-up certificates pre-dating 1 January 2008 to continue to receive the premiums and incentives existing under the previous regime (Royal Decree 436/2004, of 12 March) until 31 December 2012. The facilities owned by the Group's subsidiaries that commenced operations prior to that date availed themselves of the aforementioned Transitional Provision. For all the facilities that came into service after 1

January 2008 caps and floors were set for the aggregate price (market price plus premium) applicable to power sales in the market or a regulated fixed tariff was established.

Royal Decree-Law 6/2009, of 30 April, introduced the facility pre-assignment system for entitlement to the system of special regime premiums defined in the Spanish Electricity Industry Law until the targets set in the Renewable Energy Plan for 2020 had been met. The facilities that met the pre-assignment conditions established in the Royal Decree-Law at the date of its publication would be entitled to the premiums and tariffs provided for in Royal Decree 661/2007.

Royal Decree 1614/2010 was approved on 7 December 2010. The purpose of this legislation was to modify and regulate matters relating to the production of electricity using solar thermal and wind energy technologies with the aim of containing the deficit. The principal new developments were the establishment of a limit on the equivalent hours of operation with entitlement to a premium for solar thermal and wind technologies, the obligation to sell electricity at the regulated tariff for the solar thermal sector for the twelve months following the entry into force of the Royal Decree (or following the start-up of the related facility if later) and a 35% reduction in the premiums for wind powered facilities subject to Royal Decree 661/2007 and for the period from the date of approval of the Royal Decree to 31 December 2012, while maintaining the amounts relating to the cap, floor and regulated tariff unchanged.

It should be noted in connection with the Group's farms and the regulatory changes introduced by Royal Decree 1614/2010 that the reduction of the premiums barely affected the Group's farms, since most of them had start-up certificates pre-dating 1 January 2008 and they availed themselves of the aforementioned Transitional Provision of Royal Decree 661/2007. The remainder of the facilities sold their energy under the regulated tariff regime. Also, the limits placed on operating hours have not affected the Group's facilities, since the number of hours established in the Royal Decree exceeded the hours that the facilities actually operate.

On 28 January 2012, Royal Decree-Law 1/2012 was published in the "Boletín Oficial del Estado" (Official State Gazette) and came into force on that same date, giving rise to the suspension of remuneration pre-assignment procedures and the removal of economic incentives for new electricity production facilities which use combined heat and power, renewable energy sources and waste. Royal Decree-Law 1/2012 affects, inter alia, facilities under the special regime that at 28 January 2012 had not been registered in the Pre-assignment Register. Since the Group's facilities had been registered in the aforementioned Register before 28 January 2012, this Royal Decree did not have any effect on the profitability and recoverability of the carrying amounts of the Group's facilities.

In addition, 28 December 2012 saw the publication of Law 15/2012 on tax measures aimed at energy sustainability, which affects all electricity production facilities in Spain from 2013 onwards. All of Acciona's facilities are affected by the tax on the value of electricity output, which consists of a 7% tax on income from electricity sales. On the other hand, the aforementioned Law also introduced a charge for the use of inland water for electricity production. This charge consists of a tax of 22% on the economic value of electricity output, with a 90% reduction in the tax for facilities with a capacity of less than 50 MW and pumped storage power plants. Lastly, Law 15/2012 also establishes a dual tax on solar thermal plants.

On the one hand, the Law eliminated the premium for power produced using fossil fuels and, on the other, it introduced a tax of EUR 0.65 per GJ of gas consumed.

Until 31 December 2012, practically all the facilities owned by the companies in the Group operating on the Spanish market were doing so under the free market regime by selling their energy to the pool through Acciona Green Energy Development, S.L., a Group company acting solely for the purposes of intermediation. As will be seen below, from the 2013 financial year on, the first transitional provision of Royal Decree 661/2007 is no longer applicable due to the changes in the remuneration for the present financial year for the facilities previously covered by it.

Royal Decree Law 2/2013 of 1 February on urgent measures in the electricity sector was approved in 2013. This RDL, in force from 1 January 2013, sets the premiums for all technologies at zero value and eliminates the caps and floors for the market sale option, leaving the option for tariff-based sales. It also modified the annual coefficient for updating these tariffs, now referenced to the underlying inflation instead of the Consumer Price Index (CPI).

This RDL establishes that the registered holders of facilities have to opt between selling the electricity under the regulated tariff option and selling it freely on the market without receiving any premium. Once this choice has been made, the option is irrevocable.

For practical purposes, this RDL has meant that the wind farms and thermoelectric or biomass power stations in the Acciona Group have chosen the fixed tariff sale option from 2013 on. The hydroelectric power stations in the Special Regime were already selling at the tariff prior to the publication of this RDL.

In addition, Royal Decree-Law 9/2013 adopting urgent measures to guarantee the financial stability of the electricity system was published on 12 July. This Royal Decree, which came into force on 13 July 2013, repealed, among others, Royal Decree 661/2007, of 25 May, and Royal Decree 6/2009, of 30 April, the decrees governing, as described in the preceding paragraphs the remuneration framework supporting renewable energies for most of the Acciona Group's power generation facilities located in Spain. This RDL introduced substantial changes in the applicable legal and economic framework.

This new regulation foresees that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities will be able to receive a specific remuneration comprising a term per unit of power installed, covering, where appropriate the investment costs for a standard installation that cannot be recovered through electricity sales and an operating term that covers, where applicable, the difference between operating costs and the revenue from that standard installation's participation on the market.

To calculate this specific remuneration, consideration will be given to the following items for a standard installation and throughout its regulatory lifetime with respect to activities conducted by an efficient and well-managed company:

a) The standard revenue from the sale of the energy generated valued at the market production price.

b) Standard operating costs.

c) The standard value of the initial investment.

Using these parameters, which may be modified every three years, the aim is not to exceed the minimum level necessary to cover costs and enable the facilities to compete on a level footing with the rest of the technologies on the market make it possible to obtain a reasonable return. With regard to this reasonable return, the Royal Decree indicates that this will be similar, before tax, to the mean return from ten-year State Bonds on the secondary market after applying the appropriate differential. The First Additional Provision of Royal Decree-Law 9/2013 sets this appropriate differential at 300 basis points for facilities under the premium-based regime, all without prejudice to a possible review every six years.

RDL 9/2013 came into force on 14 July 2013 and foresees the specification of the new remuneration framework through the publication of regulations that are as yet pending approval. In this sense, in the context of the interviews with interested parties initiated by the National Markets and Competition Commission (CNMC) in February 2014, a draft Ministerial Order setting out all the parameters described above and necessary to determine the remuneration applicable to renewable energy, co-generation and waste was made available to stakeholders. In practice, the facilities in the Energy division located in Spain are subject to the new remuneration model established in the Electricity Industry Act and RDL 9/2013 from its entry into force. Thus, the revenue received from the sale of energy after 14 July 2013 is being settled up as an interim payment on account of the final remuneration that may be decided.

Bearing these circumstances in mind, the Group re-assessed its revenue, impairment test and the other related aggregate figures in accordance with the new regulatory framework, recognising the impairments arising out of the new model and described in Notes 4 and 6.

Moreover, it should be noted that Law 24/2013 was enacted in December 2013 to replace the Electricity Industry Act (Law 54/1997) and provide the legal framework for the new situation, eliminating the concept of the special regime and creating that of the specific remuneration and establishing the criterion for defining the "reasonable return" for facilities.

Biofuels

With respect to the biodiesel business in Spain, Royal Decree 1738/10 established obligatory minimum annual targets for the sale or consumption of biofuels for transportation purposes. These targets were reviewed downwards in Royal Decree 459/2011 and Royal Decree 4/2013, reducing the initial 7% to 4.10% in 2013 and subsequent years for the consumption of biofuels in diesel.

Following the enactment of Royal Decree 4/2013 of 23 February, a notable decline in the volume of biodiesel demanded has been noted during 2013. In this context, the sector's prospects are for a fall in demand compared to previous years. On 24 January 2014, the Ministry of Industry approved a resolution assigning amounts of biodiesel production for the calculation of the said targets during an initial period of two years that will begin to run from 5 May 2014. Out of a maximum of 4.8 million tonnes assigned per annum, without including plants in Argentina or Indonesia, a very significant portion has fallen to other European Union countries (34%), leaving 66% for domestic companies. This resolution has caused an evident surplus in the capacity installed in Spain for the proposed targets.

2.2 Basis of consolidation

a. Consolidation methods

The Group's subsidiaries, considered to be the companies over which effective control is exercised by virtue of ownership of a majority of the voting power in their representation and decision-making bodies, were fully consolidated (see Appendix I). Joint ventures - entities managed jointly with third parties on the basis of contractual arrangements- were proportionately consolidated (see Appendix II). Lastly, associates, i.e. companies not classified as subsidiaries or joint ventures over whose management the Group is in a position to exercise significant influence, were accounted for using the equity method (see Appendix III). As a general rule, associates are deemed to be companies in which the Group holds more than 20% of the share capital or of the voting power in their governing bodies. In addition, certain companies were considered to be associates. even though the aforementioned percentage was not reached, because significant influence is deemed to exist (basically through membership of the Board of Directors and/or significant transactions with the associate).

b. Eliminations on consolidation

All material balances and effects of the transactions performed by the subsidiaries with associates and joint ventures were eliminated on consolidation.

The corresponding gains on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's ownership interest in the share capital thereof. Exceptionally, the profits and losses on internal transactions with Group companies, jointly controlled entities or associates in connection with certain concession-related activities were not eliminated.

c. Uniformity

The Spanish resident companies included in the scope of consolidation were consolidated on the basis of their separate financial statements prepared in accordance with the Spanish National Chart of Accounts and foreign companies were consolidated in accordance with local standards. All material adjustments required to adapt these financial statements to International Financial Reporting Standards and/or make them compliant with the Group's accounting policies were considered in the consolidation process.

d. Subsidiaries

"Subsidiaries" are defined as companies over which the Parent has the capacity to exercise effective control; control is, in general but not exclusively, presumed to exist when the Parent owns directly or indirectly more than half of the voting power of the investee. In accordance with IAS 27, control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities.

The financial statements of the subsidiaries are fully consolidated with those of the Parent. Accordingly, all material balances and effects of the transactions between consolidated companies are eliminated on consolidation.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their acquisition-date fair values, as provided for in IFRS 3, Business Combinations. Any excess of the cost of acquisition over the fair values of the identifiable net assets is recognised as goodwill. If the cost of acquisition is lower than the fair value of the identifiable net assets, the difference is credited to profit or loss on the acquisition date.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

The interest of non-controlling shareholders is stated at their proportion of the fair values of the assets and liabilities recognised.

The share of third parties of the equity of their investees is presented within the Group's equity under "Non-Controlling Interests" in the consolidated balance sheet. Similarly, their share of the profit or loss for the year is presented under "Non-Controlling Interests" in the consolidated income statement.

e. Joint ventures

Joint ventures are deemed to be ventures in which the investee (jointly controlled entity) is jointly managed by a Group company and one or more unrelated third parties. All parties share control over strategic decisions, which require their unanimous consent.

The financial statements of jointly controlled entities are proportionately consolidated with those of the Parent and, therefore, the aggregation of balances and subsequent eliminations are only made in proportion to the Group's ownership interest in the capital of these entities.

The assets and liabilities relating to jointly controlled operations and the Group's share of the jointly controlled assets are recognised in the consolidated balance sheet classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint ventures is recognised in the consolidated income statement on the basis of the nature of the related items.

f. Equity method

In the consolidated financial statements, investments in associates are accounted for using the equity method, i.e. at the Group's share of net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations.

The value of these investments in the consolidated balance sheet includes, where applicable, the goodwill arising on the acquisition thereof.

When the Group's investments in associates are reduced to zero, any additional implicit obligations at the subsidiaries that are accounted for using the equity method are recognised under "Long-Term Provisions" in the consolidated balance sheet.

In order to present results uniformly the Group's share of the profit or loss before and after tax of associates is disclosed in the consolidated income statement.

g. Translation differences

On consolidation, the assets and liabilities of the Group's foreign operations with a functional currency other than the euro are translated to euros at the exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly. Capital and reserves are translated at the historical exchange rates. Any translation differences arising are classified as equity. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

h. Changes in the scope of consolidation

During the 2013 financial year, the main reductions and in the stakes included within the scope of consolidation correspond to the sale of the Acciona ISL Health Victoria Holdco, Ltd. company based in Canada. This company (as indicated in Note 24), was classified among the non-current assets held for sale at 31 December 2012. In addition, within the energy division, the month of December 2013 saw the sale of the Yeong Yang Windpower Company based in South Korea (see Note 4).

In 2012 the main exclusion from consolidation and reduction in percentage of ownership arose as a result of the sale of Concesionaria Universidad Politécnica de San Luis Potosí, S.A. de C.V. with registered office in Mexico. This company (as indicated in Note 24) had been classified as a non-current asset held for sale at 31 December 2011.

Appendix IV includes the changes in the scope of consolidation in 2013 and 2012.

3.- Principal accounting policies

3.1 Adoption of new standards and interpretations issued

Standards and interpretations applicable in 2013

In 2013 new accounting standards came into force, which, accordingly, were taken into account in the preparation of the accompanying consolidated financial statements.

Standards, amendments and interpretations:		Mandatorily applicable in annual reporting periods beginning on or after:
Approved for use by the EU		
Amendments to IAS 1, Presentation of Items of Other Comprehensive Income (issued in June 2011).	Minor amendments relating to the presentation of items of other comprehensive income.	1 July 2012
Amendments to IAS 19, Employee Benefits (issued in June 2011).	The amendments affect mainly defined benefit plans since one of the major changes is the elimination of the "corridor".	1 January 2013
IFRS 13, Fair Value Measurement (issued in May 2011).	Sets out a framework for measuring fair value.	1 January 2013
Amendments to IAS 12, Income Taxes - Deferred Taxes Arising From Investment Property (issued in December 2010).	On the measurement of deferred taxes arising from investment property using the fair value model in IAS 40.	1 January 2013
Amendments to IFRS 7, Offsetting Financial Assets and Financial Liabilities (issued in December 2011).	Introduction of new breakdowns relating to the offsetting of financial assets and financial liabilities in IAS 32.	1 January 2013
Improvements to IFRSs, 2009-2011 cycle (issued in May 2012).	Minor amendments to a series of standards.	1 January 2013
IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine (issued in October 2011).	Addresses the accounting treatment of the waste material removal costs incurred in surface mining operations.	1 January 2013

These standards and interpretations have been applied in these annual accounts. The only noteworthy impacts are listed below:

IFRS 13 Measurement of Fair Value is currently the only regulatory source for the calculation of fair value of assets and liabilities valued in this way in line with the requirements of other norms. IFRS 13 changes the definition of fair value and introduces new considerations, as well as extending the disclosures required in this matter.

Fair value pursuant to IFRS 13 is defined as the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market players on the date of measurement (for example a starting price), regardless of whether that price is directly observable or estimated using another valuation technique.

The Group has analysed to what extent the new definition of fair value might affect the valuation of the items in the assets and liabilities. The conclusion reached is that IFRS 13 only gives rise to notable modifications with respect to the methods and calculations applied to date in terms of the valuation and recognition of financial derivatives.

The new definition of a liability's fair value under IFRS 13 based on the concept of transferring a liability to another player on the market confirms that credit risk itself must be considered in the fair value of the liabilities. To date, the Acciona Group, pursuant to the definition of a liability's fair value given in IAS 39 and based on the concept of settlement, did not include the impact of credit risk in the valuations of derivatives.

According to IFRS 13, the impact of first applying this standard is prospectively seen in the statement of comprehensive income and thus, since 1 January 2013, Acciona Group incorporates an adjustment of bilateral credit risk with the aim of reflecting both the inherent counterparty risk on the fair value of derivatives.

At 1 January 2013, this modification has implied a lower valuation of derivatives on the liability side in the amount of EUR 22,644 thousand, on the one hand recognised as a reduction of debt with credit entities in the amount of EUR 15,027 thousand for subsidiaries and jointly controlled entities and, on the other, as an increase in the valuation of the investment using the equity method in an amount of EUR 5,331 thousand, after tax, by those companies included under this method. The net effect of taxes and external impacts that this amendment has had on the heading for equity adjustments in the evaluation of cash flow hedges has been positive in the amount of EUR 15,660 thousand.

Note 16 "Debt with credit entities" details the impact of IFRS 13 at 31 December 2013 and Note 3.2 I) explains in detail how the credit risk adjustment is calculated.

Standards and interpretations issued but not yet in force

At the date of preparation of these financial statements, the most significant standards and interpretations that had been published by the IASB but which had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union, were as follows:

Standards, amendments and interpretations:		Mandatorily applicable in annual reporting periods beginning on or after:
Approved for use by the EU		
IFRS 10 Consolidated Financial Statements (issued in May 2011)	Supersedes the requirements relating to consolidated financial statements in IAS 27	1 January 2014

Standards, amendments and interpretations:		Mandatorily applicable in annual reporting periods beginning on or after:
IFRS 11, Joint Arrangements (issued in May 2011).	Supersedes IAS 31 on joint ventures.	1 January 2014
IFRS 12, Disclosure of Interests in Other Entities (issued in May 2011).	Single IFRS presenting the disclosure requirements for interests in subsidiaries, associates, joint arrangements and unconsolidated entities	1 January 2014
IAS 27 (Revised), Separate Financial Statements (issued in May 2011).	The IAS is revised, since as a result of the issue of IFRS 10 it applies only to the separate financial statements of an entity.	1 January 2014
IAS 28 (Revised), Investments in Associates and Joint Ventures (issued in May 2011).	Revision in conjunction with the issue of IFRS 11, Joint Arrangements.	1 January 2014
Transition rules: Amendments to IFRS 10, 11 and 12 (issued in June 2012).	Clarification of the rules for transition to these standards.	1 January 2013
Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27 (issued in October 2012).	Exception from consolidation for parent companies that meet the definition of investment entities.	1 January 2014
Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities (issued in December 2011).	Additional clarifications to the rules for offsetting financial assets and financial liabilities under IAS 32.	1 January 2014
<u>Not yet approved for use in the European Union</u>		
IFRS 9, Financial Instruments: Classification and Measurement (issued in November 2009 and October 2010).	Replaces the IAS 39 classification, measurement and derecognition requirements for financial assets and liabilities	Not set
Amendments to IFRS 9 and IFRS 7, Effective Date and Transition Disclosures (issued in December 2011) and hedge accounting and other amendments (published in November 2013).	Deferral of the effective date of IFRS 9 and amendments to transition requirements and disclosures	Not set
Amendments to IAS 39 – Novation of derivatives and continuation of hedge accounting (published in June 2013)	The amendments determine in which cases and with which criteria the novation of a derivative makes it unnecessary to suspend hedge accounting.	1 January 2014
Amendments to IAS 36 – Disclosures of recoverable amounts of non-financial assets (published in May 2013)	Clarifies when certain disclosures are necessary and extends those required when the recoverable value is the fair value minus sales costs	1 January 2014
Amendments to IAS 19 – Contributions by employees to defined benefit plans (published in November 2013)	The amendment is issued to be able to facilitate the possibility of deducting these contributions from the cost of the service in the same period in which they are paid providing certain requirements are met.	1 January 2014
Improvements to IFRS 2010-2012 cycle and 2011-2013 cycle (published in December 2013)	Minor amendments to a series of standards	1 July 2014
IFRIC 21 – Encumbrances (published in May 2013)	Interpretation of when to recognise a liability for charges or encumbrances that are conditional on the entity's participation in an activity on a specified date	1 January 2014

- IFRS 9 - Financial Instruments.

IFRS 9 will in the future replace IAS 39. The chapters relating to classification and measurement and the accounting of hedges have already been issued. There are very significant differences with respect to the current standard, in relation to financial assets, including the approval of a new classification model based on only two categories, namely instruments measured at amortised cost and those measured at fair value, the disappearance of the current "held-to-maturity investments" and "available-for-sale financial assets" categories, impairment analyses only for assets measured at amortised cost and the non-separation of embedded derivatives in financial asset contracts.

In relation to financial liabilities, the classification categories proposed by IFRS 9 are similar to those currently contained in IAS 39 and, therefore, there should not be any very significant differences, except, in the case of the fair value option for financial liabilities, for the requirement to recognise changes in fair value attributable to own credit risk as a component of equity.

The accounting of hedges will also imply major changes as the approach in the standard is very different from that in the current IAS 39 as it attempts to align accounting with the economic risk management. The future impacts of adopting this standard have not yet been analysed. All of the effects will be analysed after the standard is completely finalised. This standard is not, however, expected to come into effect earlier than 2017.

- IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities, IAS 27 (Revised) Separate Financial Statements and IAS 28 (Revised), Investments in Associates and Joint Ventures.

This "package" of five standards or amendments was issued jointly and is aimed at superseding the current standards in relation to consolidation and the accounting for investments in subsidiaries, associates and joint ventures and the related disclosures.

IFRS 10 modifies the current definition of control. The new definition of control sets out the following three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns.

IFRS 11, Joint Arrangements supersedes IAS 31. IFRS 11 changes the focus of the analysis of joint arrangements and classifies joint arrangements into only two types: joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The way in which the joint arrangement will be accounted for depends on the conclusion reached as to its classification.

The fundamental change introduced by IFRS 11 with respect to the current standard lies in the accounting treatment of jointly controlled entities, since they must always be accounted for using the equity method, whereas IAS 31 currently provides for the option of choosing between accounting for them using the equity method and proportionately consolidating them. In this regard, IAS 31 also permitted the latter accounting option to be chosen if the arrangement was structured in the form of a separate legal entity, which is no longer relevant in the IFRS 11 analysis model, which is based on the existence of a separate vehicle, regardless of whether or not it is legally separate.

IFRS 12 represents a single standard presenting the disclosure requirements for interests in other entities (whether they be subsidiaries, associates, joint arrangements or other interests) and includes new disclosure requirements.

IAS 27 and IAS 28 are revised in conjunction with the issue of the aforementioned new IFRS.

From this "package" of standards IFRS 11 will foreseeably have a material effect on the Acciona Group's consolidated financial statements as the option that has been applied for the consolidation of joint ventures has been the proportionate consolidation of their financial statements (see Note 2.2-e). The Group's directors are currently assessing the impact that the application of this standard will have on the consolidated financial statements and the preliminary analysis indicates that at 31 December 2013 the effect would be a downward adjustment of EUR 383 million in the net amount of revenue, a reduction of EUR 58 million in the operating profit, a EUR 1,563 million smaller volume of assets as well as a reduction of EUR 675 million in net borrowing.

With the exception of the matters indicated in the preceding paragraphs, the Group's directors do not expect any significant changes to arise as a result of the introduction of the other standards, amendments and interpretations published but not yet in force, since they are to be applied prospectively, the amendments relate to presentation and disclosure issues and/or the matters concerned are not applicable to the Group's operations.

3.2 Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, were as follows:

A) <u>Property, plant and equipment</u>

Property, plant and equipment acquired for use in the production or supply of goods or services or for administrative purposes are stated in the consolidated balance sheet at the lower of acquisition or production cost less any accumulated depreciation and their recoverable amounts.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised. Acquisition cost includes professional fees and borrowing costs incurred during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. The interest rate used is that corresponding to funds borrowed specifically or, in the absence thereof, the rate applicable to the funds borrowed generally by the company making the investment.

The acquisition cost of assets acquired before 31 December 2003 includes any asset revaluations permitted in the various countries to adjust the value of the property, plant and equipment due to the effect of inflation until that date.

The balances of assets retired as a result of modernisation or for any other reason are derecognised from the related cost and accumulated depreciation accounts.

In-house work on non-current assets is recognised at accumulated cost (external costs, internal costs calculated on the basis of in-house consumption of warehouse materials and manufacturing costs incurred).

Upkeep and maintenance costs are charged to the consolidated income statement for the year in which they are incurred.

Generally, depreciation is calculated using the straight-line method, on the basis of the acquisition cost of the assets less their residual value. The land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated. The Group companies depreciate their property, plant and equipment over the years of estimated useful life. The annual depreciation rates applicable in 2013 were as follows:

Annual depreciation rates	
Buildings	2 - 10%
Special facilities	
Wind farms	5%
Hydroelectric power plants	1 - 2%
Biomass plants	4%
Solar thermal plants	3.33%
Vessels	5 - 20%
Remaining plant	3 - 30%
Machinery	5 - 33 %
Furniture	5 - 33%
Computer hardware	13 - 33%
Transport equipment	7 - 25%
Other items of property, plant and equipment	2 - 33%

Finance leases

Property, plant and equipment held under finance leases are recognised in the corresponding asset category and are depreciated over their expected useful lives on the same basis as owned assets.

B) Investment property

"Investment Property" in the accompanying consolidated balance sheet reflects the net values (i.e. less any accumulated depreciation) of the land, buildings and other structures held either to earn rentals or for capital appreciation.

Investment property is stated at acquisition cost and for all purposes the Group applies the same policies as those used for property, plant and equipment of the same kind.

Each year the Group determines the fair value of its investment property based on appraisals undertaken by independent valuers (see Note 5).

Investment property is depreciated on a straight-line basis over the years of estimated useful life of the assets, which constitutes the period over which the Group companies expect to use them. The average depreciation rate is as follows:

	Annual depreciation rate
Buildings held for rental	2 - 5%

C) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's ownership interests in the fair value of the identifiable assets and liabilities, including contingent assets and liabilities, of a subsidiary or jointly controlled entity at the date of acquisition or at the date on which control is obtained.

The assets and liabilities acquired are measured provisionally at the date on which control is acquired, and the resulting value is reviewed in a maximum period of one year from the date of acquisition. Until the fair value of the assets and liabilities has been definitively determined, the difference between the cost of acquisition and the carrying amount of the company acquired is recognised provisionally as goodwill.

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

- If it is attributable to specific assets and liabilities of the companies acquired, increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their balance sheets and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc.

- If it is attributable to specific intangible assets, recognising it explicitly in the consolidated balance sheet provided that the fair value at the date of acquisition can be measured reliably.

- The remaining amount is recognised as goodwill, which is allocated to one or more specific cash-generating units.

Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.

Goodwill acquired on or after 1 January 2004 is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill arising in the acquisition of companies with a functional currency other than the euro is translated to euros at the exchange rates prevailing at the date of the consolidated balance sheet.

D) Other intangible assets

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised.

Intangible assets with finite useful lives are amortised over those useful lives using methods similar to those used to depreciate property, plant and equipment. The amortisation rates, which were determined on the basis of the average years of estimated useful life of the assets, are basically as follows:

	Annual amortisation rate
Development expenditure	10 - 20%
Administrative concessions	2 - 25%
Leasehold assignment rights	10 - 20%
Computer software	7 - 33%

The consolidated companies recognise any impairment loss on the carrying amount of these assets with a charge to "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the consolidated income statement. The criteria used to recognise the impairment losses on these assets and any subsequent recovery thereof are detailed in Note 3.2-E).

Research and development expenditure

As a general rule, expenditure on research activities is recognised as an expense in the year in which it is incurred, except in development projects in which an identifiable asset is created, it is probable that the asset will generate future economic benefits, and the development cost of the asset can be measured reliably. The Group's development expenditure, which relates basically to the wind power business, is only recognised as an asset if it is probable that it will generate future economic benefits and the development cost of the asset can be measured reliably.

Development expenditure is amortised on a straight-line basis over its useful life. Unless the aforementioned conditions for recognition as an asset are met, development expenditure is recognised as an expense in the year in which it is incurred.

Administrative concessions

The "Administrative Concessions" line item includes concessions that have been acquired by the Group for consideration (in the case of concessions that can be transferred) or for the amount of the expenses incurred to directly obtain the concession from the Government or from the related public agency. Administrative concessions are amortised on a straight-line basis over the term of the concession.

Intangible assets in infrastructure projects

Since the adoption of IFRIC 12, the Acciona Group has included intangible assets associated with concessions in which the investment recovery risk is borne by the operator under "Intangible Assets in Infrastructure Projects". This type of concession-related activity is carried out through investments mainly in transport, car park and water supply infrastructure that is operated by subsidiaries, jointly controlled entities or associates (concession operators), the detail being as follows:

- The concession infrastructure is owned by the grantor in most cases.

- The concession grantor, which can be a public or private sector entity, controls or regulates the service offered by the concession operator and the conditions under which it should be provided.

- The infrastructure is operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are handed over to the concession grantor, and the concession operator has no right whatsoever over these assets.

- The concession operator receives revenue for the services provided either directly from the users or through the concession grantor.

The most significant accounting methods used by the Acciona Group in relation to these concession arrangements are as follows:

- Capitalisation of the borrowing costs incurred during the construction period and non-capitalisation of the borrowing costs after the entry into service of the related assets.

- Amortisation of the concession infrastructure on a straight-line basis over the concession term.

- Concession operators amortise these assets so that the carrying amount of the investment made plus the costs considered necessary to return the assets in working order is zero at the end of the concession term.

- In virtually all of the concessions of the Acciona Group, the construction work was carried out by Group companies. In this regard, the income and expenses corresponding to infrastructure construction or upgrade services are recognised at the gross amount thereof (recognition of the sales and the cost of sales in the consolidated financial statements of the Acciona Group), recognising the construction margin in the consolidated financial statements. If construction were not carried out by the Group itself, this fact would be taken into account for the purpose of recognising sales and the cost of sales in the consolidated financial statements.

Computer software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recognised at cost with a charge to "Other Intangible Assets" in the consolidated balance sheet.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

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E) Impairment of non-current assets

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment, investment property, goodwill and intangible assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the smallest identifiable cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and any impairment is written down with a charge to "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the consolidated income statement. An impairment loss recognised for goodwill must not be reversed in a subsequent period.

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Recoverable amount is the higher of fair value less costs to sell and value in use. The methodology used to estimate value in use varies on the basis of the type of asset in question. For these purposes, the Group considers three types of assets: investment property (assets held to earn rentals), goodwill of companies and assets of a limited duration (primarily assets related to electricity production and infrastructure concessions).

Investment property (assets held to earn rentals)

The Group's investment property relates to properties earmarked for lease. The fair value at 31 December 2013 of the Group's investment property was calculated on the basis of the appraisal conducted at that date by "Aguirre Newman Valoraciones y Tasaciones, S.A." (its report was issued on 02 January 2014).

Assets of this type are measured by discounting rentals at rates that vary on the basis of the type of building earmarked for lease and of the specific characteristics thereof. In proportion to their carrying amounts, the assets held to earn rentals may be classified as rental housing (57%), offices (14%), hotels (17%) and other buildings (12%) (residences, car parks, etc.) The discount rates (yields) used for each type of building lie in the following ranges: housing units (3.0-5.5%), offices (6.50-9.0%), hotels (7.25-8.00%) and other buildings (5.25-8.0%).

Based on the appraisal performed, impairment losses were recognised (see Note 5) under "Impairment and Gains or Losses on Disposals of Non-Current Assets") in the consolidated income statement.

Goodwill of companies

The impairment test takes into consideration the cash-generating units' overall capacity to generate future cash flows. The Group prepares five-year forecasts of projected cash flows, including the best available estimates of the income and expenses of the cash-generating units using industry projections, past experience and future expectations.

Also, a residual value is calculated on the basis of the normalised cash flows of the last year of the forecast, to which a perpetuity growth rate is applied which under no circumstances exceeds the growth rates of previous years. The cash flow used to calculate residual value takes into account the replacement investments required for the continuity of the business in the future at the estimated growth rate.

The weighted average cost of capital (WACC) is used to discount cash flows, which will depend on the type of business and on the market in which it is carried on. The average leverage during the projection period is taken into account in the calculation of the WACC.

Other items calculated include: i) the effective cost of borrowings, which takes into account the tax shield that they give rise to, based on the average tax rates in each country; and ii) the estimated cost of equity based on a risk-free interest rate, (generally using as a benchmark the return on a ten-year bond in Spain), the beta (which factors in the leverage and the risk associated with the asset), a market premium (estimated on the basis of historical yields in the capital markets) and a country-risk premium (that reflects the risk differential between the various markets). These variables are tested using recent studies on premiums required at long term, comparable companies in the industry and rates habitually used by investment banks.

The impairments recorded as a result of these analyses are described in Note 6 and are recognised under "Result for impairment of assets on the income statement".

Non-current assets in projects

This line item includes concession assets and projects with a limited duration and with an independent financial structure (mainly property, plant and equipment of the Energy division). These types of business are characterised by having a contractual structure that enables the costs incurred in a project to be clearly determined (at both the initial investment stage and the operating stage) and the related revenue to be reasonably projected over the life thereof.

To calculate the value in use of assets of this nature, the expected cash flows are projected until the end of the life of the asset. Therefore, it is assumed that there is no terminal value. The projections include both known data (based on project contracts) and basic assumptions supported by specific studies performed by experts (on demand, production, etc.). Also, macroeconomic data, such as inflation, interest rates, etc. are projected using data provided by independent specialist sources e.g. Bloomberg).

Since these assets are financed with funds borrowed specifically, the discounted cash flows are those obtained by the shareholder after servicing the debt. The rates used to discount these cash flows are based on the cost of equity, and in each case include the business risk and the sovereign risk relating to the location where the operation is being performed.

As a result of the analysis effected, the impairment of concession assets has been recognised (see Note 7). In addition, the impairment of non-current assets in projects in the energy division (see Note 4) has been recognised as "Result for impairment of assets on the income statement.

F) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance leases

When the consolidated companies act as the lessee, they present the cost of the leased assets in the consolidated balance sheet, based on the nature of the leased asset, and, simultaneously, recognise a liability for the same amount (which will be the lower of the fair value of the leased asset and the aggregate present values of the amounts payable to the lessor plus, where applicable, the price of exercising the purchase option). These assets are depreciated using the same criteria as those applied to similar items of property, plant and equipment that are owned.

The finance charges arising under finance leases are charged to the consolidated income statement on a straight-line basis over the term of the leases.

When the Compañía Trasmediterránea subgroup acquires vessels under finance leases, it is obliged to place deposits with a pre-established payment schedule and pre-established interest to cover future finance lease payments from the moment construction of the vessels begins.

In 2013 no borrowing costs on the financing obtained for making the deposits were capitalised to non-current assets (no such sum was recognised in 2012 either).

Operating leases

In operating leases, the ownership of the leased asset and substantially all the risks and rewards relating to the leased assets remain with the lessor, which recognises the assets at their acquisition cost.

These assets are depreciated using a policy consistent with the lessor's normal depreciation policy for similar items and lease income is recognised in the income statement on a straight-line basis.

When the consolidated companies act as the lessee, lease costs, including any incentives granted by the lessor, are recognised as an expense on a straight-line basis.

Amounts received and receivable as incentives for the arrangement of operating leases are also recognised in profit or loss on a straight-line basis over the term of the lease.

G) Non-current receivables and other non-current assets

"Non-Current Receivables and Other Non-Current Assets" includes the non-current trade receivables, mainly from public authorities, and withholdings from trade receivables, relating mainly to the Infrastructure division.

Since its adoption of IFRIC 12, the Acciona Group has recognised under "Non-Current Receivables and Other Non-Current Assets" non-current assets associated with concessions in which the grantor guarantees the recovery of the asset through the payment of a fixed or determinable amount and, accordingly, in which, therefore, the operator does not bear any demand risk.

This type of concession-related activity is carried on through investments mainly in transport, water supply and hospital infrastructure that is operated by subsidiaries, jointly controlled entities or associates (concession operators), the detail being as follows:

- The concession infrastructure is owned by the grantor in most cases.

- The concession grantor, which can be a public or private sector entity, controls or regulates the service offered by the concession operator and the conditions under which it should be provided.

- The infrastructure is operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are returned to the concession grantor, and the concession operator has no right whatsoever over these assets.

- The concession operator receives revenue for the services provided either directly from the users or through the concession grantor.

The most significant accounting methods used by the Acciona Group in relation to these concession arrangements are as follows:

- The account receivable is recognised for the present value of the amount receivable from the grantor.

- Borrowing costs are not capitalised, either during the construction phase or after the concession has started to operate.

- Even during the construction phase the Group recognises interest income earned on the financial asset, based on its effective interest rate.

- In virtually all of the concessions of the Acciona Group, the construction was carried out by Group companies. In this regard, the income and expenses corresponding to infrastructure construction or upgrade services are recognised at the gross amount thereof (recognition of the sales and the cost of sales in the consolidated financial statements of the Acciona Group), recognising the construction margin in the consolidated financial statements. If construction were not carried out by the Group itself, this fact would be taken into account for the purpose of recognising sales and the cost of sales in the consolidated financial statements.

- There is no depreciation or amortisation charge since the arrangements constitute a financial asset.

- Annual billings are divided into a financial asset component recognised in the balance sheet (and, therefore, not recognised as sales) and the component relating to services provided, which is recognised under "Revenue".

H) Financial instrument disclosures

As a result of the adoption in 2007 of IFRS 7 and of the amendments to IAS 1 and IFRS 7, the qualitative and quantitative disclosures on financial instruments and risk and capital management were extended and are detailed in the following notes:

- Financial asset and liability categories, including derivative financial instruments and accounting policies are detailed in Note 3.2-i.
- Classification of the fair value measurements of financial assets and for derivative financial instruments consistent with the fair value hierarchy established in IFRS 7, detailed in Note 3.2-i.
- Qualitative and quantitative disclosure requirements relating to capital are detailed in Note 16 g.
- Risk accounting and management policies are detailed in Note 19.
- Derivative financial instruments and hedge accounting are detailed in Note 20.
- Transfers from equity to profit for the year of settlements of hedging derivative financial instrument transactions are detailed in Note 29.

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I) Financial instruments

Non-current and current financial assets excluding hedging derivatives

The financial assets held by the Group companies are classified as:

- Loans and receivables: financial assets originated by the companies in exchange for supplying cash, goods or services directly to a debtor. These items are measured at amortised cost, which is basically the initial market value, minus principal repayments, plus the accrued interest receivable calculated using the effective interest method.

- Held-to-maturity investments: assets with fixed or determinable payments and fixed maturity The Group has the positive intention and ability to hold them from the date of purchase to the date of maturity. This category includes mainly short-term deposits, which are measured at amortised cost, as indicated above.

- Held-for-trading financial assets: assets acquired by the companies with the intention of generating a profit from short-term fluctuations in their prices or from differences between their purchase and sale prices. This heading also includes financial derivatives not considered to qualify for hedge accounting, as well as other assets which upon initial recognition are designated, as permitted under IFRS, as financial assets at fair value through profit or loss. They are measured at fair value at the date of subsequent measurement where this can be determined reliably. In these cases, the gains and losses arising from changes in fair value are recognised in the income statement for the year. At

31 December 2013 and 2012, the Acciona Group did not have any financial assets of this type.

- Deposits and guarantees: in the specific case of the acquisition of vessels under finance lease agreements, as indicated in Note 3.2-f), the Compañía Trasmediterránea subgroup is obliged to give deposits with a pre-established payment schedule and pre-established interest to cover future finance lease payments. These deposits are recognised under "Non-Current Financial Assets" and "Other Current Financial Assets" in the accompanying consolidated balance sheet, based on the dates on which the related lease payments payable fall due. Both headings include the amounts effectively delivered and interest until year-end calculated on a time proportion basis, which are taken to profit or loss over the term of the lease, also on a time proportion basis.

- Available-for-sale financial assets: these relate to securities acquired that are not classified in the other categories, substantially all of which relate to investments in the capital of companies. They are measured:

    - At acquisition cost, adjusted for any impairment losses disclosed, in the case of investments in unlisted companies, since it is not always possible to determine the fair value reliably.

    - At fair value when it is possible to determine it reliably, based on either the market price or, in the absence thereof, using the price established in recent transactions or the discounted present value of the future cash flows. The gains and losses from changes in fair value are recognised directly in equity until the asset is disposed of, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement for the year. If fair value is lower than acquisition cost and there is objective evidence that the asset has suffered an impairment loss that cannot be considered reversible, the difference is recognised directly in the consolidated income statement.

    At 31 December 2013, the available-for-sale financial assets were measured by reference to quoted (unadjusted) market prices and categorised in level one of the fair value measurement hierarchy established in IFRS 7.

In 2013 and 2012 no financial assets were reclassified among the categories defined in the preceding paragraphs.

Purchases and sales of financial assets are recognised using the trade date method.

Transfers of financial assets

The Acciona Group derecognises financial assets when they expire or when the rights to the cash flows from the financial asset and substantially all the risks and rewards of ownership have also been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the company does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinate financing or award any kind of guarantee or assume any other kind of risk.

Bank borrowings other than derivatives

Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. Borrowing costs, including premiums payable on settlement or redemption and direct issue costs, are recognised in the income statement on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. In subsequent periods, these obligations are measured at amortised cost using the effective interest method.

In specific cases where liabilities are the underlying of a fair value hedge, they are measured, exceptionally, at fair value for the portion of the hedged risk.

Derivative financial instruments and hedge accounting

The Group's activities expose it mainly to the financial risks of changes in foreign exchange rates and interest rates and in certain fuel stocks and fuel supplies. The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Electricity and fuel price and supply hedging transactions are also arranged. The Group does not use derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors.

Accounting policies:

Derivatives are recognised at fair value (see measurement bases below) at the consolidated balance sheet date under "Other Current Financial Assets" or "Non-Current Financial Assets" if positive and under "Bank Borrowings" (both current and non-current) if negative. Changes in the fair value of derivative financial instruments are recognised in the consolidated income statement as they arise. If the derivative has been designated as a hedge which is highly effective, it is recognised as follows:

- Fair value hedges: these hedges are arranged to fully or partially reduce the risk of fluctuations in the value of assets and liabilities (underlying) recognised in the consolidated balance sheet. The portion of the underlying for which the risk is being hedged is measured at fair value, as is the related hedging instrument, and changes in the fair values of both items are recognised under the same heading in the consolidated income statement. At 31 December 2013, the Group had not arranged any fair value hedges.

- Cash flow hedges: these hedges are arranged to reduce the risk of potential changes in the cash flows associated with the interest payments on non-current floating-rate financial liabilities, exchange rates and fuel stock and fuel hedges. Changes in the fair value of derivatives are recognised, with respect to the effective portion of the hedge, under "Equity - Reserves - Valuation Adjustments - Hedges". The cumulative gain or loss recognised in this heading is transferred to the consolidated income statement to the extent of the impact of the underlying (resulting from the risk hedged) on the consolidated income statement; thus this effect is netted off under the same heading in the consolidated income statement. Gains or losses on the ineffective portion of the hedges are recognised directly in the consolidated income statement.

- Hedges of a net investment in a foreign operation: changes in fair value are recognised, in respect of the effective portion of these hedges, net of the related tax effect, as "Translation Differences" in equity, and are transferred to the consolidated income statement when the hedged investment is disposed of. At 31 December 2013, the Group did not have any hedges relating to net investments in a foreign operation.

Group policy on hedging:

At the inception of the transaction, the Group designates and formally documents the hedging relationship and the objective and strategy for undertaking the hedge. Hedges are only recognised when the hedging relationship is expected, prospectively, to be highly effective from inception and in subsequent years it will be effective to offset the changes in the fair value or cash flows of the hedged item during the life of the hedge and, retrospectively, that the actual effectiveness of the hedge, which can be reliably calculated, is within a range of 80 - 125% of the gain or loss on the hedged item.

The Group does not hedge forecast transactions, but rather only firm financing commitments. If the cash flows from forecast transactions were hedged, the Group would assess whether such transactions were highly probable and whether they were exposed to changes in cash flows that could ultimately affect profit for the year.

If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in recognition of a non-financial asset or liability, amounts deferred in equity are recognised in the income statement in the same period as that in which the hedged item affects net profit or loss.

Compound financial instruments with multiple embedded derivatives

The Acciona Group does not have any compound financial instruments with embedded derivatives.

Measurement bases

The Group measures derivatives not traded on an organised market (OTC) by discounting the expected cash flows and using generally accepted option pricing models based on spot and futures market conditions at the end of each year. The fair value calculations for each type of financial instrument are as follows:

- Interest rate swaps are valued by discounting future settlements between fixed and floating interest rates to their present value, in line with implicit market rates, obtained from long-term interest rate swap curves. Implicit volatility is used to calculate the fair values of caps and floors using option pricing models.

- Foreign currency hedging and option contracts are valued using the spot exchange rate, the forward interest rate curves of the related currencies and, in the case of options, implicit volatility until maturity.

- Commodities contracts (for fuel) are valued in a similar way, in this case, taking into account the futures prices of the underlying and the implicit volatility of the options.

In order to determine the adjustment for credit risk in the valuation of derivatives at 31 December 2013, the technique applied has been based on a calculation through simulations of the total expected exposure (incorporating both the actual and the potential exposure) adjusted in line with the probability of default over time and the severity (of potential loss) assigned to the Company and to each of the counterparties.

More specifically, the adjustment for credit risk has been obtained from the following formula:

$$EAD * PD * LGD$$

where

- EAD: Exposure at default at any given moment. This is calculated through the simulation of scenarios with market price curves.

- PD: Probability of default i.e. that one or other of the counterparties may fail to fulfil its payment obligations at any given moment.

- LGD: Loss given default with a severity = 1- (recovery rate): The percentage of losses ultimately occurring when one of the counterparties is subject to default.

The total expected exposure from derivatives is obtained using observable market inputs, such as interest curves, exchange rates and volatilities depending on the market conditions on the valuation date.

The inputs applied to obtain credit risk and counterparty risk (determination of the probability of default) are mainly based on the application of credit spreads of the Company or other comparable businesses currently traded on the market (CDS curves, IRR of debt issues). In the absence of credit spreads of the Company or other comparable businesses and in order to maximise the use of relevant observable variables, the listed references taken into account are those considered most suitable in each case (listed credit spread indices). For counterparties with credit information available, the credit spreads used are obtained from the Credit Default Swaps (CDS) listed on the market.

Furthermore, for the adjustment of the fair value to the credit risk, consideration has been given to the credit enhancements in terms of collateral or guarantees when determining the severity rate to be applied to each position. Severity is considered to be unique over time. If there are no credit enhancements in terms of collateral or guarantees, the minimum recovery rate applied has been 40%. Nonetheless, this rate would range between 65% and 85% depending on the degree of progress in the project (construction or operation phase) for derivatives contracted under Project Finance structures.

At 31 December 2013, the fair value valuations made of the different derivative financial instruments including the information used for the calculation of the adjustment for credit risk of both the Company and its counterparty are classified at level 2 in the fair value hierarchy established in IFRS 7 as the inputs based on prices listed for similar instruments on active markets (not included in level 1), listed prices for identical or similar instruments on markets that are not active, and techniques based on valuation models for which all the significant inputs are observable on the market or can be corroborated by observable market data.

Although the Acciona Group has determined that most of the inputs used to evaluate the derivatives are at level 2 in the fair value hierarchy, the credit risk adjustments use level 3 inputs such as the credit estimations based on the credit rating or comparable companies to assess the probability of insolvency for the Company or its counterparty. The Group has assessed the relevance of the credit risk adjustments for the total valuation of the derivative financial instruments and has concluded that they are not material.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value, which does not differ substantially from their fair value.

Current/Non-current classification

In the accompanying consolidated balance sheet, assets and liabilities maturing within no more than twelve months are classified as current items and those maturing within more than twelve months are classified as non-current items. The companies in the Real Estate division classify their liabilities based on their production cycle, which usually encompasses a longer period than the aforementioned twelve months. The current assets and liabilities allocated to this division with an estimated maturity of more than twelve months are as follows:

	Thousands of euros	
	2013	2012
Inventories	781,514	916,809
Trade receivables		-
Total current assets	**781,514**	**916,809**
Bank borrowings	104,178	122,819
Other current liabilities	4,530	10,556
Total current liabilities	**108,708**	**133,375**

Loans maturing within twelve months but whose long-term refinancing is ensured at the Group's discretion through available long-term credit facilities are classified as non-current liabilities.

J) Inventories

The Group companies measure their inventories as follows:

- In the Construction business, procurements, consisting basically of construction materials located at the sites of the various construction projects in progress, are measured at acquisition cost. Semi-finished goods or work in progress to be included in the value of the construction projects are recognised at production cost.

  Land is measured at the lower of acquisition cost, plus urban development costs, if any, purchase transaction costs and borrowing costs incurred from the date of commencement of the development of the site for its desired use until construction begins, and estimated market value. If the building work is halted due to its rescheduling or other reasons, the borrowing costs cease to be capitalised.

  The costs incurred in property developments (or in parts of a development) unfinished at year-end are treated as inventories. These costs include land, urban development and construction costs, capitalised borrowing costs incurred in the construction period, and other allocable direct and indirect costs. Commercial costs are charged to the income statement in the year in which they are incurred.

The borrowing costs capitalised in 2013 and 2012 amounted to EUR 0.6 million and EUR 0.2 million, respectively (see Note 29).

- Other inventories are recognised generally at the lower of weighted average cost and net realisable value. These inventories can, on a residual basis, be measured at FIFO cost.

The Group assesses the fair value of the real estate inventories at the end of each year based on the appraisals undertaken by independent valuers, and recognises the appropriate write-down if the inventories are overstated. The Acciona Group calculated the fair value of its property developments based on the appraisals conducted at 31 December 2013 by its independent valuers: "Savills Consultores Inmobiliarios, S.A." (whose report was issued on 12 February 2014) and "Instituto de Valoraciones, S.A." (whose report was issued on 17 January 2014).

The appraisals were carried out in accordance with the Appraisal and Valuation Standards issued by the Royal Institute of Chartered Surveyors (RICS) of the United Kingdom and the International Valuation Standards (IVS) issued by the International Valuation Standards Committee (IVSC). The residual method was used to calculate the fair value, supplemented by the comparative method. This value constitutes the best estimate of the market value of these assets.

Whenever there is a reasonable change in the basic assumptions that affect the recoverable amount of the assets, the Group performs a sensitivity analysis to determine whether this change may reduce the realisable value to below the carrying amount, in which case, an impairment loss is recognised.

K) Treasury shares

At 31 December 2013, Acciona, S.A. and its subsidiary Finanzas Dos, S.A. held 140,440 treasury shares representing 0.245% of the share capital at that date. The acquisition cost of these shares amounted to EUR 6,461 thousand. The acquisition cost of the treasury shares and the gains or losses on transactions involving them are recognised directly in equity (see Note 16).

At 31 December 2012, Acciona, S.A. and its subsidiary Finanzas Dos, S.A. held 108,781 treasury shares representing 0.19% of the share capital at that date. The acquisition cost of these shares amounted to EUR 4,107 thousand. The acquisition cost of the treasury shares and the gains or losses on transactions involving them are recognised directly in equity (see Note 16).

Effective 6 June 2012, the Board of Directors of Acciona, S.A. reduced capital by EUR 6,290,450 through the retirement of 6,290,450 treasury shares. This resolution to reduce capital was approved by the shareholders at a General Meeting held on 24 May 2012 (see Note 16-a)).

L) Termination benefits

Under current legislation, the Spanish consolidated companies and certain foreign companies are required to pay termination benefits to employees terminated without just cause. The Acciona Group companies currently do not have any extraordinary employee termination plans that have not been appropriately provisioned in accordance with current legislation.

M) Provisions

The Group's consolidated financial statements include all the provisions covering present obligations at the balance sheet date arising from past events which could give rise to a loss for the companies that is certain as to its nature but uncertain as to its amount and/or timing. They include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

Litigation and/or claims in process

At the end of 2013 and 2012, certain litigation and claims were in process against the consolidated companies arising from the ordinary course of their operations. The Group's directors, taking into account the opinion of its legal advisers, consider that the outcome of litigation and claims will not have a material effect on the consolidated financial statements for the years in which they are settled. Accordingly, they did not deem it necessary to record an additional provision in this connection.

Operating provisions and allowances

These provisions and allowances include costs that have not yet been incurred. The provision for the cost of completion of construction projects is intended to cover the expenses arising from the date on which project units are completed to the date of delivery to the customer.

Provisions for pensions and similar obligations

Except for the two groups discussed later in this section, the Acciona Group companies do not have any pension plans to supplement social security pensions. The appropriate provisions are recognised for terminations of permanent site personnel.

- The collective agreements of certain companies in the Compañía Trasmediterránea subgroup establish benefits of specific amounts for employees who reach retirement age, subject to compliance with the conditions stipulated in these agreements. Some of these collective agreements also establish a loyalty bonus based on the employee's length of service at the company.

On 15 December 2002, pursuant to Royal Decree 1588/1999, of 15 October, Compañía Trasmediterránea externalised its employee retirement benefit obligations by arranging a single-premium insurance policy. The cost recognised at 31 December 2013 and 2012 relating to the amounts payable to the insurance company for the benefit obligations accrued in those years amounted to EUR 196 thousand and EUR 385 thousand, respectively, and this amount was recognised under "Wages and Salaries" in the accompanying consolidated income statement.

"Non-Current Liabilities - Provisions" in the accompanying consolidated balance sheets at 31 December 2013 and 2012 includes the liabilities relating to Compañía Trasmediterránea's loyalty bonus obligations, amounting to EUR 740 thousand and EUR 741 thousand, respectively.

- As a result of the acquisition of assets and/or companies from the Endesa Group in 2009, certain companies in the Acciona Group entered into or were subrogated to collective agreements that establish benefits of specific amounts for employees included in such agreements who reach retirement age, provided that the conditions established in the agreements are met. Some of these collective agreements also establish a loyalty bonus based on the employee's length of service at the companies. The impact of these obligations is not material.

These companies also have various pension obligations to their employees, which vary depending on the Endesa Group company from which they came. These obligations, which are both defined benefit and defined contribution obligations, are basically formalised in pension plans or insurance policies, except as regards certain benefits in kind, mainly electricity supply obligations, which, due to their nature, have not been externalised and are covered by the related in-house provisions.

For the defined benefit plans, the companies recognise the expenditure relating to these obligations on an accrual basis over the working life of the employees by performing at the consolidated balance sheet date the appropriate actuarial studies calculated using the projected unit credit method. The past service costs relating to changes in benefits are recognised immediately in the consolidated income statement as the benefits vest.

The defined benefit plan obligations represent the present value of the accrued benefits after deducting the fair value of the qualifying plan assets. The actuarial losses and gains arising in the measurement of both the plan liabilities and the plan assets are recognised directly in equity under "Reserves - Change due to Actuarial Losses and Gains on Pension Schemes".

For each of the plans, any positive difference between the actuarial liability for past services and the plan assets is recognised under "Provisions" in the consolidated balance sheet and any negative difference is recognised under "Trade and Other Receivables" on the asset side of the consolidated balance sheet, provided that such negative difference is recoverable by the Group, usually through a reduction in future contributions.

Contributions to defined contribution plans are recognised as an expense in the consolidated income statement for the year, in line with the rendering of services by the employees.

The Group recognises the full amount of the expenditure relating to these plans when the obligation arises by performing the appropriate actuarial studies to calculate the present actuarial obligation at year-end. The actuarial gains and losses disclosed each year are recognised in the consolidated income statement for that year.

The impact of these plans on the consolidated income statement is not material (see Note 17).

The Group recognises termination benefits when there is an individual or collective agreement with the employees or a genuine expectation that such an agreement will be reached that will enable the employees, unilaterally or by mutual agreement with the Group company, to cease working for the Group in exchange for a termination benefit. If a mutual agreement is required, a provision is only recorded in situations in which the Group has decided to consent to the termination of the employees when this has been requested by them. In all cases in which these provisions are recognised the employees have an expectation that these early retirements will take place.

N) <u>Grants</u>

Government grants related to assets to cover staff re-training costs are recognised as income once all the conditions attaching to them have been fulfilled over the periods necessary to match them with the related costs.

Government grants related to property, plant and equipment and intangible assets are treated as deferred income, are classified under "Other Non-Current Liabilities" and are taken to income over the expected useful lives of the assets concerned under "Other Income".

O) <u>Revenue recognition</u>

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Sales of goods are recognised when substantially all the risks and rewards have been transferred.

Following is a detail of certain of the particular features of the business activities carried on by the Group:

<u>Construction business:</u>

The Group companies recognise construction contract revenue and expenses by reference to the stage of completion of the contract activity at the consolidated balance sheet date, determined on the basis of an examination of the work performed. Under this method, contract revenue is recognised in the consolidated income statement in the accounting periods in which the contract work is performed, and contract costs are recognised as an expense in the accounting periods in which the work for which they are incurred is performed, provided that:

- Total contract revenue and the costs to complete the contract can be measured reliably; where appropriate, estimated contract revenue and contract costs are reviewed and revised as the contract progresses.
- It is probable that the economic benefits associated with the contract will be obtained.
- The costs attributable to the contract can be clearly identified and measured reliably.

In exceptional cases, where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised only to the extent of the probable recoverability of contract costs incurred.

In practice, revenue relates to the work completed in the year (as determined in the aforementioned examination), measured at the contract prices, provided that the work in question is included in the subject-matter of the main contract entered into with the customer.

Since contracts can be subject to variations during the performance of the construction project -due to instructions from the customer to change the scope of the work to be performed- contract variations are only recognised as revenue when negotiations have reached an advanced stage and, therefore, it is sufficiently certain that the customer will approve the variation.

Late-payment interest resulting from a delay in the payment of progress billings by the customer is only recognised when it can be measured reliably and its collection is reasonably assured.

If, due either to a delay in collection or to the insolvency of the customer, uncertainty arises as to the collectability of an item already recognised as contract revenue, the related provision for uncollectable amounts is recorded on the basis of the estimated customer risk.

Construction contract costs are recognised on an accrual basis, i.e. they are recognised as an expense in the year in which the work to which they relate is performed. Costs that relate to future activity on the contract, such as insurance premiums, site installations, fencing and enclosures, etc., are initially recognised as assets and are periodically charged to income on the basis of the stage of completion of the contract.

As regards the depreciation of property, plant and equipment used in construction contracts, the assets whose estimated useful life coincides with the duration of the construction work are depreciated over the term of the contract so that they are fully depreciated upon completion thereof.

Machinery whose useful life exceeds the term of the contract is depreciated systematically on the basis of the technical criteria stipulated in the various contracts in which it is used.

Machinery removal and site installation dismantling costs, upkeep costs within the warranty period and the costs, if any, arising in the period from the completion of the construction work to the date of final settlement are deferred and recognised in profit or loss over the life of the construction project, since they relate both to the completed contract units and to future activity on the contract.

When it is considered probable that estimated contract costs will exceed contract revenue, a provision for the expected loss is recognised with a charge to the income statement for the year in which the loss becomes known, irrespective of whether the construction units under the contract have been completed.

Real Estate business:

The Group companies recognise property sale revenue and expenses on the date the property is delivered, since this is considered to be the time when the risks and rewards incidental to ownership are transferred to the buyers.

Accordingly, at the date of delivery of the property the Group companies recognise the provisions, if any, required to cover the contractually stipulated costs not yet incurred in relation to the asset delivered. These provisions arise from a present obligation of the Group company, the amount of which can be estimated reliably and whose settlement will probably give rise to an outflow of resources for the Group company.

Rental revenue is recognised on an accrual basis, and incentive-related income and the initial costs of the lease agreements are recognised in profit or loss on a straight-line basis over the term of the agreement.

Borrowing costs directly attributable to the acquisition or construction of property developments or investment property -assets that necessarily require a substantial period of time to be prepared for their intended use or sale- are added to the cost of those assets until such time as the assets are substantially ready for use or sale, provided that the fair value exceeds the accumulated cost of the asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Services business:

Revenue associated with the rendering of services is also recognised by reference to the stage of completion of the transaction at the balance sheet date, provided the outcome of the transaction can be estimated reliably.

The Group companies recognise as the profit or loss on their services each year the difference between production (value at the selling price of the services provided during the period, as stipulated in the main contract entered into with the customer or in approved amendments or addenda thereto, or of the services not yet approved whose recovery is reasonably certain) and the costs incurred during the year, since the revenue and expenses from projects in the services industry can undergo major changes during the period of performance, which are difficult to predict and quantify objectively.

Price revisions stipulated in the initial contract entered into with the customer are recognised as revenue on an accrual, basis, irrespective of whether they have been approved by the customer on an annual basis.

Energy business:

One of businesses of the Acciona Group is the turnkey construction of wind farms and other energy production facilities. The total costs incurred in these projects are recognised as operating expenses and the related sales are recognised in accordance with the stage of completion of the project, calculated on the basis of the price and terms and conditions of the sale agreement at the cost incurred and at the estimated cost, based on the detailed budgets of each contract applied since the inception thereof. Losses on contracts are recognised in full in the consolidated income statement for the year as soon as they become known.

P) Income tax. Deferred tax assets and liabilities

The current income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the adjusted accounting profit for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

Deferred tax assets and liabilities are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases. They are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Income tax and changes in deferred tax assets and liabilities not arising from business combinations are recognised in the consolidated income statement or in equity accounts in the consolidated balance sheet depending on where the profits or losses giving rise to them have been recognised.

Changes arising from business combinations that are not recognised on the acquisition of the controlling interest because their recovery is not assured are recognised by reducing, where appropriate, the carrying amount of goodwill recognised when the business combination was accounted for or, if no such goodwill exists, using the aforementioned method.

Deferred tax assets relating to temporary differences, and tax loss and tax credit carryforwards are only recognised if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at each balance sheet date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

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Q) Foreign currency balances and transactions

Transactions in currencies other than the functional currency of each company are recognised in the functional currency by applying the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the balances translated at the exchange rate prevailing at the date of the transaction and the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as finance costs or finance income in the consolidated income statement.

Also, balances receivable or payable at 31 December each year denominated in currencies other than the functional currencies in which the financial statements of the consolidated companies are denominated are translated to euros at the year-end exchange rates. The translation differences are recognised as finance costs or finance income in the consolidated income statement.

R) Environmental activities

In general, environmental activities are considered to be operations whose main purpose is to prevent, reduce or redress damage to the environment.

Investments relating to environmental activities are measured at acquisition cost and capitalised as an addition to non-current assets in the year in which they are made.

Environmental protection and improvement expenses are charged to income in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

Provisions for probable or certain third-party liability, litigation in process and outstanding environmental indemnity payments or obligations of undetermined amount not covered by the insurance policies taken out are recorded when the liability or obligation giving rise to the indemnity or payment arises.

S) Discontinued operations and non-current assets and liabilities classified as held for sale

The Group classifies as "Non-Current Assets Classified as Held for Sale" property, plant and equipment, intangible assets, other non-current assets or investments under "Investments Accounted for Using the Equity Method" and disposal groups (groups of assets which will be disposed of together with their directly associated liabilities) for which at the date of the consolidated balance sheet an active programme and reasonable prices had been established to sell them and the sale is expected to be completed within twelve months from that date.

The Group classifies as "Discontinued Operations" the business lines that were sold or disposed of by other means or which meet the criteria to be classified as held for sale, including, where applicable, assets which, together with the business line, form part of the same disposal plan or are classified as held for sale as a result of commitments acquired. Also, companies acquired exclusively with a view to resale are classified as "Discontinued Operations".

These assets or disposal groups are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets ceases from the time they are classified as "Non-Current Assets Classified as Held for Sale". However, at the date of each consolidated balance sheet the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell.

The non-current assets held for sale and the components of the disposal groups classified as held for sale are presented in the accompanying consolidated balance sheet as follows: the assets as a single line item called "Non-Current Assets Classified as Held for Sale and Discontinued Operations" and the liabilities also as a single line item called "Liabilities Associated with Non-Current Assets Classified as Held for Sale and Discontinued Operations".

The profit or loss after tax of discontinued operations is presented as a single line item in the consolidated income statement as "Profit/Loss after Tax from Discontinued Operations".

T) Earnings per share

Basic earnings per share are calculated by dividing net profit or loss attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held by the Group companies.

Diluted earnings per share are calculated by dividing net profit or loss attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Parent. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period. Since the Group does not have any dilutive potential ordinary shares, the basic earnings per share and the diluted earnings per share for 2013 and 2012 coincide.

U) Consolidated statement of cash flows

The following terms, with the meanings specified, are used in the consolidated statement of cash flows, which was prepared using the indirect method:

- Cash flows: inflows and outflows of cash and cash equivalents, which are taken to be changes in the value of short-term, highly liquid investments.

- Operating activities: the principal revenue-producing activities of the Company and other activities that are not investing or financing activities. Beginning with the profit before tax from continuing operations, in addition to the adjustment for "Depreciation and Amortisation Charge", transfers of interest paid and received are recognised under "Other Adjustments to Profit (Net)" although on a separate basis, as well as the transfer of the gains or losses on disposal of non-current assets included under investing activities and, lastly, the adjustments to the results of companies accounted for using the equity method and, in general, any results that do not generate cash flows.

- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and borrowings that are not operating activities.

3.3 Accounting estimates and judgements

The information in these financial statements is the responsibility of the Parent's directors.

In the consolidated financial statements for 2013 and 2012 estimates were made by the Group's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The measurement of assets and goodwill to ascertain whether there are any impairment losses thereon.
- Distribution of the cost of the business combinations.

- Recognition of revenue in the construction business.
- The assumptions used in the actuarial calculation of the pension liabilities and obligations.
- The useful life of property, plant and equipment, investment property and intangible assets.
- The assumptions used in measuring the fair value of the financial instruments.
- The probability of the occurrence and the amount of liabilities of undetermined amount or contingent liabilities.
- The future facility closure and land restoration costs.
- The results for tax purposes of the various Group companies that will be reported to the tax authorities in the future that served as the basis for recognising the various income tax-related balances in the accompanying consolidated financial statements.

These estimates were made on the basis of the best information available at 31 December 2013 and 2012 on the events analysed. However, events that take place in the future might make it necessary to change these estimates. Any such changes would be made in accordance with the requirements of IAS 8.

3.4 Changes in accounting estimates and policies and correction of fundamental errors

- Changes in accounting estimates: the effect of any change in accounting estimates is recognised under the same income statement heading as that under which the expense or income measured using the previous estimate was recognised.

- Changes in accounting policies and correction of fundamental errors. The effects of changes and corrections of this kind are recognised as follows: if material, the cumulative effect at the beginning of the year is adjusted under "Reserves" and the effect for the current year is recognised in the income statement. In these cases, the financial data for the comparative year presented together with those for the current year are restated.

At 31 December 2013 and 2012, there were no significant changes in accounting estimates or accounting policies or corrections of errors.

4. Property, plant and equipment

The changes in 2013 and 2012 in cost and accumulated depreciation were as follows (in thousands of euros):

Property, plant and equipment	Land and buildings	Electricity generating facilities	Other plant and machinery	Advances and property, plant and equipment in the course of construction	Other items of property, plant and equipment	Accumulated depreciation and impairment losses	Total
Balance at 31/12/11	**477,040**	**10,691,653**	**1,470,981**	**746,940**	**254,683**	**(3,221,736)**	**10,419,561**
Variations due to changes in the scope of consolidation	-	(3,710)	(65)	-	(18)	527	(3,266)
Additions/charge for the year	7,020	18,621	39,309	376,605	24,966	(647,993)	(181,472)

Property, plant and equipment	Land and buildings	Electricity generating facilities	Other plant and machinery	Advances and property, plant and equipment in the course of construction	Other items of property, plant and equipment	Accumulated depreciation and impairment losses	Total
Reductions	(732)	(7,185)	(103,860)	(18,336)	(18,918)	92,057	(56,974)
Transfers	38,258	773,697	69,168	(327,787)	11,956	(63,347)	1,945
Other changes	3,901	(19,060)	(3,682)	(3,305)	1,089	(14,421)	(35,478)
Balance at 31/12/12	**525,487**	**11,454,016**	**1,471,851**	**274,117**	**273,758**	**(3,854,913)**	**10,144,316**
Variations due to changes in the scope of consolidation	9	(115,699)	538	145	(43)	27,986	(87,064)
Additions/charge for the year	5,916	12,100	42,430	195,229	10,677	(1,479,960)	(1,213,608)
Reductions	(1,474)	(524)	(82,700)	(18,748)	(10,685)	73,032	(41,099)
Transfers	(16,853)	207,421	(10,776)	(245,483)	(18,964)	(18,405)	(103,060)
Other changes	(3,612)	(211,104)	(17,841)	(3,626)	(6,024)	56,377	(185,830)
Balance at 31/12/13	**509,473**	**11,346,210**	**1,403,502**	**201,634**	**248,719**	**(5,195,883)**	**8,513,655**

The breakdown of the net balances at the end of 2013 and 2012 is as follows:

Property, plant and equipment	2013			2012		
	Cost	Accumulated depreciation and impairment losses	Total	Cost	Accumulated depreciation and impairment losses	Total
Land and buildings	509,473	(157,797)	351,676	525,487	(153,143)	372,344
Electricity generating facilities	11,346,210	(3,843,117)	7,503,093	11,454,016	(2,616,965)	8,837,051
Other plant	933,974	(649,490)	284,484	999,410	(549,956)	449,454
Machinery	469,528	(367,480)	102,048	472,441	(355,574)	116,867
Advances and property, plant and equipment in the course of construction	201,634	--	201,634	274,117	--	274,117
Other items of property, plant and equipment	248,719	(177,999)	70,720	273,758	(179,275)	94,483
Total	**13,709,538**	**(5,195,883)**	**8,513,655**	**13,999,229**	**(3,854,913)**	**10,144,316**

The most notable change in 2013 to this line item on the balance sheet relates to the additions for the impairment of the value of tangible assets in the amount of 798 million euros. In accordance with the indications given in Note 3.2.E), most of these impairments at 31 December 2013 correspond to assets in the Energy division, mainly in domestic assets for wind power, hydroelectric, biomass and solar thermal electricity generation, in the amount of EUR 562.5 million and wind power generation assets located in United States in the amount of EUR 55.1 million.

With respect to the property, plant and equipment allocated to the domestic market, since there has been a new significant regulatory change in the Spanish electricity system (see Note 2) the Acciona Group has evaluated the main implications on the project flows from not only the levies and charges in place from 1 January 2013 on the revenue from the sale of energy, but also the loss of the fixed production tariff derived from RDL 9/2013 and the collection of remuneration for the investment or transaction, as appropriate, for those projects where this is applicable during their regulatory lifespan according to the draft Ministerial Order made available to the stakeholders as part of the interviews with interested parties initiated by the National Markets and Competition Commission (CNMC) in February 2014.

For the calculation of the value in use, a projection of the expected cash flows has been prepared until the end of the asset's working life or the concession (in some cases, as with wind power technology, this is greater than the regulatory lifespan), without any remainder value.

The cost of own capital used to update the asset cash flows has been 9.5%. Assets with certain peculiar features, such as not being leveraged, have been discounted from the project cash flows using a weighted average cost of capital (WACC) of 7.2%.

After effecting this analysis, it was seen that it was necessary to apply impairment to the tangible assets in the cost of different projects under operation for a global amount, as indicated in the preceding paragraphs, of EUR 562.5 million and recognised under "Result of asset impairment" on the consolidated income statement. Wind power generation assets were particularly affected due mainly to the fact that the wind farms commissioned prior to 2005, according to the draft Ministerial Order, will cease to have any additional remuneration at the market price (pool), as will hydroelectric assets for which, over and above the fall in margin under the new regulatory framework, the forecasts have worsened in the course of the year with regard to the renewal of certain concessions on their maturity.

Finally, the biomass and solar thermal generation assets have been affected to a lesser degree. In the case of biomass because the relative importance of this asset class for the Group's mix of generation assets is not very relevant and, in the case of solar thermal assets because they have been less impacted by the new Royal Decree compared to the impact suffered in the preceding regulation.

Furthermore, the Group has performed a sensitivity analysis on the outcome of the impairment test in the event of variations in the following hypotheses:

- Increase/Reduction in the cost of own capital and the WACC rate

- Increase/Reduction in the pool's tariffs

- Increase/Reduction in the Long-term CPI

The results of these sensitivity analyses indicate that:

- With a WACC rate of 6.7% and a cost of own capital of 8.4%, the impairment would be EUR 106 million less. With a WACC rate of 7.7% and a cost of own capital of 10.5%, the impairment would increase by EUR 128 million.

- In addition, upward and downward variations of 5% in the pool's tariffs would respectively result in a reduction and an increase in the impairment recognised in the amounts of EUR 51 million and EUR 106 million.

- Furthermore, upward and downward variations of 50 basis points in the long-term CPI applicable to the operating and maintenance costs would respectively result in an increase and a reduction in impairment in the amounts of EUR 32 million and EUR 19 million.

With respect to the plant, property and equipment allocated to the US market, certain wind power assets presented signs of impairment though their scant profitability at the close or previous financial year, so they were subjected to an impairment test. During 2013, energy prices have continued to fall and the long-term bilateral power sale contracts being concluded on the US market reflect prices that do not show signs of any recovery in the medium term. In consequence, at 31 December 2013, the Group has re-assessed the impairment tests to reflect the new price curve hypotheses. The costs of own capital used to update the cash flows from these projects have ranged between 7% and 8%, depending on the state in which each asset is located (and this rules which regulation is applicable) and the contracts on prices signed at each wind farm.

According to the results of these analyses, impairments amounting to EUR 55.1 million have been recognised for assets under operation on this market (EUR 30.6 million at 31 December 2012).

These amounts are recognised on the income statement under the heading "Result due to asset impairment".

On the other hand, with respect to the addition of plant, property and equipment during the 2013 financial year, most of these addition were recognised under the heading "Advances and plant, property and equipment in progress" and basically correspond to several wind farm and photovoltaic projects developed in Costa Rica, South Africa and Poland for the Energy division, as well as the acquisition of various items of machinery needed for the execution of building works by the Infrastructure division.

During 2012, the most significant additions were in relation to the performance of wind projects in Croatia, Poland, Italy and Spain and solar thermal facilities also in Spain, all of which are in the Energy division.

In addition, during the 2013 financial year, there were reductions in the plant, property and equipment basically within the Energy division as a consequence of the disposal of a wind farm in South Korea (under "Variations due to change of scope") and the re-classification as Assets Held for Sale of several wind farms located in Germany (see Note 24), under the heading "Transfers".

Disposals in 2012 related mainly to the disposal of two vessels by the Compañía Trasmediterránea subgroup.

At 31 December 2013, EUR 201,144 thousand of property, plant and equipment (31 December 2012: EUR 102,642 thousand) had been classified under "Non-Current Assets Classified as Held for Sale", related mainly to vessels belonging to the Compañía Trasmediterránea subgroup and several wind farms in Germany (see Note 24).

"Other Changes" includes the negative effect of translation differences in 2013 for an amount of EUR 186 million (2012: negative amount of EUR 11 million).

"Other Plant" consists mainly of vessels belonging to the Compañía Trasmediterránea subgroup, with a gross cost of EUR 726 million. As a result of deviations from the business plan and in connection with the fleet optimisation begun by the subgroup in 2012 and the operating losses in 2013, new signs of impairment in their value came to light and so the Group has commissioned new appraisals from independent experts to assess whether the recoverable value covers the carrying value at 31 December 2013. The Tradex Shipbrokers, S.A. appraisal company was hired and, in light valuations provided by these independent experts, the Acciona Group has recognised impairment in the amount of EUR 100 million euros reflected under "Result from asset impairment". Of this sum, an amount of EUR 15 million corresponds to vessels classified as "Non-current assets held for sale", and the rest to vessels reflected under "Plant, property and equipment".

For its part, "Advances and Property, Plant and Equipment in the Course of Construction" includes mainly the costs of constructing certain wind and photovoltaic farms located in Costa Rica and South Africa by the energy division and which have not yet come into service.

In 2013 the companies capitalised to property, plant and equipment finance costs amounting to EUR 12.9 million and EUR 13.7 million as of 31 December 2012 (see Note 29).

Fully depreciated property, plant and equipment in use at 31 December 2013 and 2012 amounted to EUR 494 million and EUR 381 million, respectively; most of these assets are currently in use.

At 31 December 2013, the Group companies had property, plant and equipment purchase commitments amounting to EUR 288 million, mainly for wind farm projects undertaken by the Energy division for projects undertaken in countries with projects under way, namely: South Africa, Costa Rica and Chile. The amount committed at 31 December 2012 came to EUR 33 million.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to provide adequate cover for the related risks.

The carrying amount of the Group's property, plant and equipment did not include any material gross amount in 2013 or 2012 in respect of assets held under finance leases.

The Group has mortgaged land and buildings totalling EUR 28 million (EUR 34 million in 2012) to secure credit facilities granted to the Group by banks. In addition, at 31 December 2013, certain vessels with a carrying amount of EUR 182 million (EUR 316 million in 2012) had been mortgaged to secure repayment of the loans received for their acquisition or as collateral for the funding of working capital. Of this amount, EUR 55 million are classified as "Non-current assets classified as held for sale" (EUR 102 million in 2012).

5. Investment property

The Group's investment property relates mainly to properties earmarked for lease.

The changes in 2013 and 2012 in the Group's investment property were as follows:

Investment property	Thousands of euros		
	Cost	Accumulated depreciation and impairment losses	Total
Balance at 31/12/11	**425,222**	**(83,364)**	**341,858**
Additions	315	(10,935)	(10,620)
Disposals	(1,182)	161	(1,021)
Transfers	(3,413)	301	(3,112)
Other changes	22	(45)	(23)
Balance at 31/12/12	**420,964**	**(93,882)**	**327,082**
Additions	318	(9,844)	(9,526)
Disposals	(214)	2,057	1,843
Transfers	(4,517)	448	(4,069)
Other changes	(5)	--	(5)
Balance at 31/12/13	**416,546**	**(101,221)**	**315,325**

No significant changes have taken place in 2013. In 2012, the main variations were related to the disposals of investment property arising basically from the sale of properties earmarked for lease.

At 31 December 2013, EUR 62,407 thousand (31 December 2012: EUR 93,860 thousand) corresponding to this balance sheet heading were classified under "Non-Current Assets Classified as Held for Sale" (see Note 24).

The fair value of the investment property at 31 December 2013 and 2012 calculated on the basis of appraisals undertaken at that date by independent valuers (see Note 3.2-e), amounted to EUR 420,569 thousand (31 December 2012: EUR 467,168 thousand) of which EUR 62,407 thousand (31 December 2012: EUR 93,860 thousand) corresponded to investment property recognised as assets held for sale (see Note 24).

In 2013, as a result of the appraisals discussed in the preceding paragraph, the Group recognised additional impairment losses on investment property of EUR 2,805 thousand, which were recognised under "Gains or Losses from Impairment of Non-Current Assets" in the accompanying consolidated income statement. Of this amount, a total of EUR 2,016 thousand corresponds to assets held for sale and has been classified under that item. In 2012, impairment losses of EUR 3,878 thousand were recognised on investment property.

The rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to EUR 19 million (2012: EUR 21 million). Direct operating expenses arising from investment property amounted to EUR 7 million (2012: EUR 8 million), recognised under "Other Operating Expenses" in the accompanying consolidated income statement.

At 31 December 2013 and 2012, the Group had mortgaged a portion of its investment property for EUR 207 and 216 million, to secure credit facilities granted to it by banks.

The Group has arranged insurance policies to cover the possible risks to which its investment property is subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to provide adequate cover for the related risks.

The detail, by location, of the cost of the properties held to earn rentals owned by the Acciona Group at 31 December 2013 and 2012 is as follows:

Location	2013		2012	
	Cost	Accumulated depreciation and impairment losses	Cost	Accumulated depreciation and impairment losses
Madrid	250,565	(43,309)	255,238	(40,512)
Eastern Spain	12,613	(4,060)	12,599	(3,779)
Andalusia	59,317	(27,306)	59,254	(24,102)
Catalonia, Aragon	68,542	(18,911)	68,373	(18,915)
Other	25,509	(7,635)	25,500	(6,574)
Total	**416,546**	**(101,221)**	**420,964**	**(93,882)**

6. Goodwill

The changes in "Goodwill" on the accompanying consolidated balance sheet in 2012 were as follows (in thousands of euros):

	Balance at 31/12/11	Additions	Impairment	Other changes	Balance at 31/12/12
Acciona Renewable Energy subgroup	871,216			(268)	870,948
Interlogística del Frío, S.A.	5,147				5,147
Trasmediterránea subgroup	24,878				24,878
Compañía Urbanizada del Coto subgroup (formerly INOSA)	12,999		(236)	(226)	12,537
Acciona Facility Service subgroup	78,639				78,639
Acciona Water subgroup	33,629				33,629
Acciona Wind Power subgroup	18,995				18,995
Other	3,257			(56)	3,313
Total	**1,048,760**		**(236)**	**(438)**	**1,048,086**

The changes in "Goodwill" on the accompanying consolidated balance sheet in 2013 were as follows (in thousands of euros):

	Balance at 31/12/12	Additions	Impairment	Other changes	Balance at 31/12/13
Acciona Renewable Energy subgroup	870,948		(870,151)	(797)	---
Interlogística del Frío, S.A.	5,147		(5,147)		---
Trasmediterránea subgroup	24,878		(24,878)		---
Compañía Urbanizada del Coto subgroup (formerly INOSA)	12,537		---	(87)	12,450
Acciona Service subgroup	78,639		(27,677)		50,962
Acciona Water subgroup	33,629		---		33,629
Acciona Wind Power subgroup	18,995		(18,995)		---
Other	3,313		(2,886)	(61)	366
Total	**1,048,086**		**(949,734)**	**(945)**	**97,407**

The most significant goodwill of the Acciona Group arose in the acquisition in prior years of certain companies in the Energy division and relate to the excess of the price of acquisition over the fair value of the assets acquired by the Group from these companies which represent the technical development and commercial capacity of new businesses primarily in international markets. Accordingly, it was allocated to the cash-generating unit of the Group's renewable energy business and is measured annually on the basis of the overall capacity to generate cash flows in the future. The countries in which these investments were made were mainly Canada, United States, Australia and Mexico.

From December 2012, the domestic renewable energies market has undergone significant regulatory changes, such as Law 15/2012 on fiscal measures for electricity sustainability, RDL 2/2013 on urgent measures in the electricity system and, in particular, RDL 9/2013 adopting urgent measures to guarantee the financial stability of the electricity system together with their regulatory developments currently pending publication, including the draft Ministerial Order dated February 2014 revealing the remuneration parameters for standard facilities applicable to certain electricity generation facilities using renewable energy, co-generation and waste (see Note 2).

The said regulatory changes published in the 2013 financial year, particularly the general modification of the remuneration framework that came into effect in the second half of the year, have a notable impact at the level of the Group's finances and profitability, so it has been obliged to re-assess and substantially alter the strategic business plan of the Energy division and, in particular, the international growth foreseen for the years to come, mainly because the assets in the Renewable Energy Division do not generate sufficient free cash flow to fund the contributions that need to be undertaken in international projects. In this respect, the Division's new investment prospects will be limited to the completion of the investments already committed abroad (projects under way in South Africa, Costa Rica and Chile totalling 311.71 MWs), with all additional growth investments being stopped.

All of the above has been taken into account for the drafting of the projections used in the preparation of the new goodwill impairment test. With regard to the rest of the additional relevant hypotheses for the test, an inflation estimate of 1.1% for 2014 and 1.4% until 2018 has been considered for the domestic market, while the international market has taken into account growth rates equivalent to the inflation estimated for each financial year. The perpetual growth rate used (g) has been 1.5% and the discount rate (WACC) used has been 7.2% after tax.

As a result of this impairment analysis, at 31 December 2013, there was a clear impairment in the Energy division's goodwill in the amount of EUR 870 million under "Result for impairment of assets" on the attached consolidated income statement.

Furthermore, impairments of lesser significance have been recognised in other goodwill items, mainly the goodwill corresponding to the Trasmediterránea subgroup and the Acciona Facility Service subgroup, caused by the deviations arising in the year on the current business plans that have brought to light lower rates of growth and profitability.

The Acciona Group uses the acquisition method to account for all inclusions of companies in the Group involving the acquisition of a controlling interest.

The most significant inclusions in the Group in 2013 and 2012 were as follows:

Company	**Acquisition cost**	**Percentage acquired**	**Carrying amount of 100% of the company**	**Net increase in value of assets and liabilities through application of market value**	**Goodwill**
		2013			
San Solar Energy Facility (Proprietary) Limited	327	63 75%	--	327	--

2012

Gouda wind facility (Proprietary) Limited	1,321	51%	--	1,321	--
Sishen solar facility (Proprietary) Limited	708	51%	--	708	--
Deep river wind facility (Proprietary) Limited	716	51%	--	716	--
Kimberly solar facility (Proprietary) Limited	477	51%	--	477	--

7. <u>Other intangible assets</u>

The changes in "Other Intangible Assets" in 2013 and 2012 were as follows (in thousands of euros):

Other intangible assets	Development expenditure	Concessions	Transfer rights	Computer software	Advances	Accumulated amortisation and impairment losses	Total
Balance at 31/12/11	**79,032**	**798,311**	**1,916**	**53,763**	**20,059**	**(209,094)**	**743,987**
Additions / charge for the year	8,184	61,463	182	4,896	63,656	(56,145)	82,236
Reductions	0	(11,878)	(1,052)	(180)	(5,838)	793	(18,155)
Transfers	0	47,323	123	1,124	(48,647)	(383)	(460)
Other changes	(1)	(7,448)	0	382	(60)	6,005	(1,122)
Balance at 31/12/12	**87,215**	**887,771**	**1,169**	**59,985**	**29,170**	**(258,824)**	**806,486**
Additions / charge for the year	6,445	38,148	112	4,247	34,922	(133,420)	(49,546)
Reductions	(34)	(22,220)	(480)	(587)	(4)	15,587	(7,738)
Transfers	686	(408)	267	(140)	(39,939)	(3,557)	(43,091)
Other changes	1	(27,781)	(4)	(448)	(2,037)	3,602	(26,667)
Balance at 31/12/13	**94,313**	**875,510**	**1,064**	**63,057**	**22,112**	**(376,612)**	**679,444**

The "Concessions" heading mainly includes those concession assets where the risk of recovering the asset is assumed by the operator. In addition, it includes the cost of the administrative concessions, as well as the identifiable intangible values acquired in business combinations, corresponding to raft of expectant right and intangible assets, for the development of future wind projects acquired from third parties through the acquisition of equity stakes in the companies holding these rights and the levies paid by Acciona Agua for the concept of concessions related to the integral water cycle.

At 31 December 2013, the main additions relate to the development of certain concession operations held by the Group relating to road transport infrastructure, mainly in Brazil, as well as the integral water cycle, mainly in Spain.

"Other Changes" includes the effect of translation differences in the period for a negative amount of EUR 27 million (negative effect of EUR 7 million in 2012).

In accordance with the impairment tests carried out, impairments have been recognised in the Infrastructure division's concession assets in the domestic arena as they have shown deviations in the course of the year according to the expected concession model in the amount of EUR 12 million, as well as fundamentally in a motorway concession in Brazil (Acciona

Concessões Rodovia do Aço, S.A.) where the impairment amounts to EUR 40 million because of the delay accumulated on the infrastructure works schedule and has a negative impact on the 2014 tariffs and on other project costs. In addition, the impairment of the country's macro-economic estimates meant an increase in the discount rate used. The discount rate used incorporates the sovereign risk (Brazil ten-year bonds plus a market spread) and the average gearing during the life of the concession, thus placing the cost of own capital at 13.4%.

At 31 December 2013, an amount of EUR 88,373 thousand (EUR 85,737 thousand at 31 December 2012) belonging to this item on the balance sheet is classified under the heading "Non-current assets classified as held for sale" and corresponds to Infrastructure division concessions in the amount of EUR 80,958 thousand as well as two wind farms located in Germany in the amount of EUR 7,415 [thousand] that are changed to this consideration as per Note 24.

At 31 December 2013, Group companies held undertakings to acquire intangible assets in the amount of EUR 124 million for concession projects in the Infrastructure division (motorways) and in the Urban Services division (water). At 31 December 2012, the amount committed came to EUR 132 million.

Fully amortised intangible assets in use at 31 December 2013 and 2012 amounted to EUR 72 and EUR 73 million, respectively.

8. Investments in associates

The changes in "Investments in Companies Accounted for Using the Equity Method" on the accompanying consolidated balance sheet during 2012 were as follows (in thousands of euros):

Direct investments of the Parent	Balance at 31/12/11	Share of profit (loss) before tax	Dividends	Tax effect and other changes	Changes in the year	Balance at 31/12/2012
Tranvia Metropolità Group	2,869	1,032	(136)	(468)	--	3,297
Consorcio Tranvía de Zaragoza	7,540	(135)	--	(406)	1,365	8,364
Gran Hospital Can Misses	3,087	(171)	--	(1,914)	2,410	3,412
Novo Hospital de Vigo	3,149	571	--	(171)	9,220	12,769
Total direct investments	**16,645**	**1,297**	**(136)**	**(2,959)**	**12,995**	**27,842**

Indirect investments of the Parent	Balance at 31/12/11	Share of profit (loss) before tax	Dividends	Tax effect and other changes	Changes in the year	Balance at 31/12/2012
Tranvía Metropolità del Besós, S.A	2.225	1.259	(1.481)	(580)	--	1,423
Acciona Infrastructure Subgroup	41,130	(6,966)	--	(2,177)	4,998	36,985
Acciona Inmobiliaria subgroup	2,266	(214)	--	--	--	2,052
Trasmediterranea subgroup	7,620	2,687	(760)	(213)	--	9,334
Acciona Energy subgroup	6,111	1,568	(79)	(115)	--	7,485
Acciona Facility Services subgroup	81	--	--	--	(81)	--
Acciona Water subgroup	3	12	--	(29)	58,833	58,819
Ceatesalas subgroup	3,949	1,080	(2,243)	(363)	203	2,626
Other	2,199	57	(25)	(72)	--	2,159
Total indirect investments	**65,584**	**(517)**	**(4,588)**	**(3,549)**	**63,953**	**120,883**
Total investments accounted for using the equity method	**82,229**	**780**	**(4,724)**	**(6,508)**	**76,948**	**148,725**

The changes in 2013 in "Investments in Companies Accounted for Using the Equity Method" in the accompanying consolidated balance sheet were as follows (in thousands of euros):

Direct investments of the Parent	Balance at 31/12/12	Share of profit (loss) before tax	Dividends	Tax effect and other changes	Changes in the year	Balance at 31/12/13
Tranvía Metropolità Group	3,297	1,077	(683)	(3,691)	--	--
Consorcio Tranvía de Zaragoza	8,364	(1,253)	--	772	420	8,303
Gran Hospital Can Misses	3,412	(638)	--	2,098	--	4,872
Novo Hospital de Vigo	12,769	1,840	--	(1,254)	781	14,136
Acciona Nouvelle Autoroute 30 INC	--	3,785	--	39,395	--	43,180
Total direct investments	**27,842**	**4,811**	**(683)**	**37,320**	**1,201**	**70,491**

Indirect investments of the Parent	Balance at 31/12/12	Share of profit (loss) before tax	Dividends	Tax effect and other changes	Changes in the year	Balance at 31/12/13
Tranvía Metropolità del Besós, S.A.	1,423	1,507	(1,069)	(1,861)	--	--
Acciona Infrastructure Subgroup	36,985	(2,196)	--	(359)	(25,476)	8,454
Acciona Inmobiliaria subgroup	2,052	(339)	--	(97)	--	1,616
Trasmediterranea subgroup	9,334	1,142	(822)	(368)	(9,111)	175
Acciona Energy subgroup	7,485	283	(25)	(228)	--	7,515
Acciona Facility Services subgroup	--	(210)	--	5	21	(184)
Acciona Water subgroup	58,819	5,530	--	(7163)	12,072	69,258
Ceatesalas subgroup	2,626	1,253	(604)	(435)	93	2,933
Other	2,159	97	(42)	(957)	--	1,257
Total indirect investments	**120,883**	**7,067**	**(2,562)**	**(11,963)**	**(22,401)**	**91,024**
Total investments accounted for using the equity method	**148,725**	**11,878**	**(3,245)**	**25,357**	**(21,200)**	**161,515**

The Acciona Group's interests in associates are detailed in Appendix III to these notes to the consolidated financial statements.

The most significant change in 2013 was the improvement in the measurement of the derivatives from the Acciona Nouvelle Autoroute, INC concession operator, which had an equity deficit in 2012 and was recognised on the liabilities side of the attached consolidated balance sheet (see accounting method in Note 2.2.f) and is now accounted for in this heading. The most significant change in 2012 was the inclusion of the subsidiary ATLL Concessionària de la Generalitat de Catalunya, S.A. (part of the Acciona Water subgroup), in which the Group has a 39% ownership interest and which was awarded a 50-year concession to manage Aigües Ter Llobregat (ATLL), thereby providing a capture point network water supply service to the city of Barcelona, its metropolitan area and the nine surrounding districts.

When the Group's investments in associates (mainly certain toll road concession operators), accounted for using the equity method, are reduced to zero, or may include constructive obligations exceeding the contributions made, the losses or equity decreases are recognised under "Non-Current Liabilities - Provisions" in the consolidated balance sheet (see Note 17). In these cases, the losses are recognised under "Impairment and Gains or Losses on Disposals of Non-Current Assets" instead of "Result of Companies Accounted for Using the Equity Method".

The detail of the assets, liabilities, revenue and profit or loss for 2013 of the associates included under "Investments in Companies Accounted for Using the Equity Method", in proportion to the Group's ownership interest therein, is as follows: (the figures relating to associates with an equity deficit, recognised on the liability side of the consolidated balance sheet, are detailed in Note 17):

	Infrastructure concession operators	Other associates	Total 2013
Assets			
Non-current assets	498,938	583,347	1,082,285
Current assets	67,406	67,267	134,673
Total assets	**566,344**	**650,614**	**1,216,958**
Equity and liabilities			
Equity	75,284	86,231	161,515
Non-current liabilities	455,074	443,017	898,091
Current liabilities	35,986	121,366	157,352
Total equity and liabilities	**566,344**	**650,614**	**1,216,958**
Profit or loss			
Revenue	55,965	92,657	148,622
Profit (Loss) before tax from continuing operations	7,050	4,828	11,878
Profit (Loss) before tax	7,050	4,828	11,878

9. Interests in joint ventures

The Acciona Group's interests in joint ventures are presented in Appendix II to these Notes to the consolidated financial statements. The most significant amounts included in the consolidated financial statements in relation to these interests at 31 December 2013 are summarised as follows:

	Companies	Unincorporated temporary joint ventures (UTEs)
Revenue	487,872	753,462
Gross profit from operations	172,494	102,614
Profit from operations	67,663	90,208
Non-current assets	1,215,053	96,549
Current assets	428,110	769,301
Non-current liabilities	846,458	86,549
Current liabilities	409,218	644,053

As indicated in Note 3.1, IFRS 11 on Joint Arrangements comes into force in 2014 to replace IAS 31 currently in force. According to the preliminary analysis carried out, the impacts are mentioned in Note 3.1.

10. Current and non-current financial assets

The detail of "Other Current Financial Assets" and "Non-Current Financial Assets" in the consolidated balance sheets is as follows:

	2013		2012	
	Non-current	Current	Non-current	Current
Available-for-sale financial assets	73,379	67	44,640	69
Financial derivatives at fair value (Note 20)	3,460	--	31	279
Held-to-maturity investments	--	329,133	--	334,386
Deposits and guarantees	45,528	27,590	14,367	17,124
Allowances	(28,164)	--	(7,273)	0
Subtotal:	**94,203**	**356,840**	**51,765**	**351,858**
Other loans	92,125	12,414	79,990	18,174
Impairment losses	(2,616)	(601)	(1,470)	(118)
Subtotal:	**89,509**	**11,813**	**78,520**	**18,056**
Total, net	**183,712**	**368,653**	**130,285**	**369,914**

Available-for-sale financial assets:

The changes in "Available-for-Sale Financial Assets" in the years ended 31 December 2013 and 2012 were as follows:

	Non-current	Current
Balance at 31/12/11	**50,829**	**59**
Additions	2,481	10
Sales	(6,938)	
Changes in fair value	(1,703)	
Transfers	--	
Other changes	29	
Changes in the scope of consolidation	--	
Closing balance at 31/12/12	**44,640**	**69**
Additions	25,793	
Sales	(3,741)	
Changes in fair value	7,898	
Transfers	(1,133)	
Other changes	(73)	(2)
Changes in the scope of consolidation	(5)	
Balance at 31/12/13	**73,379**	**67**

Impairment losses		
Balance at 31/12/11	**(7,760)**	--
Additions	(21,432)	--
Sales	799	--
Transfers	--	--
Other changes	--	--
Closing balance at 31/12/12	**(7,273)**	--
Additions	(21,432)	
Sales	228	
Transfers	313	
Other changes		
Changes in the scope of consolidation		
Balance at 31/12/13	**(28,164)**	
Total, net	**45,215**	**67**

Held-to-maturity investments:

No significant changes occurred in 2012 for the "Held-to-maturity investments" heading. This caption relates basically to the funds allocated to the debt service reserve accounts by the Energy division for the projects under way as required by Project Finance clauses in force, as well as one-off increases in short-term deposits.

Other financial assets:

Deposits and guarantees

"Deposits and Guarantees" includes a deposit made by the Compañía Trasmediterránea subgroup to secure its lease payments under the charter contract for the "Millenium Tres" vessel for a total amount of EUR 4 million at 31 December 2013 (EUR 7 million at 31 December 2012).

The changes in 2013 in the current and non-current deposits associated with the vessels of the Compañía Trasmediterránea subgroup described in earlier paragraphs were as follows:

Thousands of euros	Balance at 31/12/12	Interest	Charges	Transfers	Balance at 31/12/13
Millenium Tres vessel deposit	3,378	440	--	(3,818)	--
Subtotal non-current deposits	**3,378**	440	--	**(3,818)**	--
Milenium Tres vessel deposit	3,857		(3,857)	3,818	3,818
Subtotal current deposits	**3,857**		**(3,857)**	**3,818**	**3,818**
Total	**7,235**	**440**	**(3,857)**	--	**3,818**

Furthermore, it should be noted that, at 31 December 2013, the increase in this account arises mainly from the 35 million euros in guarantees given for the investment undertaking assumed by the Energy division for a wind farm and a photovoltaic project in South Africa.

11. Biological assets

The breakdown of the non-current and current biological assets at 31 December 2013 and 2012 is as follows (in thousands of euros):

	2013	2012
Non-current	6,830	6,825
Current	--	--
Balance at 31 December	**6,830**	**6,825**

The non-current biological assets relate mainly to the vineyards belonging to the Hijos de Antonio Barceló subgroup, which in accordance with IAS 41 must be measured at fair value. The year-on-year changes in the value of these assets were not material.

12. Non-current receivables and other non-current assets

The detail of "Non-Current Receivables and Other Non-Current Assets" at 31 December 2013 and 2012 is as follows (in thousands of euros):

	2013	2012
Non-current operating receivables	80,663	113,102
Non-current prepayments and accrued income	6,368	4,237
Concessions under the non-current financial asset model	427,424	313,557
Total non-current receivables and other non-current assets	**514,455**	**430,896**

At 31 December 2013 and 2012, "Non-Current Operating Receivables" included mainly customer balances and other trade receivables generated by operating activities maturing at over one year and also the retentions that are customary in the construction business.

At 31 December 2013 and 2012, "Concessions under the Non-Current Financial Asset Model" included the balances receivable at over one year in concessions which, in accordance with IFRIC 12, were treated as financial assets, since there was an unconditional collection right on the investment made until that date. The current portion of this unconditional collection right was recognised under "Trade and Other Receivables" based on the collections expected to be made by the grantors of the concessions under the various economic and financial plans. At 31 December 2013 and 2012, the balance reclassified to short term amounted to EUR 23,420 thousand and EUR 66,200 thousand, respectively (see Note 14).

The breakdown, by division, of "Concessions under the Non-Current Financial Asset Model" is as follows:

	2013	2012
Infrastructure division	383,813	269,392
Water division	43,611	44,165
Total	**427,424**	**313,557**

The main concession projects included in the Infrastructure division relate to hospitals and toll roads, and those in the Water division relate to the integral water cycle.

The change in 2013 relates to the net effect, on the one hand, of the increase in the balance of the concessions in accordance with the stage of completion of the work basically relating to the concessions under construction in Canada and Chile, and on the other hand, the transfer and classification to "Trade and Other Receivables - Concessions under the Current Financial

Asset Model" of the amount expected to be collected from the grantors in the coming twelve months.

At 31 December 2013, EUR 41,400 thousand (31 December 2012: EUR 94,603 thousand) of concessions under the financial asset model were classified under "Non-Current Assets Classified as Held for Sale" and related to the mature concessions that, as indicated in Note 24, were classified as such.

At 31 December 2013, the Group companies had commitments to acquire concession assets under the financial asset model amounting to EUR 47 million, most of which related to concession arrangements recently granted to the Infrastructure division (31 December 2012: EUR 85 million).

13. <u>Inventories</u>

The detail of the Group's inventories at 31 December 2013 and 2012 is as follows (in thousands of euros):

	2013	2012
Raw materials, other procurements and goods held for resale	309,065	334,457
Work in progress and semi-finished goods	29,351	29,532
Finished goods	4,305	3,336
Assets received in payment of loans	24,768	25,323
Land	849,181	861,121
Property developments in progress	6,005	10,487
Completed property developments	212,606	223,741
Advances paid	125,345	99,253
Write-downs	(513,481)	(404,205)
Total inventories	**1,047,145**	**1,183,045**

In 2013, as a result of the appraisals performed by Savills Consultores Inmobiliarios, S.A. e Instituto de Valoraciones, S.A., the Group recognised impairment losses of EUR 96,465 thousand on the inventories of the Real Estate division, which were recognised under "variation in provisions" in the accompanying consolidated income statement.

Also, the Acciona Group maintains the additional provisions for impairment losses amounting to EUR 215 million created in prior years based on the analysis undertaken by independent experts of the potential impacts that could arise taking into consideration the distorting factors existing in Spain, i.e. an across-the-board fall in prices and a delay in bringing into production land-related assets, both completed and incomplete. Since the pace of stock liquidation at current prices, which already include a discount on the initial price, continues to be slower than forecast, it is felt that it would be necessary to increase the discounts in order to shed these inventories at a more normal outflow pace. This same effect applies to the assets included for land as, at the current rate of home sales in the sector, the development or production phase of this land portfolio continues to be unfeasible in the medium term. For both these reasons, the Group Directors are of the opinion that, at 31 December 2013, this amount continues to be the best estimate in the sensitivity analysis performed to reflect that a conservative assessment of the future progress in the Property division implies the acceptance of the prevailing market conditions, strongly marked by the distortions mentioned above for both the maintenance of its competitive position and for the scenario of asset sales for finance purposes.

The fair value at 31 December 2013 and 2012 of the Group's property inventories, including inventories relating to the companies accounted for using the equity method, calculated based on the appraisals carried out at those dates by SAVILLS and Instituto de Valoración (independent valuers not related to the Group) amounted to EUR 954,374 thousand and EUR 1,053,512 thousand, respectively.

The impairment losses recognised in the consolidated income statement are sufficient to reduce the carrying amounts of the property inventories to the market values obtained in the appraisals made at year-end.

At 31 December 2013 and 2012, the carrying amounts of mortgaged inventories were EUR 158,803 thousand and EUR 194,124 thousand, respectively, and related mostly to property developments in progress or completed in 2013 and to property developments in progress or completed in 2012.

At 31 December 2013, as in 2013, there were no firm land purchase commitments.

Property development sales commitments to customers at 31 December 2013 and 2012 amounted to EUR 75,398 thousand and EUR 49,994 thousand. Of the amount at 31 December 2013, EUR 32,554 thousand had been collected or was instrumented in notes and bills receivable, the balancing entry of which is recorded under "Current Liabilities - Trade and Other Payables" on the liability side of the accompanying consolidated balance sheet until the date of delivery (31 December 2012: EUR 19,425 thousand).

14. <u>Trade and other receivables</u>

The detail of "Trade and Other Receivables" at 31 December 2013 and 2012 is as follows:

	2013	2012
Trade receivables	1.410,513	1,484.510
Doubtful trade receivables	65,683	57,512
Amounts to be billed for work performed	472,004	661,229
Total trade receivables for sales and services	**1,948,200**	**2,203,251**
Receivable from associates	16.074	17 038
Sundry accounts receivable	238,935	276,885
Current concessions under the financial asset model (Note 12)	23 420	66 200
Allowances	(367,577)	(192,773)
Total trade and other receivables	**1,859,052**	**2,370,601**
Customer advances	(610,873)	(572,342)
Total net balance at 31 December	**1,248,179**	**1,798,259**

During 2013, the main variation in the balances making up this heading occurred in the provisions accounts. The increase basically corresponded to the extraordinary impairment of the accounts receivable from a Brazilian client in the amount of EUR 74 million with regard to a contract for the construction of a shipyard in São João da Barra (State of Rio de Janeiro, Brazil), recognised as a result of the initiation of insolvency proceedings against the client and its business group (creditors' meeting) in November 2013, as well as the provisions recognised in the amount of EUR 80 million in the Polish construction subsidiary, Mostostal Warszawa, as a consequence of the negative evolution in 2013 of the negotiations under way with the Roads Department in connection with certain claims for surcharges that have been taken to the courts as well as other losses related to ongoing works that have seen a negative progress in their finalisation process.

The breakdown, by business activity, of the balance of trade receivables for sales and services, net of customer advances, is as follows:

	2013	2012
Infrastructure	650,696	1,120,994
Energy	553,310	763,117
Water	161,592	167,514
Services	195,640	197,503
Other Activities	276,071	258,684
Intra-Group transactions	(576,654)	(709,553)
Total net balance at 31 December	**1,260,655**	**1,798,259**

The breakdown relating to the construction business is as follows:

	2013	2012
Progress billings receivable	710,776	747,718
Amounts to be billed for work performed	401,948	597,101
Sundry accounts receivable	210,440	255,869
Allowances	(255,289)	(93,854)
Total construction trade receivables	1,067,875	1,506,834
Customer advances	(418,436)	(430,532)
Total net balance at 31 December	**649,439**	**1,076,302**

The breakdown, by type of customer, of the net balance of construction trade receivables is as follows:

	2013	2012
State	34,784	119,226
Autonomous Community Governments	18,618	31,916
Municipal councils	9,881	23,358
Other	76,289	331,682
Public-sector subtotal	139,572	506,182
Private-sector subtotal	207,807	141,168
Total Spanish customers	**347,379**	**647,350**
Total foreign customers	**302,060**	**428,952**

15. Cash and cash equivalents

The detail of "Cash and Cash Equivalents" at 31 December 2013 and 2012 is as follows:

	2013	2012
Cash	996,966	935,613
Deposits and other	250,978	260,492
Total cash and cash equivalents	**1,247,944**	**1,196,105**

"Cash and Cash Equivalents" includes mainly the Group's cash, bank deposits and risk-free deposits with initial maturity of three months or less.

In 2013 and 2012 the cash and cash equivalent balances earned interest at market rates.

16. Equity

a) Subscribed and registered share capital

The Parent's share capital consists of 57,259,550 fully paid ordinary shares of EUR 1 par value each, represented by book entries. All the Parent's shares carry the same rights, are listed and there are no bylaw restrictions as to their transferability.

Effective from 6 June 2012, the Board of Directors of Acciona, S.A. resolved to reduce capital by EUR 6,290,450 through the retirement of 6,290,450 treasury shares. This resolution to reduce capital was approved by the shareholders at the Annual General Meeting held on 24 May 2012.

Following is a detail, based on the notifications received by the Company, of the owners of significant direct and indirect equity interests at 31 December 2013 and 2012:

	31/12/13	31/12/12
Tussen de Grachten, BV	27.803%	27.803%
Entreazca, BV	27.430%	27.430%
Jelico Netherlands, BV	(*)	3.503%

(*) On 23 April 2013, the Jelico Netherlands, BV company notified the Spanish Securities Commission (CNMV) of a decline in its equity stake in Acciona, S.A., declaring that the current percentage of it stake comes to 0.986%.

b) Share premium and reserves

The balance of the "Share Premium" account, which at 31 December 2013 and 2012 amounted to EUR 170,110 thousand, arose as a result of the capital increases with share premiums carried out on various dates. The Consolidated Spanish Limited Liability Companies Act expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

The detail of the share premium, reserves and valuation adjustments in the consolidated statement of changes in equity is as follows:

	2013	2012
Share premium	170,110	170,110
Revaluation reserves	--	--
Legal reserve	11,452	11,452
Reserve for retired capital	10,453	10,453
Voluntary reserves	3,730,211	3,695,269
Consolidated reserves (note 16 d)	1,292,912	1,077,056
Subtotal reserves	5,045,028	4,794,230
Translation differences (note 16.d)	(63,628)	22,828
Total reserves	4,981,400	4,817,058

The legal reserve, to which transfers must be made until it reaches 20% of the share capital, can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

c) Treasury shares

The changes in 2013 and 2012 in treasury shares were as follows:

	2013		2012	
	Number of shares	Cost	Number of shares	Cost
Opening balance	**108,781**	**4,107**	**5,598,867**	**411,129**
Additions	145,588	7,704	911,587	47,992
Reductions due to retirement of shares	--	--	(6,290,450)	(446,548)
Other disposals	(113,929)	(5,350)	(111,223)	(8,466)
Closing balance	**140,440**	**6,461**	**108,781**	**4,107**

In 2013, there was a reduction of 113,929 shares, with a EUR 5 thousand loss recognised in reserves in the financial year, due mainly to the delivery of shares to senior management under the Share Grant Plan approved by the shareholders at the Annual General Meeting (see Note 35). This same concept in 2012 saw the retirement of 111,223 shares, with a EUR 2,256 thousand loss recognised in reserves for that financial year.

In addition, a total of 6,290,450 treasury shares were retired in 2012 with an impact on reserves of EUR 440,258 thousand and a related EUR 6,290 thousand reduction in share capital due to the capital reduction approved by the shareholders at the Annual General Meeting held on 24 May 2012 (see Note 16.a)).

d) Reserves of consolidated companies and translation differences

The detail, by line of business, of the consolidation reserves contributed by subsidiaries, joint ventures and associates and of the related translation differences at 31 December 2013 and 2012 is as follows (in thousands of euros):

	2013		2012	
Line of business	**Consolidated reserves**	**Translation differences**	**Consolidated reserves**	**Translation differences**
Infrastructure	510,274	(26,710)	375,535	(2,153)
Energy	713,350	(23,436)	509,897	29,263
Water	69,303	(5102)	39,871	(994)
Services	(4,179)	621	1,117	1,249
Other Activities	51,227	(9,001)	196,504	(4,537)
Consolidation adjustments	(47,063)	--	(45,868)	--
Total	**1,292,912**	**(63,628)**	**1,077,056**	**22,828**

A breakdown, by company, of the consolidation reserves at fully and proportionately consolidated companies and at companies accounted for using the equity method and of the related translation differences at 31 December 2013 is provided in Appendix V.

In addition to the Parent, at 31 December 2013, the Group company Mostostal Warszawa, S.A. was a listed company. The average market price of this company in the last quarter was PLN 4.69 and the market price at year-end was PLN 4.49.

e) Valuation adjustments

- Available-for-sale financial assets

This heading under "Retained Earnings" in the consolidated balance sheet includes the amount, net of the related tax effect, of changes in the fair value of assets classified as available for sale. These changes are recognised in the consolidated income statement when the assets that give rise to them are sold.

The changes in the balance of "Valuation Adjustments - Available-for-Sale Financial Assets" in 2013 and 2012 were as follows:

	2013	2012
Balance at 1 January	10,931	12,123
Increases in value in the year	5,529	--
Decreases in value in the year	--	(1,192)
Transfer to results in the year	(1,028)	--
Transfer due to changes in the scope of consolidation	--	--
Balance at 31 December	**15,432**	**10,931**

The changes in 2013 and 2012 relate almost entirely to the change in value of the investment in Bolsas y Mercados Españoles.

- Cash flow hedges

This heading under "Retained Earnings" in the consolidated balance sheet includes the amount net of the tax effect of changes in the fair value of financial derivatives designated as cash flow hedging instruments (see Note 20).

The changes in the balance of this item in 2013 and 2012 were as follows:

	2013	2012
Balance at 1 January	(533,427)	(459,993)
Increases in value in the year	116,679	(148,866)
Decreases in value in the year		
Transfer to income for the year	95,511	75,432
Transfer due to changes in the scope of consolidation	--	--
Balance at 31 December	**(321,237)**	**(533,427)**

f) Non-controlling interests

The balance of "Non-Controlling Interests" in the accompanying consolidated balance sheet reflects the equity of non-controlling interests in the subsidiaries. Also, "Non-Controlling Interests" in the accompanying consolidated income statement reflects the share of non-controlling interests of the profit or loss for the year.

The changes in 2012 were as follows (in thousands of euros):

Company	Balance at 31/12/11	Changes in scope and ownership interests	Valuation adjustments and other	Profit (Loss) for 2012	Balance at 31/12/12
Hospital del Norte	545	--	(88)	92	549
Mostostal Warszawa subgroup	53,775	--	4,834	(14,659)	43,950
Parque Reforma	4,863	--	200	9	5,072
Acciona Energy subgroup	161,662	(387)	(20,527)	10,450	151,198
Ineuropa de Cogeneración subgroup	(1)	--	--	5	4
Alabe subgroup	--	--	13	--	13
Acciona Infrastructure Subgroup	2,759	--	(442)	931	3,248
Acciona Forwarding subgroup	454	(42)	141	(96)	457
Trasmediterránea subgroup	69,079	--	121	(2,870)	66,330
Ceatesalas subgroup	7,526	27	(745)	919	7,727
Total non-controlling interests	**300,662**	**(402)**	**(16,493)**	**(5,219)**	**278,548**

The changes in 2013 were as follows (in thousands of euros):

Company	Balance at 31/12/12	Changes in scope and ownership interests	Valuation adjustments and other	Profit (Loss) for 2013	Balance at 31/12/13
Hospital del Norte	549	--	94	74	717
Mostostal Warszawa subgroup	43,950	--	(1,954)	(34,487)	7,509
Parque Reforma	5,072	--	(208)	131	4,995
Acciona Energy subgroup	151,198	5,731	(15,979)	(8,709)	132,241
Ineuropa de Cogeneración subgroup	4	--	--	6	10
Alabe subgroup	13	--	--	(78)	(65)
Acciona Infrastructure Subgroup	3,248	5	(1,300)	1,319	3,272
Acciona Forwarding subgroup	457	94	(436)	157	272
Trasmediterránea subgroup	66,330	(38,561)	(342)	(13,166)	14,261
Ceatesalas subgroup	7,727	(328)	(148)	(1318)	5,933
Total non-controlling interests	**278,548**	**(33,059)**	**(20,273**	**(56,071)**	**169,145**

g) Capital management

The main objectives of the Group's capital management are to safeguard its capacity to continue operating as a going concern so that it can continue to provide returns to shareholders and to benefit other stakeholders, and also to maintain an optimal financial and equity structure to reduce the cost of capital. As a result of this policy, creating value for the shareholder is compatible with access to financial markets at a competitive cost in order to cover both debt refinancing and investment plan financing needs not covered by funds generated by the business.

In order to maintain and adjust the capital structure, the Group may vary the amounts of the dividends payable to the shareholders, return capital, issue shares or sell assets to reduce debt.

In line with other groups in the industries in which the Acciona Group operates, the capital structure is controlled on the basis of the leverage ratio. This ratio is calculated as the result of dividing net debt by equity. Net debt is calculated as the sum of current and non-current bank borrowings, excluding those relating to held-for-sale assets, less current financial assets and cash and cash equivalents.

The directors of the Acciona Group consider that the leverage ratio at 31 December 2013 and 2012 was adequate, the detail being as follows:

	Leverage Millions of euros	
	2013	2012
Net financial debt:	**6,715**	**7,481**
Non-current bank borrowings	6,240	6,938
Current bank borrowings	2,092	2,109
Current financial assets and cash and cash equivalents	(1,617)	(1,566)
Equity:	**3,399**	**5,509**
Of the Parent	3,230	5,230
Of non-controlling interests	169	279
Leverage	**198%**	**136%**

Despite the reduction in debt achieved over the year, the leverage ratio has increased because of the reduction in total equity due to losses in the year.

h) Restriction on the distribution of funds by subsidiaries

Certain Group companies have clauses in their financing contracts that have to be met in order to be able to distribute profits to shareholders.

17. Provisions

The changes in the long-term provisions on the liability side of the consolidated balance sheets at 31 December 2013 and 2012 were as follows (in thousands of euros):

	31/12/13	31/12/12
Opening balance	**550,034**	**609,782**
Additions and period provisions	39,315	35,611
Reductions	(70,233)	(91,275)
Transfers	2,134	(5,268)
Other changes	(3,721)	1,184
Closing balance	**517,529**	**550,034**

The Acciona Group operates in various businesses and numerous countries with very specific industry regulations. In the normal course of its business, the Group is exposed to litigation related to these business activities, including most notably: tax claims, claims relating to defects in construction projects performed and claims relating to discrepancies regarding services rendered. Certain of these risks are covered by insurance policies (third-party liability, construction defects, etc.) and for the other risks identified, the required provisions are recognised. The detail of the nature and amount of the main provisions is as follows:

a) Provisions are recognised for the constructive obligations of subsidiaries accounted for using the equity method when the Group's investments in associates have been reduced to zero. At 31 December 2013, the provision in this connection amounted to EUR 33 million (EUR 61 million at 31 December 2012). The detail of the assets, liabilities, revenue and profit or loss for 2013 of the associates for which a provision is recognised, in proportion to the Group's ownership interest therein, is as follows:

	Infrastructure concession operators
Assets	
Non-current assets	193,385
Current assets	220.359
Total assets	**413,744**
Equity and liabilities	
Equity	(32,643)
Non-current liabilities	151,493
Current liabilities	294,895
Total equity and liabilities	**413,744**
Profit or Loss	
Revenue	17,856
Profit before tax from continuing operations	1,660
Profit (Loss) before tax	1,660

b) At 31 December 2013, the Group had recognised a provision of EUR 44 million (EUR 46 million at 31 December 2012) for certain liabilities relating to the Logistics division, mainly arising from three penalties imposed by the Spanish National Competition Commission and currently under appeal.

c) Provisions for autonomous community, State or international levies, taxes and local taxes arising from construction work and infrastructure development and taxes in general which, in view of the varying interpretations that can be made of the tax legislation, could give rise to contingent tax liabilities in the various countries in which the Acciona Group operates. At 31 December 2013, the provision in this connection amounted to EUR 61 million (the same amount as at 31 December 2012).

d) Provisions for the amounts estimated in relation to warranty and maintenance obligations for facilities and machinery sold, mainly WTGS in the Energy division. At 31 December 2013, the provision in this connection amounted to EUR 10 million (EUR 12 million at 31 December 2011).

e) Provisions for pensions and similar obligations arising mainly from the acquisition of assets from Endesa in 2009, which are detailed and quantified below. At 31 December 2013, the provision in this connection amounted to EUR 8 million (EUR 7 million at 31 December 2011).

f) The remaining amount recognised under "Provisions" relates to various types of provisions, including those related to obligations acquired in the development and construction of drinking water plants and water cycle service infrastructure, those recognised to cover the possible risks arising from litigation in progress since claims have been filed against the

Group in relation to its construction activities (mainly in relation to residential work), those relating to construction contracts and the provision of onerous services in which losses are incurred and provisions for non-core businesses. These provisions were recognised on the basis of the best estimates of the risks and uncertainties which, inevitably, surround most of the events and circumstances related thereto. In this respect, the negative performance of the general market situation in the last few years, as well as the economic and financial conditions of many of the countries in which the Group operates, has given rise to great instability in general with a widespread impact and severe uncertainty, which has not only continued but in fact worsened in the recent years. In light of this situation, the measurement of uncertainty was carried out with prudence and a certain degree of precaution was taken in the making of necessary judgements, while preserving the fair presentation of the consolidated financial statements.

Group management considers that no additional liabilities not provided for in the consolidated financial statements at 31 December 2013 and 2012 will arise.

Provisions for pensions and similar obligations

The long-term provisions in the accompanying consolidated balance sheet include the provisions for pensions and similar obligations that arose due to the acquisition of assets and/or companies from the Endesa Group in 2009.

In 2013, the number of employees considered in this connection was 115 (the same as in 2012), of whom 17 had already taken early retirement (11 employees at 2012 year-end).

The changes in these provisions in 2013 and 2012 are as follows:

	2013	2012
Balance at 1 January	**7,460**	**7,819**
Additions and period provisions	369	18
Reductions	(600)	(375)
Transfers	(98)	--
Other changes	(8)	(2)
Balance at 31 December	**7,123**	**7,460**

The main features of the plans assumed are as follows:

i) Defined benefit pension plan with salary increase rate tied to the increase in the CPI. This plan is treated in exactly the same way as a defined benefit system. The assumptions used in calculating the actuarial liability in respect of the uninsured defined benefit obligations at 31 December 2013 and 2012 were as follows:

	2013	2012
Interest rate	3.86%	3.97%
Mortality tables	GRM/F 95	GRM/F 95
Expected rate of return on plan assets	0.7%	0.7%
Salary increase	2.9%	2.4%

Information is provided below on the changes in the actuarial liabilities for the defined benefit obligations at 31 December 2013 and 2012:

	2013	2012
Initial actuarial liability	**2,575**	**2,468**
Cost incurred in the year	80	113
Finance costs	102	116
Benefits paid in the year	--	--
Actuarial gains and losses	43	(122)
Final actuarial liability	**2,800**	**2,575**

Information is provided below on the changes in the actuarial assets for the defined benefit obligations at 31 December 2013 and 2012:

	2013	2012
Initial actuarial liability	**2,085**	**2,188**
Rate of return in the year	80	99
Contributions made in the year	111	117
Actuarial gains and losses	22	(319)
Final actuarial asset	**2,298**	**2,085**

At 31 December 2013 and 2012, the total amount of the final actuarial assets and liabilities related in full to defined benefit obligations in Spain.

At 2013 year-end, the amount recognised in the consolidated income statement for defined benefit pension obligations amounted to EUR 102 thousand (2012 year-end: EUR 130 thousand) and related to the cost incurred during the year and the return and finance cost of the assets and liabilities associated with these employee welfare benefits.

ii) Defined contribution plan. The contributions made are recognised under "Staff Costs" in the accompanying consolidated income statement. No such contributions were recognised for Pensions Plans in 2013. The amounts recognised for this concept in 2012 were EUR 224 thousand.

iii) Obligations to provide certain employee welfare benefits during the retirement period, relating mainly to electricity supplies. These obligations were not externalised and are covered by the related in-house provisions totalling EUR 2,534 thousand at 31 December 2013 (31 December 2012: EUR 2,177 thousand).

The actuarial changes arising in this connection gave rise to a loss of EUR 311 thousand in 2013 (2012: EUR 41 thousand).

iv) The Group's obligation to supplement the public social security system benefits in the event of termination of the employment relationship as a result of an agreement between the parties.

The changes in the provision for these obligations, recognised under "Provisions" in the accompanying consolidated balance sheets in 2013 and 2012, were as follows:

	Provision for other long-term employee benefit obligations
Balance at 31/12/11	**4,921**
Additions and period provisions	24
Reductions	(691)
Transfers	--
Other changes	--
Balance at 31/12/12	**4,254**
Additions and period provisions	(141)
Reductions	(740)
Transfers	--
Other changes	--
Balance at 31/12/13	**3,373**

These liabilities relate in full to the collective redundancy procedures of the Group companies in Spain.

The Plan affects employees with at least ten years of acknowledged service. Employees aged 50 or more at 31 December 2005 are entitled to adhere to a pre-retirement plan at the age of 60, of which they may avail themselves between the ages of 50 and 60, provided that there is an agreement between the employee and the company concerned. For the Plan to apply to employees younger than 50 at 31 December 2005, a written request from the employee and the acceptance thereof by the Group were required.

The conditions applicable to employees who have not yet reached 50 years of age affected by the voluntary redundancy plan consist of a termination benefit of 45 days' salary per year of service plus an additional amount of 1 or 2 months' salary based on the employee's age at 31 December 2005.

The impact of these plans on the consolidated income statement is not material.

18. Bank borrowings

The detail of "Bank Borrowings" at 31 December 2013 and 2012 is as follows (in thousands of euros):

	2013		2012	
	Current	Non-current	Current	Non-current
Mortgage loans for non-current asset financing	38,196	131,165	99,514	114,555
Mortgage loans for property developments	123,558	--	149,474	--
Project finance	372,304	4,410,129	311,068	4,901,585
Unmatured discounted notes and bills	28,847	--	22,446	--
Obligations under finance leases	8,460	9,828	12,088	15,948
Other bank loans and credit facilities	1,352,151	1,242,924	1,494,649	1,444,187
Other limited recourse debt	6,276	194,866	13,030	193,202
Total bank borrowings	**1,929,792**	**5,988,012**	**2,102,269**	**6,669,477**

In 2013 and 2012, the Group's euro loans and credit facilities mostly bore interest tied to Euribor, although a portion of the Group's borrowings were also tied to other indices such as Libor for borrowings in the US dollars, the CDOR for borrowings in Canadian dollars, the TIIE for financing in Mexican pesos, the WIBOR for financing in Polish złoty and the BBSY for financing in Australian dollars; these are the most important indices for the Group outside of the eurozone.

A significant portion of the Group's borrowings is hedged by financial derivatives which seek to reduce the volatility in the interest rates which the Acciona Group pays. Specifically, the percentage of borrowings not subject to interest rate volatility remained virtually constant, falling slightly from 59.8% in 2012 to 59.3% in 2013.

At 31 December 2013, the mean interest rate on borrowings, considering borrowing from credit entities and debt contracted in the form of bonds and other negotiable instruments, has been 5.59%.

Through its subsidiaries or associated companies, Acciona Group undertakes investments mainly in transport infrastructure, energy, hospitals and the supply of drinking water, and these are then operated by subsidiaries, jointly controlled entities and associates funded through "Project finance".

These finance structures are applied to projects capable of providing by themselves sufficient support for the participating financial entities with regard to the borrowings taken out to implement them. Thus, each one is normally executed through specific vehicles in which the project's assets are financed on the one hand by a contribution of funds by the project's sponsors, limited to a certain predefined amount, and, on the other hand, generally a larger sum through third party funds in the form of long-term borrowing. The debt service on these loans or credits is fundamentally backed by the cash flows generate in future by the project itself, as well as by *in rem* guarantees on the project's assets.

During 2013, the main reduction in this heading, over and above the scheduled amortisations planed in line with the calendar for each project, corresponded to the lower valuation of the financial derivatives contracted basically in the Infrastructure and Energy divisions due to the variations in the interest rate curves and with an impact amounting to EUR 205 million.

Furthermore, the EUR 47 million increase in this heading during 2013 is noteworthy as the Energy division in Spain concluded the finance arrangements for a wind farm in Lérida.

In the International energy division, there are increases of EUR 62 million and EUR 38 million through the conclusion of finance arrangements for wind farms in Costa Rica and Croatia, as well as the partial drawdown of EUR 35 million and EUR 23 million for projects under way for both a wind farm and a photovoltaic plant in South Africa.

As indicated in Note 3.1) and Note 3.2 I), the adoption of IFRS 13 has required an adjustment in the valuation techniques applied by the Acciona Group to obtain the fair value of its derivatives in order to incorporate the bilateral credit risk adjustment to reflect both own risk and counterparty risk in the fair value of the derivatives.

At 31 December 2013, this modification represented a lower valuation of liability derivatives in the amount of EUR 23,542 thousand, recognised on the one hand as a smaller debt with credit entities in the amount of EUR 23 million by subsidiaries and joint ventures and, on the other hand, as a higher valuation of the investment by the equity method in the amount of EUR 380 thousand, net of tax, by those companies incorporated in accordance with this method. The external and after-tax effects that this modification has had on the heading for

"Adjustments in equity for valuation of cash flow hedges" were positive in the amount of EUR 15,501 thousand.

At 31 December 2013, Group companies had been granted additional financing not drawn down in the amount of EUR 1,292,434 thousand, of which EUR 1,033,207 thousand correspond to credit lines for the financing of working capital. The Group's Directors are of the opinion that the amount of these credit lines, the ordinary generation of cash, together with the realisation of current assets will sufficiently cover the short-term payment obligations.

At 31 December 2013 and 2012, neither Acciona, S.A. nor any of its significant subsidiaries were in breach of any of their financial or other obligations in such a way as might give rise to the early maturity of their financial obligations. Also, no breaches are foreseen for 2014.

Furthermore, in 2013 and 2012 there were no defaults or other non-payments of principal, interest or repayments of bank borrowings. The Real Estate division classifies its borrowings as current liabilities based on the production cycle of the assets they finance, namely inventories, even though some of these liabilities mature at more than twelve months.

The detail, by maturity, of non-current bank borrowings and non-current debt instruments and other marketable securities (see Note 21) for the five years following the reporting date is as follows:

2014	2015	2016	2017	Subsequent years	Total
2,092,198	1,026,678	874.832	347,196	3.991.159	8,332,063

Obligations under finance leases

The detail of the Group's finance leases at 31 December 2013 and 2012 is as follows:

Obligations under finance leases	Minimum lease payments 2013	2012
Within one year	9,373	13.313
Between one and two years	5,639	8,398
Between two and five years	3,387	8,605
After five years	501	533
Total lease payments payable	**18,900**	**30,849**
Less: future finance charges	1.512	2,813
Present value of lease obligations	**17,388**	**28,036**
Less: amount due for settlement within twelve months (current liability)	8,460	12,088
Amount due for settlement after twelve months	**8,928**	**15,948**

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is three to five years. In the year ended 31 December 2013, the average effective interest rate was the market rate. Interest rates are set at the lease date. All leases have fixed repayments and no arrangements have been entered into for contingent rental payments.

The decrease in 2013 with respect to 2012 was due mainly to the payments made as established in the leases.

19. Risk management policy

The Acciona Group's geographical and business diversification exposes it to certain risks, which are managed appropriately through the application of a risk management system. This System is designed to identify potential events that might affect the organisation; to manage its risks through the establishment of internal treatment and control systems that ensure the probability and impact of these events occurring are kept within the established tolerance levels; and to provide reasonable assurance in relation to the achievement of strategic business objectives.

This policy seeks to integrate risk management within ACCIONA's strategy and to establish the framework and principles of the risk management system.

This policy covers all the risks relating to the activities carried on by ACCIONA's business lines throughout the geographical areas in which it carries on its activity.

Interest rate risk

Interest rate fluctuations change the future flows from assets and liabilities that bear floating-rate interest.

Interest rate risk is particularly important in relation to the financing of infrastructure projects, concession arrangements, the construction of wind farms or solar facilities and other projects in which project profitability is affected by possible changes in interest rates, since it is directly linked to project cash flows.

Based on the Acciona Group's projections of the trend in interest rates and of debt structure targets, hedging transactions are carried out by arranging derivatives that mitigate these risks. The level of debt hedged in each project depends on the type of project in question and the country in which the investment is made.

The reference interest rate for the borrowings arranged by the Acciona Group companies is mainly Euribor for transactions denominated in euros and Libor for transactions denominated in US dollars. The borrowings arranged for projects in Latin America are normally tied to the local indices customarily used in the local banking industry.

Sensitivity test on derivatives and debt

The financial instruments that are exposed to interest rate risk are basically borrowings arranged at floating interest rates and derivative financial instruments.

In order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's financial statements, a simulation was performed which assumed a 50-basis point increase and decrease in interest rates at 31 December 2013.

The analysis of sensitivity to upward or downward changes of 0.50% in floating Euribor interest rates gave rise to a sensitivity in the Group's consolidated income statement arising from an increase or decrease in financial results due to interest payments of EUR 13,611 thousand at 31 December 2013.

The analysis of the sensitivity to upward or downward changes in the long-term interest rate curve in relation to the fair value of interest rate derivatives included in cash flow hedges arranged by the Group at 31 December 2013 and irrespective of the consolidation method used, would give rise -based on the Acciona Group's percentage of ownership in each company- to a decrease in liabilities for financial derivative of EUR 128,792 thousand vis-à-vis a 0.5% increase in the interest rate curve. Similarly, a 0.1% decrease in the interest rate curve would lead to an increase of EUR 41,653 thousand in liabilities for financial derivatives.

Foreign currency risk

The Group is immersed in a process of growing internationalisation which gives rise to exposure to foreign currency risk involving transactions in the currencies of the countries in which it invests and operates.

Management of this risk is the responsibility of the Group's Economic and Financial Department, which follows a policy of non-speculative hedging.

Foreign currency risk relates basically to the following transactions:

- Debt denominated in foreign currencies arranged by Group companies and associates.
- Payments to be made in international markets for procurements, mainly fuel.
- Receivables tied mainly to the performance of currencies other than the euro.
- Investments made in foreign companies.

In order to mitigate foreign currency risk, the Acciona Group uses currency derivatives and foreign currency hedges to cover significant future transactions and cash flows, in keeping with acceptable risk limits. At other times, non-current assets in currencies other than the euro are financed in the same currency as that in which the asset is denominated.

Also, the net assets relating to net investments in foreign operations whose functional currency is not the euro are exposed to foreign currency risk in the translation of the financial statements of these foreign operations on consolidation.

The composition of current and non-current assets and liabilities and the net equity at 31 December 2013 is shown below in the main currencies in which the Acciona Group operates.

Currency	Non-current asset	Current asset	Non-current liability	Current liability	Equity
Australian dollar	429,334	111,007	261,554	81,856	196,931
Canadian dollar	237,209	112,446	120,016	120,326	109,313
US dollar	1,637,682	190,084	1,109,767	238,788	479,211
Polish zloty	258,893	417,584	99,677	261,766	315,034
Chilean Peso	221,337	140,824	210,202	154,488	(2,529)
Mexican Peso	32,551	254,221	24,648	203,968	58,156

From the analysis of the preceding table, it can be seen that the Acciona Group concentrates its exposure, in terms of shareholders' equity, particularly around the US dollar and the Polish zloty. On this basis, it has been estimated that a 10% re-valuation in the quotation of the euro with respect to these six main currencies in which the Group operates and holds investments would produce a negative impact of EUR 116 million on the Group's net equity.

Procurement price risk

The Acciona Group is exposed to fluctuations in the price of procurements, mainly fuel in its sea transportation business and, to a lesser degree, raw materials in its biofuel production business, when such fluctuations cannot be passed on to its customers.

Most fuel purchase transactions are carried out in international markets.

Fluctuations in procurement prices are managed through short-term measures, i.e. within one year, which is considered to be the normal period for the implementation of the appropriate commercial policies. The risk is managed by arranging specific hedges, generally in the form of derivatives, to maintain the economic balance of the procurements.

Fluctuations in procurement prices are managed at short and medium term through specific hedging transactions, generally using derivatives.

The Group performed a sensitivity analysis in relation to the possible changes in fuel prices. Based on this analysis it was estimated that a 5% change in prices would have an effect on 2014 profit of approximately EUR 4 million.

Credit risk

Credit risk is the risk that a counterparty to a contract does not meet its obligations, giving rise to a financial loss for the Group. The Group has adopted a policy of only trading with solvent third parties and obtaining sufficient guarantees to mitigate the risk of financial loss in the event of non-compliance. The Group only trades with entities rated at the same or higher investment level as the Group and obtains information on its counterparties through independent company valuation agencies, other public sources of financial information or the information it obtains from its own relationships with customers.

Notes receivable and trade receivables relate to a large number of customers spread over different industries and geographical areas. Credit relationships with customers and their solvency are assessed on an ongoing basis and credit guarantee insurance is arranged when it is considered necessary.

The Group assesses non-payment risk prior to entering into contracts with public and private customers (basically in the infrastructure business). This assessment includes both a solvency study and supervision of contractual requirements from a financial and legal guarantee viewpoint. During the course of the projects, the correct performance of the debt is monitored constantly, and the related value adjustments are made using accounting criteria.

The Group does not have significant exposure to credit risk with any of its customers or groups of customers with similar characteristics. Similarly, credit risk concentration is not significant.

The credit and liquidity risk of derivative instruments with a positive fair value is limited by the Acciona Group, since both cash placements and the arrangement of derivatives are made with highly solvent counterparties with high credit ratings and no counterparty has significant levels of total credit risk.

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On the other hand, the new definition given for the fair value of a liability in IFRS 13, based on the concept of transferring the liability in question to a market player, confirms that own credit risk must be taken into account in the fair value of liabilities. Thus, since 1 January 2013, ACCIONA incorporates a bilateral credit risk adjustment in order to reflect both its own risk and the counterparty risk in the fair value of derivatives.

Liquidity risk

The Acciona Group manages liquidity risk prudently by ensuring that it has sufficient cash and marketable securities and by arranging committed credit facilities for amounts sufficient to cater for its projected requirements.

Ultimate responsibility for liquidity risk management lies with Economic and Financial Department, which prepares the appropriate framework to control the Group's liquidity requirements at short, medium and long term. The Group manages liquidity risk by holding adequate reserves, providing appropriate banking services, having available loans and credit facilities, monitoring projected and actual cash flows on an ongoing basis and pairing them against financial asset and liability maturity profiles. Finally, attention should be drawn, in this regard, to the fact that the ACCIONA Group has recognised, as part of its quest to diversify its funding sources, a European Commercial Paper programme for the maximum amount of 500 million euros to issue commercial paper with maturities of not more than one year (see Note 21).

Economic risk vs. budget variances

The Group has an overall system of economic and budget control for each business, adapted to each activity, which provides those responsible for each business with the necessary information and allows them to control potential risks and make the most appropriate management decisions. The economic and financial information generated within each division is periodically compared with the projected data and indicators, variances regarding business volume, profitability, cash flows and other relevant and reliable parameters are assessed and, where necessary, the appropriate corrective measures are taken.

Price risk

With regard to the price risk on the Spanish electricity market, Royal Decree 661/2007 established upper limits ("caps") and lower limits ("floors") for the aggregate price (the market or "pool" price plus the premium) applicable to the sale of electricity on the market, or else a fixed regulated tariff. In a deficit control setting, however, the domestic market has been suffering a series of regulatory adjustments that have significantly altered the remuneration for renewable assets in recent years as indicated in Note 2.1.

Royal Decree Law 2/2013 of 1 February on urgent measures in the electricity sector was approved in 2013. This RDL, in force from 1 January 2013, set the premiums for all technologies at zero value and eliminated the caps and floors for the market sale option, leaving the option for tariff-based sales, meaning that facilities could only receive the regulated tariff or else sell their electricity freely on the market (without any premium).

Royal Decree-Law 9/2013 adopting urgent measures to guarantee the financial stability of the electricity system was published on 12 July. This Royal Decree, which came into force on 13

July 2013, repealed, among others, Royal Decree 661/2007, of 25 May, the decree governing, as described in the preceding paragraphs the remuneration framework supporting renewable energies for most of the Acciona Group's power generation facilities located in Spain. This new regulation foresees that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities will be able to receive a specific remuneration comprising a term per unit of power installed, covering, where appropriate the investment costs for a standard installation that cannot be recovered through electricity sales and an operating term that covers, where applicable, the difference between operating costs and the revenue from that standard installation's participation on the market.

The regulatory framework approved by the said RDL regulating the generation of electricity from renewable energy sources, co-generation and waste and its subsequent development in accordance with the draft version of the Ministerial Order dated February 2014 setting the remuneration parameters for standard facilities applicable to facilities generating electricity from renewable sources, co-generation and waste show that a large part of the Group's renewable assets, especially wind power commissioned prior to 2005, as well as many of tis mini-hydroelectric power stations, will cease to receive any additional remuneration other than the market price and will thus be fully exposed to price variations on the electricity market.

Finally, with regard to the price risk on the power market of the various countries where ACCIONA operates, it should be noted that approximately 70% of production is governed by a long-term price contract (PPA) established with a third party, 16% under a regulatory feed-in tariff and the remainder through its unrestricted sale on the market.

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20. Derivative financial instruments

Interest rate hedges

The Acciona Group regularly arranges interest rate derivatives, which are designated as hedges. These instruments are used to hedge possible changes in cash flows due to interest payments on long-term floating rate financial liabilities.

The detail of the derivative financial instruments arranged and outstanding at 31 December 2013 and 2012, which are recognised at market value in the accompanying consolidated balance sheet as assets or liabilities, depending on this value and the method of inclusion in the Acciona Group, is as follows:

Interest rate hedges (thousands of euros)	2013					2012				
	Notional amount arranged	Financial liabilities	Held-for-sale liabilities	Financial assets	Investment in associates(*)	Notional amount arranged	Financial liabilities	Held-for-sale liabilities	Financial assets	Investment in associates
	Cash flow hedges									
Interest rate swaps	3,867,822	351,095	15,780	3,460	(72,016)	4,156,184	547,717	36,322	0	(135,778)
Collars	3,274	33	--	--	--	57,114	249	--	--	(7,738)
Caps	34,517	289	--	--	--	41,517	259	--	--	--
Total	**3,905,613**	**351,417**	**15,780**	**3,460**	**(72,016)**	**4,254,815**	**548,225**	**36,322**	**0**	**(143,516)**

(*) The amount of the investment in associates indicated is net of tax.

The most commonly used interest rate derivatives are interest rate swaps, the purpose of which is to fix or limit fluctuations in the floating interest rates of hedged borrowings. The Group arranges these financial derivatives mainly to hedge the cash flows on the debt arranged to finance wind farms or solar facilities, in the case of the Energy division, and to finance the infrastructure concessions operated mainly through jointly controlled entities and associates.

At 31 December 2013, the fixed interest rates on these financial derivative instruments ranged from 6.00% to 1.51% (from 6.00% to 1.62% in 2012).

The amounts recognised by the Group are based on the market values of equivalent instruments at the balance sheet date. Substantially all the interest rate swaps are designated and effective as cash flow hedges and changes in the fair value thereof are deferred in equity.

Changes in the fair value of these instruments are recognised directly in equity (see Note 16 e)). The net deferred tax asset arising on recognition of these instruments amounted to EUR 101,550 thousand and 31 December 2013 EUR 159,005 thousand at 31 December 2012 and was recognised in equity (see Note 23).

The methods and criteria applied by the Group to measure the fair value of these financial instruments are described in Note 3.2.I.

The notional amounts of the liabilities hedged by interest rate hedges were as follows:

	2013	2012
Group companies or jointly controlled entities	3,083,635	3,370,311
Associates	702,630	760,455
Companies classified as held for sale	119,348	124,049
Total notional amount arranged	**3,905,613**	4,254,814

The contractual notional amounts of the contracts entered into do not reflect the risk assumed by the Group, since these amounts merely represent the basis on which the derivative settlement calculations are made. The changes in the notional amounts of the financial instruments arranged for the coming years are as follows:

Change in notional amounts					
2014	2015	2016	2017	2018	2020
3,590,997	3,436,090	2,979,537	2,751,623	2,453,248	1,922,184

Fuel hedges

The Group uses financial derivatives to manage the risk of fuel purchase price fluctuations on international markets. The Group manages this risk by arranging financial instruments to mitigate fuel price fluctuations.

In 2013, through its subsidiary Compañía Trasmediterránea, the Group hedged fuel oil and diesel price fluctuations by arranging several derivatives which ensure a fixed purchase price for these fuel purchases amounting to USD 70.8 million. In addition, the derivatives necessary to ensure the exchange rate between the euro and the US dollar were arranged in the financial year. The Group designated the related hedging relationships at the start of the hedge and they were fully effective. In these hedging relationships the changes in the price in euros of the fuel constitute the hedged risk.

The settlements of these derivatives in 2013 were unfavourable to the Group and a cost of EUR 2,125 thousand relating to the contracts that matured during the year was recognised in the consolidated income statement as an addition to the cost of procurements. These derivatives expired on 31 December 2013.

In 2012, diesel and fuel oil purchases were also hedged. The settlements of these derivatives in 2012 were favourable to the Group and revenue of EUR 1,600 thousand relating to the contracts that matured during the year was recognised in the consolidated income statement as a reduction in the cost of procurements. These derivatives expired on 31 December 2012.

Also, at 31 December 2013, no hedges had been arranged for gas oil and fuel oil purchases in 2014.

Foreign currency hedges

The Group uses currency derivatives to hedge significant future transactions and cash flows. In 2013 and 2012 the Group hedged a portion of its US dollar purchases and payments to creditors through tunnel options and foreign currency hedges, and a portion of its sales denominated in US dollars and Polish zlotys through foreign currency hedges.

The Group is a party to a variety of forward foreign currency contracts and options in the management of its foreign currency risks. The instruments purchased are denominated mainly in US dollars.

The detail of the transactions outstanding at 31 December 2013 and 2012 is as follows (in thousands of euros):

			2013		2012	
	Currency	Expiry date	Amount arranged	Effect of measurement at market value	Amount arranged	Effect of measurement at market value
Foreign currency purchase	USD	30/08/13	--	--	2,463	32
Foreign currency purchase	PLN	16/01/13	--	--	399	5
Foreign currency purchase	USD	31/03/14	657	13	2,463	32
Total			**657**	**13**	**2,862**	**32**

At 31 December 2013, changes in the market values of foreign currency hedges were recognised under "Current borrowing with credit institutions - Financial Derivatives at Fair

Value" for an amount of EUR 13 thousand. The amounts recognised by the Group are based on the market values of equivalent instruments at the reporting date. Substantially all the currency purchase transactions are designated and effective as cash flow hedges and changes in the fair value thereof are deferred in equity.

The settlement of the derivatives outstanding in 2013 gave rise to a loss of EUR 101 thousand, which was recognised as an addition in the cost of procurements.

The settlement of the derivatives outstanding in 2012 gave rise to a gain of EUR 1,743 thousand, which was recognised as a reduction in the cost of procurements.

Other derivative financial instruments

At 31 December 2013, there were other derivative financial instruments in force recognised at fair value in the accompanying consolidated balance sheet, which had been arranged by the Acciona Group, with the following breakdown:

	Thousands of euros			
	31/12/13		31/12/12	
	Notional amount arranged	Financial liability	Notional amount arranged	Financial liability
Interest rate swaps	172,854	20,291	183,874	28,833
	172,854	**20,291**	**183,874**	**28,833**

In 2009, the Acciona Group prospectively discontinued the accounting of this instrument as, following the novation of the underlying loan, it no longer qualified for hedge accounting. The portion of the fair value that had been recognised as valuation adjustments in equity until the time hedge accounting was discontinued, and which amounted to EUR 12,114 thousand net of the tax effect, is being transferred to profit or loss over the period to maturity of the transaction, based on the foreseeable reduction of the notional amount. At 31 December 2013, the balance yet to be transferred to profit or loss amounted to EUR 4,236 thousand.

The effect of this interest rate swap transaction on the 2013 consolidated income statement was EUR 5,541 thousand (an expense of EUR 3,254 thousand in 2012) and is recognised under "Gains or Losses due to Changes in Value of Financial Instruments at Fair Value".

Lastly, it should be mentioned that the three Australian energy subsidiaries have entered into contracts which enable them to set the future electricity sale price for a specific volume of MW. These contracts are measured at market value and the changes in value are recognised in equity as valuation adjustments. At 31 December 2013, there was a balance payable in "Reserves" net of the tax effect amounting to EUR 1,325 thousand, with balancing entries in accounts receivable and accounts payable of EUR 7,989 thousand and EUR 6,096 thousand, respectively.

The summary of the impacts on equity of the re-measurement of derivative financial instruments at 31 December 2013 and 2012 is given below:

(Thousands of euros)	31/12/13	31/12/12
Financial liability due to interest rate derivatives	371,721	577,058
Liability due to discontinued derivative not qualifying for hedge accounting (Note 20)	(20,291)	(28,833)
Financial liability due to interest rate hedge (Note 20)	351,430	548,225
Held-for-sale liability due to interest rate hedge (Note 20)	15,780	36,322
Financial asset due to interest rate hedge (Note 20)	(3,460)	--
Investment in associates due to interest rate hedge, net of tax (Note 20)	72,016	143,516
Net deferred tax asset due to interest rate hedge (Note 20)	(101,550)	(159,005)
Net deferred tax asset due to interest rate hedge from held-for sale liabilities (Note 20)	(4,734)	(10,885)
Ineffectiveness of hedging derivatives (Note 29)	(5)	(4,642)
Other, mainly due to non-controlling interests in interest rate hedging transactions	(12,135)	(15,116)
Balance adjusted due to changes in value of interest rate hedging transactions	**317,342**	**538,415**
Balance adjusted due to changes in value of fuel hedging transactions (net of non-controlling interests and tax)	--	0
Balance adjusted due to changes in value of foreign currency hedging transactions (net of non-controlling interests and tax)	2	(45)
Balance adjusted due to changes in value of energy contract (net of non-controlling interests and tax)	(1,325)	(8,339)
Balance adjusted due to changes in value of transactions with discontinued hedging (net of tax)	4,236	5,656
Other, mainly due to translation differences on derivatives	983	(2,260)
Total asset balance receivable for valuation adjustments at 31 December (Note 16)	**321,238**	**533,427**

21. Debt instruments, bonds and other marketable securities

The changes in the balances of these current and non-current liability items in the consolidated balance sheets in 2013 and 2012 were as follows:

	Thousands of euros	
	2013	2012
Opening balance	**275,846**	**56,495**
Net inclusion of companies in the Group	--	--
Issues	234,414	219,423
Accrued interest payable	303	--
Redemptions	(80,922)	(655)
Other changes	(15,382)	583
Closing balance	**414,259**	**275,846**

The main change in the "issues" and "redemptions" line items under "Debt Instruments, Bonds and Other Marketable Securities" for 2013 corresponds to the formalisation by Acciona, S.A. of the European Commercial Paper (ECP) programme for a maximum amount of 500 million euros with the details described at the end of this note and with an outstanding balance of 159,903 thousand euros. The "other variations" line corresponds mainly to the translation differences arising in the three issues of bonds in currencies other than the euro.

The main change in this heading in 2012, related to a private bond issue by the Mexican subsidiaries Ce Oaxaca Cuatro, S. de R.L. de C.V. and Ce Oaxaca Dos, S. de R.L. de C.V. amounting to EUR 219,423 thousand as detailed at the end of this note.

The distribution of the maturities for these debt instruments for 2014 and the next four financial years and thereafter is as follows:

2014	2015	2016	2017	2018	Subsequent years	Total
162,406	2,940	3,968	5,085	6,358	233,502	**414,259**

At 31 December 2013, the details of the issues composing the balance under "Debt Instruments, Bonds and Other Marketable Securities" were as follows:

- Private bond issue placed by the Canadian subsidiary Chinook Roads Partnership and rated "A" by the Standard and Poor's credit rating agency. The amount of the issue, EUR 54,441 thousand, is to be used as part of the financing required to undertake the construction, operation and maintenance of the Southeast Stoney Trail toll road in the city of Calgary (Canada). This issue was launched on 31 March 2010 and bears annual interest of 7.134% payable monthly on the last working day of each month during the construction phase and quarterly during the operation phase. The debt will be repaid in quarterly instalments beginning on 31 December 2013 and ending on 31 March 2043.

- Issuance of a private placement bond rated "BBB" by the Standard and Poor's and Fitch credit rating agencies and performed by the Mexican subsidiaries CE Oaxaca Dos, S. de R.L. de C.V. and CE Oaxaca Cuatro, S. de R.L. de C.V. for a total amount of USD 298.7 million. The purpose of this financing is to develop, build and operate two, 102 MW wind energy projects for the end client, the Mexican Federal Electricity Commission (CFE). This issue, which was launched on 10 August 2012, bears annual interest of 7.25% payable every six months on 30 June and 31 December each year until 31 December 2031. Debt repayment began on 31 December 2012 and will continue in six-monthly instalments until repaid in full on 31 December 2031.

- The European Commercial Paper (ECP) programme, formalized by Acciona, S.A. on January 17th, 2013, for a maximum amount of 500 million euros and entered on the Irish Stock Exchange. Through this programme, notes are issued on the euro market with maturities of between 15 and 364 days. This programme was renewed for another year on 29 November 2013, maintaining the same terms and conditions.

In addition, the details of the debt instrument issue launched by Autovía de los Viñedos, S.A. and outstanding at 31 December 2012, but which was classified as "Non-Current Liabilities – Liabilities Associated with Non-Current Assets Classified as Held for Sale", is as follows:

- The issue by this subsidiary amounted to EUR 64,100 thousand, with respect to which the Group accounted for the 50% corresponding to it. This issue, launched on 28 October 2004 and accruing annual interest at 4.79% payable on 15 December each year throughout the term of the issue. Redemption of the bonds commenced on 15 December 2009 and they will be fully redeemed on 15 December 2027. At 31 December 2013, the amount transferred from the current and non-current balances under "Debt Instruments and Other Marketable Securities" to "Liabilities Associated with Non-Current Assets Classified as Held for Sale" amounted to EUR 27,274 thousand (EUR 28,489 thousand at 31 December 2012).

22. Other non-current and current liabilities

The detail of "Other Non-Current Liabilities" and "Other Current Liabilities" in the consolidated balance sheet is as follows (in thousands of euros):

Other liabilities	Non-current		Current	
	2013	2012	2013	2012
Obligations under finance leases	22,802	29,001	770	1,005
CO_2 emission allowances	--	--	--	--
Grants	160,472	111,594	--	--
Other deferred income	91,209	104,848	--	--
Remuneration payable	--	--	90,632	78,144
Other payables	257,956	225,877	376,690	405,743
Closing balance	**532,439**	**471,320**	**468,092**	**484,892**

"Other Deferred Income" relates mainly to certain incentives, established to promote the development of renewable energies in the US, which are similar in nature to grants for accounting purposes and which apply to two wind farms developed by the Energy division in the US.

Under "Other Non-Current Payables", attention is drawn to liabilities for long-term business transactions relating to the construction business for 67 million euros as well as a loan from the administration for 59 million euros as part of the finance for the concession company "A-2 Tramos 2, S.A.U."

"Other Current Payables" relates mainly to balances with public authorities for various items: VAT, personal income tax, other local taxes and the balance payable at year-end to the social security system. These balances are detailed in Note 23.

"Obligations under Finance Leases", which relates mainly to outstanding lease payments, includes the purchase option on certain facilities of the Energy division in Australia. The detail is as follows:

Amounts payable under leases	Minimum lease payments	
	2013	2012
Within one year	2,728	3,598
Between one and two years	3,427	3,440
Between two and five years	7,357	9,995
After five years	35,652	46,483
Total lease payments payable	**49,164**	**63,516**
Less: future finance charges	25,592	33,510
Present value of lease obligations	23,572	30,006
Less: amount due for settlement within twelve months (current liability)	**770**	**1,005**
Amount due for settlement after twelve months	**22,082**	**29,001**

The main change in the financial year is related, on the one hand, to the payments made and also to the depreciation of the Australian dollar against the euro during this period.

"Grants" corresponds mostly to amounts awarded for the construction of wind farms in United States. The changes in "Grants" in 2013 and 2012 were as follows:

	Grants
Balance at 31/12/11	**118,495**
Additions	4,237
"Other Income" taken to profit or loss	(8,666)
Other	(2,472)
Balance at 31/12/12	**111,594**
Additions	71,079
"Other Income" taken to profit or loss	(17,262)
Others	(4,939)
Balance at 31/12/13	**160,472**

The main change in the 2013 financial year is related to the award of a total of 68 million euros for two wind farms in United States.

23.- Tax matters

Consolidated taxation

Pursuant to current legislation, consolidated tax groups include the parent together with certain subsidiaries that meet the requirements provided for in Spanish tax legislation. Since 2009 there has been a single tax group in Spain that avails itself of this special taxation system, the parent of which is Acciona, S.A.

The other Acciona Group entities file separate tax returns in accordance with the tax legislation applicable in the Basque Country, Navarre, the rest of Spain or that in force in each country.

Effective from 1 January 2008, the Company availed itself of the special consolidated tax regime for VAT purposes envisaged in Chapter IX of Title IX of VAT Law 37/1992, of 28 December. The parent of the VAT group is Acciona, S.A.

Years open for review by the tax authorities:

On 19 June 2009, the tax audits in relation to Group Income Tax for 2003 to 2005 were completed. The tax assessments issued for 2003 and 2004 were signed on an uncontested basis and that for 2005 was signed on a partially contested basis. The overall result in favour of the group was EUR 14,344 thousand as a result of the reduction of the taxable basis for the profits of the Unincorporated Temporary Joint Ventures.

With respect to the partially contested tax assessments issued for 2005 in the total amount of EUR 5,737 thousand (including tax due, late-payment interest and penalty), an economic-administrative appeal was filed at the TEAC on 20 August 2009.

On 19 May 2011, the TEAC notified the Group of its decision dismissing the claims filed, upholding the tax assessment and the penalty that had been appealed. On 15 July 2011, the Company filed an appeal for judicial review at the National Appellate Court against the decision handed down by the TEAC.

On 11 July 2012, the Company filed a formal statement of claim and the related pleadings at the National Appellate Court.

The tax audits also included the review of other taxes of the companies belonging to the tax group, which concluded with the corresponding tax assessments being signed on an uncontested basis.

On 10 March 2012, tax audits were initiated in relation to income tax for 2007-2009 by the inspection services of the Central Large Taxpayers Office against both the parent, Acciona, S.A., and other subsidiaries. In addition to the review of the Tax Group's income tax for those years, the Group's entities were reviewed in relation to VAT for 2008 and 2009 and to other taxes for 2008 and 2009 of the Group companies included in the review.

During these actions and on the occasion of the review of the withholdings effected on payment of dividends, this partial review was extended to the 2010, 2011 and 2012 financial years and also included the reverse merger operation involving Grupo Entrecanales, S.A. and its subsidiaries taken over by Acciona, S.A. on 11 July 2011. The auditors have accepted the existence of valid economic grounds for the merger operation and its inclusion within the special tax regime for mergers, spin-offs, contributions of assets and securities swaps. The inspectors, for their part, have queried the fulfilment of the requirements for application of the exemption in the payment of dividends for one of the shareholders, in particular, the requirements of holding the status of effective beneficiary, and this has led to the signing of the corresponding contested tax assessment for this concept with an amount up to the 2012 financial year of EUR 7,235 thousand (EUR 6,143 thousand of tax due plus late-payment interest).

The tax audit actions are expected to conclude during the first half of 2014 (on 26 December 2012 the inspectors notified their proposal to extend the term of the audit for a further twelve months) and no further tax liabilities with a material impact are expected to emerge in the final outcome.

On 10 January 2013, the "Guadalaviar Consorcio Eólico, S.A." received a notification regarding the start of tax inspection actions relating to Corporation Tax and Value Added Tax for the 2008 and 2009 financial years, in which the valuation of the wind-power rights transferred in 2009 was revised. These actions concluded with the signing of a contested assessment for the valuation made by the tax auditors of the said wind-power rights increasing the value declared by the parties. The company received the proposed settlement from the technical services of the Central Large Taxpayers Office on 23 December 2013 and an economic-administrative appeal was filed at the TEAC on 13 January 2014. The amount of the adjustment, including late-payment interest, for which the company would be liable would come to EUR 9,159 thousand and it is estimated that the possibility of these liabilities materialising is remote.

The directors of Acciona, S.A. consider that the liabilities that might arise from these open audits would not have a material effect on the consolidated financial statements for 2013 taken as a whole.

At 31 December 2013, the non-statute-barred years which had not been reviewed were being reviewed by the tax authorities for income tax and for the other main taxes applicable to the companies in the consolidated tax group. In general, the other Spanish consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable to them.

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In view of the varying interpretations that can be made of the applicable tax legislation, the outcome of the tax audits of the open years that could be conducted by the tax authorities in the future could give rise to tax liabilities which cannot be objectively quantified at the present time. However, the possibility of material liabilities arising in this connection additional to those already recognised is remote.

Receivables and payables with the Public Administrations

The breakdown of the receivables and payables at 31 December 2013 and 2012 is as follows:

	2013		2012	
	Non-current	**Current**	**Non-current**	**Current**
Tax receivables				
VAT	--	134,160	--	196,376
Tax refunds	--	96,999	--	62,572
Tax receivables for uncollected grants	--	484	--	587
Deferred tax assets	1,053,581		928,421	--
Other	--	40,895	--	35,933
Total	**1,053,581**	**272,538**	**928,421**	**295,468**
Tax payables				
Income tax	--	25,916	--	30,735
Personal income tax withholdings	--	16,597	--	17,014
VAT	--	102,393	--	127,338
Deferred tax liabilities	833,478		910,416	--
Accrued social security taxes	--	25,836	--	20,621
Other local taxes	--	44,908	--	13,936
Other	--	14,166	--	35,154
Total	**833,478**	**229,816**	**910,416**	**244,798**

In the 2013 financial year, the main variation in the current payables correspond to the reduction in the amount payable for VAT accounts and the increase in the tax credit held against the Tax Administration of the Common Territory and the Regional Authorities. Among the accounts receivable, the increase in the heading for Other local taxes is notable, mainly due to the balance pending payment for the new Electricity Generation Value Tax, and the levy for the use of surface water for the generation of electricity pending settlement in the total amount of EUR 28 million. These encumbrances were introduced by Law 15/2012 of 27 December and came into force with effect from 2013.

The VAT refundable and VAT payable accounts include the balances relating to the special consolidated VAT regime.

Reconciliation of the accounting profit to the taxable profit

The reconciliation of the income tax expense for 2013 and 2012 is as follows:

	Thousands of euros	
	2013	**2012**
Consolidated profit before tax	(2,174.221)	245,513
Profit/Loss before tax from discontinued operations		
Permanent differences	1,378,906	15,462
Temporary differences	755,176	(8,774)
Offset of tax losses	336,556	(50,069)
Taxable profit	296,417	202,132
Adjusted accounting profit	(442,490)	299,737
Tax rate	30%	30%

	Thousands of euros	
	2013	2012
Adjusted expense at the tax rate	(132,747)	89,921
Tax credits	(25,028)	(32,173)
Effect of different tax rates and adjustments	11,994	3,583
Tax expense per the income statement	**(145,781)**	**61,331**
Tax expense of discontinued operations		

As has been indicated above (see Note 3.2.E, Notes 4 to 7, Note 13), a considerable amount of goodwill and asset impairment has been recognised but in many cases this is not considered to be deductible for tax purposes, including mainly the impairment of goodwill in the amount of EUR 950 million, and so has been classified as positive permanent differences. In addition to this non-deductible impairment amounts, this line item also reflects consolidation adjustments that basically affect subsidiaries not belonging to the Tax Group.

With regard to the heading for temporary differences, at 31 December 2013, this mainly comprised the impairment of national assets in the Energy division which will become tax deductible in subsequent periods. In addition, positive adjustments have been recognised in connection with the limitation of tax deductibility of the additions for amortisation, affecting the subsidiaries established in Spain, in effect for the 2013 and 2014 financial years, as well as negative adjustments through application of the accelerated depreciation, as described later in this Note.

"Offset of Tax Losses" includes, on the one hand, a negative component due to the offset of tax losses incurred in prior years amounting to EUR 20,917 thousand, of which EUR 4,648 thousand had not been recognised for accounting purposes and, on the other, a positive component of EUR 357,473 thousand relating mainly to the tax losses incurred in the year by subsidiaries which do not belong to the tax group and in relation to which no deferred tax assets were recognised.

The consolidated companies abroad calculate their income tax expense in accordance with the applicable legislation. The Spanish companies governed by tax regulations in the Basque Country or Navarre take into account the particular features of these regulations when calculating their income tax expense.

Tax recognised in equity

In addition to the income tax recognised in the consolidated income statement, in 2013 and 2012 the Group recognised the following amounts in consolidated equity:

	Thousands of euros	
	2013	2012
Translation differences	40,228	(599)
Fair value of financial instruments	(50,236)	66,287
Financial assets at fair value through equity	(2,369)	511
Actuarial losses and gains on pension plans	(63)	70
Total	**(12,440)**	**66,269**

Deferred tax

In conformity with the tax legislation in force in the countries in which the consolidated companies are located, in 2013 and 2012 certain temporary differences arose that must be taken into account when quantifying the related income tax expense.

The deferred taxes arose in 2013 and 2012 as a result of the following:

	Thousands of euros	
Deferred tax assets:	**2013**	**2012**
Tax loss carryforwards	171,152	144,311
Tax credit carryforwards	171,072	177,343
Derivative financial instruments	103,520	165,212
Translation differences	41,473	14,603
Impairment losses recognised on assets and equity interests	171,584	13,496
Relating to taxation under the pass-through regime (UTEs)	35,326	45,847
Other	359,454	367,609
Total deferred tax assets	**1,053,581**	**928,421**

	Thousands of Euros	
Deferred tax liabilities:	**2013**	**2012**
Remeasurement of financial assets	6,614	6,183
Reversal of merger goodwill	184	489
Translation differences	15,735	19,849
Allocation of first-time consolidation differences to assets	201,450	306,697
Remeasurement of property, plant and equipment and investment property	29,889	30,791
Derivative financial instruments	1,086	7,375
Relating to taxation under the pass-through regime (UTEs)	12,368	26,852
Other	566,152	512,180
Total deferred tax liabilities	**833,478**	**910,416**

At 31 December 2013, the tax loss carryforwards, whether recognised or not, generated by the subsidiaries before their inclusion in the tax group of which Acciona, S.A. is the parent amounted to EUR 152.4 million. In 2012, this amount was EUR 172.7 million. The subsidiaries of the Compañía Trasmediterránea Subgroup, which were included in the tax group in 2010, contributed most of this balance.

The Energy division subsidiaries in the US, Australia and Mexico, as well as Mostostal Warszawa and the Infrastructures subsidiary in Chile also recognised tax loss carryforwards.

At 2013 year-end, the period for offset of the tax loss carryforwards were as follows (in thousands of euros):

	Amount	**Period for offset**
Acciona, S.A. tax group	4,429	2019-2027
Spanish companies outside tax group	5,824	2023-2030
International - limited	138,276	2015-2031
International - unlimited	22,623	No lapsing date
Total	**171,152**	

Also, at 2013 year-end the last years for offsetting tax loss carryforwards not recognised in the consolidated balance sheet due to the lack of assurance on the future generation of sufficient profits and relating to the tax group of which Acciona, S.A. is the Parent were as follows (in thousands of euros):

Last year for offset	**Amount**
2018	1,321
2019	2,735
2020	2
2021	1,053

2022	1,089
2023	950
2024	547
2025	25,356
2026	94,645
2027	10.031
Total	137,729

The unused tax credits, totalling EUR 166,274 thousand, relate mainly to those earned by the tax Group of which Acciona, S.A. is the parent. At 31 December 2013, the most significant unused tax credits were as follows: R&D+I tax credits amounting to EUR 72,015 thousand; tax credits for the reinvestment of extraordinary income amounting to EUR 64,079 thousand; and environmental tax credits amounting to EUR 11,400 thousand.

At 2013 year-end, the last year for deduction of the unused tax credits recognised in the consolidated balance sheet of the Acciona Group were as follows (in thousands of euros):

	Amount	Period for deduction
Acciona, S.A. tax group	166,274	2023- 2031
Spanish companies outside tax group and other	4,798	
Total	**171,072**	

At year-end there were no material unused tax credits that had not been recognised.

The Acciona Group expects to recover the tax loss and tax credit carryforwards recognised through the companies' ordinary activities without any risk of losses.

Most of the deferred tax assets included in the section for "Provisions on assets" correspond to impairment recognised in the financial year (see Note 4 and 13) for [non-]resident companies such as the foreign subsidiaries, mainly in the United States. The balance for "Other concepts" reflects the adjustment for the 30% cap on non-deductible accounting depreciation for Spanish companies introduced temporarily for the 2013 and 2014 financial years, the unification adjustments made as part of the consolidation process, such as eliminations of internal margins, and through the application of other countries' specific regulations whereby certain expenses are not deductible until they are paid, as is the case in Mexico and United States, or else a cash-based criterion is applied instead of accounting accrual by degree of progress, as happens in Chile.

The variation in the account for deferred tax liabilities included as "capitalisation of initial consolidation differences" corresponds to the tax effect of the goodwill impairment recognised in 2013, and mentioned in previous notes. The "Other concepts" item includes the tax adjustments due to accelerated depreciation provided for in Additional Provision Eleven introduced in Legislative Royal Decree 4/2004 (Consolidated Spanish Corporation Tax Law "TRLIS") by Law 4/2008, of 23 December. The total amounts arising from this incentive applied by the tax group companies were EUR 110,724 thousand in 2013 and EUR 128,966 thousand in 2012. This heading also includes the effect of accelerated depreciation in United States, Australia and Mexico, the tax-deductible portfolio provisions for Spanish companies applicable until 31 December 2012 (the former art. 12.3 of the TRLIS repealed with effect from 1 January 2013) and the application of the specific regulations of other countries like

Mexico and Chile where accounting revenue is not recognised for tax purposes until the invoice is issued or the collection made, instead of the criterion of accounting accrual or degree of advance.

Reporting obligations

Current income tax legislation provides tax incentives to encourage certain investments. The companies have availed themselves of the tax benefits envisaged under this legislation.

The Group, through its Parent and certain of its subsidiaries, is required to fulfil the obligations assumed in connection with these tax incentives. Consequently, it must hold, for the stipulated period, the assets for which the investment or reinvestment tax credits were taken.

In the 2010, 2011, 2012 and 2013 financial years, the Parent and certain companies in the Tax Group availed themselves of the tax credit for reinvestment of extraordinary income provided for by Article 42 of Royal Decree-Law 4/2004 (TRLIS). The income qualifying for this tax credit in these years amounted to EUR 86,550 thousand, EUR 160,251 thousand, EUR 8,640 thousand and EUR 8,555 thousand, respectively. The income relating to 2010 was reinvested in 2009 and 2010, the income relating to 2011 was reinvested in 2011, the income relating to 2012 was reinvested in 2012, and the income relating to the present financial year was reinvested in 2012 and 2013. The assets in which the income was reinvested are those listed in Article 42 of Legislative Royal Decree 4/2004, i.e. property, plant and equipment, intangible assets, investment property and securities representing holdings of 5% or more in the share capital or equity of all manner of entities. The income was reinvested by the companies belonging to tax group 30/96.

Pursuant to Article 42.10 of the TRLIS, this information must be disclosed in the notes to the consolidated financial statements during the period for which the respective assets must be held as stipulated in Article 42.8 of this Law.

In 2013, the Group companies did not carry out transactions which qualified for taxation under the special regime for mergers, spin-offs, asset contributions and share exchanges. Accordingly, no disclosures are made in this connection as would be required pursuant to Article 93 of Legislative Royal Decree 4/2004 (TRLIS) and paragraph 3, relating to the separate financial statements approved after such transactions were executed.

In 2008, 2009, 2010, 2011 and 2012, various companies in the tax group deducted the tax credit for impairment losses on ownership interests in Group companies, jointly controlled entities and associates provided for in Article 12.3 of Legislative Royal Decree 4/2004 (TRLIS).

Law 16/2013, of 29 October repealed, with effect from 1 January 2013, article 12.3 of the TRLIS corresponding to the deduction of impairment losses on such equity interests and established a transitional regime for the inclusion in the taxable amount of losses pending incorporation at 31 December 2012.

The notes to these companies' separate financial statements include the disclosures required by tax legislation concerning the amounts deducted, the change in the year in the investees' equity, the amounts included in the taxable profit (tax loss) and the amounts yet to be included.

24. Non-current assets and liabilities classified as held for sale

The detail of "Non-Current Assets Classified as Held for Sale" in the accompanying consolidated balance sheets at 31 December 2013 and 2012 is as follows:

	Balance at 31/12/13	Balance at 31/12/12
Other Activities division assets (vessels and investment property)	145,821	196.289
Energy division assets (wind farms)	144,137	--
Infrastructure division assets (concession assets)	166,161	232,036
Total non-current assets classified as held for sale	**456,119**	**428,325**

At 31 December 2013, the detail, by division, of the main asset headings prior to their classification as "Assets Held for Sale" is as follows:

	Other Activities division	Energy division	Infrastructure division	TOTAL
Property, plant and equipment	83.414	117,557	173	201,144
Investment property	62,407	--	0	62,407
Other intangible assets	--	7,414	80,958	88,372
Investments recognised by the equity method	--	--	5,478	5,478
Deferred tax assets	--	593	13,260	13,853
Non-current receivables and other non-current assets	--	--	41,400	41,400
Trade and other receivables	--	4,977	13,420	18,397
Cash and cash equivalents	--	12,977	9,268	22,245
Other assets	--	619	2,204	2,823
Assets classified as held for sale	**145,821**	**144,137**	**166,161**	**456,119**

Also, the detail at 31 December 2013 and 2012 of "Liabilities Associated with Non-Current Assets Classified as Held for Sale" in the accompanying consolidated balance sheet is as follows:

	Balance at 31/12/13	Balance at 31/12/12
Other Activities division assets (vessels and investment property)	44.394	90,718
Energy division assets (wind farms)	104,468	--
Infrastructure division liabilities (concession assets)	132,892	216,957
Total non-current liabilities associated with non-current assets classified as held for sale	**281,754**	**307,675**

At 31 December 2013, the detail, by division, of the main items under "Liabilities Associated with Non-Current Assets Classified as Held for Sale" is as follows:

	Other activities division	Energy division	Infrastructure division	TOTAL
Current and non-current bank borrowings	44,394	100,343	113,313	258,050
Other liabilities	--	4,125	19,579	23.704
Liabilities associated with non-current assets classified as held for sale	**44,394**	**104,468**	**132,892**	**281,754**

The detail of the cumulative income and expenses recognised directly in equity at 31 December 2013 in relation to assets classified as held for sale is as follows:

	Cash flow hedges (Note 20)	Translation differences	Total
Other Activities division assets (vessels and investment property)	--	--	--
Energy division assets (wind farms)	(1,380)	--	(1,380)
Infrastructure division (concession assets)	(9,665)	(938)	(12,447)
Total recognised income/(expense)	**(11,045)**	**(938)**	**(13,827)**

The main changes in 2013 were as follows:

Within the Energy division, Acciona, S.A. and the Swisspower Renewables AG Group entered into an agreement on 18 December 2013 for the transfer of the equity interests held in the following companies headquartered in Germany: Acciona Energie Windparks Deutschland Gmbh, EHN Deutschland Gmbh and Volkmarsdorfer. These companies were the owners of 18 wind farms located in Lower Saxony and Brandenburg (Germany), with a total attributable capacity of 150.3 MW. The price agreed in the transaction is EUR 157 million and the net bank borrowing is EUR 85 million. At 31 December 2013, these companies are reflected in the headings for "non-current assets and liabilities held for sale". The sale by Acciona Group was finally completed on 23 January 2014 and the capital gain obtained was EUR 27 million (see Note 33).

Within the Infrastructure division, as part of the plan for rotating concession assets, the Tranvía Metropolità, S.A. and Tranvía Metropolità del Besós, S.A. companies have been classified under the headings "Non-current assets and liabilities held for sale". They were previously included under the equity method and the reason for this change is because the value of these concession assets is expected to be recovered through a sales transaction and not through ongoing use.

Furthermore, also within the Infrastructure division, the equity interest that the Acciona Group held in Acciona ISL Health Victoria Holdco, Ltd. was sold last August to the DIF infrastructure fund. The company in question was the registered holder of 40% of the Royal Jubilee Hospital in Vancouver, Canada and the total amount of the sale came to EUR 7 million. This amount included borrowing in the amount of EUR 4.5 million, giving a capital gain of EUR 1 million. At 31 December 2012, the Company was already classified under this heading.

Finally, in the Property division, the sale of an office building to Schindler, S.A. was formalised on 18 December 2013 for EUR 31.5 million. This financial liability had associated borrowing in the amount of EUR 25 million.

With respect to the two vessels from the Trasmediterránea subgroup held in this heading, as indicated in Note 4, an appraisal has been requested from Tradex Shipbrokers, S.A. for them and also for the rest of the fleet. As a result of the appraisal report, it has been detected that the carrying value of the vessels was higher than their fair value, for which reason they have been impaired in the amount of EUR 15 million.

In relation to the assets which at 31 December 2013 were still classified under this heading, Group management remains committed to the sales plans and all of the assets are actively being marketed at a fair price, higher than their carrying amounts. Accordingly, it is considered highly probable that they will be sold within the coming twelve months.

25.- Guarantee commitments to third parties

At 31 December 2013 and 2012, the companies had provided guarantees to third parties of EUR 2,340,280 thousand and EUR 2,676,858 thousand, respectively, for customers, public agencies and financial institutions.

Most of the guarantees provided were construction project performance bonds arranged by the Infrastructure division. The companies consider that the liabilities, if any, that might arise from the guarantees provided would not be material.

26.- Income

The detail of the Group's revenue is as follows:

	Thousands of euros	
	2013	2012
Infrastructure	2,732,976	3,326,269
Energy	2,119,713	2,106,629
Water	585,157	506,245
Services	640,566	591,647
Other Activities	641,334	631,066
Consolidation adjustments	(112,737)	(145,896)
Total revenue	**6,607,009**	**7,015,960**

The breakdown, by geographical area, of the Group companies' total production is as follows (in thousands of euros):

	Spain	European Union	OECD countries	Other countries	Total
2013					
Infrastructure	1,058,295	431,404	682,695	560,582	2,732,976
Energy	1,549,118	155,351	331,478	83,766	2,119,713
Water	259,297	31,355	162,034	132,471	585,157
Services	517,356	100,221	12,144	10,845	640,566
Other Activities	603,450	11,293	15,638	10,953	641,334
Intra-Group transactions	(93,328)	(66)	(15,435)	(3,908)	(112,737)
Total 2013 production	**3,894,188**	**729,558**	**1,188,554**	**794,709**	**6,607,009**
2012					
Infrastructure	1,418,030	759,068	804,104	345,067	3,326,269
Energy	1,472,582	143,573	461,672	28,802	2,106,629
Water	209,528	32,763	210,855	53,099	506,245
Services	478,105	97,046	8,798	7,698	591,647
Other Activities	596,279	9,400	15,561	9,826	631,066
Intra-Group transactions	(123,967)	(262)	(20,621)	(1,087)	(145,897)
Total 2012 production	**4,050,597**	**1,041,588**	**1,480,369**	**443,405**	**7,015,959**

Concession assets with no demand risk

As indicated in Note 3.2 g), following its adoption of IFRIC 12, the Acciona Group recognises under "Non-Current Receivables and Other Non-Current Assets" concession business assets whose recovery is guaranteed in the concession contract by the grantor through the payment of a fixed or determinable amount and, accordingly, no demand risk is borne by the operator.

In relation to these concession assets, even during the construction phase the Group recognises interest income earned on the financial asset, based on its effective interest rate. This interest income is recognised under "Revenue", which at 31 December 2013 and 2012 amounted to EUR 29,809 thousand and EUR 34,044 thousand, respectively.

Construction revenue

The Group obtains substantially all its construction revenue in its capacity as prime contractor.

The detail of construction revenue by type of project is as follows:

	Thousands of euros	
	2013	**2012**
Civil engineering	1,825,135	2,194,203
Residential building construction	74,286	110,212
Non-residential building construction	445,986	551,570
Other business activities	260,467	361,826
Total construction revenue	**2,605,874**	**3,217,811**

The detail of construction revenue by customer type is as follows:

	2013	**2012**
State	257,404	260,309
Autonomous Community Governments	128,786	138,399
Municipal councils	26,279	38,199
Autonomous Community agencies and Government-owned corporations	353,246	540,066
Public sector	765,715	976,973
Private sector	241,852	396,138
Total Spanish customers	1,007,567	1,373,111
Total customers abroad	1,598,306	1,844,700
Total construction revenue	**2,605,873**	**3,217,811**

The breakdown, by geographical area, of the construction backlog at the end of 2013 and 2012 is as follows:

2013	**Spain**	**Abroad**
Civil engineering	1,851.190	2,553,540
Residential building construction	23,904	19,625
Non-residential building construction	532.829	277,609
Other business activities	237,832	226,867
Total construction backlog	**2,645,755**	**3,077,641**

2012	**Spain**	**Abroad**
Civil engineering	2,405,408	2,909,173
Residential building construction	57,488	71,962
Non-residential building construction	534,635	434,048
Other business activities	273,928	79,073
Total construction backlog	**3,271,459**	**3,494,256**

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27.- Expenses

The detail of the Group's expenses is as follows:

	2013	2012
Procurements	1,531,817	1,656,283
Staff costs	1,334,360	1,325,461
Wages and salaries	1,087,631	1,083,042
Social security costs	229,024	228,648
Other staff costs	17,705	13,771
Other external expenses	2,594,357	2,920,399
Taxes other than income tax	225,674	117,582
Other current operating expenses	61,082	58,690
Subtotal	**5,747,290**	**6,078,415**
Change in provisions and allowances	389,192	25,301
Depreciation and amortisation charge	763,545	715,852
Total	**6,900,027**	**6,819,568**

Employees:

The average number of employees in 2013 and 2012, by professional category, was as follows:

	2013	2012	Change
Management and supervisors	280	3,382	(102)
Qualified line personnel	5,506	5,148	358
Clerical and support staff	3,729	2,612	1,117
Other employees	21,593	21,763	(170)
Total average number of employees	**34,108**	**32,905**	**1,203**

The average number of employees, in 2013 and 2012, by line of business and gender, was as follows:

	2013			2012		
	Men	Women	Total	Men	Women	Total
Management and supervisors	2,785	495	3,280	2,867	515	3,382
Qualified line personnel	3,651	1,855	3,506	3,641	1,507	5,148
Clerical and support staff	1,540	2,189	3,729	1,031	1,581	2,612
Other employees	17,502	4,091	21,593	17,117	4,646	21,763
Total average number of employees	**25,478**	**8,630**	**34,108**	**24,656**	**8,249**	**32,905**

The breakdown of the Group's employees by line of business is as follows:

	2013	2012	Change
Infrastructure	15,088	15,199	(111)
Energy	2,367	2,331	36
Water	2,716	2,545	171
Urban Services	11,811	10,451	1,360
Other Activities	2,126	2,379	(253)
Total average number of employees	**34,108**	**32,905**	**1,203**

The average number of employees, in 2013 and 2012, by line of business and gender, was as follows:

	2013	2012

	Men	Women	Total	Men	Women	Total
Infrastructure	12,887	2,201	15,088	12,865	2,334	15,199
Energy	1,784	583	2,367	1,771	560	2,331
Water	2,223	493	2,716	2,087	458	2,545
Urban Services	7,100	4,711	11,811	6,242	4,209	10,451
Other Activities	1,484	642	2,126	1,690	689	2,379
Total average number of employees	**25,478**	**8,630**	**34,108**	**24,655**	**8,250**	**32,905**

In 2013 and 2012, respectively, 265 and 263 of the total headcount were employees of the Parent and the remainder were personnel Group subsidiaries.

At 31 December 2013, the consolidated companies have raised the average number of employees with a disability level of 33% or over to 650 (direct or indirect employees). Law 13/1982, of 7 April, on the Social Integration of Persons with Disabilities (LISMI) establishes a minimum quota of 2% for the recruitment of disabled persons in companies with more than 50 employees and the Group's headcount included 3.08% of disabled persons.

Operating leases:

"Other External Expenses - Leases" in the accompanying consolidated income statement includes notably the costs incurred by the Compañía Trasmediterránea Subgroup for the charter of other shipping companies' vessels and cargo decks totalling EUR 36 million and EUR 27 million in 2013 and 2012, respectively.

At 31 December 2013 and 2012, the lease terms and conditions and minimum payments (without taking into account inflation or possible revisions) under the main vessel charter contracts entered into by the Compañía Trasmediterránea Subgroup were as follows:

2013 (thousands of euros)					
Vessel	**Arrangement date**	**Expiry date**	**Type**	**2014**	**2015-2016**
Millenium III	30/11/06	31/12/14	Bare boat	4,788	-
Wisteria/Vronskiy	29/02/12	30/11/14	Time charter	4,608	-
Albayzin	22/02/10	31/03/15	Time charter	3,897	1,503
Tenacia	07/12/11	07/12/15	Time charter	6,059	5,544
Oleander/Sherbatskiy	01/11/12	01/11/14	Time charter	3,431	-
Miranda	06/01/13	01/03/14	Time charter	486	-
Scandolla	21/02/13	03/03/14	Time charter	713	-
Volcán de Teneguía	04/02/13	04/08/14	Time charter	1,966	

2012 (thousands of euros)					
Vessel	**Arrangement date**	**Expiry date**	**Type**	**2013**	**2014-2015**
Milenium III	30/11/06	31/12/14	Bare boat	4,560	4,788
Wisteria	29/02/12	22/08/13	Time charter	3,253	-
Albayzin	22/02/10	09/03/14	Time charter	5,293	986
Tenacia	07/12/11	07/12/13	Time charter	5,475	-
Oleander	01/11/12	01/11/14	Time charter	4,106	3,431
Miranda	06/01/13	31/12/13	Time charter	2,914	-

Change in provisions and allowances:

The detail of the balance of "Change in Provisions and Allowances" in the consolidated income statement is as follows (in thousands of euros):

	2013	2012
Change in allowance for uncollectible receivables	182,355	10,957
Change in inventory write-downs	121,301	18,417
Other provisions	85,536	(4.073)
Total	**389,192**	**25,301**

The heading for "Variation due to uncollectibles" basically reflects, as explained in Note 14, EUR 74 million of the receivables from a Brazilian client as a result of the initiation of insolvency proceedings in November, as well as EUR 80 million for work executed and pending certification and also the referral to the courts of law of certain claims by the Polish subsidiary in the Infrastructure division regarding road works.

The "Provisions for inventory" heading mainly includes the impairment in inventory held by the Property division in the amount of EUR 96.6 million (see Note 13).

The "Other provisions" heading corresponds mainly to addition made for burdensome contracts and the provision for lawsuits.

Impairment and results from the disposal of plant, property and equipment

The breakdown for this heading on the operating statement for the 2013 and 2012 financial years is as follows:

Impairment and results from the disposal of plant, property and equipment	2013	2012
Results from plant, property and equipment	22,789	10,694
Interests in the losses of companies held by the equity method	5,087	2,553
Impairment of goodwill (Note 6)	(949,734)	--
Impairment of other assets (Notes 4 and 7)	(918,996)	(58,946)
Total	**(1,840,854)**	**(45,699)**

At 31 December 2013, the heading "Impairment of goodwill" mainly includes the impairment in the amount of EUR 870 million for the Energy division. The heading "Impairment of other assets" mainly includes the impairment of generation assets in the Energy division in the amount of EUR 562 million as well as the impairment of capitalised costs in generation assets and projects discarded on the grounds of a lack of feasibility in view of the new regulatory framework facing the Energy division. It also includes the impairment of vessels in the amount of EUR 100 million euros, the impairment in the amount of EUR 62 million for biofuels and the impairment of EUR 40 million suffered by the concession asset "Acciona Concessões Rodovia do Aço, S.A."

In the 2012 financial year, this heading mainly reflected the capital gains obtained through the sale of a concession-operating company in Mexico, as well as the sale of two vessels belonging to Acciona Trasmediterránea. The impairments in value corresponded mostly to the Energy division.

28. Segment reporting

Basis of segmentation:

Segment reporting, described below, is structured on a primary basis by business segment and on a secondary basis by geographical segment. This structure is in line with the information used internally by Acciona Group management to assess the performance of the segments and to allocate resources among them.

The business lines described below were established by the Board of Directors on the basis of the Acciona Group's organisational structure, taking into account the nature of the goods and services offered.

In 2013, the main business activities carried on by the Acciona Group were structured into the divisions described in Note 1. In 2013, the Group has altered its internal organisational structure, mainly through the grouping of several activities under the Services Division, and incorporating Water as a separate division. In addition, the property and Trasmediterránea activities have been classified under the Other activities division.

As indicated in IFRS 8 Operating Segment, the segment information for previous periods has been modified as shown below to facilitate comparability with the figures corresponding to 31 December 2013.

The structure of the information presented in this Note has been designed as if each line of business were a separate business. Costs incurred by the Corporate Unit are distributed *pro rata*, using an internal cost distribution system, among the different lines of business.

Inter-segment sales are made at market prices.

Segment information about these businesses for 2013 and 2012 is presented below:

Balances at 31/12/13	Infra-structure	Energy	Water	Service	Other activities	Intra-group Operations	Extraordi-nary Items	Total Group
ASSETS								
Property, plant and equipment, intangible assets and investment property	439,976	8,172,279	230,197	35,718	679,642	(49,388)	--	9,508,424
Goodwill	368	--	33,629	50,962	12,448	--	--	97,407
Non-current financial assets	15,491	47,570	2,203	5,461	90,960	22,027	--	183,712
Investments accounted for using the equity method	80,199	10,450	69,258	(182)	1,791	--	--	161,515
Other assets	615,608	587,340	90,589	1,431	277,297	2,601	--	1,574,866
Non-current assets	**1,151,642**	**8,817,639**	**425,876**	**93,389**	**1,062,138**	**(24,760)**	**--**	**11,525,924**
Inventories	208,650	154,394	14,481	3,449	655,251	(19,085)	--	1,047,145
Trade and other receivables	1,067,569	639,966	216,932	197,725	313,516	(576,656)	--	1,859,052
Other current financial assets	12,334	334,775	5,391	1,413	14,740	--	--	368,653
Other assets	335,583	1,548,984	10,883	41,868	280,337	--	(1,938,857)	278,798
Cash and cash equivalents	1,030,229	(1,327,628)	71,641	(123,456)	1,619,185	(22,027)	--	1,247,944
Non-current assets classified as held for sale	166,161	144,137	--	--	145,821	--	--	456,119
Current assets	**2,820,526**	**1,524,628**	**319,328**	**120,999**	**3,028,853**	**(617,766)**	**(1,938,857)**	**5,257,711**
Total assets	**3,972,168**	**10,342,267**	**745,204**	**214,388**	**4,090,991**	**(642,526)**	**(1,938,857)**	**16,783,635**

Balances at 31/12/13	Infra-structure	Energy	Water	Service	Other activities	Intra-group Operations	Extraordinary Items	Total Group
EQUITY AND LIABILITIES								
Consolidated equity	**915,779**	**2,577,554**	**206,281**	**46,815**	**1,639,461**	**(47,930)**	**(1,938,857)**	**3,399,083**
Bank borrowings and other financial liabilities	604,748	4,721,064	109,769	3,688	800,596	--	--	6,239,865
Other liabilities	347,411	1,086,947	66,622	1,422	398,984	(17,941)	--	1,883,445
Non-current liabilities	**952,159**	**5,808,011**	**176,391**	**5,110**	**1,199,580**	**(17,941)**	**--**	**8,123,310**
Bank borrowings and other financial liabilities	213,080	1,298,373	70,497	53,074	457,174	--	--	2,092,198
Trade and other payables	1,423,632	395,058	220,521	85,835	237,926	(156,044)	--	2,206,928
Other liabilities	334,627	158,823	71,514	23,554	512,455	(420,611)	--	680,362
Liabilities directly associated with non-current assets classified as held for sale	132,891	104,468	--	--	44,395	--	--	281,754
Current liabilities	**2,104,230**	**1,956,722**	**362,532**	**162,463**	**1,251,950**	**(576,655)**	**--**	**5,261,242**
Total equity and liabilities	**3,972,168**	**10,342,267**	**745,204**	**214,388**	**4,090,991**	**(642,526)**	**(1,938,857)**	**16,783,635**

Balances at 31/12/13	Infra-structure	Energy	Water	Service	Other activities	Intra-group Operations	Extraordinary Items	Total Group
Total revenue	2,732,976	2,119,713	585,157	640,566	641,333	(112,736)	--	6,607,009
Business revenue	2,690,534	2,108,182	584,560	587,491	636,242	--	--	6,607,009
Revenue from other segments	42,442	11,531	597	53,075	5,091	(112,736)	--	--
Other operating income and expenditure	(2,650,766)	(1,140,216)	(531,280)	(620,096)	(548,818)	112,451	--	(5,378,725)
Gross operating profit/loss	**82,210**	**979,497**	**53,877**	**20,470**	**92,515**	**(285)**	**--**	**1,228,284**
Additions	(83,124)	(613,410)	(34,831)	(9,978)	(60,453)	2,609	(353,550)	(1,152,737)
Impairment and gains or losses on disposals of non-current assets	6,566	(1,328)	(750)	157	11,303	--	(1,856,802)	(1,840,854)
Other gains or losses	(1,470)	(3,310)	(29)	(224)	(596)	--	--	(5,629)
Profit from operations	**4,182**	**361,449**	**18,267**	**10,425**	**42,769**	**2,324**	**(2,210,352)**	**(1,770,936)**
Finance income	35,128	9,831	10,606	1,480	42,244	(25,995)	--	73,444
Finance costs	(72,025)	(366,227)	(10,044)	(8,471)	(64,978)	26,044	7,094	(488,607)
Result of companies accounted for using the equity method	4,218	1,687	5,531	(209)	801	--	(150)	11,878
Profit/Loss before tax	**(28,497)**	**6,740**	**24,420**	**3,225**	**20,836**	**2,463**	**(2,203,408)**	**(2,174,221)**
Income tax expense	(25,770)	(32,314)	(6,592)	(1,701)	(32,751)	(738)	245,647	145,781
Consolidated profit/loss from the period	**(54,267)**	**(25,574)**	**17,828**	**1,524**	**(11,915)**	**1,725**	**(1,957,761)**	**(2,028,440)**
Profit/Loss after tax from discontinued activities	--	--	--	--	--	--	--	--
Profit/Loss for the year	**(54,267)**	**(25,574)**	**17,828**	**1,524**	**(11,915)**	**1,725**	**(1,957,761)**	**(2,028,440)**
Non-controlling interests	33,851	(825)	--	(158)	5,055	(758)	18,904	56,669
Profit/Loss attributable to the parent	**(20,416)**	**(26,399)**	**17,828**	**1,366**	**(6,860)**	**967**	**(1,938,857)**	**(1,972,371)**

2012

Balances at 31/12/12	Infra-structure	Energy	Water	Service	Other activities	Intra-group Operations	Extraordi-nary Items	Total Group
ASSETS								
Property, plant and equipment, intangible assets and investment property	497,529	9,730,880	229,729	36,674	832,897	(49,825)	–	11,277,884
Goodwill	275	889,944	33,629	81,492	42,646	--	–	1,048,086
Non-current financial assets	11,137	9,887	3,979	5,262	93,125	6,895	--	130,285
Investments accounted for using the equity method	68,406	10,112	58,820	--	11,387	--	–	148,725
Other assets	511,096	466,965	79,778	420	286,601	21,282	--	1,366,142
Non-current assets	**1,088,543**	**11,107,788**	**405,935**	**123,848**	**1,266,656**	**(21,648)**	**–**	**13,971,122**
Inventories	201,683	213,061	11,424	4,054	773,931	(21,108)	--	1,183,045
Trade and other receivables	1,559,588	802,015	240,094	198,827	279,630	(709,553)	–	2,370,601
Other current financial assets	10,813	211,190	4,392	1,192	29,498	12,829	–	269,914
Other assets	106,014	121,874	9,299	11,952	53,397	--	(2,351)	300,185
Cash and cash equivalents	1,039,682	(1,466,676)	77,536	(124,079)	1,689,366	(19,724)	–	1,196,105
Non-current assets classified as held for sale	232,037	--	--	--	196,288	--	–	428,325
Current assets	**3,149,817**	**(18,536)**	**342,745**	**91,946**	**3,022,110**	**(737,556)**	**(2,351)**	**5,848,175**
Total assets	**4,238,360**	**11,089,252**	**748,680**	**215,794**	**4,288,766**	**(759,204)**	**(2,351)**	**19,819,297**
EQUITY AND LIABILITIES								
Consolidated equity	**909,283**	**2,579,218**	**182,458**	**52,696**	**1,836,619**	**(49,653)**	**(2,351)**	**5,508,270**
Bank borrowings and other financial liabilities	622,369	5,488,979	122,848	3,739	700,846	–	–	6,938,781
Other liabilities	361,630	1,112,245	71,858	4,944	381,092	1	–	1,931,770
Non-current liabilities	**983,999**	**6,601,224**	**194,706**	**8,683**	**1,081,938**	**1**	**–**	**8,870,551**
Bank borrowings and other financial liabilities	152,171	1,336,467	69,425	61,118	489,630	–	–	2,108,811
Trade and other payables	1,583,978	381,467	242,318	68,466	223,803	(164,845)	–	2,335,187
Other liabilities	391,971	190,876	39,772	24,831	566,059	(544,707)	–	658,803
Liabilities directly associated with non-current assets classified as held for sale	216,958	--	--	--	90,717	–	–	307,675
Current liabilities	**2,345,078**	**1,908,810**	**371,516**	**154,415**	**1,370,209**	**(709,552)**	**–**	**5,440,476**
Total equity and liabilities	**4,238,360**	**11,089,252**	**748,680**	**215,794**	**4,288,766**	**(759,204)**	**(2,351)**	**19,819,297**

Balances at 31/12/12	Infra-structure	Energy	Water	Service	Other activities	Intra-group Operations	Extraordi-nary Items	Total Group
Total revenue	3,326,269	2,106,629	506,245	591,647	631,066	(145,896)	–	7,015,960
Business revenue	3,255,322	2,096,030	506,194	530,652	627,762	–	--	7,015,960
Revenue from other segments	70,947	10,599	51	60,995	3,304	(145,896)	--	--
Other operating income and expenditure	(3,163,275)	(981,175)	(464,972)	(573,607)	(545,092)	142,736	–	(5,585,385)
Gross operating profit/loss	**162,994**	**1,125,454**	**41,273**	**18,040**	**85,974**	**(3,160)**	**–**	**1,430,575**
Additions	(59,270)	(582,402)	(11,978)	(11,604)	(58,227)	1,830	(19,502)	(741,153)
Impairment and gains or losses on disposals of non-current assets	1,445	(52,624)	1,036	(271)	1,695	--	3,020	(45,699)
Other gains or losses	(2,625)	4,013	(355)	19	1,425	–	–	2,477

Profit from operations	**102,544**	**494,441**	**29,976**	**6,184**	**30,867**	**(1,330)**	**(16,482)**	**646,200**
Finance income	41,775	10,973	2,242	2,365	26,473	(28,112)	19,000	74,716
Finance costs	(69,900)	(342,233)	(9,542)	(6,874)	(74,235)	28,256	(1,655)	(476,183)
Result of companies accounted for using the equity method	(4,353)	2,647	14	–	2,474	–	–	789
Profit/Loss before tax	**70,066**	**165,828**	**22,688**	**1,675**	**(14,421)**	**(1,186)**	**863**	**245,513**
Income tax expense	(21,234)	(49,239)	(3,373)	(973)	16,346	356	(3,214)	(61,331)
Consolidated profit/loss from the period	**48,832**	**116,589**	**19,315**	**702**	**1,925**	**(830)**	**(2,351)**	**184,182**
Profit/Loss after tax from discontinued activities	–	–	–	–	–	–	–	–
Profit/Loss for the year	**48,832**	**116,589**	**19,315**	**702**	**1,925**	**(830)**	**(2,351)**	**184,182**
Non-controlling interests	13,995	(11,375)	–	96	2,862	(359)	–	5,219
Profit/Loss attributable to the parent	**62,827**	**105,214**	**19,315**	**798**	**4,787**	**(1,189)**	**(2,351)**	**189,401**

The Extraordinary Items section provides a pre-tax result of EUR 2,203 million. The main effects and their impact on each of the divisions in the Acciona Group are as follows:

- Positive effects: EUR 19 million for capital gains derived from the sales of the company owning a wind farm in Korea and the concession for the Royal Jubilee hospital in Canada (EUR 18 million and EUR 1 million, respectively).
- Negative effects: EUR 2,223 million affecting the following divisions:
- Energy: EUR 1,675 million, caused mainly by the impairment of goodwill (in the amount of EUR 870 million) and assets as a consequence of the successive regulatory changes in Spain (in the amount of EUR 563 million)
- Infrastructure: EUR 288 million, mostly originating in the declaration of insolvency proceedings against a client in Brazil, work executed pending certification and claims for surcharges on road works in Poland, as well as the impairment of several assets, mainly a concession in Brazil
- Property: EUR 100 million, as a result of the loss of value in property assets
- Rest: EUR 160 million, mainly as a consequence of the impairment in value of the Trasmediterránea fleet

The detail of certain of the Group's consolidated balances based on the geographical location of the companies that gave rise to them is as follows:

	Income		**Total assets**		**Non-current assets**		**Current assets**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Spain	3.894.189	4.050.597	13,075,986	15,289,416	7,760,366	9.823,810	5,315,620	5,465,605
European Union	721,651	1.039,895	987,453	1,136,525	878,847	960,973	108,607	175,551
OECD countries	1,188,555	1,309,497	2,170,637	2,404,766	2,418,956	2,614,357	(248,319)	(209,591)
Other countries	802,614	615,971	549,559	988,590	467,755	571,982	81,803	416,610
Total	**6,607,009**	**7,015,960**	**16,783,635**	**19,819,297**	**11,525,924**	**13,971,122**	**5,257,711**	**5,848,175**

29. Finance income and costs and other income and expenses for the year

The detail of the Group's finance income and costs is as follows:

	2013	2012
Finance income	**73,444**	**74,716**
Income from equity investments	1,420	1,607
Income from other securities	1,867	4,386
Other finance income	70,157	68,723
Finance costs	**(475,064)**	**(501,517)**
On payables to third parties	(486,430)	(525,250)
On ineffectiveness of derivatives	(5)	(4,642)
Capitalisation of borrowing costs	13,530	13,984
Other finance costs	--	(617)
Change in financial provisions	(2,159)	15,008

<u>Other finance income and costs:</u>

The Group had capitalised borrowing costs amounting to EUR 13.3 million at 31 December 2013 and EUR 13.9 million at 31 December 2012, of which EUR 12.9 million and EUR 13.7 million, respectively, were capitalised to property, plant and equipment (see Note 4) and EUR 0.6 million and EUR 0.2 million, respectively, were capitalised to inventories (see Note 3.2 j).

<u>Finance costs:</u>

In 2013 payables to third parties subtracted from equity and included in "Finance Costs" relating to the periodic settlements of hedging derivatives and corresponding to fully or proportionately consolidated Group companies amounted to EUR 119,458 thousand (2012: EUR 96,299 thousand). Also, an amount of EUR 18,026 thousand (2012: EUR 17,205 thousand) relating to these periodic settlements was recognised as a decrease in the results of companies accounted for using the equity method, since it related to associates.

30. Proposed distribution of profit

The distribution of Acciona, S.A.'s profit for 2013 and 2012, which, in the case of 2012, was approved by the shareholders at the Annual General Meeting and, in the case of 2013, will be proposed by the Board of Directors for approval by the shareholders at the Annual General Meeting, is as follows (in euros):

	2013	2012
Distribution basis:		
Acciona, S.A. profit	(1,075,506,685.00)	178,099,628.77
Distribution:		
To legal reserve	--	--
To bylaw reserve	--	17,809,962.88
To voluntary reserves	--	8,551,858.39
To losses from previous years	(1,075,506,685.00)	
Dividends	--	151,737,807.50
Total	**(1,075,506,685.00)**	**178,099,628.77**

Under its bylaws, Acciona, S.A. must in any case allocate 10% of net profit to the legal and bylaw reserves. Once the balance of the legal reserve has reached 20% of the share capital, any remaining portion of the 10% of net profit must be transferred to the bylaw reserve. This reserve is unrestricted.

31. Environmental matters

ACCIONA backs the development of environmentally sustainable businesses: it generates electricity from renewable sources; it desalinates water and makes it drinkable and also cleans it; and it builds infrastructures and services where the environment variable is relevant in the taking of decisions. In 2013, 42% of the Group's global sales and 85% of the EBITDA is based on businesses included in what the UNEP (United Nations Environment Programme) defines as the Green Economy and over EUR 518 million are devoted to environmental activities. This figure includes the construction, operation and maintenance of waste water treatment plants. At 31 December 2013, environmental expenses represented EUR 80 million and environmental investments EUR 204 million. The figure for construction, operation and maintenance of waste water treatment plants amounted to EUR 234.5 million.

The breakdown by category of this economic figure for environment-related activities is as follows:
- Measures to minimise environmental impact: Expenditure amounts to EUR 57 million.
- Environmental research, development and innovation: the figure for this concept corresponding to environment-related activities was EUR 10.5 million.

- Environmental prevention: The investments for this concept came to EUR 200 million. These investments for environmental prevention include investments in new renewable energy and hydroelectric facilities because of the savings in primary energy implied by generation with these technologies and consequently lower emissions.

- Personnel: The expenses related to the personnel making up the organisational structure for environmental matters were EUR 7.1 million.

- Investments in plant, property and equipment to prevent environmental impacts and protect the environment: The investments in this concept came to EUR 4.2 million.

- Environmental consultancy and advisory services: the expenditure for this concept was EUR 2.6 million.
- Waste water treatment: The figure came to EUR 234.5 million.
- Others: This category includes other environmental expenses, of which the most significant are insurance and charges, training, environmental management system and environmental awareness and communication. In total, these come to EUR 2.6 million.

In 2013, ACCIONA obtained bonuses for carrying out actions encouraging respect for the environment and its protection. On the one hand, ACCIONA Water obtained grants from the Basque Energy Agency (EVE) for the replacement of equipment and plant at facilities by others using highly efficient emission-abating technologies. On the other hand, the Port Authorities have rewarded Acciona Trasmediterránea for the application of good environmental practices certified by accredited independent entities. These bonuses totalled EUR 0.3 million.

32. Earnings per share

Diluted earnings per share coincide with basic earnings per share, the detail being as follows:

	2013	2012
Net profit for the year (thousands of euros)	(1,972,371)	189,401
Weighted average number of shares outstanding	57,095,597	57,334,562
Basic earnings per share (euros)	(34.55)	3.30

33.- Events after the reporting period

- During the month of January 2014, Acciona S.A. issued bonds in the amount of EUR 342 million maturing on 30 January 2019 (5 years) and convertible into shares in Acciona S.A. The reference price for the share was EUR 47.563 and the conversion premium is 32.5% of the reference price. The bond issue pays a coupon of 3% per annum every six months. The purpose of the issue was to increase the mean life of the debt and the overall reduction of the Group's financial costs.

- On 23 January 2014, the Acciona Group finalised the sale of a group of companies owning 18 wind farms operating in Lower Saxony and Brandenburg (Germany), with a total attributable capacity of 150.3 MW and a mean life of 8 years. The amount of the sale and the capital gain obtained came to EUR 157 million and EUR 27 million, respectively. The net bank borrowing is EUR 85 million.

- In addition, during the month of February, Acciona, S.A. signed a long-term finance arrangement with the European Investment Bank in the amount of EUR 120 million for the purpose of funding the Acciona Group's multi-year programme (for the period from 2013 to 2015) with regard to its research, development and innovation activities.

- Following the enactment of RDL 9/2013 on 12 July for the adoption of urgent measures to guarantee the financial stability of the electricity system and subsequently the Electricity Industry Act (Law 24/2013, of 26 December) determining the new remuneration framework applicable to facilities generating electricity from renewable sources on the basis of the principle of a reasonable return for standard installations (establishing, among other aspects, the calculation criteria, the review mechanisms, as well as the duration of the regulatory periods), The Draft Ministerial Order approving the remuneration parameters for standard facilities applicable to certain facilities generating electricity from renewable energy sources, co-generation and waste was published in February 2014.

This Ministerial Order as proposed defines all the standard facilities by technology, the remuneration parameters applied to each standard installation for the first regulatory semi-period (regulatory life of the facility, remuneration for the investment, remuneration for operation, the annual caps and floors on the mean annual market price), as well as the standard values used to calculate the specific remuneration in each case.

Awaiting the publication of the definitive Ministerial Order, the parameters reflected in the February Draft have been taken to evaluate the impact of RDL 9/2013 on renewable generation assets whose remuneration have been affected.

34.- Related party transactions

As indicated in these notes to the consolidated financial statements, transactions performed by the Company with its subsidiaries (related parties) as part of its normal business activities (as regards their purpose and terms and conditions) have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Group and its associates are disclosed below.

Transactions with associates

The detail of the balances receivable from and payable to associates at 31 December 2013 and 2012 is as follows (in thousands of euros):

	Receivables / Expenses		Payables / Income	
	2013	2012	2013	2012
Trade and other receivables	16,074	17,038	--	--
Trade and other payables	--	--	1,764	1,024
Loans to associates	51,774	46,517	7,042	--
Income and expenses	156	2,933	13,128	3,840

The balances with Group associates relate mainly to services rendered by Acciona Infrastructure to various associates and to loans provided to associates.

These transactions were performed on an arm's length basis.

Transactions with shareholders

In 2013 there were no significant transactions involving a transfer of resources or obligations between the Parent or its Group companies and the Company's main shareholders.

Transactions with directors and executives

The Group's "related parties" are deemed to be, in addition to the subsidiaries, associates and jointly-controlled entities, Company management's "key personnel" (its directors and senior executives, and their close relatives) and the entities over which key management personnel may exercise control or significant influence. The transactions performed by the Group in 2013 and 2012 with its related parties are listed below, differentiating between the Company's significant shareholders, directors and managers, and other related parties. Related party transactions are made on terms equivalent to those in the arm's length transactions that usually take place in a normal business relationship with Acciona, S.A. or the Group companies within the scope of these entities' ordinary business activities. These transactions consisted basically of:

Expenses and income	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
			Thousands of euros 31/12/13		
Expenses:					
Finance costs	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	250	250
Purchase of goods (finished goods and work in progress)	--	--	--	--	--
Valuation adjustments due to uncollectible or doubtful debts	--	--	--	--	--
Losses on disposal of assets	--	--	--	--	--
Other expenses	--	--	--	--	--
Income:	--	--	--	--	--
Finance income	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Dividends received	--	--	--	--	--
Leases	--	--	--	--	--
Rendering of services	--	--	--	7,170	7,170
Sale of goods (finished goods or work in progress)	--	--	--	--	--
Gains on disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

Other transactions	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
			Thousands of euros 31/12/13		
Purchase of property, plant and equipment, intangible assets or other assets	--	--	--	--	--
Financing agreements, loans and capital contributions (lender)	--	--	--	--	--
Finance leases (lessor)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessor)	--	--	--	--	--
Sales of property, plant and equipment, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Finance leases (lessee)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessee)	--	--	--	--	--
Guarantees provided	--	--	--	--	--
Guarantees received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Obligations/guarantees discharged	--	--	--	--	--
Dividends and other profits distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

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Expenses and income	Thousands of euros 31/12/12 Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
Expenses:					
Finance costs	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	1,244	1,244
Purchase of goods (finished goods and work in progress)	--	--	--	--	--
Valuation adjustments due to uncollectible or doubtful debts	--	--	--	--	--
Losses on disposal of assets	--	--	--	--	--
Other expenses	--	--	--	--	--
Income:	--	--	--	--	--
Finance income	--	--	--	--	--
Management or cooperation agreements	--	--	--	--	--
R&D transfers and licensing agreements	--	--	--	--	--
Dividends received	--	--	--	--	--
Leases	--	--	--	--	--
Rendering of services	--	--	--	6,767	6,767
Sale of goods (finished goods or work in progress)	--	--	--	--	--
Gains on disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

Other transactions	Thousands of euros 31/12/12 Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	Total
Purchases of property, plant and equipment, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Finance leases (lessor)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessor)	--	--	--	--	--
Sales of property, plant and equipment, intangible assets or other assets	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Finance leases (lessee)	--	--	--	--	--
Repayment or cancellation of loans and leases (lessee)	--	--	--	--	--
Guarantees provided	--	--	--	--	--
Guarantees received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Obligations/guarantees discharged	--	--	--	--	--
Dividends and other profits distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

35.- <u>Remuneration and other benefits</u>

A. <u>Directors</u>

The detail of the remuneration received in 2013 by the Parent's Board members from all the Group companies of which they are directors is included in this Note (in euros).

During the 2013 financial year, the remuneration accrued by the members of the Company's Board of Directors, and taking into account that this remuneration is taken from the perspective of the Parent and its subsidiaries, totalled, in euros, the sum indicated in this Note.

Pursuant to art. 31 of the Bylaws, the remuneration for Directors will consist in a fixed annual allocation determined for their membership of the Board of Directors and any Committees on which each Director may sit. The amount of the remuneration to be paid by the Company to the Directors as a whole for belonging to the Board of Directors and its Committees will be that determined for this purpose by the General Meeting of Shareholders. Once established, this amount shall remain in force until such time as it may be amended although the Board of Directors may reduce its amount in those financial years where this is considered appropriate.

The establishment of the exact amount to be paid within this limit and its distribution among the different Directors shall correspond to the Board of Directors.

Regardless of the provisions contained in in the preceding section, the remuneration deriving from membership of the Board of Directors shall be compatible with any other remuneration (fixed salary; variable bonuses depending on the achievement of business, corporate and/or personal development goals; compensation for removal of the Director for reasons other than the failure to comply with his or her duties; welfare systems; deferred remuneration concepts) that, by means of a Resolution adopted by the Board of Directors following a proposal by the Appointments and Remuneration Committee, may correspond to the Director for the performance of other functions in the Company, be they senior management executive functions or any other kind, apart from those of collegiate oversight and decision-taking carried out as mere members of the Board.

Following a resolution adopted by the General Meeting of Shareholders with the legally required scope, Executive Directors may also be remunerated through the delivery of shares or share option rights, or by means of any other remuneration referenced to the value of the shares.

Furthermore, art. 55 of the Regulations for the Board of Directors provides that the Board shall establish the regime for distributing the remuneration for Directors within the framework established in the Bylaws.

The decision shall take into account the report drafted for the purpose by the Appointments and Remuneration Committee.

The Board of Directors shall strive to ensure the Directors' remuneration is moderate and in line with that paid on the market in companies of a similar size and business area, with preference for those formats relating a significant portion of the remuneration to their dedication to Acciona.

In addition, the Board of Directors shall strive to ensure that the remuneration policies in force from time to time incorporate the necessary technical provisos for any variable remuneration to ensure that such bonuses are in line with the professional performance of the persons benefiting from them and are not merely derived from the general advance of the markets or the Company's business sector or other similar circumstances. The remuneration regime will attribute analogous remuneration for comparable functions and dedication.

The regime for the remuneration of independent directors will strive to serve as a sufficient incentive for their dedication without compromising their independence.

The remuneration for external directors representing substantial shareholders for their performance as Directors must be proportional to that of other Directors and shall not represent any favoured treatment in the form of remuneration of the shareholder(s) designating them.

For Executive Directors, the remuneration deriving from their membership of the Board of Directors shall be compatible with any other professional or employment-related earnings received for their executive or consultative functions rendered to Acciona, S.A. or to its Group.

Remuneration for directors shall be transparent.

At its meeting on 28 February 2013, the Board of Directors resolved, at the proposal of the Appointments and Remuneration Committee, to reduce the amounts for membership of the Board of Directors and its Committees by 10%, and these were therefore set as follows for 2013:

a) For each director belonging to the Board of Directors EUR 67,500.
b) For each director belonging to the Executive Committee EUR 45,000.
c) For each director belonging to the Audit Committee EUR 45,000.
d) For each director belonging to the Appointments Committee EUR 36,000.
e) For each director belonging to the Sustainability Committee EUR 36,000.

Executive directors who are members of the Executive Committee shall not receive any remuneration specifically for belonging to that committee.

The Appointments and Remuneration Committee, after a detailed analysis of the remuneration received at international companies and those included on the IBEX 35 index, deemed the remuneration to be in line with what was paid on the market at companies of a similar size in the same business area, that analogous remuneration was paid for comparable functions and dedication and, without compromising independence, is an adequate incentive to achieve, if possible, a greater engagement by directors in the different committees.

Furthermore, the General Meeting of Shareholders resolved on 6 June 2013 to set, for the purposes foreseen in the new section 2 of article 31 of the Bylaws, the amount of the remuneration that may be paid by the Company to its Directors for their membership of the Board of Directors and its Committees at EUR 1,503,000. This amount shall remain in force until such time as the General Meeting of Shareholders may decide to change it, although it may be reduced by the Board of Directors on the terms foreseen in the aforesaid section.

The total remuneration paid to the members of the Board for discharging their duties as Company directors in 2013 amounted to EUR 1,497,000. The detail of this amount, by director, is as follows:

	Fixed remuneration	Remuneration for membership of Board Committees	Total 2013	Total 2012
Mr. Daniel Entrecanales Domecq	68	36	104	115
Ms Sol Daurella Comadrán	68	22	90	75
Mr. Juan Manuel Urgoiti López-Ocaña (*)	34	70	104	230
Mr. Carlos Espinosa de los Monteros	68	67	135	175
Mr. Jaime Castellanos Borrego	68	103	171	165
Mr. Fernando Rodes Vila	68	72	140	155
Mr. José Manuel Entrecanales Domecq	68		68	75
Mr. Juan Ignacio Entrecanales Franco	68		68	75
Ms Miriam Gonzalez Durántez	68	45	113	125
Mr. Juan Carlos Garay Ibargaray (**)	34	18	52	
Mr. Valentín Montoya Moya	68	126	194	215
Ms. Belen Villalonga Morenes	68		68	75
Ms. Consuelo Crespo Bofill	68	36	104	115
Mr. Javier Entrecanales Franco	68	18	86	75
TOTAL	**884**	**613**	**1,497**	**1670**

(*) Directors leaving the Board during 2013
(**) Directors joining the Board during 2013

The remuneration paid to Directors for the performance of senior management executive functions was EUR 5,845 thousand and EUR 6,233 thousand in 2013 and 2012, respectively.

Those Directors who carried out executive functions in 2013 received a total of 4,002 shares and 10,138 share options in Acciona, S.A. as part of their variable remuneration, in accordance with the terms and conditions established in the regulations for the "2009-2013 Plan for the Delivery of Shares and Share Options to the Senior Management of Acciona and its Group". The options granted entitle them to acquire an equal number of shares at a price of EUR 56.21 per share.

No obligations have been entered into in connection with pensions or the payment of life assurance premiums with respect to former and current members of the Board of Directors. Nor have any advances, credits or guarantees been given in favour of the members of the Board of Directors, except as indicated in this Note.

During the 2013 and 2012 financial years, the Directors of the Parent Company did not receive any remuneration whatsoever for their membership of other Boards of Directors and/or the senior management of Group companies.

The overall remuneration of the ACCIONA, S.A. Board of Directors during the financial year has been, in thousands of euros, as follows: EUR 7,206 and EUR 7,753 respectively in the 2013 and 2012 financial years.

B. Senior executives

Senior Executives include those persons forming the top two levels of the Acciona group's management and the Corporate Internal Audit Director. This classification is for information purposes only and without prejudice to their specific employment relationship.

The remuneration of the Company's General Managers and persons discharging similar duties, excluding those who are simultaneously members of the Board of Directors (whose remuneration is disclosed above), and bearing in mind that this remuneration is taken from the perspective of Parent and subsidiaries, in 2013 and 2012 is summarised as follows:

Type of remuneration	2013	2012
Number of persons	36	38
Remuneration (thousands of euros)	25,121	22,677

(*) Taking into account Parent and subsidiaries

At the Annual General Meeting held on 4 June 2009, the shareholders of Acciona, S.A. approved the 2009-2011 Share and Option Plan for the senior executives of Acciona and its Group.

Also, at the Annual General Meeting held on 9 June 2011, 12 May 2012, and June 6th, 2013, the shareholders approved the extension of the period of the aforementioned Plan's duration, including the Executive Directors, for its application in 2012, 2013 and 2014, increasing the maximum number of shares deliverable under the Plan from the 200,000 shares initially established to 265,000, 300,000 and 335,000 shares, respectively.

Similarly, the General Meeting of Shareholders held on 6 June 2013 resolved to amend the reference value, setting the value of the shares to be delivered to participants at the price listed at the close of business on the last trading day in the month of March in the corresponding financial year and this price shall also be the acquisition price for the exercise of any options granted and maintaining the other terms and conditions of the Plan approved in 2009.

Therefore, the main characteristics of the "2009-2014 Plan for the Delivery of Shares and Share Options to the Senior Management of Acciona and its Group" are as follows:

Plan duration and basic structure: Three years, with annual delivery of ordinary shares in Acciona, S.A. (the Company) during these three years (2009 to 2011). The term for its application has been extended to 2012, 2013 and 2014. The beneficiaries may elect to exchange some of the shares assigned to them for purchase option rights on the Company's ordinary shares.

Beneficiaries: those persons who, at the time the shares are allocated, hold the position of Managing Director, General Manager or Area Manager of the Acciona Group.

Annual share-based bonus. The number of shares composing the share-based bonus for each beneficiary will be determined by the Company's Board of Directors at the proposal of the Nomination and Remuneration Committee in March of each year. The share-based bonus of each beneficiary cannot exceed (a) EUR 150,000 or (b) 50% of the beneficiary's annual variable cash remuneration. The highest share-based bonus in a given year cannot exceed three times the value of the lowest bonus for that year.

Share/option exchange ratio and partial substitution of shares by options and vice versa. Once the annual share-based bonus is established, the Company's Board of Directors will establish a fixed share/option exchange ratio. The beneficiary may decide to substitute a portion of the shares assigned, not exceeding fifty per cent (50%), by options.

Shares available for the Plan: the maximum number of shares that can be delivered under the Plan over the three-year period (2009, 2010, and 2011) will be 200,000 including those assigned but exchanged for options at the beneficiaries' discretion. For the 2012, 2013 and 2014 financial years, the maximum number of shares available is increased to 265,000, 300,000 and 335,000 shares, respectively.

Annual delivery date: the share-based bonus will be delivered to the beneficiaries within thirty (30) calendar days following the date of the Annual General Meeting, at the date established by the Board of Directors or its delegated bodies. For beneficiaries who are Company directors delivery of the corresponding shares (and, if applicable, options) will be subject to the approval of the shareholders at the Annual General Meeting in accordance with that provided in article 219 of the Consolidated Spanish Public Limited Liability Companies Act.

Rights on shares: the shares will entitle the beneficiary to the dividend and voting rights corresponding thereto as from the date of delivery.

Restricted use of the shares: the beneficiaries cannot dispose of, encumber or grant any option on the shares prior to 31 March of the third year following the year in which the corresponding shares were delivered to the beneficiary as payment of the bonus in the form of shares.

Grant of a purchase option to the Company: the beneficiary grants the Company a purchase option on the shares delivered to him until 31 March of the third year following the year of delivery, at a price of EUR 0.01 per share. This option can only be exercised by the Company if the employment, civil or independent contractor relationship is interrupted or extinguished under certain conditions.

Option regime: each option will entitle the beneficiary to receive one of the Company's ordinary shares in exchange for payment of the share price established for the exercise of the option or in exchange for payment of the price arising from monetary settlement due to differences between the option value and the share value at the date the option is exercised. If the employment, civil or independent contractor relationship has not been interrupted or extinguished under certain conditions, all or some of the options granted in a given year under the Plan may be exercised on one or more occasions within a three-year period elapsing either on (a) 31 March of the third calendar year following that in which they were assigned, or (b) 31 March of the third year subsequent to the beginning of the strike period.

Reference value of the Shares and Options: The value of the shares and share options to be delivered to participants each year shall be set in terms of the price listed at the close of business on the last trading day in the month of March in the calendar year in which the same are delivered and this price shall also be the acquisition price for the exercise of any options granted.

Under this Plan, 54,355 shares and 16,773 purchase option rights on Acciona, S.A. shares were granted in 2013 to the Group's senior executives, including the executive directors.

The breakdown of the persons who held senior management positions (taking the Parent and subsidiaries into account as Senior Management) in 2013 is as follows:

Full name or corporate style	Position(s) held
Ignacio Aguilera Carmona	General Manager - Acciona Trasmediterránea
Jesús Alcázar Viela	General Manager – Acciona Infrastructure - Latin America
Joaquin Ancín Viguiristi	General Manager – Acciona Energy - Engineering, Construction and Innovation
Isabel Antúnez Cid	General Manager – Acciona Property
Carlos Maria Arilla de Juana	General Manager - Economic and Financial Area
Carmen Becerril Martínez	General Manager - International
Raúl Beltrán Núñez	Director of Internal Audit
José Luís Blanco Dieguez	General Manager - Acciona Windpower
Pio Cabanillas Alonso	General Manager - Corporate Image and Global Marketing
Alfonso Callejo Martínez	General Manager - Corporate Resources
Macarena Carrión Lopez de la Garma	General Manager - Office of the President
Luis Castilla Cámara	President - Acciona Water
Adalberto Claudio Vázquez	General Manager - Acciona Infrastructure - International and Concessions
Juan Manuel Cruz Palacios	General Manager - Human Resources Administration
Arantza Ezpeleta Puras	General Manager - Global Business Development
José María Farto Paz	General Manager - Acciona Infrastructure - Area 2
Roberto Fernández López	General Manager - Acciona Infrastructure - Corporate Resources
Juan Gallardo Cruces	General Manager - Economic and Financial Area
Marek Jozefiak	General Manager - Poland - President of Mostostal Warszawa
Carlos López Fernández	General Manager - Acciona Engineering and Facilities
Pedro Martinez Martínez	President - Acciona Infrastructure
Rafael Mateo Alcala	CEO - Acciona Energy
Eduardo Medina Sánchez	General Manager - Acciona Energy - Business Development
Ricardo Luis Molina Oltra	General Manager - Acciona Service
Joaquin Mollinedo Chocano	General Manager - Institutional Relations
Juan Antonio Muro-Lara Girod	General Manager - Corporate Development and Relations with Investors
Carlos Navas García	General Manager - Acciona Airport Services
Javier Pérez-Villaamil Moreno	General Manager - Acciona Infrastructure Area 1
Félix Rivas Anoro	General Manager - Procurement, Innovation, Quality and the Environment

Full name or corporate style	Position(s) held
Vicente Santamaría de Paredes Castillo	General Manager - Legal Services
Dolores Sarrión Martinez	Assistant General Manager - Corporate Resources
Juan Ramon Silva Ferrada	General Manager - Sustainability
José Ángel Tejero Santos	General Manager - Risks and Finance
Jose Manuel Terceiro Mateos	General Manager - Acciona Infrastructure - Economic and Financial Area
Jorge Vega-Penichet Lopez	Secretary General
Justo Vicente Pelegrini	General Manager - Acciona Infrastructure Area 1

The breakdown of the persons who held senior management positions in 2012 is as follows:

Name	Position
Aguilera Carmona, Ignacio	General Manager - Acciona Trasmediterránea Area
Alcázar Viela, Jesús	General Manager – Acciona Latin America Infrastructure Area
Andueza, Fidel	General Manager - International Area
Antúnez Cid, Isabel	General Manager – Acciona Real Estate Area
Becerril Martinez, Carmen	Chairwoman - Acciona Energy
Beltrán Núñez, Raúl	Director of Internal Audit
Blanco Diéguez, José Luis	General Manager - Acciona Windpower
Cabanillas Alonso, Pío	General Manager of Corporate Image and Global Marketing
Callejo Martinez, Alfonso	General Manager – Corporate Resources
Carrión López de la Garma, Macarena	General Manager – Chairman's Office Area
Castilla Cámara, Luis	Chairman - Acciona Water
Claudio Vázquez, Adalberto	General Manager – Acciona International Infrastructures and Concessions Area
Cruz Palacios, Juan Manuel	General Manager – Human Resources Administration Area
Ezpeleta Puras, Arantza	General Manager – International Business Development Area
Farto Paz, José Maria	General Manager - Acciona Infrastructure Area 3
Gallardo Cruces, Juan	General Manager - Economy and Finance
Grávalos Esteban, Antonio	General Manager - Acciona Trasmediterránea Area
Jozefiak, Marek	General Manager – Poland Area, Chairman - Mostostal Warszawa
López Fernández, Carlos	General Manager – Acciona Engineering and Facilities Area
Martinez Martinez, Pedro	Chairman - Acciona Infrastructure
Mateo Alcalá, Rafael	General Manager - Acciona Energy
Miguel Ichaso, Alberto De	General Manager – Acciona Energy Strategy and New Businesses
Molina Oltra, Ricardo Luis	General Manager - Acciona Service Area
Mollinedo Chocano, Joaquín	General Manager - Institutional Relations
Muro-Lara Girod, Juan Antonio	General Manager - Corporate Development and Investor Relations
Navas García, Carlos	General Manager - Acciona Airport Services Area
Park, Robert	General Manager – Canada Area
Pérez-Villaamil Moreno, Javier	General Manager - Acciona Infrastructure Area 1
Popiolek, Jaroslaw	General Manager – Poland Area
Rivas Anoro, Félix	General Manager - Purchases, Innovation, Environment and Quality Area
Ruiz Osta, Pedro Santiago	General Manager - Acciona Windpower
Santamaría-Paredes Castillo, Vicente	General Manager – Legal Services Area
Sarrión Martinez, Dolores	General Manager – Corporate Resources Area
Silva Ferrada, Juan Ramón	General Manager – Sustainability Area

Name	Position
Tercello Mateos, José Manuel	General Manager – Acciona Infrastructure Economic and Finance Area
Tejero Santos, José Ángel	General Manager - Finance and Risks Area
Vega-Penichet López, Jorge	General Secretary
Vicente Pelegrini, Justo	General Manager - Acciona Infrastructure Area 2

C. Fees paid to auditors

In 2013, the fees for financial audit and other services provided by the auditor of the Group's consolidated financial statements, Deloitte, S.L., or by firms in the Deloitte organisation, and the fees billed by the auditors of the financial statements of the consolidated companies, and by companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

	Services provided by the main auditor		Services provided by other audit firms	
	2013	**2012**	**2013**	**2012**
Audit services	3,504	2,899	1,642	1,605
Other attest services	608	486	317	395
Total audit and related services	**4,112**	**3,385**	**1,959**	**2,000**
Tax advisory services	517	927	801	908
Other services	2.637	3,033	2.269	757
Total professional services	**3,154**	**3,960**	**3,070**	**1,665**

36. Other disclosures concerning the Board of Directors

Pursuant to Articles 229.2 and 229.3 of Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Spanish Limited Liability Companies Act, in order to reinforce the transparency of limited liability companies and disclose any conflicts of interest, the following information is set forth below.

At 31 December 2012, per the information available to the Company, and except as stated below, the members of the Board of Directors and persons related thereto, in accordance with the definition of related persons contained in Article 231 of the Spanish Limited Liability Companies Act:

- Did not own any holdings in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of the Group companies, and did not hold any positions or discharge any duties thereat.

- Had not carried on, and do not carry on at present, as employees or as independent professionals, any activities that are identical, similar or complementary to the activity that constitutes the company object of the Group companies.

With respect to the aforementioned holdings, positions, duties and activities, the following information was furnished to the Company:

Holdings and positions in companies not belonging to the Acciona Group:

Director	Company	No. of shares/ % of ownership	Position	Line of business
Entrecanales Domecq, José Manuel	Global Lubbock S.L.	55.56%	Sole Director	Industrial Projects
Entrecanales Franco, Juan Ignacio	Nexotel Adeje, S.A.	1.30%	Joint Managing Director	Hotel Industry
	Global Buridan S.L.	100%	--	Industrial Projects
Entrecanales Domecq, Daniel	Inversiones Inmobiliarias Polo de la Estrella	79%	--	Real Estate
	Lorx Creaciones, S.L.	99.99%	--	Architecture Projects
	Fractalia Remote System, S.L.	0%	Director	Services
Entrecanales Franco, Javier	Nexotel Adeje, S.A.	1.30%	--	Hotel Industry
Rodés Vila, Fernando	Acacia ISP, S.L.	18%	--	Industrial Projects

37. Late payments

Disclosures on the payment periods to suppliers. Additional Provision Three. "Disclosure Obligations" of Law 15/2010, of 5 July.

Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, on combating late payment in commercial transactions indicates that "*Companies shall expressly disclose payment periods to suppliers in the Notes to their financial statements*". The Spanish Accounting and Audit Institute (ICAC) Resolution of 29 December 2010 sets out the information to be included in the notes to financial statements in order to comply with Law 15/2010, a detail of which is as follows (in thousands of euros):

Payments made and payments outstanding at the balance sheet date	2013		2012	
	Amount	%	Amount	%
Within the maximum payment period	2,152,669	73%	2,552,607	87%
Other	604,962	27%	364,986	13%
Total payments for the year	2,757,633	100%	2,917,593	100%
Maximum payment period exceeded by (days)	63		53	
Payments at 31 December 2011 which exceed the maximum payment period	112,749		105,255	

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

APPENDIX I

GROUP COMPANIES

The subsidiaries of ACCIONA, S.A. deemed to be Group companies were treated as such in accordance with IFRS. The companies fully consolidated in 2013, and the information thereon at 31 December 2013, are as follows (amounts in thousands of euros):

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
3240934 Nova S.C.otia Company	--	Canada	Energy	100.00%	Subgroup: Acciona Renewable Canada	4,909
Acciona - Vjetroelektrane D.O.O.	--	Croatia	Energy	100.00%	Subgroup: Acciona Wind Power International	3
Acciona Wind Energy Canada Inc.	--	Canada	Energy	100.00%	Subgroup: Acciona Energy International	93,074
Acciona Agua Adelaide Pty Ltd	(A)	Australia	Water Treatment	100.00%	Subgroup: Water Australia	6
Acciona Agua Australia Proprietary, Ltd	(A)	Australia	Water Treatment	100.00%	Subgroup: Acciona Water	5
Acciona Agua Brasil - Tratamento De Agua Ltd	(E)	Brazil	Water Treatment	100.00%	Subgroup: Acciona Water	730
Acciona Agua India Private Limited	(A)	India	Water Treatment	100.00%	Subgroup: Acciona Water	570
Acciona Agua Internacional Australia Pty, Ltd	(A)	Australia	Water Treatment	100.00%	Subgroup: Acciona Water International	--
Acciona Agua Internacional, S.L.	--	Madrid	Water Treatment	100.00%	Subgroup: Acciona Water	4
Acciona Agua Mexico, S.R.L. De C.V.	(B)	Mexico	Water Treatment	100.00%	Subgroup: Acciona Water	1,865
Acciona Agua Servicios S.L.	--	Madrid	Water Treatment	100.00%	Subgroup: Acciona Water	3
Acciona Agua, S.A.	(A)	Madrid	Water Treatment	100.00%	Acciona	124,267
Acciona Airport Services Berlin, S.A.	(E)	Germany	Logistics Services	100.00%	Acciona	--
Acciona Airport Services Frankfurt, Gmbh	(A)	Germany	Logistics Services	100.00%	Acciona	5,637
Acciona Airport Services Hamburg Gmbh	--	Germany	Logistics Services	100.00%	Subgroup: MDC	1,244
Acciona Airport Services, S.A.	(A)	Madrid	Logistics Services	100.00%	Acciona	3,065
Acciona Biocombustibles, S.A.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Energy	12,871
Acciona Biomasa	--	Navarre	Energy	100.00%	Subgroup: Acciona Energy	3
Acciona Blades, S.A.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Windpower	(13,428)
Acciona Cerro Negro, S.A.	--	Chile	Water Treatment /Construction	100.00%	Subgp: Acciona Water / Subgp. Acciona Infra	4
Acciona Concesiones Chile, S.A.	(B)	Chile	Concession Operation	100.00%	Subgroup: Acciona Infrastructure	8,032
Acciona Concesiones, S.L.	(A)	Madrid	Concession Operation	100.00%	Acciona	--
Acciona Concessions Canada 2008 Inc.	(A)	Canada	Concession Operation	100.00%	Subgroup: Acciona Concessions	4,965
Acciona Copiapo, S.A.	--	Chile	Water Treatment	100.00%	Subgroup: Acciona Water	4
Acciona Corporacion, S.A.	--	Madrid	Instrumental	100.00%	Subgroup: Finance and Cartera Dos	60
Acciona Desarrollo Corporativo, S.A.	--	Madrid	Instrumental	100.00%	Subgroup: Finance and Cartera Dos	60
Acciona Do Brasil, Ltda.	(E)	Brazil	Concession Operation	100.00%	Acciona	194
Acciona Eficiencia Energetica, S.L.	--	Navarre	Energy	100.00%	Subgroup: Biofuels	944

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
Acciona Energía Chile	(B)	Chile	Energy	100.00%	Subgroup: Acciona Energy International	5,859
Acciona Energía Costa Rica, Sa	--	Costa Rica	Energy	100.00%	Subgroup: Acciona Energy	--
Acciona Energia Eolica Mexico	(A)	Mexico	Energy	100.00%	Subgroup. Acciona Energy Mexico	--
Acciona Energia Internacional, S.A.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Energy	106,009
Acciona Energía Mexico, Srl	(A)	Mexico	Energy	100.00%	Subgroup: Acciona Energy International	4,950
Acciona Energía Servicios México S De Rl De Cv	--	Mexico	Energy	100.00%	Subgroup: Acciona Energy International	--
Acciona Energia Solar, S.L.	--	Navarre	Energy	100.00%	Subgroup: Acciona Energy	597
Acciona Energia Solare Italia, S.R.L.	--	Italy	Energy	100.00%	Subgroup: Acciona Energy International	--
Acciona Energia, S.A.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	1.146,380
Acciona Energiaki, S.A.	(A)	Greece	Energy	80.00%	Subgroup: Cesa	5,726
Acciona Energie Windparks Deutschland Gmbh	(C)	Germany	Energy	100.00%	Subgroup: Acciona Energy International	21,111
Acciona Energija D.O.O.	--	Croatia	Energy	100.00%	Subgroup: Acciona Energy International	3
Acciona Energy North America Corp.	--	USA	Energy	100.00%	Subgroup: Acciona Energy International	169,870
Acciona Energy Development Canada Inc	--	Canada	Energy	100.00%	Subgroup: Acciona Wind Energy Canada	1,979
Acciona Energy India Private Limited	(C)	India	Energy	100.00%	Subgroup: Acciona Energy International	7,204
Acciona Energy Korea, Inc	(C)	South Korea	Energy	100.00%	Subgroup: Acciona Energy International	--
Acciona Energy Oceania Construction Pty Ltd	--	Australia	Energy	100.00%	Subgroup: Acciona Energy Oceania	--
Acciona Energy Oceania Financial Services Pty. Ltd	--	Australia	Energy	100.00%	Subgroup: Acciona Energy	32
Acciona Energy Oceania Pty. Ltd	(C)	Melbourne	Energy	100.00%	Subgroup: Acciona Energy International	154,096
Acciona Energy Poland Maintenance Services Sp. Z.O.O.	--	Poland	Energy	100.00%	Subgroup: Acciona Energy International	1
Acciona Energy South Africa (Proprietary) Limited	(A)	South Africa	Energy	100.00%	Subgroup: Acciona Energy	52,275
Acciona Engineering Canada Inc	--	Canada	Engineering	100.00%	Subgroup: Acciona Engineering	481
Acciona Engineering Qatar	--	Qatar	Engineering	100.00%	Subgroup. Acciona Engineering	47
Acciona Eolica Basilicata, Srl	--	Italy	Energy	98.00%	Subgroup: Cesa Italy	20
Acciona Eolica Calabria, Srl	--	Italy	Energy	100.00%	Subgroup: Cesa Italy	7,802
Acciona Eolica Cesa Italia, S.R.L.	(A)	Italy	Energy	100.00%	Subgroup: Cesa	19,639
Acciona Eólica Cesa, S.L.	(A)	Madrid	Energy	100.00%	Subgroup. Ceatesalas	93,938
Acciona Eolica De Castilla La Mancha, S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Alabe	100
Acciona Eolica De Galicia, S.A.	(A)	Lugo	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	56,216
Acciona Eólica Levante, S.L.	(A)	Valencia	Energy	100.00%	Subgroup: Alabe	19,314
Acciona Eolica Molise, Srl	--	Italy	Energy	100.00%	Subgroup: Cesa Italy	100
Acciona Eolica Portugal Unipersonal, Lda	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	27,188
Acciona EPC North America, L.L.C	--	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	2

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
Acciona Facility Services Automocion Aragon, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Automocion Catalunya, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Automocion Centro, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Automocion Este, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Automocion Levante, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Belgique Sprl	--	Belgium	Urban Services	100.00%	Subgroup: Acciona Urban Services	6
Acciona Facility Services Canada Ltd	--	Canada	Urban Services	100.00%	Subgroup: Acciona Facility Services	--
Acciona Facility Services Holland B.V.	--	Holland	Urban Services	100.00%	Subgroup: Acciona Urban Services	18
Acciona Facility Services Italia Srl	--	Italy	Urban Services	100.00%	Subgroup: Acciona Facility Services	12
Acciona Facility Services Portugal	(E)	Portugal	Urban Services	100.00%	Subgroup: Acciona Facility Services	1,048
Acciona Facility Services Sur, S.A.	--	Toledo	Urban Services	100.00%	Subgroup: Multiservices Acciona Facility Services	262
Acciona Facility Services, S.A.	(A)	Barcelona	Urban Services	100.00%	Subgroup: Acciona Urban Services	74,646
Acciona Forwarding Brasil	(E)	Brazil	Logistics Services	98.71%	Subgroup: Acciona Forwarding	349
Acciona Forwarding Canarias, S.L.	(E)	Canary Islands	Logistics Services	100.00%	Subgroup: Acciona Forwarding	219
Acciona Forwarding, S.A.	(A)	Madrid	Logistics Services	100.00%	Acciona	2,649
Acciona Forwardng Argentina, S.A.	(E)	Argentina	Logistics Services	100.00%	Subgroup: Acciona Forwarding	2
Acciona Green Energy Developments, S.L.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Energy	1,000
Acciona Infraestructuras Residenciales México S.A.	--	Mexico	Construction	100.00%	Subgroup: Acciona Infrastructure	3
Acciona Infraestructuras, S.A.	(B)	Madrid	Construction	100.00%	Acciona	196,149
Acciona Infraestructuras-Elecnor: Hospital David, S.A.	--	Panama	Construction	75.00%	Subgroup: Acciona Infrastructure	--
Acciona Infrastructure Australia Pty. Ltd	(B)	Australia	Construction	100.00%	Subgroup: Acciona Infrastructure	20
Acciona Ingeniería Industrial S.A. De C.V.	--	Mexico	Engineering	100.00%	Subgroup: Acciona Engineering	3
Acciona Ingeniería, S.A.	(B)	Madrid	Engineering	100.00%	Subgroup: Acciona Infrastructure	2,110
Acciona Property, S.L.	(A)	Madrid	Property	100.00%	Acciona	--
Acciona Instalaciones Mexico S.A de C.V.	--	Mexico	Construction	100.00%	Subgroup: Acciona Installations	3
Acciona Instalaciones, S.A.	(B)	Seville	Construction	100.00%	Subgroup: Acciona Infrastructure	1,125
Acciona Inversiones Corea, S.L.	--	Navarre	Energy	100.00%	Subgroup: Acciona Energy International	2,005
Acciona Las Tablas, S.L.	--	Madrid	Property	100.00%	Subgroup: Acciona Property	--
Acciona Logística, S.A.	--	Madrid	Holding Company	100.00%	Acciona	51,963
Acciona Mantenimiento De Infraestructuras, Sa	(B)	Madrid	Construction	100.00%	Subgroup: Acciona Infrastructure	278
Acciona Medioambiente, S.A.	(A)	Valencia	Urban Services	100.00%	Subgroup: Acciona Facility Services	--
Acciona Multiservicios, S.A.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	--
Acciona Nieruchomosci, Sp. Z.O.O	(A)	Poland	Property	100.00%	Subgroup: Acciona	2,030

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
					Property	
Acciona Producciones y Diseño, S.A.	(B)	Seville	Other Businesses	100.00%	Subgroup: Acciona Infrastructure	1,268
Acciona Rail Services, S.A.	--	Madrid	Logistics Services	100.00%	Subgroup: Acciona Logistics	148
Acciona Renewable Energy Canada Gp Holdings Inc	--	Canada	Energy	100.00%	Subgroup: Acciona Renewable Canada	3,468
Acciona Renewable Energy Canada Holdings Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy North America	4,870
Acciona Rinnovabili Calabria, Srl	--	Italy	Energy	100.00%	Subgroup: Cesa Italy	51
Acciona Rinnovabili Italia, Srl	--	Italy	Energy	100.00%	Subgroup: Cesa Italy	1,384
Acciona Saltos De Agua, S.L.U.	(A)	Madrid	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	10,603
Acciona Serv. Hospitalarios, S.L.	--	Madrid	Hospitals	100.00%	Subgroup: Acciona Urban Services	--
Acciona Service, S.L.	--	Madrid	Urban Services	100.00%	Acciona	--
Acciona Servicios A La Automoción, S.L.	--	Valencia	Urban Services	100.00%	Subgroup: Dalmau Environment	--
Acciona Servicios Ferroviarios, S.L.	--	Madrid	Logistics Services	100.00%	Subgroup: Acciona Logistics	21
Acciona Urban Services, S.L.	(A)	Madrid	Urban Services	100.00%	Acciona	11,813
Acciona Sistemas De Seguridad, S.A.	--	Madrid	Construction	100.00%	Subgroup: Acciona Installations	--
Acciona Solar Canarias, S.A.	--	Canary Islands	Energy	75.00%	Subgroup: Acciona Solar	463
Acciona Solar Energy Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy North America	42,438
Acciona Solar Power Inc	--	USA	Energy	100.00%	Subgroup: Acciona Solar Energy	16,372
Acciona Solar, S.A.	(C)	Navarre	Energy	75.00%	Subgroup: Acciona Energy	1,382
Acciona Termosolar	(C)	Navarre	Energy	85.00%	Subgroup: Acciona Energy	8,505
Acciona Wind Energy Pvt Ltd	(C)	India	Energy	100.00%	Subgroup: Acciona Energy International	12,135
Acciona Wind Energy Usa, Llc	(A)	USA	Energy	100.00%	Subgroup: Acciona Energy North America	276,345
Acciona Windpower Brasil Ltda.	--	Brazil	Energy	100.00%	Subgroup: Acciona Wind Power International	386
Acciona Windpower Chile, S.A.	(B)	Chile	Energy	100.00%	Subgroup: Acciona Wind Power International	6
Acciona Windpower Internacional, S.L.	--	Navarre	Energy	100.00%	Subgroup: Acciona Windpower	3
Acciona Windpower Korea, Inc	--	South Korea	Energy	100.00%	Subgroup: Acciona Wind Power International	250
Acciona Windpower Mexico, Srl de C V	(A)	Mexico	Energy	100.00%	Subgroup: Acciona Wind Power International	--
Acciona Windpower North America L.L.C.	--	USA	Energy	100.00%	Subgroup: Acciona Energy North America	1
Acciona Windpower Oceania, Pty, Ltd	(C)	Melbourne	Energy	100.00%	Subgroup: Acciona Wind Power International	--
Acciona Windpower South Africa (Pty) Ltd	--	South Africa	Energy	100.00%	Subgroup: Acciona Wind Power	--

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
					International	
Acciona Windpower, S.A.	(C)	Navarre	Energy	100.00%	Subgroup: Corporation AWP	2,000
Aepo Gabón, S.A.	--	Gabon	Engineering	100.00%	Subgroup: Acciona Engineering	4
Aepo Polska S.P. Z O.O	--	Poland	Engineering	100.00%	Subgroup: Acciona Engineering	--
AFS Empleo Social Barcelona, S.L.	--	Barcelona	Urban Services	100.00%	Subgroup: Acciona Facility Services	--
AFS Empleo Social, S.L.	--	Barcelona	Urban Services	100.00%	Subgroup: Acciona Facility Services	153
Agencia Marítima Transhispanica, S.A.	--	Madrid	Logistics Services	100.00%	Subgroup Trasmediterránea	664
Agencia S.C.hembri, S.A.	(A)	Madrid	Logistics Services	100.00%	Subgroup Trasmediterránea	4.172
Aguas Pilar De La Horadada S.L.	--	Madrid	Water Treatment	100.00%	Subgroup: Acciona Water	3
Aie Trafalgar	--	Cadiz	Energy	86.20%	Subgroup: Acciona Energy	469
Alabe Mengibar, A.I.E.	--	Madrid	Energy	96.25%	Subgroup: IDC	59
Alabe Sociedad De Cogeneracion, S.A	(A)	Madrid	Energy	100.00%	Subgroup: Acciona Corp - Renewable Energy	23,448
Acciona Wind Construction, Lp	--	Canada	Energy	100.00%	Subgroup: Acciona Wind Energy Canada	276
Anchor Wind, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy North America	3.660
Andratx Obres I Sanejament, S.L.	--	Mallorca	Water Treatment	100.00%	Subgroup: Acciona Water	4
Antigua Bodega De Don Cosme Palacio, S.L.	--	Alava	Bodegas	100.00%	Subgroup: Bodegas Palacio	--
Apoderada Corporativa General, S.A.	--	Madrid	Other Businesses	100.00%	Acciona	--
Arsogaz 2005, S.L	--	Madrid	Property	100.00%	Subgroup. Acciona Property	5
Asesores Turisticos Del Estrecho, S.A.	--	Malaga	Logistics Services	100.00%	Subgroup Trasmediterránea	186
Asimetra, S.A. C.V.	(B)	Mexico	Construction	100.00%	Subgroup. Acciona Infrastructure	3
Aulac Wind Power Lp	--	Canada	Energy	100.00%	Subgroup: Acciona Wind Energy Canada	552
Autopista Del Mar Atlantica, S.L.	--	Madrid	Logistics Services	99.00%	Subgroup: Trasmediterránea	3
Bear Creek	--	USA	Energy	100.00%	Subgroup: Gwh - Acciona Energy	--
Bestinver Gestion S.C.I.I.C., S.A.	(C)	Madrid	Finance	100.00%	Subgroup: Bestinver	331
Bestinver Pensiones G.F.P., S.A.	(C)	Madrid	Finance	100.00%	Subgroup: Bestinver	1,203
Bestinver Sociedad De Valores, S.A.	(C)	Madrid	Finance	100.00%	Subgroup: Bestinver	5,267
Bestinver, S.A.	(C)	Madrid	Finance	100.00%	Acciona	6,113
Biocarburants De Catalunya, S.A	--	Barcelona	Energy	90.00%	Subgroup: Acciona Energy	1,947
Biodiesel Bilbao	(C)	Vizcaya	Energy	80.00%	Subgroup: Biofuels	--
Biodiesel Caparroso, S.L.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Energy	--
Biodiesel Del Esla Campos	--	Navarre	Energy	100.00%	Subgroup: Biofuels	--
Biodiesel Sagunt, S.L	--	Navarre	Energy	100.00%	Subgroup: Biofuels	--
Biomasa Alcazar, S.L.	--	Madrid	Energy	100.00%	Subgroup: Biomass	3
Biomasa Briviesca, S.L.	(C)	Burgos	Energy	85.00%	Subgroup: Biomass	4,191
Biomasa Miajadas, S.L.	(C)	Madrid	Energy	100.00%	Subgroup: Biomass	3

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
Biomasa Sangüesa, S.L.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Energy	100
Bodegas Palacio, S.A	(A)	Alava	Wineries	100.00%	Subgroup: Sileno	1,526
Capev Venezuela	(E)	Venezuela	Construction	100.00%	Subgroup: Acciona Infrastructure	2,987
Ce Oaxaca Cuatro, S. de R.L. de C.V.	(A)	Mexico	Energy	100.00%	Subgroup: Acciona Energy Mexico	368
Ce Oaxaca Dos, S. de R.L. de C.V.	(A)	Mexico	Energy	100.00%	Subgroup: Acciona Energy Mexico	443
Ce Oaxaca Tres, S. de R.L. de C.V.	(A)	Mexico	Energy	100.00%	Subgroup: Acciona Energy Mexico	--
Ceatesalas, S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	983,583
Cenargo España, S.L.	(A)	Madrid	Logistics Services	79.86%	Subgroup: Schembri Agency	3,187
Ceólica Hispania, S.L.	(A)	Madrid	Energy	98.00%	Subgroup: Cesa	49,404
Cesa Eolo Sicilia Srl	--	Italia	Energy	100.00%	Subgroup: Cesa Italy	2,070
Cirtover, S.L.	--	Madrid	Instrumental	100.00%	Acciona	--
Coefisa, S.A.	--	Switzerland	Finance	100.00%	Acciona	--
Combuslebor, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui Haulage	(218)
Compania Eolica Granadina, S.L.	(A)	Granada	Energy	49.00%	Subgroup: Ceólica	2,930
Compania Eolica Puertollano, S.L.	--	Puertollano	Energy	98.00%	Subgroup: Ceólica	11
Compañia De Aguas Paguera, S.L.	--	Mallorca	Water Treatment	100.00%	Subgroup: Gesba	1,346
Compañia Internacional De Construcciones	--	Panama	Finance	100.00%	Acciona	--
Acciona Trasmediterranea, S.A.	(A)	Madrid	Logistics Services	92.72%	Subgroup: Acciona Logistics	110,116
Consorcio Acciona Ossa,S.A	--	Chile	Construction	65.00%	Subgroup: Acciona Infrastructure	5
Consorcio Constructor Araucaria Ltd	--	Chile	Construction	60.00%	Subgroup: Acciona Infrastructure	3
Consorcio Eolico Chiripa, S.A.	--	Costa Rica	Energy	65.00%	Subgroup: Acciona Corp. - Renewable Energy	--
Construcciones Residenciales Mexico, C.B.	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Infrastructure	152
Constructora El Paso S.P.A.	--	Chile	Construction	100.00%	Subgroup: Acciona Infrastructure	(1)
Constructora La Farfana, Spa	--	Chile	Construction	100.00%	Subgroup: Acciona Infrastructure	6
Constructora Ruta 160, S.A	(B)	Chile	Construction	100.00%	Subgroup: Acciona Infrastructure Chile	680
Copane Valores, S.L.	--	Madrid	Holding Company	100.00%	Acciona	55,779
Corporación Acciona Energias Renovables, S.L.	(A)	Madrid	Energy	100.00%	Acciona	1,773,906
Corporacion Acciona Eólica, S.A.	(A)	Madrid	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	98,503
Corporacion Acciona Hidráulica, S.A	(A)	Madrid	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	65,003
Corporación Acciona Windpower, S.L.	--	Madrid	Energy	100.00%	Acciona	1,995
Corporacion De Explotaciones y Servicios, S.A	--	Madrid	Holding Company	100.00%	Acciona	--
Corporacion Eolica Catalana, S.L.	--	Madrid	Energy	98.00%	Subgroup: Ceólica	4
Corporacion Eolica De Barruelo, S.L	--	Madrid	Energy	98.00%	Subgroup: Ceólica	2,155
Corporacion Eolica De Manzanedo, S.L.	--	Madrid	Energy	98.00%	Subgroup: Ceólica	2,045

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
Corporacion Eolica De Valdivia. S.L.	(A)	Madrid	Energy	98.00%	Subgroup: Ceólica	2.752
Corporacion Eolica De Zamora S.L.	(A)	Madrid	Energy	98.00%	Subgroup: Ceólica	1,786
Corporacion Eolica La Canada. S.L	--	Madrid	Energy	100.00%	Subgroup: Ceatesalas	1,368
Corporacion Eolica Sora S.A.	--	Zaragoza	Energy	58.80%	Subgroup: Ceolica	672
Deep River Wind Facility (Propietary) Limited	(A)	South Africa	Energy	51.00%	Subgroup: Acciona Energy	--
Demsey Ridge Wind Farm, Llc	(A)	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	16,891
Depurar 7B. S.A.	--	Aragon	Water Treatment	100.00%	Subgroup: Acciona Water	4,892
Depurar 8B. S.A	--	Aragon	Water Treatment	100.00%	Subgroup: Acciona Water	5,939
Desarrolladora De Infraestructuras Hispano-Mexicanas, S.A. de C.V.	--	Mexico	Construction	55.00%	Subgroup: Acciona Infrastructure	3
Desarrollos Revolt Del Llobregat S.L.	--	Madrid	Property	100.00%	Subgroup: Acciona Property	5,247
Desarrollos Y Construcciones, S.A. De Cv	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Infrastructure	7,828
Deutsche Necso Entrecanales Cubiertas Gmbh	--	Germany	Construction	100.00%	Subgroup: Acciona Infrastructure	60
Dren, S.A.	--	Madrid	Holding Company	100.00%	Acciona	1,115
Ecogrove	(A)	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	29,737
Ecovista Wind, Llc	--	USA	Energy	100.00%	Subgroup: Ecoenergy	5
Ehn Deutschland, Gmbh	(C)	Germany	Energy	100.00%	Subgroup: Acciona Energy International	25
Ehn Poland	(C)	Poland	Energy	100.00%	Subgroup: Acciona Energy International	39,821
Emp Diseño Constr Cons Jardines Y Zonas Verdes, S.A	--	Malaga	Construction	100.00%	Subgroup: Acciona Infrastructure	141
Empordavent S.L.U.	(C)	Barcelona	Energy	100.00%	Subgroup: Acciona Energy	14,206
Empreendimientos Eólicos Do Verde Horizonte, S.A	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	7,871
Empreendimientos Eólicos Ribadelide, S.A.	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	5,493
Empresa Operadora Atll, S.A.	(A)	Barcelona	Water Treatment	100.00%	Subgroup: Acciona Water	60
Enalia, Ltda	(E)	Colombia	Wineries	100.00%	Subgroup: Hijos de Antonio Barcelo	2,136
Energea Servicios Y Mantenimiento S.L.	(A)	Barcelona	Energy	98.00%	Subgroup: Terranova	3
Energía Renovable De Teruel ,S.L.	--	Teruel	Energy	51.00%	Subgroup: Teruel Alternative Energies	33
Energia Renovables De Barazar, S.L.	--	Madrid	Energy	100.00%	Subgroup: Ceatesalas	47,836
Energías Alternativas De Teruel, S.A	--	Teruel	Energy	51.00%	Subgroup: Acciona Energy	--
Energias Eolicas De Catalunya, S.A	(C)	Barcelona	Energy	100.00%	Subgroup: Acciona Energy	6,000
Energias Renovables De Ricobayo, S.A.	--	Madrid	Energy	49.00%	Subgroup: Ceólica	149
Energias Renovables El Abra, S.L	(A)	Vizcaya	Energy	98.00%	Subgroup: Ceolica	2,025
Energias Renovables Operacion Y Mantenimiento, S.L	(A)	Barcelona	Urban Services	100.00%	Subgroup: Multiservices Acciona Facility Services	3
Energias Renovables Pena Nebina, S.L	(A)	Madrid	Energy	98.00%	Subgroup: Ceolica	2,625
Entidad Efinen, S.A.	--	Madrid	Instrumental	100.00%	Acciona	--
Entrecanales Y Tavora Gibraltar, Ltd	--	Gibraltar	Construction	100.00%	Subgroup: Acciona Infrastructure	--
Eolica De Rubio, S.A	(C)	Barcelona	Energy	100.00%	Subgroup: Acciona	6,000

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
					Energy	
Eolica De Sanabria, S.L.	(A)	Madrid	Energy	98.00%	Subgroup: Ceólica	6,403
Eolica De Zorraquin, S.L.	(C)	Madrid	Energy	66.00%	Subgroup: Acciona Energy	603
Eolica Gallega Del Atlantico, S.L.	--	Coruña	Energy	98.00%	Subgroup: Ceólica	747
Eolica Villanueva, S.L.	(C)	Navarre	Energy	66.66%	Subgroup: Acciona Energy	867
Eolicas Del Moncayo, S.L.	(A)	Soria	Energy	98.00%	Subgroup: Ceólica	846
Eolicos Breogan, S.L.	--	Pontevedra	Energy	98.00%	Subgroup: Ceólica	1,833
Eoliki Evripou Cesa Hellas Epe	--	Greece	Energy	72.00%	Subgroup: Cesa Hellas	13
Eoliki Panachaikou Sa	(A)	Greece	Energy	72.00%	Subgroup: Cesa Hellas	6,556
Eoliki Paralimnis Cesa Hellas Epe	--	Greece	Energy	72.00%	Subgroup: Cesa Hellas	13
Es Legarda, S.L.	--	Navarre	Energy	100.00%	Subgroup: Biofuels	8,424
Estibadora Puerto Bahia, S.A.	--	Cadiz	Logistics Services	100.00%	Subgroup: Trasmediterranea	--
Estudios Y Construcciones De Obras, S.A. De Cv	--	Mexico	Construction	50.00%	Subgroup: Acciona Infrastructure	--
Europa Ferrys, S.A.	(A)	Cadiz	Logistics Services	100.00%	Subgroup: Trasmediterránea	18,530
Eurus S,A,P.I De C.V.	(A)	Mexico	Energy	94.00%	Subgroup: Acciona Energy Mexico	3
Finanzas Dos, S.A.	--	Madrid	Instrumental	100.00%	Acciona	3,471
Finanzas Nec, S.A.	--	Madrid	Finance	100.00%	Subgroup: Acciona Property	61
Finanzas Y Cartera Dos, S.A.	--	Madrid	Other Businesses	100.00%	Acciona	--
Finanzas Y Cartera Uno, S.A.	(A)	Madrid	Other Businesses	100.00%	Acciona	--
Flughafendienst Av Gmbh	--	Germany	Logistics Services	100.00%	Subgroup: Acciona Airport Services	28
Frigoriferi Di Tavazzano, S.P.A.	--	Italy	Logistics Services	100.00%	Subgroup: Acciona Logistics	--
Frigorificos Caravaca, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui Haulage	(1,548)
Generacion De Energia Renovable, S.A.	--	Alava	Energy	98.00%	Subgroup: Ceólica	4,438
Generica De Construcc. Y Mto. Industrial, S.A.	--	Zaragoza	Construction	100.00%	Acciona	--
Gestio Catalana D'Aigues, S.A.	--	Barcelona	Water Treatment	100.00%	Subgroup: Acciona Water	60
Gestion De Recursos Corporativos, S.L.	--	Navarre	Energy	100.00%	Acciona	3
Gestion De Urban Services Baleares, S.A.	--	Mallorca	Water Treatment	100.00%	Subgroup: Acciona Water	--
Global De Energias Eolicas Al-Andalus, S.A.	--	Zamora	Energy	98.00%	Subgroup: Ceólica	25,509
Gouda Wind Facility (Proprietary) Limited	(A)	South Africa	Energy	51.00%	Subgroup: Acciona Energy	2,980
Grupo Transportes Frigorificos Murcianos, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui Haulage	(427)
Guadalaviar Consorcio Eolico Alabe Enerfin, S.A.	--	Madrid	Energy	100.00%	Subgroup: Alabe	50
Gunning Wind Energy Developments Pty Ltd	(C)	Australia	Energy	100.00%	Subgroup: Gunning Wind Energy	2,594
Gunning Wind Energy Holdings Pty Ltd	--	Australia	Energy	100.00%	Subgroup: Acciona Energy Australasia	2,594
Gwh-Acciona Energy Llc	--	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	--
Heartland Windpower, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	--

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
Hermes Logistica, S.A.	(A)	Barcelona	Logistics Services	99.62%	Subgroup: Trasmediterranea	1,644
Hidroeléctrica Del Serradó, S.L.	(A)	Barcelona	Energy	100.00%	Subgroup: Acciona Waterfalls	2,334
Hijos De Antonio Barcelo, S.A.	(A)	Madrid	Wineries	100.00%	Acciona	31,710
Hospital De Leon Bajio, S.A. De C.V.	(E)	Mexico	Hospitals	100.00%	Acciona	2,960
Iber Rail France, S.L.	--	France	Logistics Services	100.00%	Subgroup: Trasmediterranea	93
Iberica Arabian Co Ltd	--	Saudi Arabia	Engineering	100.00%	Subgroup: Acciona Engineering	--
Iberinsa Do Brasil Engenharia Ltda	--	Brazil	Engineering	100.00%	Subgroup: Acciona Engineering	529
Inantic, S.A.	--	Madrid	Instrumental	100.00%	Subgroup: Acciona Infrastructure	116
Industria Toledana De Energias Renovables, S.L.	--	Toledo	Energy	100.00%	Subgroup: Acciona Windpower	250
Inetime, S.A.	--	Madrid	Urban Services	100.00%	Acciona	--
Ineuropa De Cogeneracion, S.A.	--	Madrid	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	512
Infraestructuras Ayora, S.L.	--	Madrid	Energy	84.72%	Subgroup: Guadalaviar	3
Property Parque Reforma, S.A. de C.V.	(A)	Mexico	Property	100.00%	Subgroup: Acciona Property	22,423
Inneo 21, S.L.	--	Madrid	Energy	100.00%	Subgroup: Acciona Windpower	16,155
Int Eolica, S.A.	--	Seville	Energy	100.00%	Subgroup: Acciona Energy	--
Interlogística Del Frío, S.A.	(A)	Barcelona	Logistics Services	100.00%	Subgroup: Acciona Logistics	6,819
Interurbano De Prensa, S.A.	(A)	Madrid	Logistics Services	100.00%	Subgroup: Acciona Logistics	1,176
Kimberly Solar Facility (Propietary) Limited	(A)	South Africa	Energy	51.00%	Subgroup: Acciona Energy	--
Ew Tarifa, S.A.	(A)	Madrid	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	8,134
Lambarene Necso Gabon	(D)	Gabon	Construction	100.00%	Subgroup: Acciona Infrastructure	--
Lameque Wind Power Lp	(A)	Canada	Energy	100.00%	Subgroup: Acciona Wind Energy Canada	27,394
Logistica Del Transporte Slb, S.A.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui Haulage	(452)
Lusonecso	--	Portugal	Property	100.00%	Subgroup: Acciona Property	3,488
Maritime Global Operator, Ltd	--	Malta	Logistics Services	100.00%	Subgroup: Trasmediterránea	--
Mdc Airport Consult Gmbh	--	Germany	Logistics Services	100.00%	Acciona	--
Meltemi Sp. Z.O.O.	(C)	Poland	Energy	100.00%	Subgroup: Acciona Energy Poland	24,046
Metrologia Y Comunicaciones, S.A.	--	Madrid	Construction	100.00%	Subgroup: Acciona Infrastructure	136
Millatres 2003, S.L.	--	Tenerife	Logistics Services	79.86%	Subgroup: Schembri Agency	3
Mostostal Warszawa, S.A.	(B)	Poland	Construction	50.09%	Acciona	20,671
Moura Fabrica Solar, Lda.	(B)	Portugal	Energy	100.00%	Subgroup: Acciona Energy	5
Mt.Gellibrand Wind Farm Pty. Ltd	--	Australia	Energy	100.00%	Subgroup: Acciona Energy Australasia	13,302
Multiservicios Grupo Ramel, S.A.	--	Barcelona	Urban Services	100.00%	Subgroup: Acciona Facility Services	1,500
Murfitrans, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui Haulage	(90)

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
Necso Canada, Inc	(B)	Canada	Construction	100.00%	Subgroup: Acciona Infrastructure	--
Necso Entrecanales Cubiertas Mexico,Sa De Cv	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Infrastructure	343
Necso Hong Kong, Ltd.	--	Hong Kong	Construction	100.00%	Subgroup: Acciona Infrastructure	1,201
Necso Triunfo Construcoes Ltda	(E)	Brazil	Construction	50.00%	Subgroup: Acciona Infrastructure	--
Nevada Solar One, Llc	(A)	USA	Energy	100.00%	Subgroup: NVS1 Investment Group	15,192
Notos Produçao De Energia Lda	(B)	Portugal	Energy	70.00%	Subgroup: Sayago	300
Nvs1 Investment Group Llc	--	USA	Energy	100.00%	Subgroup: Acciona Solar Energy	15,192
Operadora De Servicios Hospitalarios, S.A De C.V.	(B)	Mexico	Hospitals	100.00%	Subgroup: Acciona Hospital Services	3
P & S Logistica Integral Peru	(E)	Peru	Logistics Services	85.64%	Subgroup: Acciona Forwarding	(36)
Pacific Renewable Energy Generation Llc	--	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	382
Packtivity, S.A	--	Madrid	Logistics Services	100.00%	Acciona	--
Parco Eolico Cucullo S.P.A.	(A)	Italy	Energy	100.00%	Subgroup: Cesa Italy	12,423
Paris Aquitaine Transports, S.A.	--	France	Logistics Services	100.00%	Subgroup: Olloquiegui Haulage	--
Parque Eólico Da Costa Vicentina, S.A.	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	7,848
Parque Eolico Da Raia, S.A.	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	2,764
Parque Eolico De Manrique, S.A.	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	1,971
Parque Eolico De Pracana, S.A.	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	1,437
Parque Eolico Do Marao, S.A.	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	3,576
Parque Eolico Do Outeiro, S.A	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	21,724
Parque Eolico Dos Fiers, S.A.	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	1,011
Parque Eólico El Chaparro	--	Navarre	Energy	100.00%	Subgroup: Alabe	5
Parque Eólico Escepar, S.A.	(A)	Toledo	Energy	98.00%	Subgroup: Ceólica	1,539
Parque Eolico La Esperanza, S.L.	(A)	Madrid	Energy	98.00%	Subgroup: Ceólica	1,056
Parque Eolico Peralejo, S.A.	(A)	Toledo	Energy	98.00%	Subgroup: Ceólica	1,020
Parque Eolico Topacios, S.A.	--	Madrid	Energy	100.00%	Subgroup: Alabe	167
Parque Eolico Tortosa, S.L.	(A)	Barcelona	Energy	98.00%	Subgroup: Ceólica	2,394
Parque Eólico Villamayor, S.L.	(A)	Madrid	Energy	98.00%	Subgroup: Ceólica	2,912
Parque Reforma Santa Fe, S.A. De C.V.	(A)	Mexico	Property	70.00%	Subgroup: Parque Reforma	8,943
Parques Eólicos Celadas, S.L.	(A)	Madrid	Energy	98.00%	Subgroup: Ceólica	4,599
Parques Eolicos De Ciudad Real, S.L.	(A)	Ciudad Real	Energy	98.00%	Subgroup: Ceólica	7,844
Parques Eolicos Del Cerrato, S.L.	(A)	Madrid	Energy	98.00%	Subgroup: Ceólica	1,375
Pat Cargo, S.A	(E)	Chile	Logistics Services	57.50%	Subgroup: Acciona Forwarding	588
Pe Ingenio, S. De R.L. De C.V.	--	Mexico	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	--
Pia Cos S.R.L.	--	Italy	Water Treatment	100.00%	Subgroup: Acciona Water	10
Pitagora Srl	(A)	Italy	Energy	100.00%	Subgroup: Cesa Italy	8,780
Press Cargo Colombia, S.A	--	Colombia	Logistics Services	47.95%	Subgroup: Acciona	18

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Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
					Forwarding Peru	
Pridesa America Corporation	--	USA	Water Treatment	100.00%	Subgroup: Acciona Water	--
Punta Palmeras, S.A	--	Chile	Energy	100.00%	Subgroup: Acciona Energy International	19
Pyrenees Wind Energy Developments Pty Ltd	(C)	Australia	Energy	100.00%	Subgroup: Pyrenees Wind Energy	12,053
Pyrenees Wind Energy Holdings Pty. Ltd	--	Australia	Energy	100.00%	Subgroup: Acciona Energy Australasia	8,056
Ravi Urja Energy India Pvt Ltd	(C)	India	Energy	100.00%	Subgroup: Acciona Energy International	6
Red Hills Finance, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy International	21,095
Red Hills Holding, Llc	--	USA	Energy	100.00%	Subgroup: Tatanka	41,785
Rendos, S.A.	--	Madrid	Finance	100.00%	Acciona	--
Renovables Del Penedés, S.A.U.	--	Badajoz	Energy	100.00%	Subgroup: Acciona Energy	3,590
Riacho Novo Empreendimentos Imobiliarios, Ltda	--	Brazil	Property	100.00%	Subgroup: Acciona Property	--
Rio Paraiba Do Sul Serviços Ltda	--	Brazil	Concession Operation	100.00%	Subgroup: Acciona Do Brazil	3
Rodovia Do Aço, S.A.	(E)	Brazil	Concession Operation	100.00%	Subgroup: Acciona Infrastructure	40,802
Rusticas Vegas Altas, S.L.	--	Badajoz	Energy	100.00%	Subgroup: Acciona Energy	7,000
S.C. A2 Tramo 2, S.A.	(A)	Guadalajara	Concession Operation	100.00%	Acciona	10,775
S.C. Acciona Concesiones Ruta 160	(B)	Chile	Concession Operation	100.00%	Subgroup: Acciona Infrastructure Chile	32,876
S.C. Acciona Facility Services Automotive Srl	--	Romania	Urban Services	100.00%	Acciona	--
S.C. Dlp, S.A.	--	Madrid	Construction	60.00%	Subgroup: Acciona Infrastructure	527
S.C. Hospital Del Norte, S.A.	(A)	Madrid	Hospitals	95.00%	Acciona	9,103
S.C.dad .Empresarial De Financiacion Y Comercio, S.L.	--	Madrid	Finance	100.00%	Acciona	--
Saltos Del Nansa, S.A.U.	(A)	Santander	Energy	100.00%	Subgroup: Acciona Waterfalls	92,226
Saltos Y Centrales De Catalunya, S.A	(A)	Barcelona	Energy	100.00%	Subgroup: Acciona Waterfalls	42,016
San Solar Energy Facility (Propietary) Limited	--	South Africa	Energy	64.00%	Subgroup: Acciona Corp. - Renewable Energy	264
Servicios Corporativos Iberoamerica, S.A. de C.V.	(A)	Mexico	Property	100.00%	Subgroup: Parque Reforma	3
Shanghai Acciona Windpower Technical Service Co	(E)	China	Energy	100.00%	Subgroup: Acciona Wind Power International	178
Sierra De Selva, S.L.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Energy	17,126
Sileno, S.A.	--	Alava	Wineries	100.00%	Subgroup: Hijos de Antonio Barcelo	7,615
Sishen Solar Facility (Proprietary) Limited	(A)	South Africa	Energy	51.00%	Subgroup: Acciona Energy	525
Sistemas Energeticos El Granado, S.A.	(A)	Seville	Energy	98.00%	Subgroup: Ceólica	2,104
Sistemas Energeticos Sayago, S.L.	--	Madrid	Energy	100.00%	Subgroup: Cesa	3
Sistemas Energeticos Valle De Sedano, S.A.	--	Madrid	Energy	98.00%	Subgroup: Ceólica	2,174
Sociedad Explotadora De Recursos Eólicos, S.A.	(A)	Portugal	Energy	100.00%	Subgroup: Acciona Wind Portugal	7,227
Sociedad Istmeña Desarrollo Eólico, S. De R.L. de C.V.	--	Mexico	Energy	100.00%	Subgroup: Acciona Energy Mexico	279
Sociedad Levantina De Obras Y Servicios,	--	Valencia	Construction	100.00%	Acciona	--

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
S.A.						
Sociedad Operadora Del Hospital Del Norte	(A)	Madrid	Hospitals	100.00%	Acciona	--
Sociedad San Rafael Hidráulica S.A. De C.V.	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Engineering	3
Socoalfil, S.A.	--	Madrid	Instrumental	100.00%	Subgroup: Finance and Cartera Dos	60
Solar Fields Energy Photo Voltaic India Pvt Ltd	(C)	India	Energy	100.00%	Subgroup: Acciona Energy International	6
Solomon Forks Wind Farm, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	--
Soluciones Mecanicas Y Tecnologicas, S.L.	--	Navarre	Energy	100.00%	Subgroup: Acciona Energy	100
Starke Wind Golice Sp. Z.O.O.	(C)	Poland	Energy	100.00%	Subgroup: Acciona Energy Poland	9,608
Sun Photo Voltaic Energy India Pvt Ltd	(C)	India	Energy	100.00%	Subgroup: Acciona Energy International	6
Surya Energy Photo Voltaic India Pvt Ltd	(C)	India	Energy	100.00%	Subgroup: Acciona Energy International	6
Table Mountain Wind Llc	--	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	--
Tajro, Sp. Z.O.O.	(A)	Poland	Property	100.00%	Subgroup: Acciona Property	10,593
Tatanka Finance Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy International	889
Tatanka Holding, Llc	--	USA	Energy	100.00%	Subgroup: Tatanka	1,512
Terminal De Carga Rodada, S.A.	(A)	Madrid	Logistics Services	100.00%	Subgroup: Trasmediterránea	2,941
Terminal De Contenedores Algeciras, S.A.	--	Algeciras	Logistics Services	100.00%	Acciona	--
Terminal Ferry Barcelona, S.R.L.	(A)	Barcelona	Logistics Services	100.00%	Subgroup: Trasmediterránea	16,244
Termosolar Alvarado Dos, S.L.	--	Badajoz	Energy	100.00%	Subgroup: Acciona Energy	3
Termosolar Alvarado, S.L.	(C)	Badajoz	Energy	100.00%	Subgroup: Solar thermal	9,775
Termosolar Majadas, S.L.	(C)	Madrid	Energy	100.00%	Subgroup: Solar thermal	20,450
Termosolar Palma Saetilla, S.L.	(C)	Madrid	Energy	100.00%	Subgroup: Solar thermal	41,790
Ternua Holdings B.V.	--	Holland	Energy	100.00%	Subgroup: Tecusa	753
Terranova Energy Corporation	--	USA	Energy	100.00%	Subgroup: Cesa	52,289
Terranova Energy Corporation, S.A.	--	Barcelona	Energy	98.00%	Subgroup: Ceólica	15,933
Tibest Cuatro, S.A.	--	Madrid	Instrumental	100.00%	Acciona	13,523
Tictres, S.A.	--	Madrid	Instrumental	100.00%	Acciona	--
Tours And Incentives, S.A.U.	--	Madrid	Logistics Services	100.00%	Subgroup: Trasmediterránea	464
Towarowa Park Spolka Z.O.O.	(A)	Poland	Property	100.00%	Subgroup: Acciona Property	5,812
Transcargo Magreb, S.A.	--	Madrid	Logistics Services	79.86%	Subgroup: Trasmediterránea Cargo	14
Transcargo Grupajes, S.A.	--	Madrid	Logistics Services	79.86%	Subgroup: Trasmediterránea Cargo	14
Transportes Frigorificos Murcianos, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui Haulage	(541)
Transportes Olloquiegui, S.A.	--	Navarre	Logistics Services	100.00%	Subgroup: Acciona Logistics	--
Transurme, S.A.	--	Barcelona	Logistics Services	100.00%	Subgroup: Acciona Logistics	--
Trasmediterranea Cargo, S.A.	(A)	Madrid	Logistics Services	100.00%	Subgroup: Trasmediterránea	--

Group company	Auditor	Location	Main business line	% of ownership (nominal)	Shareholder	Carrying amount
Trasmediterranea Shipping Maroc, S.A.R.L.	--	Tangiers	Logistics Services	100.00%	Subgroup: Trasmediterránea	9
Tratamiento De Residuos De La Rad, S.L.	--	La Rioja	Urban Services	100.00%	Acciona	--
Ttanka Wind Power Llc	(A)	USA	Energy	26.00%	Subgroup: Tatanka	193,241
Tucana, Sp. Z O.O.	(A)	Poland	Property	100.00%	Subgroup: Acciona Property	4,791
Tuppadahalli Energy India Private Limited	(C)	India	Energy	100.00%	Subgroup: Acciona Energy International	16,336
Turismo Y Aventuras, S.A.U.	--	Madrid	Logistics Services	100.00%	Subgroup: Trasmediterránea	464
Valgrand 6, S.A.	--	Madrid	Property	100.00%	Subgroup: Acciona Property	8,649
Vector-Cesa Hellas Likosterna Epe	--	Greece	Energy	72.00%	Subgroup: Cesa Hellas	283
Velva Windfarm, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	3,857
Viajes Eurotras, S.A.	--	Cadiz	Logistics Services	100.00%	Subgroup: Trasmediterránea	927
Viñedos Viña Mayor, S.L.	--	Madrid	Bodegas	100.00%	Subgroup: Hijos de Antonio Barcelo	4
Vjetroelektrana Cemernica D.O.O.	--	Croatia	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	3
Vjetroelektrana Jelinak Doo	--	Croatia	Energy	100.00%	Subgroup: Acciona Energy International	13,003
Vjetroelektrana Opor D.O.O.	--	Croatia	Energy	100.00%	Subgroup: Acciona Corp. - Renewable Energy	3
Volkmarsdorfer	(C)	Germany	Energy	100.00%	Subgroup: Acciona Energy International	6,925
Voltser Serviços De Operaçao E Manutençao	--	Portugal	Energy	100.00%	Subgroup: Acciona Energy International	1
White Shield Wind Proyect Llc	(A)	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	114,286
Wind Farm 66, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Wind Energy USA	1,065
Yeong Yang Windpower Corporation II	(C)	South Korea	Energy	100.00%	Subgroup: Acciona Energy International	179
Zurich Wind Power Lp Inc	--	Canada	Energy	100.00%	Subgroup: Acciona Renewable Canada	834

(*) Companies whose financial statements are audited by: (A) Deloitte; (B) PricewaterhouseCoopers; (C) KPMG; (D) Ernst & Young (E) Other

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APPENDIX II

JOINTLY CONTROLLED ENTITIES

The jointly controlled entities proportionately consolidated in the year ended 31 December 2013, in accordance with IFRS, and the information related thereto are as follows (amounts in thousands of euros):

Group company	Auditor	Location	Main line of business	% ownership (nominal)	Shareholder	Carrying amount
Acciona Chinook Roads Gp Inc.	(A)	Canada	Concession Operation	50.00%	Subgroup: Acciona Concessions	185
Acciona Fsj Gp Ltd	(A)	Canada	Hospitals	50.00%	Acciona Concessions	582
Adelaideaqua Pty Ltd	(A)	Australia	Water Treatment	50.00%	Subgroup: Acciona Water - Adelaide	--
Algerian Water Investment, S.L.	--	Madrid	Water Treatment	50.00%	Subgroup: Acciona Water	6,825
Amper Central Solar Moura	(B)	Portugal	Energy	65.60%	Acciona Energy International	19,109
Arturo Soria Plaza, A.I.E.	(A)	Madrid	Property	25.00%	Subgroup: Inosa	6
Autovia De Los Viñedos	(C)	Toledo	Concession Operation	50.00%	Acciona	24,261
Baja California Power, S.A. De C.V.	--	Mexico	Construction	65.00%	Subgroup: Acciona Engineering	2
Bana H2 Szeleromu Megujulo Energy Hasznosito Kft	(E)	Hungary	Energy	47.30%	Subgroup: Energy	96
Bioetanol Energetico	--	Madrid	Energy	50.00%	Subgroup: Biofuels	--
Bioetanol Energetico La Mancha	(C)	Madrid	Energy	50.00%	Subgroup: Biofuels	797
Bokpoort Epc Consortium (Pty) Ltd	--	South Africa	Construction	30.00%	Subgroup: Acciona Engineering	--
Cathedral Rocks Construcc. And Management, Pty Ltd	--	Australia	Energy	50.00%	Subgroup: Acciona Energy - Australasia	--
Cathedral Rocks Holdings 2, Pty. Ltd	--	Australia	Energy	50.00%	Subgroup: Cathedral Rock	12,319
Cathedral Rocks Holdings, Pty. Ltd	--	Australia	Energy	50.00%	Subgroup: Acciona Energy - Australasia	13,616
Cathedral Rocks Wind Farm, Pty. Ltd	(B)	Australia	Energy	50.00%	Subgroup: Cathedral Rock	12,319
Chin Chute Windfarm Jv	(B)	Canada	Energy	33.33%	Subgroup: Acciona Wind Energy Canada	6,693
Chinook Highway Operations Inc	(A)	Canada	Concession Operation	50.00%	Subgroup: Acciona Concessions	--
Cogeneracion Arrudas Ltda	--	Brazil	Water Treatment	50.00%	Subgroup: Acciona Water	55
Compañía Urbanizada Del Coto, S.L.	(A)	Madrid	Property	50.00%	Acciona Property Subgroup	36,248
Concesionaria De Desalacion De Ibiza, S.A.	--	Ibiza	Water Treatment	50.00%	Subgroup: Acciona Water	1,082
Concesionaria La Chira, S.A.	(B)	Peru	Water Treatment	50.00%	Subgroup: Acciona Water	3,339
Consorcio Hospital Egc, S.A	--	Chile	Construction	80.00%	Subgroup: Acciona Infrastructure	5
Constructora De Obras Civiles Y Electromecanicas D	--	Mexico	Water Treatment	49.00%	Subgroup: Aguas Hispano Mexicana	1
Constructora Necso Sacyr Chile	--	Chile	Construction	50.00%	Subgroup: Acciona Infrastructure Chile	7
Constructora Sacyr Necso Chile, S.A.	--	Chile	Construction	50.00%	Subgroup: Acciona Infrastructure Chile	7
Depurar P1, S.A	--	Zaragoza	Water Treatment	50.00%	Subgroup: Acciona Water	1,035
Desarrollo De Energias Renovables De Navarre, S.A	(C)	Pamplona	Energy	50.00%	Subgroup: Acciona Energy	4,936

Group company	Auditor	Location	Main line of business	% ownership (nominal)	Shareholder	Carrying amount
Emserva, S.A.	(E)	Malaga	Water Treatment	49.00%	Subgroup: Acciona Water	49
Energias Renovables Mediterraneas, S.A.	(A)	Valencia	Energy	50.00%	Subgroup: Acciona Energy	79,500
Energy Corp Hungary Kft	(E)	Hungary	Energy	50.00%	Subgroup: Cesa	4,196
Eolicas Mare Nostrum S.L.	--	Valencia	Energy	50.00%	Subgroup: Acciona Energy	2,452
Eolico Alijar, S.A.	(A)	Cadiz	Energy	50.00%	Subgroup: Acciona Energy	2,791
Eurovento Renovables, S.L.	--	Corunna	Energy	50.00%	Subgroup: Ceólica	--
Eurovento. S.L.	--	Corunna	Energy	50.00%	Subgroup: Tripower	29
Firefly Investments 238 (Proprietary) Limited	--	South Africa	Energy	45.00%	Subgroup: Acciona Energy International	--
Freyssinet, S.A.	(E)	Bilbao	Construction	50.00%	Subgroup: Acciona Infrastructure	5,261
Gestion De Edificios Comerciales, S.A.	--	Madrid	Property	25.00%	Subgroup: Inosa	60
Iniciativas Energeticas Renovables, S.L.	--	Pamplona	Energy	50.00%	Subgroup: Acciona Energy	15
Interbova Press, S.A.	(E)	Madrid	Logistics Services	50.00%	Subgroup: Acciona Logistics	30
Lineas Electricas Asturianas. S.L.	--	Asturias	Energy	50.00%	Subgroup: Eurovento	2
Lineas Electricas Gallegas Ii. S.L.	--	Galicia	Energy	50.00%	Subgroup: Eurovento	2
Lineas Electricas Gallegas Iii. S.L.	--	Galicia	Energy	50.00%	Subgroup: Eurovento	2
Lineas Electricas Gallegas. S.L.	--	Galicia	Energy	50.00%	Subgroup: Eurovento	1
Magrath Windfarm Jv	(B)	Canada	Energy	33.33%	Subgroup: Acciona Wind Energy Canada	1,688
Mov-R H1 Szeleromu Megujulo Energia Hasznosito Kft	(E)	Hungary	Energy	47.30%	Subgroup: Energy	2,539
Myah Typaza, Spa	(E)	Algeria	Water Treatment	25.50%	Subgroup: AWI	6,858
Necsorgaz, S.L.	--	Madrid	Property	50.00%	Subgroup: Acciona Property	14
Nova Darsena Deportiva De Bara, S.A.	(E)	Madrid	Concession Operation	50.00%	Acciona	--
Oakleaf Investment Holdings 86 (Proprietary) Limit	(A)	South Africa	Energy	50.00%	Subgroup: Acciona Energy International	--
Ouarzazate Solar 1, Sarl	--	Morocco	Construction	37.50%	Subgroup: Acciona Engineering	--
Paramo De Los Angostillos, S.L.	(C)	Palencia	Energy	50.00%	Subgroup: Acciona Energy	1,920
Parque Eolico A Runa. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	7,068
Parque Eolico Adrano. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	7,429
Parque Eolico Ameixenda Filgueira. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	6,648
Parque Eolico Cinseiro. S.L.	(A)	Zamora	Energy	50.00%	Subgroup: Ceólica	505
Parque Eolico Curras. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	1,885
Parque Eolico De Abara. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	1,663
Parque Eolico De Bobia Y San Isidro. S.L.	(A)	Asturias	Energy	50.00%	Subgroup: Ceólica	548
Parque Eolico De Deva. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	3,505
Parque Eolico De Tea. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	6,393
Parque Eolico Vicedo. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	553
Parque Eolico Virxe Do Monte. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	5,147
Parques Eolicos De Buio. S.L.	(A)	Corunna	Energy	50.00%	Subgroup: Ceólica	4,305
Poligono Romica, S.A.	--	Albacete	Property	50.00%	Subgroup: Acciona Property	937

Group company	Auditor	Location	Main line of business	% ownership (nominal)	Shareholder	Carrying amount
Ripley Windfarm Jv	(B)	Canada	Energy	50.00%	Subgroup: Acciona Wind Energy Canada	24,409
S.C. Del Canal De Navarra, S.A.	(D)	Pamplona	Concession Operation	35.00%	Acciona	4,256
S.C. Puente Del Ebro, S.A.	(A)	Aragon	Concession Operation	50.00%	Acciona	--
Secomsa Gestió, S.L	--	Tarragona	Urban Services	50.00%	Subgroup: Cessa	1.518
Servicios Comunitarios De Molina De Segura, S.A.	(E)	Murcia	Water Treatment	48.27%	Acciona Water Subgroup	9,776
Sistema Electrico De Evacuacion Eolica En Subestac	--	Madrid	Energy	31.90%	Subgroup: Cesa	10
Sistemes Electrics Espluga, S.A.	--	Barcelona	Energy	50.00%	Subgroup: Acciona Energy	31
Sociedad De Aguas Hispano Mexicana S.A De C.V.	(A)	Mexico	Water Treatment	50.00%	Acciona Water Subgroup	1
Sociedad Mixta Del Agua- Jaen, S.A.	(A)	Jaén	Water Treatment	60.00%	Acciona Water Subgroup	360
Torre Lugano S.L.	--	Valencia	Property	50.00%	Subgroup: Acciona Property	4,927
Toyonova, S.L.	--	Corunna	Energy	50.00%	Subgroup: Tripower	1
Tripower Wind, B.V.	--	Holland	Energy	50.00%	Subgroup: Ceólica	11,561
Valdivia Energía Eólica, S.A.	(A)	Seville	Energy	50.00%	Subgroup: Acciona Energy	3,145
Ventos E Terras Galegas II, S.L.	--	Galicia	Energy	50.00%	Subgroup: Tripower	2
Ventos E Terras Galegas, S.L.	--	Galicia	Energy	50.00%	Subgroup: Tripower	90

(*) Companies whose financial statements are audited by: (A) Deloitte; (B) PricewaterhouseCoopers; (C) KPMG; (D) Ernst & Young (E) Other

APPENDIX III

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The associates accounted for using the equity method in the year ended 31 December 2013, in accordance with IFRS, and the information related thereto are as follows (amounts in thousands of euros):

Group company	Auditor	Location	Main line of business	% ownership (nominal)	Shareholder	Carrying amount
Acciona & Ghanim Bin Saad Alsaad And Sons Group Ho	--	Qatar	Urban Services	100.00%	Subgroup: Acciona Facility Services	21
Acciona Nouvelle Autoroute 30 Inc	(A)	Canada	Concession Operation	50.00%	Acciona	87.405
Acciona Wep Holdings Inc.	(A)	Canada	Concession Operation	33.33%	Subgroup: Acciona Concessions	--
Aguas Tratadas Del Valle De Mexico S.A. De C.V.	(A)	Mexico	Water Treatment	24.26%	Subgroup: Acciona Water	10.737
Aprofitament D'Energies Renovables De L'Ebre S.L.	--	Barcelona	Energy	9.76%	Subgroup: Acciona Energy	325
Atll Concessionaria De La Generalitat De Catalunya,	(A)	Barcelona	Treatment Water	39.00%	Subgroup: Acciona Water	58.500
Autovia Del Almanzora S.A.	(D)	Seville	Concession Operation	23.75%	Subgroup: Acciona Infrastructure	823
Camarate Golf, S.A.	(A)	Madrid	Property	22.00%	Subgroup: Acciona Property	1.616
Carnotavento. S.A.	--	Corunna	Energy	24.50%	Subgroup: Eurovento	--
Consorcio Traza, S.A.	(A)	Zaragoza	Concession Operation	16.60%	Acciona	12.074
Evacuacion Villanueva Del Rey, S.L.	--	Seville	Energy	44.75%	Subgroup: Solar thermal Palma Saetilla	1
Explotaciones Eolicas Sierra De Utrera. S.L.	--	Madrid	Energy	25.00%	Subgroup: Ceolica	817
Ferrimaroc Agencias, S.L.	--	Almeria	Logistics Services	50.00%	Subgroup: Cenargo España	14
Ferrimaroc, S.A.	--	Morocco	Logistics Services	50.00%	Subgroup: Cenargo España	20
Gran Hospital Can Misses, S.A.	(A)	Ibiza	Hospitals	40.00%	Acciona	9.641
Helena Water Finance Pty Ltd	--	Australia	Water Treatment	25.05%	Subgroup: Acciona Water International Australia	7.744
Helena Water Pty Ltd	(A)	Australia	Water Treatment	100.00%	Subgroup: Helena Water	211
Helena Water Holdings Pty Ltd	--	Australia	Water Treatment	100.00%	Subgroup: Helena Water	--
Infraestructuras Radiales, S.A.	(A)	Madrid	Concession Operation	25.00%	Acciona	--
Infraestructuras Villanueva, S.L.	--	Madrid	Energy	40.53%	Subgroup: Guadalaviar	1
Locubsa	(E)	Andorra	Construction	48.89%	Subgroup: Acciona Infrastructure	26
Makrynoros Societe Anonyme Of Production And Tradi	--	Grecia	Energy	40.00%	Subgroup: Cesa	294
Natural Climate Systems, S.A.	--	Pamplona	Energy	22.00%	Subgroup: Acciona Energy	--
Operador Del Mercado Iberico - Polo Español, S.A.	(B)	Madrid	Energy	5.00%	Subgroup: Acciona Energy	1.583
Operadora Can Misses S.L.	--	Ibiza	Hospitals	40.00%	Subgroup: Acciona Servicios Hospitalarios	1
Parque Eolico De Barbanza. S.L.	--	Corunna	Energy	12.50%	Subgroup: Eurovento	450
S.C. Autovia De La Plata S.A.	(A)	Madrid	Concession Operation	25.00%	Subgrupo Acciona Infraestructuras	2.408
S.C. Autovia Gerediaga Elorrio S.A.	(B)	Bilbao	Concession Operation	22.80%	Subgrupo Acciona Infraestructuras	1.754

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Group company	Auditor	Location	Main line of business	% ownership (nominal)	Shareholder	Carrying amount
S.C. Novo Hospital De Vigo S.A.	(D)	Pontevedra	Hospitals	43.33%	Acciona	13.075
Servicio De Tratamiento De Aguas Ptar Caracol, S.A	--	Mexico	Water Treatment	48.98%	Subgrupo Acciona Agua	328
Solena Group	--	USA	Urban Services	25.00%	Subgrupo Acciona Urban Services	--
Tranvia Metropolita Del Besos, S.A	(C)	Barcelona	Concession Operation	12.88%	Subgrupo Acciona Concessions	2.892
Tranvia Metropolita, S.A.	--	Barcelona	Concession Operation	11.78%	Acciona	2.481
Tranvias Urbanos De Zaragoza S.L.	--	Zaragoza	Concession Operation	15.00%	Subgrupo Acciona Concessions	9
Trikorfa	--	Grecia	Energía	40.00%	Subgrupo Cesa	104
Vento Mareiro S.L.	--	Corunna	Energia	24.50%	Subgrupo Eurovento	--

(*) Companies whose financial statements are audited by: (A) Deloitte; (B) PricewaterhouseCoopers; (C) KPMG; (D) Ernst & Young (E) Other

APPENDIX IV

CHANGES IN THE SCOPE OF CONSOLIDATION

The changes in the scope of consolidation in 2013 were as follows:

Company	Location	Main line of business	Change	2013 consolidation method
Acciona & Ghanim Bin Saad Alsaad And Sons Group Holdings	Qatar	Urban Services	Inclusion	Equity
Acciona Agua Servicios S.L.	Madrid	Water treatment	Inclusion	Global
Acciona Energía Servicios México S De Rl De C.V.	Mexico	Energy	Inclusion	Group
Acciona Energija D.O.O.	Croacia	Energy	Inclusion	Global
Acciona Energy Oceania Construction Pty Ltd	Australia	Energy	Inclusion	Global
Acciona Energy Poland Maintenance Services Sp. Z.O.O.	Polonia	Energy	Inclusion	Global
Acciona Engineering Qatar	Qatar	Engineering	Inclusion	Global
Acciona EPC North America, L.L.C	USA	Energy	Inclusion	Global
Acciona Facility Services Automocion Aragon, S.L.	Madrid	Urban Services	Inclusion	Global
Acciona Facility Services Automocion Catalunya, S.L.	Madrid	Urban Services	Inclusion	Global
Acciona Facility Services Automocion Centro, S.L.	Madrid	Urban Services	Inclusion	Global
Acciona Facility Services Automocion Este, S.L.	Madrid	Urban Services	Inclusion	Global
Acciona Facility Services Automocion Levante, S.L.	Madrid	Urban Services	Inclusion	Global
Acciona Facility Services Italia, S.R.L.	Italy	Urban Services	Inclusion	Global
Acciona Infraestructuras Residenciales México S.A.	Mexico	Construction	Inclusion	Global
Acciona Infraestructuras-Elecnor, Hospital David, S.A.	Panama	Construction	Inclusion	Global
Acciona Windpower South Africa (Pty) Ltd.	Sudáfrica	Energy	Inclusion	Global
Aguas Pilar De La Horadada, S.L.	Madrid	Water treatment	Inclusion	Global
Amherst Wind Power, L.P.	Canadá	Energy	Inclusion	Global
Baja California Power, S.A. De C.V.	Mexico	Construction	Inclusion	Proportional
Bokpoort Epc Consortium (Pty) Ltd.	Sudáfrica	Construction	Inclusion	Proportional
Chinook Highway Operations Inc.	Canada	Concession Operation	Inclusion	Proportional
Consorcio Hospital Egc, S.A.	Chile	Construction	Inclusion	Proportional
Desarrolladora De Infraestructuras Hispano-Mexicanas, S.A. de C.V.	Mexico	Construction	Inclusion	Global
Firefly Investments 238 (Proprietary) Limited	Sudáfrica	Energy	Inclusion	Proportional
Oakleaf Investment Holdings 86 (Proprietary) Limited	Sudáfrica	Energy	Inclusion	Proportional
Ouarzazate Solar 1, S.A.R.L.	Marruecos	Construction	Inclusion	Proportional
Pe Ingenio, S. De R.L. De C.V.	Mexico	Energy	Inclusion	Global
San Solar Energy Facility (Propietary) Limited	Sudáfrica	Energy	Inclusion	Global
Sociedad San Rafael Hidráulica S.A. de C.V.	Mexico	Construction	Inclusion	Global
Viñedos Viña Mayor, S.L.	Madrid	Bodegas	Inclusion	Global
Vjetroelektrana Cemernica D.O.O.	Croacia	Energy	Inclusion	Global

Company	Location	Main line of business	Change	2013 consolidation method
Vjetroelektrana Opor D.O.O.	Croacia	Energy	Inclusion	Global
Acciona Isl Health Victoria Holdco, Ltd	Canadá	Hospitals	Exclusion	Proportional
Creuers del Port de Barcelona, S.A.	Barcelona	Logistics Services	Exclusion	Equity
Ibiza Consignatarios, S.L.	Ibiza	Logistics Services	Exclusion	Global
Olloquiegui France, Eurl	Francia	Logistics Services	Exclusion	Global
Retiro Inmuebles, S.L.	Madrid	Property	Exclusion	Proportional
Terratest Tecnicas Especiales, S.A.	Madrid	Construction	Exclusion	Equity
Woodlawn Wind Energy Pty. Ltd	Australia	Energy	Exclusion	Equity
Yeong Yang Windpower	South Korea	Energy	Exclusion	Global

The changes in the scope of consolidation in 2012 were as follows:

Company	Location	Main line of business	Change	2012 consolidation method
Acciona Agua Brasil - Tratamento de Agua, Ltd	Brazil	Water treatment	Inclusion	Global
Acciona Agua India Pvt. Ltd	India	Water treatment	Inclusion	Global
Acciona Energía Costa Rica, S.A.	Costa Rica	Energy	Inclusion	Global
Acciona Energy Oceania Financial Services Pty. Ltd	Australia	Energy	Inclusion	Global
Acciona Energy South Africa Pty Ltd	South Africa	Energy	Inclusion	Global
Acciona Ingeniería Industrial, S.A. de C.V.	Mexico	Engineering	Inclusion	Global
Acciona Windpower Brasil Ltda.	Brazil	Energy	Inclusion	Global
Aspu Gabón, S.A.	Gabon	Engineering	Inclusion	Global
Atll Concesionaria de La Generalitat de Catalunya	Barcelona	Water treatment	Inclusion	Equity method
Autovía del Almanzora, S.A.	Seville	Concession operation	Inclusion	Equity method
Consorcio Acciona Ossa, S.A.	Chile	Construction	Inclusion	Proportional
Consorcio Eólico Chiripa, S.A.	Costa Rica	Energy	Inclusion	Global
Constructora El Paso S.p.A.	Chile	Construction	Inclusion	Global
Deep River Wind Facility Pty Ltd	South Africa	Energy	Inclusion	Global
Empresa Operadora Atll, S.A.	Barcelona	Water treatment	Inclusion	Global
Gestio Catalana d'Aigües, S.A.	Barcelona	Water treatment	Inclusion	Global
Gouda Wind Facility Pty Ltd	South Africa	Energy	Inclusion	Global
Kimberly Solar Facility Pty Ltd	South Africa	Energy	Inclusion	Global
Makrynoros Societe Anonyme Of Production And Tradi	Greece	Energy	Inclusion	Equity method
Maritime Global Operator, Ltd	Malta	Logistics services	Inclusion	Global
S.C. Autovía de La Plata, S.A.	Madrid	Concession operation	Inclusion	Equity method
S.C. Autovía Gerediaga Elorrio, S.A.	Bilbao	Concession operation	Inclusion	Proportional
Sc Acciona Facility Services Automotive, Srl	Romania	Urban Services	Inclusion	Global
Servicio de Tratamiento de Aguas Ptar Caracol, S.A.	Mexico	Water treatment	Inclusion	Equity method
Sishen Solar Facility Pty Ltd	South Africa	Energy	Inclusion	Global
Trikorfa	Greece	Energy	Inclusion	Equity method
Acciona Energía UK, LTD.	Wales	Energy	Exclusion	Global
Acciona Energy Woodlawn Pty. Ltd	Australia	Energy	Exclusion	Global

Company	Location	Main line of business	Change	2012 consolidation method
Amherst Wind Power Lp	Canada	Energy	Exclusion	Global
Concesionaria Universidad Politécnica de San Luis	Mexico	Concession operation	Exclusion	Global
Ecobryn, Llc	USA	Energy	Exclusion	Global
Ecochelle Wind, Llc	USA	Energy	Exclusion	Global
Ecodane Wind, Llc	USA	Energy	Exclusion	Global
Ecoleeds Wind, Llc	USA	Energy	Exclusion	Global
Ecomagnolia, Llc	USA	Energy	Exclusion	Global
Ecomont Wind, Llc	USA	Energy	Exclusion	Global
Ecopraire Wind, Llc	USA	Energy	Exclusion	Global
Ecoridge Wind, Llc	USA	Energy	Exclusion	Global
Ecorock Wind, Llc	USA	Energy	Exclusion	Global
Ecovalon Wind, Llc	USA	Energy	Exclusion	Global
Merlin Quinn Wind Power Lp	Canada	Energy	Exclusion	Global
Servicios de Control de Transito y de Navegación Aérea, S.L.	Madrid	Logistics services	Exclusion	Proportional
St. Lawrence, Llc	USA	Energy	Exclusion	Global
West Hill Wind Power, Llc	USA	Energy	Exclusion	Global
Wind Walker	USA	Energy	Exclusion	Global

APPENDIX V

DETAIL OF CONSOLIDATED RESERVES AND TRANSLATION DIFFERENCES

(Amounts in thousands of euros)

Company	2013		2012	
	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Acciona Airport Services Berlin GMBH	(10,220)	--	(8,844)	--
Acciona Airport Services Frankfurt GMBH	1,156	--	(192)	--
Acciona Airport Services, S.A.	18,241	--	17,578	--
Acciona Urban Services, S.L.	16,677	--	14,648	--
Acciona ISL Health Victoria Holdco LTD	1,005	--	(10,468)	56
Acciona Nouvelle Autoroute 30 INC	(40,887)	(8,712)	(93,876)	(1,345)
Autovía de los Viñedos, S.A.	(21,268)	--	(22,373)	--
Cirtover, S.L.	93	--	93	--
Coefisa, S.A.	694	25	706	33
Compañía Internacional de Construcciones, S.A.	4,912	67	4,877	139
Concesionaria Universidad S. Luis Potosí S.A. de C.V.			--	--
Consorcio Traza, S.A.	(2,884)	--	(3,197)	--
Copane Valores, S.L.	11,587	--	10,469	--
Dren, S.A.	344	--	261	--
Entidad Efinen, S.A.	(4,347)	--	(4,347)	--
Etime Facilities, S.A.	(391)	--	(393)	--
Finanzas Dos, S.A.	(2,147)	--	(1,123)	--
Finanzas y Cartera Uno	(9)	--	(7)	--
Genérica de Construcciones y Mantenimiento Industrial, S.A.	77	--	77	--
Gran Hospital Can Misses, S.A.	(4,353)	--	(6,079)	--
Hospital del Bajio	12,957	(938)	9,897	(754)
Inetime, S.A.	(923)	--	(882)	--
Infraestructuras Radiales, S.A.	(58,186)	--	(59,777)	--
Nova Dársena Deportiva de Bara, S.A.	(1,089)	--	(453)	--
Packtivity, S.A.	(2,407)	--	(2,407)	--
Rendós, S.A.	(18,097)	--	(17,914)	--
Sdad. Concesionaria Hospital del Norte, S.A.	3,099	--	(288)	--
Sefinco, S.L.	1,007	--	998	--
Sociedad Concesionaria A2 Tramo 2, S.A.	(17,479)	--	(16,331)	--
Sociedad Concesionaria del Canal de Navarra, S.A.	(8,150)	--	(10,358)	--
Sociedad Concesionaria Novo Hospital de Vigo	(227)	--	75	--
Sociedad Concesionaria Puente del Ebro, S.A.	(7,798)	--	(7,549)	--
Sociedad Levantina de Obras y Servicios, S.A.	1,700	--	1,828	--
Sociedad Operadora del Hospital del Norte	(17,564)	--	(20,264)	--
Subgroup: Acciona water	69,303	(5,102)	39,871	(994)
Subgroup: Acciona Concessions	(19,212)	(311)	(25,540)	(89)
Subgroup: Acciona do Brasil	9,628	252	9,989	461
Subgroup: Acciona Infrastructure	697,875	(14,834)	628,390	919

Company	2013		2012	
	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Subgroup: Acciona Property	(166,716)	(8,768)	(115,896)	(5,633)
Subgroup: Acciona Logistics	(73,281)	692	(51,929)	679
Subgroup: Acciona Urban Services and Environment	363	(411)	1,072	206
Subgroup: Bestinver	89,896	--	82,457	--
Subgroup: Corporate -- Acciona Renewable Energy	736,397	(25,788)	517,087	30,325
Subgroup: Corporate -- Acciona Windpower	33,213	2,350	46,922	(1,064)
Subgroup: Corporate – Operation and Services	3,743	--	3,654	--
Subgroup: Finanzas y Cartera Dos	(15)	--	(10)	--
Subgroup: Hijos de Antonio Barceló	39,514	345	39,820	1,207
Subgroup: MDC Airport Consult GMBH	(4,418)	--	(2,891)	--
Subgroup: Mostostal Warszawa	(7,149)	(1,864)	7,066	(1,134)
Subgroup: Tictres	(16,258)	--	(15,888)	--
Terminal de Contenedores Algeciras, S.A.	(9,425)	--	(9,209)	--
Tibest Cuatro, S.A.	1,147	--	1,136	--
Tranvia Metropolita, S.A.	460	--	92	--
Tratamiento de Residuos de la Rad, S.L.	(30,967)	--	(30,911)	--
Reserves for consolidation adjustments in the Parent	187,011	(633)	277,363	(186)
Consolidation adjustments	(103,320)	2	(99,974)	2
Total	**1,292,912**	**(63,628)**	**1,077,056**	**22,828**

ACCIONA, S.A. AND SUBSIDIARIES
(CONSOLIDATED GROUP)
MANAGEMENT REPORT FOR THE 2013 FINNANCIAL YEAR

Main Magnitudes

- Revenues amounted to EUR 6,607 million, representing a 5.8% decline relative to the same period last year, 2012.
- EBITDA amounted to EUR 1,228 million, 14.1% lower than in 2013 sic for 2012].
- Ordinary profit before tax reached EUR 29 million, 88.1% less than in December 2012.
- EBT was EUR - 2,174 million after accounting extraordinary losses of EUR - 2,203 million in relation to the impairment of the value of renewable assets in Spain as a consequence of the expected regulatory changes (RD-L 9/2013).
- Net attributable loss of EUR - 1,972 million.
- The group's net ordinary capital expenditure during 2013 amounted to EUR 381 million, 55.4% less than in the same period last year.
- Net financial debt decreased significantly from EUR 7,482 million at 31st December 2012 to EUR 6,715 million at 31st December 2013.

Income Statement Data

(Million euro)	Jan-Dec 12	Jan-Dec 13	Chg. (%)
Revenues	7,016	6,607	-5.8
EBITDA	1,431	1,228	-14.1
EBIT	646	-1,771	n.m.
EBT	246	-2,174	n.m.
Net attributable profit	189	-1,972	n.m.

Balance Sheet Data

(Million euro)	31-Dec-12	31-Dec-13	Chg. (%)
Equity	5,508	3,399	-38.3
Net debt	7,482	6,715	-10.2
Financial gearing	136%	198%	62pp

(Million euro)	Jan-Dec 12	Jan-Dec 13	Chg. (%)
Ordinary capital expenditure	854	381	-55.4

Operating Data

	31-Dec-12	31-Dec-13	Chg. (%)
Infrastructure backlog (Million euro)	6,766	5,723	-15.4
Water backlog (Million euro)	11,326	10,730	-5.3
Total wind installed capacity (MW)	7,096	7,139	0.6
Total installed capacity (MW)	8,437	8,480	0.5
Total production (GWh) (Jan-Dec)	20,379	22,404	9.9
Average workforce	32,905	34,108	3.7

The results are presented in accordance with International Financial Reporting Standards (IFRS) approved by the European Union.

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In 2013 ACCIONA created ACCIONA Service in order to provide further momentum to its position within the services sector. This division will now encompass the facility services business, airport handling, waste management, logistic services and others. The aim is to offer tailor-made solutions to public and private clients through an integrated management model.

As a result, the divisional breakdown presented in this report has changed. The 2012 figures included in this report have been adjusted to make them comparable to those of 2013.

ACCIONA reports in accordance with its corporate structure, which comprises five divisions:

- Energy: ACCIONA's power business comprises commercial and industrial activities that range from the construction of wind farms to the generation, distribution and marketing of its different energy sources.

- Infrastructure: it includes construction and engineering activities as well as transport and hospital concession activities.

- Water: it includes the construction of desalination, water and wastewater treatment plants, as well as integral water services management from bulk water abstraction all the way to discharging treated wastewater water to the environment. ACCIONA Agua also operates water concessions across the entire water cycle.

- Services: it includes the activities of facility services, airport handling, waste management and logistic services, amongst others.

- Other activities: this division includes the businesses of Trasmediterránea, real estate, Bestinver, wineries and other activities.

EBITDA in 2013 fell by 14.1% relative to 2012, mainly due to the performance of the Energy and the Infrastructure's divisions:

- The Energy division reported a drop in EBITDA of 13.0% as a consequence of the regulatory changes in Spain in force since January 1st 2013 (Law 15/2012 and RD-L 2/2013) as well as the impact in the second half of 2013 of the RD-L 9/2013.
- The Infrastructure division saw its EBITDA fall by 49.6% relative to 2012 due to the drop in construction activity in Spain as well as the negative results accounted in some international construction contracts.

The group's EBITDA margin stood at 18.6%, slightly lower than 2012 (20.4%) mainly due to lower margins in the Energy and Infrastructure divisions.

Regarding the EBITDA breakdown by division, the main contributor was Energy (79.7%), followed by Infrastructure (6.7%) and Water (4.4%). The rest of the divisions contributed 9.2%.

% EBITDA	Jan-Dec 12	Jan-Dec 13
Energy	78.5%	79.7%
Infrastructures	11.4%	6.7%
Water	2.9%	4.4%
Service	1.3%	1.7%
Other activities	5.9%	7.5%

Note: EBITDA contributions calculated before consolidation adjustments.

Net ordinary capital expenditure during the period amounted to EUR 381 million, including EUR 205 million of organic investment in ACCIONA Energy and EUR 198 million in the Infrastructure division (mainly in concessions).

Net financial debt decreased significantly from EUR 7,482 million at 31st December 2012 to EUR 6,715 million at 31st December 2013. Such decrease was mainly due to capex moderation during the period, to the good performance of the working capital in the last quarter of the year, to the positive impact of the mark-to-market of derivatives, to the positive impact of the exchange rates evolution relative to the euro has had on debt as well as to the cash generated by the divestments during the period.

2. CONSOLIDATED INCOME STATEMENT

(Million Euro)	Jan-Dec 12		Jan-Dec 13		Chg.(%)
	Amount	% Revenues	Amount	% Revenues	
Revenues	**7,016**	**100.0%**	**6,607**	**100.0%**	**-5.8**
Other revenues	500	7.1%	365	5.5%	-27.2
Changes in inventories of finished goods and work in progress	-7	-0.1%	4	0.1%	n.m.
Total Production Value	**7,509**	**107.0%**	**6,976**	**105.6%**	**-7.1**
Cost of goods sold	-1,656	-23.6%	-1,532	-23.2%	-7.5
Personnel expenses	-1,325	-18.9%	-1,334	-20.2%	0.7
Other expenses	-3,097	-44.1%	-2,881	-43.6%	-7.0
EBITDA	**1,431**	**20.4%**	**1,228**	**18.6%**	**-14.1**
Depreciation and amortisation	-716	-10.2%	-764	-11.6%	6.7
Provisions	-25	-0.4%	-389	-5.9%	1438.2
Impairment of assets value	-56	-0.8%	-1,843	-27.9%	3168.6
Results on non current assets	11	0.2%	2	0.0%	-77.5
Other gains or losses	2	0.0%	-6	-0.1%	n.m.
EBIT	**646**	**9.2%**	**-1,771**	**-26.8%**	**n.m.**
Financial revenues	75	1.1%	73	1.1%	-1.7
Financial expenses	-517	-7.4%	-473	-7.2%	-8.4
Exchange differences (net)	29	0.4%	-19	-0.3%	n.m.
Var. provisions financial investments	15	0.2%	-2	0.0%	n.m.
Income from associated companies	1	0.0%	12	0.2%	1422.6
Variation in fair value of financial instruments	-3	0.0%	5	0.1%	n.m.
EBT	**246**	**3.5%**	**-2,174**	**-32.9%**	**n.m.**
Income tax	-61	-0.9%	146	2.2%	n.m.
Profit from Continuing Activities	**184**	**2.6%**	**-2,028**	**-30.7%**	**n.m.**
Minority interest	5	0.1%	56	0.8%	974.3
Attributable Net Profit	**189**	**2.7%**	**-1,972**	**-29.9%**	**n.m.**

Revenues

Consolidated revenues decreased by 5.8% to EUR 6,607 million, mainly due to:

- The revenue reduction of the Infrastructure division (-17.8%) due to the decrease of the construction business in Spain and in international area.
- The revenue growth of the Water division (+15.6%), boosted by the good performance in design & construction activities as well as in operation & maintenance.

EBITDA

2013 EBITDA amounted to EUR 1,228 million decreasing by 14.1% vs. 2012 mainly due to the decline of the Energy division (negative impact of the regulatory changes in Spain) and of the Infrastructure division.

The EBITDA margin in 2013 amounted to 18.6%, 180 basis points lower than in 2012.

EBIT

EBIT reached EUR - 1,771 million (vs. EUR 646 million in 2012). This is mainly explained by the accounted impairment of value of assets and most of all, to the Spanish renewable assets after the significant impact of the recent regulatory changes in Spain.

EBT

EBT amounted to EUR - 2,174 million due to the mentioned extraordinary effects (EUR - 2,203 million).

Excluding this effect, Ordinary EBT would have amounted to EUR 29 million vs. EUR 245 million in 2012. From this decrease of EBT of EUR 216 million, a 75% corresponds to Energy division, mainly due to the mentioned regulatory changes.

The extraordinary effects amounted to EUR 2,203 million, mainly:

- Positive effects: EUR 19 million. Capital gains from the sale of a company that owns a wind farm in Korea and the concession of the Hospital Royal Jubilee in Canada (EUR 18 and EUR 1 million respectively)
- Negative effects: EUR 2,223 million
  - Energy: EUR 1,675 million, mainly due to the impairment of goodwill (EUR 870 million) and assets, due to successive regulatory changes in Spain (EUR 563 million)
  - Infrastructure: EUR 288 million, mainly due to the status of judicial insolvency process of a client in Brazil, completed work pending certification in Poland as well as impairments of several assets, mainly a concession in Brazil
  - Real Estate: EUR 100 million, as a result of the impairment of Real Estate assets
  - Others: EUR 160 million mainly due to the impairment of value of the fleet of Trasmediterránea

Attributable Net Profit

Attributable net profit amounted to EUR - 1,972 million vs. EUR 189 million in 2012.

Results by Division

Revenues	Jan-Dec 12		Jan-Dec 13		
(Million Euro)	Amount	% Revenues	Amount	% Revenues	Chg. (%)
Energy	2,107	30	2,120	32	1
Infrastructures	3,326	47	2,733	41	(18)
Water	506	7	585	9	16
Service	592	8	641	10	8
Other activities	631	9	641	10	2
Consolidation Adjustments	(146)	(1)	(113)	(2)	(23)
TOTAL Revenues	**7,016**	**100**	**6,607**	**100**	**(6)**
EBITDA	**Jan-Dec 12**		**Jan-Dec 13**		
(Million Euro)	Amount	% Revenues	Amount	% Revenues	Chg. (%)
Energy	1,125	53	979	46	(13)
Infrastructures	163	5	82	3	(50)
Water	41	8	54	9	31
Service	18	3	20	3	14
Other activities	86	14	93	14	8
Consolidation Adjustments	(3)	2	--		n.m.
TOTAL EBITDA	**1,431**	**20**	**1,228**	**19**	**(14)**
EBT	**Jan-Dec 12**		**Jan-Dec 13**		
(Million Euro)	Amount	% Revenues	Amount	% Revenues	Chg. (%)
Energy	166	8	7		(96)
Infrastructures s	70	2	(28)	(1)	(141)
Water	23	3	24	4	8
Service	2		3	1	93
Other activities	(14)	(2)	21	3	(244)
Consolidation Adjustments	(1)	1	2	(2)	n.m.
Ordinary EBT	**245**	**4**	**29**		**(88)**
Extraordinaries	1	--	(2,203)	(33)	n.m.
TOTAL EBT	**246**	**4**	**(2,174)**	**(33)**	**(986)**

3.1. Energy

(Million Euro)	Jan-Dec 12	Jan-Dec 13	Chg. (%)
Generation	1,857	1,951	5.1%
Industrial, development and others	250	169	-32.4%
Revenues	**2,107**	**2,120**	**0.6%**
Generation	1,217	1,109	-8.9%
Industrial, development and others	-92	-130	41.3%
EBITDA	**1,125**	**979**	**-13.0%**
Margin (%)	*53.4%*	*46.2%*	
Adj. Gen. Margin[1] (%)	*77.4%*	*70.4%*	
EBT	**166**	**7**	**-95.9%**
Margin (%)	*7.9%*	*0.3%*	

** The generation figure published includes electric generation revenues from the different technologies and from services provided and others.*
1 Generation margin excluding the energy commercialisation activity.

ACCIONA Energy revenues remained almost flat (+0.6%) reaching EUR 2,120 million.

The positive performance of generation at the revenue level is noteworthy, with revenues increasing by 5.1% as a result of higher total installed capacity in the last twelve months (105 MW) as well as a higher wind and hydro load factors in Spain. These factors compensated the lower solar and international wind load factors and above all, the severe impact of the successive regulatory changes in Spain.

The EBITDA margin decreased by 7.2 percentage points to 46.2% vs. 53.4% in 2012. This is mainly due to the negative impact of the mentioned regulatory changes which was only partially compensated by the exceptional increase in the wind output in Spain (+10.0%) as well as hydro output (+57.7%).

Total effect in 2013 of regulatory changes of Law 15/2012 and RD-L 2/2013 already approved and in force since 1st January 2013, as well as RD-L 9/2013 and draft of Ministerial Order with effect since 14th July 2013 amounted to EUR 246 million in the last period.

The regulatory changes that have had a negative impact on 2013 results are the following:

- Law 15/2012:
  - 7% generation revenues tax
  - 22% hydro levy (643 MW of ACCIONA's capacity entitled to 90% rebate)
  - Solar thermoelectric: electricity output attributable to natural gas usage not entitled to a premium

- RD-L 2/2013:
  - Elimination of the "pool + premium" option
  - Revision of the tariff indexation formula

- RD-L 9/2013 and drafts of Royal Decree of renewables and Ministerial Order with remuneration parameters:
  - Elimination of reactive energy and efficiency incentive
  - New remuneration scheme for renewables, cogeneration and waste

EBT amounted to EUR 6.7 million, 95.9% lower vs. the same period last year, mainly due to the regulatory changes mentioned above.

During 2013 ACCIONA Energy installed 105 MW of new wind capacity (30 MW in Spain and 33 MW in Poland and 42 MW in Costa Rica) and has sold 62 MW of wind power facilities in Korea.

EBITDA from the industrial activity, development and others is shown in the table below:

(Million Euro)	Jan-Dec 12	Jan-Dec 13	Chg. (€m)
Biofuels & others	-7	-2	+5
Windpower	-8	-52	-44
Development and construction	-5	-31	-26
Consolidation adj. & other	-71	-45	+27
Total EBITDA Ind., development & others	-92	-130	-38

Breakdown of Installed Capacity and Production by Technology

(MW installed)	31-Dec-13 Total	Attributable	(GWh produced)	31-Dec-13 Total	Attributable
Wind Spain	4,743	4,073	Wind Spain	11,411	9,626
Wind International	2,397	2,199	Wind International	6,988	6,372
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Wind	**7,139**	**6,272**	**Total Wind**	**18,399**	**15,998**
Hydro special regime	231	231	Hydro special regime	920	920
Conventional Hydro	681	681	Conventional Hydro	1,963	1,963
Biomass	57	57	Biomass	454	454
Solar PV	49	33	Solar PV	95	63
Solar Thermoelectric	314	314	Solar Thermoelectric	546	546
Cogeneration	9	9	Cogeneration	28	26
Total other technologies	**1,341**	**1,325**	**Total other technologies**	**4,005**	**3,972**
Total Energy	**8,480**	**7,596**	**Total Energy**	**22,404**	**19,970**
Total Spain	***5,974***	***5,303***	***Total Spain***	***15,209***	***13,422***
Total International	***2,506***	***2,293***	***Total International***	***7,196***	***6,548***

Acciona Infrastructure

(Million Euro)	Jan-Dec 12	Jan-Dec 13	Chg. (%)
Construction & Engineering	3,211	2,598	-19.1%
Concessions	116	135	16.9%
Revenues	**3,326**	**2,733**	**-17.8%**
Construction & Engineering	103	23	-77.5%
Concessions	60	59	-1.8%
EBITDA	**163**	**82**	**-49.6%**
Margin (%)	*4.9%*	*3.0%*	
EBT	**70**	**-28**	**n.m.**
Margin (%)	*2.1%*	*-1.0%*	

Revenues amounted to EUR 2,733 million, 17.8% lower than in 2012 mainly due to a decrease in the construction businesses in Spain and International. EBITDA amounted to EUR 82 million with a margin of 3.0%.

The decrease in EBITDA is mainly due to the losses accounted in some works mostly in Poland and Canada.

The concession business reduced its EBITDA by 1.8% to EUR 59 million due to, among other factors, the sale of the concession of the University of San Luis De Potosí in Mexico in the third quarter of 2012 (this concession generated and EBITDA of EUR 4.3 million in 2012) as well as the sale of the Royal Jubilee Hospital (Canada) in the third quarter of 2013 (this concession generated an EBITDA of EUR 3.8 million in 2012 and EUR 2.1 million in 2013). Excluding these two effects concession business EBITDA would have increased by 8.3%.

At 31st December 2013 the construction backlog amounted to EUR 5,723 million, 15.4% lower than in December 2012. The international backlog reached an overall weight of 54% out of the total backlog vs. 52% twelve months ago.

Breakdown of Construction Backlog

(Million Euro)	31-Dec-12	31-Dec-13	Chg. (%)	Weight (%)
Civil works (Spain)	2,405	1,851	*-23%*	*32%*
Civil works (International)	2,909	2,554	*-12%*	*45%*
Total Civil Works	**5,315**	**4,405**	***-17%***	***77%***
Non Residential (Spain)	535	533	*0%*	*9%*
Non Residential (International)	434	278	*-36%*	*5%*
Non Residential	**969**	**811**	***-16%***	***14%***
Residential (Spain)	57	24	*-58%*	*0%*
Residential (International)	72	20	*-73%*	*0%*
Total Residential	**129**	**44**	***-66%***	***1%***
ANA Development (Spain)	0	0	*0%*	*0%*
ANA Development (International)	24	15	*-36%*	*0%*
Total ANA Development	**24**	**16**	***-36%***	***0%***
Other*	**329**	**449**	***37%***	***8%***
TOTAL	**6,766**	**5,724**	***-15%***	***100%***
Total Spain	***3,271***	***2,646***	***-19%***	***46%***
Total International	***3,494***	***3,078***	***-12%***	***54%***

** Other includes: Construction auxiliary, Engineering and Other.*

At 31st December ACCIONA held a portfolio of 22 concessions with a book value of EUR 1,772 million (EUR 420 million equity and EUR 1,352 million net debt). This includes the debts of the current concessions held for sale (EUR 104 million) as well as the debt of the concessions accounted by the equity method (EUR 735 million)

The sale of the concession of the Royal Jubilee Hospital in Canada was carried out last August.

Acciona Water

(Million Euro)	Jan-Dec 12	Jan-Dec 13	Chg. (%)
Revenues	**506**	**585**	**15.6%**
EBITDA	**41**	**54**	**30.5%**
Margin (%)	*8.2%*	*9.2%*	
EBT	**23**	**24**	**7.6%**
Margin (%)	*4.5%*	*4.2%*	

The Water division delivered a good performance during 2013 achieving an increase in sales of 15.6%. Its EBITDA reached EUR 54 million helped both by the design & construction as well as the operation & maintenance activities.

EBT stood at EUR 24 million compared to EUR 23 million in December 2012.

Water backlog as of December 2013 reached EUR 10,730 million, 5.3% lower than twelve months ago due to the high level of work executed in the year.

Breakdown of Water Backlog

(Million Euro)	31-Dec-12	31-Dec-13	Chg. (%)
D&C	749	485	-35%
O&M	10,577	10,245	-3%
TOTAL	**11,326**	**10,730**	**-5%**

(Million Euro)	31-Dec-12	31-Dec-13	Weight (%)
Spain	9,487	9,463	88%
International	1,839	1,267	12%
TOTAL	**11,326**	**10,730**	**100%**

Acciona Service

(Million Euro)	Jan-Dec 12	Jan-Dec 13	Chg. (%)
Revenues	**592**	**641**	**8.3%**
EBITDA	**18**	**20**	**13.5%**
Margin (%)	*3.0%*	*3.2%*	
EBT	**2**	**3**	**92.6%**
Margin (%)	*0.3%*	*0.5%*	

ACCIONA Service encompasses under a new division a series of services that the company was already providing: airport handling services, facility services, logistic services, waste management and others.

The division reported an increase in revenues of 8.3% in 2013, reaching EUR 641 million boosted by the higher volumes of facility services.

ACCIONA Service registered an EBITDA of EUR 20 million, 13.5% above 2012, thanks to a margin improvement in 2013 within the activity of handling.

Other Activities

(Million Euro)	Jan-Dec 12	Jan-Dec 13	Chg. (%)
Trasmediterranea	437	419	-4.2%
Real Estate	68	66	-2.2%
Bestinver	81	113	39.4%
Winery	40	38	-4.9%
Corp. & other	5	5	0.7%
Revenues	**631**	**641**	**1.6%**
Trasmediterranea	28	11	-61.6%
Real Estate	3	3	0.7%
Bestinver	55	78	42.0%
Winery	5	5	0.9%
Corp. & other	-5	-5	-7.5%
EBITDA	**86**	**93**	**7.6%**
Margin (%)	*13.6%*	*14.4%*	
EBT	**-14**	**21**	**n.m.**
Margin (%)	*-2.3%*	*3.2%*	

During 2013 this division, which includes Trasmediterránea, real estate, Bestinver, wineries and others, reported revenues of EUR 641 million, 1.6% higher than in 2012.

Its EBITDA also increased to EUR 93 million, 7.6% above 2012 levels, mainly due to the improved performance of Bestinver.

Trasmediterránea:
Trasmediterránea reduced its EBITDA to EUR 11 million.

During the period, the number of passengers, vehicles and line metres increased by 5.6% and 6.0% and 1.5% respectively. The cost of fuel per mile sailed decreased by 12.5%.

	Jan-Dec 12	Jan-Dec 13	Chg. (%)
Passengers served	2,496,489	2,635,721	5.6
Cargo handled (lane metres)	5,083,858	5,161,963	1.5
Vehicles	594,502	630,212	6.0

Real Estate:
Real Estate revenues amounted to EUR 3 million, in line with 2012.

	31-Dec-12	31-Dec-13	Chg. (%)
Housing stock	912	828	-9.2

During the last twelve months, ACCIONA has handed over 125 homes and initiated the construction of 64 premium homes in Mexico. The housing stock was reduced by 84 units during the last twelve months from 912 in December 2012 to 828 in December 2013.

Bestinver:
Fund manager Bestinver's assets under management reached EUR 8,930 million at 31st December 2013, an increase of 51.0% relative to December 2012.

Bestinver reported revenues of EUR 113 million (+39.4%) and EBITDA of EUR 78 million (+42.0%) vs. 2012.

CONSOLIDATED BALANCE SHEET

(Million Euro)	31-Dec-12		31-Dec-13	
	Amount	% Total	Amount	% Total
Property, Plant & Equipment and Intangible assets	11,285	56.9	9,515	56.7
Financial assets	279	1.4	345	2.1
Goodwill	1,048	5.3	97	0.6
Other non-current assets	1,359	6.9	1,568	9.3
NON-CURRENT ASSETS	**13,971**	**70.5**	**11,526**	**68.7**
Inventories	1,183	6.0	1,047	6.2
Accounts receivable	2,371	12.0	1,859	11.1
Other current assets	300	1.5	279	1.7
Current financial assets	370	1.9	369	2.2
Cash and Cash equivalents	1,196	6.0	1,248	7.4
Assets held for sale	428	2.2	456	2.7
CURRENT ASSETS	**5,848**	**29.5**	**5,258**	**31.3**
TOTAL ASSETS	**19,819**	**100.0**	**16,784**	**100.0**
Capital	57	0.3	57	0.3
Reserves	4,987	25.2	5,152	30.7
Profit attributable to equitly holders of the parent	189	1.0	-1,972	-11.8
Own Securities	-4	0.0	-6	0.0
Interim dividend	0	0.0	0	0.0
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	5,230	26.4	3,230	19.2
MINORITY INTERESTS	279	1.4	169	1.0
EQUITY	**5,508**	**27.8**	**3,399**	**20.3**
Interest-bearing borrowings	6,939	35.0	6,240	37.2
Other non-current liabilities	1,932	9.7	1,883	11.2
NON-CURRENT LIABILITIES	**8,871**	**44.8**	**8,123**	**48.4**
Interest-bearing borrowings	2,109	10.6	2,092	12.5
Trade payables	2,335	11.8	2,207	13.1
Other current liabilities	689	3.5	680	4.1
Liabilities associated to assets held for sale	308	1.6	282	1.7
CURRENT LIABILITIES	**5,440**	**27.5**	**5,261**	**31.3**
TOTAL LIABILITIES AND EQUITY	**19,819**	**100.0**	**16,784**	**100.0**

Attributable Equity

ACCIONA's attributable equity at 31st December 2013 amounted to EUR 3,230 million vs. EUR 5,230 million in December 2012. This decrease is due to the losses incurred during the year as a result of the impairments in the period.

Net Financial Debt

Net financial debt decreased significantly from EUR 7,482 million at 31st December 2012 to EUR 6,715 million at 31st December 2013. Such decrease was mainly due to capex moderation during the period, to the good performance of the working capital in the last quarter of the year, to the positive impact of the mark-to-market of derivatives, to the positive impact of the exchange rates evolution relative to the euro has had on debt as well as to the cash generated by the divestments during the period.

(Million Euro)	31-Dec-12		31-Dec-13		Chg. (%)
	Amount	% Total	Amount	% Total	
Cash + Cash equivalents	**1,566**	**n.m.**	**1,617**	**n.m.**	**3.2**
Interest-bearing borrowings without recourse	6,086	67.3	5,548	66.6	-8.8
Interest-bearing borrowings with recourse	2,961	32.7	2,784	33.4	-6.0
Total interest-bearing debt	**9,048**	**100.0**	**8,332**	**100.0**	**-7.9**
Net financial debt	**7,482**		**6,715**		**-10.2**

** Financial debt includes obligations and bonds.*

Gearing during the last quarters developed as follows:

(Million Euro)	31-Dic-12	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13
Net Debt	7,482	7,549	7,420	7,373	6,715
Gearing (Net Debt / Equity) (%)	136%	136%	136%	134%	198%

Capital Expenditure

Net ordinary capital expenditure in ACCIONA's divisions amounted EUR 381 million in the period, 55.4% less vs. 2012. It is to be highlighted that ACCIONA Infrastructure incurred in a capital expenditure of EUR 198 million, mainly in the concession business while ACCIONA Energy invested EUR 205 million, a 53.5% lower than the same period last year.

The table below shows the breakdown of capital expenditure by division:

(Million Euro)	Investments Jan-Dec 12	Investments Jan-Dec 13
Energy	440	205
Infrastructures	343	198
Water	83	30
Service	-10	10
Other Activities	-2	-61
Ordinary Net Capex	**854**	**381**
Extraordinary divestments	-24	-104
Total Net Capex	**831**	**278**

MATERIAL INFORMATION, DIVIDEND AND SHARE DATA

Significant communications to the stock market

- **3rd of January 2013: ACCIONA informs on the administrative appeal filed in connection with the ATLL contract**

  - ACCIONA has become aware of the ruling issued on January 2nd, 2013 by the Catalonian Contractual Administrative Agency by virtue of which it partially estimates the special appeal filed by Sociedad General de Aguas de Barcelona (AGBAR) against the decision of the Department of Territory and Sustainability of the Generalitat de Catalunya awarding the Ter-Llobregat water supply network public contract for 50 years, for the construction, improvement and maintenance of the Ter-LLobregat water supply network installations, including treatment, storage and water transportation.

  - Said contract had been awarded on November 6th, 2012 to the consortium "ATLL Concesionaria de la Generalitat de Catalunya SA" (led by ACCIONA Agua (39%) together with other shareholders such as the Brazilian investment bank BTG Pactual (39%) and other minority companies representing individual investors). The signing of the contract between the consortium and the Generalitat de Catalunya took place last December 27th, 2012, when EUR 298,561,830 were paid out as the first payment of the concession levy.

- **10th of January 2013: Interim dividend**

  - On the 10th of January 2013, the Board of Directors of ACCIONA approved the distribution of an interim dividend of EUR 0.90 per share against the results of the fiscal year 2012 that should be approved in the next Annual General Shareholders meeting. The total amount paid as interim dividend amounted to EUR 51,533,595 and its payment was carried out on 21st January 2013.

- **17th of January 2013: Euro Commercial Paper Programme**

  - ACCIONA has formalised a Euro Commercial Paper Programme for a maximum amount of EUR 500 million that has been registered on the Irish Stock Exchange. By means of this program the company will be able to issue Euromarket debt instruments due between 7 and 364 days, allowing a possible diversification on alternatives ways of financing Capital Markets.

- **28th of February 2013: Formulation of Annual Accounts and Management Report and 2012 dividend proposal**

  - On the 28th of February 2013, the Board of Directors of ACCIONA resolved to formulate the Annual Accounts and Management Report (Individual and Consolidated of the Group it dominates) of 2012, and to propose to the Annual General Shareholders Meeting the allocation of 2012 profits. The Board proposes to allocate EUR 151,737,807 to dividends of which EUR 51,533,595 were paid on 21st of January 2013.

- **28th of February 2013: ACCIONA's Corporate Governance report**

  - On the 28th of February 2013, the company submitted to the CNMV the Annual Report of Corporate Governance 2012.

- **27th of March 2013: ACCIONA informs on the interim measures filed within the appeal proceedings instituted in connection with the ATLL contract**

  - The Catalonia Superior Court of Justice has rejected the interim measures filed by Sociedad General de Aguas de Barcelona S.A. within the administrative appeal proceedings number 13/2013, against the formalisation of the contract for the management and public service of the ATLL water supply network, therefore maintaining the validity and full force and effect of the contract

  - Additionally, the High Court of Justice for Catalonia, has rejected the interim measures filed by ACCIONA Agua, S.A., within the administrative appeal proceedings number 28/2013 against the ruling of the Catalan Contractual Administrative Agency (OARCC) on 2 January, 2013. Therefore the Catalonia Superior Court of Justice has rejected the suspension of the eventual execution of the OARCC resolution that, in any case, ACCIONA does not understand as directly executive. ACCIONA Agua, S.A. will appeal that decision at the Supreme Court.

  - These decisions taken by the High Court of Justice for Catalonia on the interim measures ruling do not prejudge the merits of the matter.

  - As a consequence, ATLL Concessionaria de la Generalitat de Catalunya, S.A., company 39% participated by ACCIONA Group, will continue to provide the services related to the Ter-Llobregat water supply contract

- **24th of April 2013: Official announcement of the Annual General Meeting**

  - On the 24th of April 2013, the company informed the CNMV (Spanish Stock Market Regulator), of the Annual General Meeting announcement for the 5th of June 2013 at the first call, or the 6th of June 2013 at the second call and submitted the proposed agreements.

- **6th of June 2013: Annual General Meeting – Approval of the agreements:**

On the 6th of June 2013, the Annual General Meeting approved, among others, the following agreements:

- To approve a EUR 1.75 complementary dividend per share to be paid as per the 1st of July 2013.

- To approve the amendment of the Article 31° of the Articles of Association (Term limits and remuneration):

  - Directors shall have a term of three years, and may be re-appointed one or more times
  - Directors' remuneration shall consist of a fixed annual amount for membership of the Board of Directors and any Committees of which the director is a member
  - The remuneration for the membership of the Board of Directors shall be compatible with any other remuneration to which the director may be entitled, subject to a proposal by the Appointments and Remuneration Committee and a decision by the Board of Directors, for performing other functions in the Company
  - Executive directors may also be paid in the form of shares or stock options or by any other remuneration system referenced to the share price
  - The Company may arrange third-party liability insurance for its directors in the usual conditions and commensurate with the Company's circumstances

- To approve the annual allocation of the Board of Directors in concept of statutory remuneration of EUR 1,503,000 which amount shall remain in force until the General of Shareholders decides to amend it, the amount might be reduced by the Board of Directors

- To appoint Mr. Juan Carlos Garay Ibargaray as independent non-executive director, and the re-election of Ms. Consuelo Crespo Bofill, Mr. Carlos Espinosa de los Monteros and Bernaldo de Quirós as independent non-executive directors

- To approve the allocation of shares and buying option rights to the top management of ACCIONA and its group, including the executive directors, as part of the variable remuneration for 2012 contained in the valid "Plan 2009-2014". Additionally:

    - To extend the validity of the plan until 2014
    - To increase the maximum numbers of shares available, currently established in 300,000 to 335,000 shares
    - To establish the value of the shares to be delivered to participants will be the closing price in the last stock market session in the month of March of the year in question, which will also be the strike price of any options allocated

- To approve the 2012 Sustainability Report.

- **26th of September 2013: ACCIONA informs about the composition of the group's Executive Committee**

  - On the 26th of September, ACCIONA published a statement via the securities regulator CNMV informing the market about the composition of the group's Executive Committee following the changes in the group's senior management.

  - The Board of Direcotrs of ACCIONA comprises:

    - The Executive Directors:
      - Mr. José Manuel Entrecanales Domecq, President
      - Mr. Juan Ignacio Entrecanales Franco, Vice-President

    - and the following Directors:
      - Mr. Carlos Arilla de Juana
      - Ms. Carmen Becerril Martínez
      - Mr. Pío Cabanillas Alonso
      - Mr. Alfonso Callejo Martínez
      - Ms. Macarena Carrión López de la Garma
      - Mr. Luís Castilla Cámara
      - Mr. Pedro Martínez Martínez
      - Mr. Rafael Mateo Alcala
      - Mr. Joaquín Mollinedo Chocano
      - Mr. Juan Muro-Lara Girod
      - Mr. Jorge Vega-Penichet López

- **11th of November 2013: ACCIONA Energy executed an agreement for transmission of the Yeong Yang 1 wind farm**

  - Acciona Energy, through one of its affiliates Acciona Energía Inversiones Corea, S.L., has executed a sale and purchase agreement with a company wholly owned by a South Korean investment fund over the whole share capital of Yeong Yang Wind Power Corporation, who owns an operating wind farm named "Yeong Yang I" (61.5 MW) located in the province of Gyeongsangbuk-Do (Korea)

- The transaction's consideration amount is 162 billion KRW (EUR 114 m) including a net debt of 28 billion KRW (EUR 20 m)

- **29th of November de 2013: ACCIONA renews the Euro Commercial programme with a total amount of EUR 500 m**

  - Through this programme the Company may issue Notes in the Euromarket with a maturity between 15 and 364 days, enabling the diversification into alternative ways of financing in the capital market

- **12th December 2013: Interim Dividend**

  - The Board of Directors of ACCIONA, S.A. has made the following agreement:
    - Not to distribute any interim dividend for the results in the 2013 financial year

- **18th of December de 2013: Acciona Energía Internacional S.A., has entered an agreement for the transfer of 18 wind farms in Germany**

  - Acciona Energía Internacional S.A. has entered into a sale and purchase agreement with two companies of the Swisspower Renewables AG Group for the total share capital of Acciona Energie Windparks Deutschland GmbH, Acciona Energie Deutschland GmbH and Volksmarsdorfer Windarkbetriebs GmnH owners of 18 operating wind farms located in Lower Saxony and Branderburg (Germany), with a total attributable capacity of 150.3 MW and a weighted average life of 8 years. The sale by Acciona Group was finally completed on the 23rd of January, 2014, and the capital gain obtained was EUR 27 million.

  - The transaction's consideration amounts to EUR 157 m. The net debt with financial institutions of the companies amounts to EUR 85 m

Material Information in 2014 to date:

- **16th of January 2014: ACCIONA informs of the issue of the convertible bonds into shares**

  - The Company has approved the definitive terms and conditions of the Issue set out below:

    - The initial size of the Issue is EUR 325 m, which may be increased up to an aggregate principal amount of EUR 50 m
    - It will accrue a fixed annual coupon of 3% payable semi-annually, commencing on the 30th of July, 2014.
    - The initial conversion price has been set at EUR 63.02 per ordinary share, which represents a premium of approximately 32.5% over the volume-weighted average price of the shares during the period between launch and the setting of the final terms of the Issue.
    - The number of ordinary shares to be delivered for all the Convertible Bonds, would amount to approximately 5,157 m shares, representing approximately 9.00% of the current share capital of the Company.
    - The convertible Bonds will mature on the fifth anniversary of the Closing Date, when they will be redeemed at par at maturity unless previously converted, redeemed or purchased and cancelled.
    - Subscription for the Convertible Bonds is expected to take place between the 29th and 30th of January 2014, the latter being the closing date.

- **27th of January 2014: ACCIONA informs that it has partially exercised the over-allotment option granted to the joint bookrunners on behalf of the Issue Underwriters, in relation with the Convertible bonds Issuance.**
  - It is reported that the managers of the Issue, have partially exercised, in the amount of EUR 17 m, the over allotment option granted by the Company to increase the size of the Issue by up to EUR 50 m.
  - Consequently, the final size of the Issue is EUR 342 m.
  - The number of ordinary shares to be delivered upon conversion of all the Convertible Bonds, taking into account the initial conversion price (EUR 63.02) and the final size of the Issue (EUR 342 m), would amount to approximately 5,427 m shares representing approximately 9.48% of the Company's share capital currently issued and outstanding.

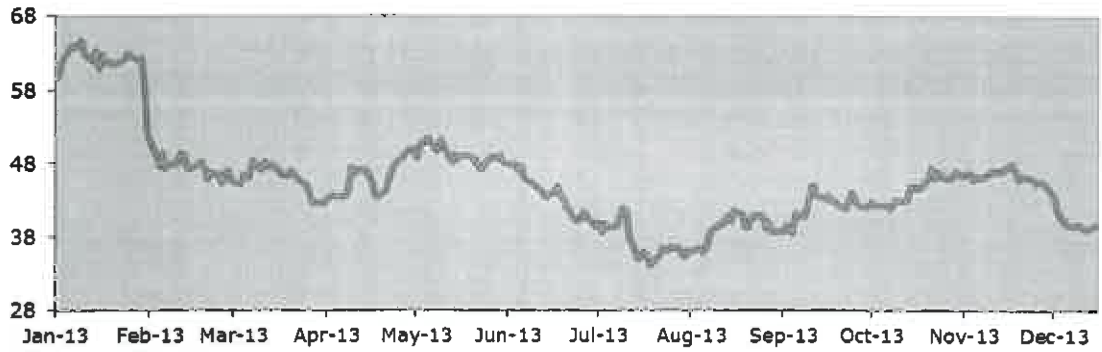
Dividend

On the 6th of June 2013 the Annual General Meeting of ACCIONA, S.A. resolved on the distribution of EUR 1.75 per share complementary dividend against the results of the 2012 financial year.

This dividend along with the EUR 0.9 interim dividend per share paid by the company last January, totals EUR 2.65 per share paid against the results of the 2012 fiscal year. Total dividend distributed against 2012 results amounted to EUR 152 million.

Share data and share price performance

ACCIONA Share Price Evolution (EUR/share)



Key Share Data

	31-Dec-13
Price at 31st December 2013 (€/share)	41.77
Price at 1st January 2013 (€/share)	56.21
Low in FY 13 (19/07/2013)	34.06
High in FY 13 (10/01/2013)	64.76
Average daily trading (shares)	294,895
Average daily trading (€)	13,245,595
Number of shares	57,259,550
Market capitalisation 31st December 2013 (€ million)	2,391

Share Capital Information

As of the 31st of December 2013, the share capital of ACCIONA amounted to EUR 57,259,550 divided into 57,259,550 shares with a face value of EUR 1 each.

The group's treasury shares as of the 31st of December 2013 amounted to 140,440 shares which represent 0.25% of the share capital.

<u>Main Risks associated with the activities of the ACCIONA Group</u>

Acciona's presence in diverse business areas and multiple countries with different regulatory, political and social contexts means that there are a number of widely varying risks that need to be identified and managed.

The Risk Management System is designed to identify potential events that might affect the organisation; to manage its risks through the establishment of internal treatment and control systems that ensure the probability and impact of these events occurring are kept within the established tolerance levels; and to provide reasonable assurance in relation to the achievement of strategic business objectives.

The main risks that might affect the achievement of ACCIONA's goals are as follows:

Economic and financial risks

Those risks that, when they materialise, have a direct impact on the company's operating statements: mainly fluctuations in exchange rates, interest rates and financial markets, changes in the prices of raw materials, liquidity, cash flow, late payment or loss of clientele.

ACCIONA is engaged in a growing process of internationalisation, implying exposure to exchange rate risk in transactions with the currencies in which it invests and operates.

Interest rate risk is particularly material with regard to the funding of infrastructure projects, in concession contracts, in the construction of wind farms or solar plants and other projects maturing in the longer term where the variation in interest rates has a strong impact on their profitability.

ACCIONA is exposed to the risk of fluctuations in the price of construction procurement for its infrastructure, water and electricity-generation facility construction businesses and fuel procurement in its road and sea transport businesses.

Credit risk is mitigated through the negotiation of operations with solvent third parties, using for the purpose criteria generally accepted on the market (ratings, historical commercial relations with the counterparty, etc.). In addition, depending on the type of operation or the type of counterparty, the negotiations involve obtaining sufficient assurances to mitigate the risk of financial losses in the event of any non-compliance.

The proper management of these risks is achieved through the search for natural hedging situations between income and expenditure and between assets and liabilities. When this is not possible, hedging operations and derivative contracting are carried out with the aim of avoiding extreme volatility in the operating results. Nonetheless, these transactions do not guarantee the totally effective hedging when it comes to eliminating completely the exposure to changes in interest rates and exchange rates for foreign currencies, which may have a negative impact on the Company's financial situation and results.

Furthermore, a hedge scheme is established for material risks through complementary insurance mitigating those situations in which the general risks incurred, when they materialise, do not impact the Group's financial solvency.

Strategic Risks

Those with consequences entailing the failure to achieve the Company's goals and reducing its growth. These risks include organisational changes, investments and divestments, threats from competitors, economic, political and regulatory changes, impacts of new technologies, research and development.

ACCIONA minimises these risks through its own strategy and business model by applying adequate sectoral and geographic diversification of its businesses; the performance of exhaustive market research, surveys of competitors and the countries in which its activities are carried out; as well as through the encouragement of Research and Development.

The risk originating from changes in the regulatory framework, mainly in the electricity industry, is analysed jointly by the Regulation Department and the Economic-Financial Department, which are constantly monitoring this situation.

Prior to any decision on investing or divesting in a business, there are preventive checks in place and an assessment of the associated risks on the basis of the business's projected economic information; this information must be approved by the Investment Committee having regard for certain parameters of business volume and profitability depending on the associated risk.

Operational Risks

Those related with processes, persons and products. These risks are related to compliance with regulatory, legal and contractual requirements, control systems and procedures, the supply chain, auxiliary services, information systems, productivity of employees or the loss of key personnel.

In each business area, specific systems are established to cover all the business requirements, to systematise and document processes, and to manage quality, operations, planning and financial oversight.

Conducting the Group's own business activities sometimes requires the holding of permits, licences and authorisations. Delays in obtaining these and adverse changes in the political and regulatory context in countries where the Group operates may cause delays in the start of operations or deficiencies in the execution of works and the rendering of services.

ACCIONA has put in place an updated Code of Conduct establishing the basic principles and commitments that must be respected and complied with by executives and employees of the divisions as well as by suppliers and third parties working with the Company in the exercise of their activities.

Chance Risks

Those risks related to damage caused to the Company's assets and people with potential negative impact on the Company's performance, such as a fire, an explosion, natural disasters, environmental pollution, harm to third parties or employment-related risks.

The Corporate Crisis Management Policy allows the Company to identify systematically the risks that might give rise to an environmental incident and defines the processes, guidance on behaviour and responsibilities in the event of crisis situations, other legal and internal corporate requirements and are subjected to continuous review and monitoring.

With respect to the Management of Environmental Risks, it is necessary to highlight the production of an Environmental Risk Audit and the Pilot Project on Environmental Risk Management implemented during 2013.

The management of Employee Health and Risk Prevention is one of the priorities of all the Divisions and lines of business: a large part of our activities are included among those considered by legislation to be high risk (especially the Infrastructure and Energy divisions). Prevention activities are carried out through the Management Systems under international premises certified to OHSAS 18001 standard.

Sustainability

ACCIONA promotes an entrepreneurial model that strives to anticipate and manage responsibly the risks and challenges derived from sustainable development, as well as responding successfully to the new opportunities arising therefrom in a context of economic, social and environmental transformation.

ACCIONA deploys its sustainability strategy through the 2015 Sustainability Master Plan (PDS 2015). This is a roadmap integrating the sustainability-related initiatives in the Company and sets goals in the areas of Innovation, Context, Society, People, Value Circle and Good Governance, as well as commitments with regard to Dialogue with Stakeholders, Dissemination and Leadership, and Accountability. In addition, this Plan includes a criterion for engaging people and bringing them closer to the business, creating competencies and capacities aimed at sustainable development.

Some of the goals of the PDS 2015 in the different areas, among others, include:

- In Innovation, the PDS involves a total investment of EUR 500 million in R&D+I during the period from 2010 to 2015.
- In the Context area, the Company has set quantitative targets for 2015 such as improving the ratio of CO_2 emissions avoided by 15% with respect to the CO_2 emissions generated (base 2009) and increasing the net positive contribution of its water footprint (an improvement of x5 compared to 2009).
- In the area of People, one of the goals for 2015 is a 20% reduction in the frequency index with respect to 2011. Attempts are also being made to increase the scope of the variable remuneration related to sustainability.

- In Society, the goal for 2015 is to implement a methodology for assessing social impact of all international projects by the strategic divisions.

- In the Value Circle area, the Company is working to improve the performance of the supply chain in terms of sustainability and to foster and promote responsible procurement through tender processes that incorporate sustainability criteria.

- In Good Governance, the aim is to roll out improvement measures gradually.

- To consolidate the position of ACCIONA as a benchmark for sustainability is the main commitment of the Dissemination and Leadership area.

- The PDS also reflects the undertaking to consider the expectations of the Company's main stakeholders in the management of sustainability practices.

- Furthermore, the Company has committed to reporting on the performance of its sustainability practices to its main stakeholders in a transparent, rigorous manner to the highest international standards.

Since 2009, sustainability-related actions and undertakings are promoted by the Board of Directors' Sustainability Committee, the organ in charge of supervising and approving the goals of the Sustainability Master Plan.

The various sustainability committees created in the main divisions are, in turn, the route for bringing sustainability closer to business areas. Their function is to drive and monitor specific initiatives in these divisions within the framework of the PDS.

The Company's progress in the achievement of its targets and the actions carried out during 2013, together with the challenges faced in terms of sustainability, are described in detail in the Sustainability Report and the Company's web site (http://www.acciona.es/sostenibilidad). Some of the milestones achieved during the last year are summarised below.

In order to strengthen the Company's framework for ethics and integrity, in April 2013, the Board of Directors' Sustainability Committee approved the Policy Manual, which updates pre-existing policies an adds new ones to reflect the action principles applicable in economic, social and environmental matters. The Manual includes policies on Sustainability (this acts as the over-arching policy establishing the principles that frame the rest); Innovation; Anti-corruption; Anti-monopoly; Risk Management; Quality; Human Rights; Human Resources and the Prevention of Occupational Risks; Social Action; the Environment; Biodiversity; and the Fight against Climate Change.

Furthermore, training of employees continued in connection with the matters contained in the Code of Conduct, with the launch of the on-line course in five languages apart from Spanish, specifically in English, French, Italian, German and Brazilian Portuguese. In this way, training extends internationally to employees in Mexico, Chile, Brazil, Canada, Australia and Italy.

In the employment sphere, it should also be noted that the scope of the programme for linking variable remuneration to the achievement of sustainability targets was extended during 2013.

In 2013, the Company has strengthened its undertaking to evaluate and manage the social impact of its projects through implementation of the methodology in several projects by the main divisions in such countries as Brazil, Chile, Costa Rica, Morocco, Mexico and South Africa and in works of different types: construction of a bypass, a desalinisation plant, a solar thermal plant, a photovoltaic plant, wind parks and the fitting out of an electricity generator at a dam. Furthermore, in order to speed up the management and assessment of social impacts, ACCIONA is working on the development of tools to characterise projects according to their social risk and on dissemination guidelines scheduled to be rolled out in 2014.

Progress has also been made in the consolidation of the ACCIONA Foundation's Microenergy project to facilitate basic access to sustainable electricity in isolated rural areas. In Peru, the installation of 1,700 home-based photovoltaic systems has been completed in the "Light at Home" project and the first electrification installations have been commissioned at community centres as part of the "Cajamarca Community Power" initiative. In Mexico, on the other hand, the first small home-based systems have been supplied in 10 locations along the Tehuantepec Isthmus in the "Oaxaca Light at Home" project.

As part of its commitment to society and the promotion of sustainability, ACCIONA held its second annual Volunteering Day during which 350 employees took part in Sustainability Workshops reaching out to approximately 7,000 schoolchildren between 7 and 11 years of age in seven countries simultaneously.

As for the supply chain, the Company continues to support strongly the training of its suppliers and contractors, as well as the encouragement of responsible procurement with identification and inclusion on the catalogue of new sustainable products and services.

In an exercise of transparency and integration of information in response to the expectations of the Company's stakeholders, ACCIONA published the 2012 Integrated Report applying the framework of the International Integrated Reporting Committee.

Analysis of materiality in sustainability matters

In order to maintain an attitude of continuous monitoring of new trends and challenges in sustainability matters, and to delve deeper into the social, environmental and governance aspects of relevance for the business, ACCIONA has drawn up a materiality survey.

In 2013, the analysis of materiality starts from the study carried out the previous year, probing deeper into those matters identified as relevant and extending to subjects of interest according to a variety of sources: stakeholders, investors and press releases.

Once identified, these matters were classified according to the areas defined in the 2015 Sustainability Master Plan (PDS) and them prioritised by area within the PDS and by business to determine the materiality of each topic. During this year's analysis , the spotlight has fallen on six of the main countries in which ACCIONA is active (Spain, Brazil, Mexico, Australia, Chile and Canada), as well as on the Company's main businesses: Energy, Infrastructures, Water and Services.

The results obtained were assessed and validated internally through the sustainability committees of ACCIONA's different businesses who provided the Company's viewpoint.

This has enabled the creation of a matrix with the material issues depending on the importance of each subject for the Company and its stakeholders.

Finally, in order to review the material issues, several external consultations were made with experts and representatives of the Company's different stakeholders (international organisations, NGOs, academia and the public administration, among others).

With respect to the key topics identified for ACCIONA's main lines of business, the most relevant subject in both Acciona Infrastructure and Acciona Service was Occupational Health and Safety, whereas for Acciona Water the most important areas were the management, policies and risks relating to water. In Acciona Energy, topics relating to climate change strategy and impacts were the most relevant.

Quality, Environment

For ACCIONA, the fight against Climate Change, the sustainable use of Natural Resources and the protection of Biodiversity make up the principal thrusts of its environmental strategy.

Even though the Company has reduced the CO_2 emissions generated in its production activity by a factor of 24 times, ACCIONA has continued developing during 2013 the measures necessary to reduce and offset its global environmental footprint.

These efforts have been acknowledged by the main international benchmarks in 2013:

- ACCIONA obtained the highest score in Climate Strategy and Reporting of Environmental Indicators and Initiatives, according to the valuation by the Dow Jones World Sustainability Index and also achieved an overall environmental mark higher than 93% of all the electricity companies assessed.
- The CDP organization (previously the Carbon Disclosure Project) honoured ACCIONA as a leader in the fight against climate change by awarding it the highest grade possible in environment performance for a business.
- As recently as January 2014, CDP also included ACCIONA its highest category as a Sustainable Supplier, where it now stands alongside the top 80 most sustainable companies in the world as a supplier of products and services.

The Company's main achievements in environmental matters during 2013 have been:

- 15 million tonnes of CO_2 avoided, meaning that ACCIONA avoids 24 times the amount of CO_2 generated in its production activities.
- For the sixth year in a row, a reduction in the figure for emissions generated in its production activities. The Company has emitted 0.6 million tonnes of CO_2, a fall of 21% with respect to the previous year.
- As for water, the Company's balance sheet is clearly favourable for the environment, with a positive water footprint of over 562 million cubic metres across the globe, a figure equivalent to the annual domestic consumption of 11 million inhabitants.
- Almost 30% of the Company's total water consumption comes from reused or recycled water.

- The Company's commitment to reduce Greenhouse Gas emissions (GHG) has been extended to its supply chain, where it has calculated the carbon footprint of its top 1,000 suppliers, representing 25% of the Group's total procurement.
- Development of new initiatives within the framework of the Biodiversity Compensation and Improvement Programme.
- Promotion of services with environmental compensation, with the organisation of carbon-neutral events for both its clients and for its own events, some of them of international relevance such as the event held on the occasion of the final of the Champions' League in London in May, 2013.

In 2013, the Board of Directors approved three specific policies in the environmental area: a Climate Change Policy, an Environment Policy and a Biodiversity Policy.

Progress has also been made in the implementation and certification of quality and environmental management systems in all of ACCIONA's divisions. These systems, which respectively comply with the ISO 9001 and ISO 14001 international standards, enable process management and take into account the environmental aspects relating to our activities at all stages, with an approach based on continuous improvement. The Company has also increased its roll-out of ISO 50001 energy efficiency systems at Acciona Water centres. All these management systems provide a tool for monitoring operational and environmental risks.

ACCIONA has put in place an organisational structure that facilitates the integration of environmental and quality variables into the operations of its businesses and guarantees enforcement of the policies, principles and strategies related to these matters.

This structure has been strengthened through the Training efforts made by the Company, which have contributed to the growth of a continuous improvement in the qualification of its professionals and their active participation in an environment-focused and quality-centred culture.

Publishing ACCIONA's commitment to the environment forms part of the role the Company plays in society by conveying the importance of preserving the surroundings, also from a business perspective. For this reason, the Company communicates its strategies and policies and its environmental and quality targets to all stakeholders: employees, clients, suppliers, public administrations, the mass media and society in general.

During 2013, ACCIONA has undertaken specific initiatives with regard to the Management of Environmental Risks. Thus, it has held an Environment Risk Audit consisting in the identification and measurement of the main environmental risks of the 39 activities considered. This analysis has enabled the risks to be prioritised by each specific activity and will provide an individualised response for the monitoring and treatment of each one by establishing the most appropriate prevention and abatement measures. In parallel, and at the level of each operating centre, ACCIONA has also carried out in 2013 a Pilot Project on Environmental Risk Management at representative facilities in each of the Divisions and Lines of Business.

With regard to the management of environmental impacts, ACCIONA has a basic management tool for the main environmental issues highlighted by the Divisions and Lines of Business known as PLAN 10+, which has represented during 2013 the implementation of 112 specific solutions and the identification of 59 improvement measures aimed at preventing and minimising the impacts associated with each of the issues identified.

Environment-related figures for 2013:

The environmental investments and expenditure effected by the ACCIONA Group in 2013 cover the following headings:

- Measures to minimise environmental impact
- Environmental research, development and innovation
- Environmental prevention
- Personnel
- Investments in plant, property and equipment to avoid impacts and protect the environment
- Environment advice and consultancy
- Waste water treatment
- Others

In 2013, environmental expenditure amounted to EUR 80 million and the investments EUR 204 million (respectively EUR 70.2 million and EUR 1.1 million in 2012). Furthermore, the construction, operation and maintenance of waste water treatment plants represented EUR 234.5 million.

The greatest efforts were made in the areas of waste water treatment, environmental prevention and measures to minimise environmental impact.

Innovation

ACCIONA puts into practice the most advanced leading-edge techniques in the execution of its projects, incorporating the most suitable technologies in each case. As a result, we have improved our innovation figures year on year by focusing the R&D+I strategic lines on Sustainable Transport and Infrastructure, Water Technologies and Renewable Energies.

The innovative solutions provided from all spheres of our business to solve our clients' problems constitute one of the hallmarks of our Company. In this context, the joint efforts of the R&D Centres, together with our technological teams, have enabled us to raise the Innovation figure in 2013 to EUR 173.2 million, an increase with respect to EUR 166.2 million the previous year. The figure corresponding to innovation developed internationally came to EUR 48.6 million, in line with the preceding year. This effort represents 28% of the total of ACCIONA's innovation.

Work has been carried out on 233 Projects in the 14 strategic research areas and in 10 countries: Canada, Australia, Brazil, USA, Colombia, Saudi Arabia, United Arab Emirates, Italy, Poland and Spain.

Short-term Forecast

The global economy closed 2013 with a growth rate of 2.9% according to the IMF. The growth prospects for 2014 remain optimistic, rising to 3.6% expected this year.

The world's economy has entered into a new transition phase. The advanced economies are gradually becoming stronger while the emerging market economies have slowed down. In consequence, these less mature markets are now facing two major challenges: the slowdown in growth and the toughening of monetary policies world-wide. This situation is already becoming evident in the weakening of their currencies.

In the United States, there is clearly still a very solid level of private demand but growth has been slowed this year by excessive fiscal consolidation. On the other hand, the political factors continue to generate uncertainty about the magnitude and nature of the fiscal adjustment.

The general expectation is for the US economy to grow by about 3% in 2014, in comparison with 2.1% in 2013. This scenario suggests that the FED will trim its liquidity injection programme gradually back to zero by the second half of the year. Nonetheless, the FED is expected to keep the short-term reference interest rate at its current level (0.0-0.25%) throughout 2014.

In Europe, the financial markets are experiencing a period of consolidation of their sustainability, to the point where it can be said that the euro area emerged from the recession during the second quarter of 2013. The data show that this trend was maintained throughout the third quarter, when the euro area enjoyed a score or so of basis points growth. Our interpretation of these data is positive as this upturn is founded on an increased demand both at home and abroad.

On the other hand, the improvement in business is not only driven by the countries at the heart of Europe but is also spreading to its periphery, helping to eliminate the systemic risks experienced in the course of the year.

Spain has confirmed that its economy is beginning to grow, thanks to exports and the continuity of the process to reduce uncertainty, with a notable fall in the sovereign debt spread. Growth is still not, however, strong enough to prevent the destruction of jobs. The scenario remains the same and GDP is expected to grow by about 0.9% in 2014, thanks to the stability of the financial conditions, the improvement in competitiveness and the early fruits of the structural reforms.

In Japan, a moderate recovery is expected to result in growth of more than 1.4%, but it will have to overcome two challenges to maintain this level: set an adequate pace for fiscal consolidation and implement a credible suite of structural reforms to be able to achieve sustainable growth.

In China, the improvement in the growth drivers has given rise to higher forecasts than were predicted for 2013, climbing to as much as 7.6%, according to the IMF, for 2014. Nonetheless, doubts persist about the sustainability of this growth in the medium and longer term.

With respect to Latin America, some growth is expected and indicators suggest 3.1% in 2014 the external demand gradually improves in the wake of the recovery in the United States. Even so, there is a strong degree of heterogeneity in the direction of the monetary policy applied in the different countries in the region due to the varying inflationary pressures and cyclical positions. Since the start of the year, however, Latin America has suffered great volatility on the foreign exchange markets, which might drive away potential investors due to the mistrust this might cause. The reasons underlying these tensions stem from the Federal Reserve's tapering of its stimulus package.

As for the rest of the economies in the emerging markets, their growth has diminished somewhat, in many cases more than was expected. This slowdown reflects a reduction in potential product growth, to which is now added greater volatility assumed as a consequence of a possible flight of capital, aspects to which the governments in these markets will have to adapt.

To sum up, global activity in 2014 is expected to see moderate strengthening, despite the fact that, on balance, most prospects are still pointing downward. According to forecasts, the main thrust will come from the advanced economies, and their production will expand at a rate of about 2% in 2014, up by 75% on 2013. This increase will be due to the strengthening of the US economy, a much milder fiscal contraction and flexible monetary conditions.

Annual Corporate Governance Report

The Annual Corporate Governance Report is available in its entirety on the web site of the National Securities Market Commission (www.cnm.es) and on the Company's web page (www.acciona.es).

In addition, the Annual Corporate Governance Report will be notified to the National Securities Market Commission as a Material Event.

CERTIFICATION	CERTIFICACIÓN
Edward EWING, as Official Translator of Spanish and English, hereby certifies that the foregoing text is a true and complete translation in English of its original in Spanish.	Don Edward EWING, Intérprete Jurado de inglés, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en lengua española.
In Collado Villalba, on April 5th, 2014.	En Collado Villalba, a cinco de abril de 2014.

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For the purposes of Royal Decree 1,362 dated October 19th, 2007, (art. 8.1 b), the Directors of Acciona, S.A., make the following **declaration on their own responsibility**:

As far as they are aware, the Consolidated Annual Accounts drawn up in accordance with the applicable accounting principles offer a true and fair view of the equity, financial situation and results of the Company, and the management report includes a faithful analysis of the progress and results of the business and the companies included with the consolidation group taken as a whole, together with a description of the main risks and uncertainties faced.

THIS NOTE is added to state for the record that the Directors of ACCIONA, S.A. are aware of the entire contents of the Annual Accounts and the Management Report corresponding to the 2013 financial year of Acciona, S.A. and subsidiaries (the Consolidated Group) submitted to the Board of Directors and formalized by the same at its session held on February 25th, 2014, and printed on 186 sheets, all with the paraph of the Secretary and the stamp of the Company and numbered as follows:

In witness of their agreement herewith, all of the members of the Board of Directors now sign below:

Mr. José Manuel Entrecanales Domecq President	Mr. Juan Ignacio Entrecanales Franco 1st Vice-President
Mr. Valentín Montoya Moya Member	Mr. Javier Entrecanales Franco Member
Mr. Juan Carlos Garay Ibargaray Member	Ms. Consuelo Crespo Bofill Member
Mr. Carlos Espinosa de los Monteros y Bernaldo de Quirós Member	Ms. Sol Daurella Comadrán Member
Ms. Belén Villalonga Morenés Member	Mr. Daniel Entrecanales Domecq Member
Mr. Jaime Castellanos Borrego Member	Mr. Fernando Rodés Vilá Member

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Ms. Miriam González Durántez
Member

CERTIFICATION

Edward EWING, as Official Translator of Spanish and English, hereby certifies that the foregoing text is a true and complete translation in English of its original in Spanish.

In Collado Villalba, on April 5th, 2014.

CERTIFICACIÓN

Don Edward EWING, Intérprete Jurado de inglés, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en lengua española.

En Collado Villalba, a cinco de abril de 2014.

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