

Annual
General
Meeting
2016



José Manuel Entrecanales Speech

Dear Shareholders,

On behalf of the Board of Directors of ACCIONA I welcome you and thank you again for attending this General Shareholders' Meeting.

Today we are reviewing 2015 in a positive light, having reached a turning point from which the company is returning to normality after overcoming some difficult situations in recent years.

It is hard to exaggerate the challenge involved in simultaneously tackling four external factors which attacked the core of our business activity:

First, the extremely stringent regulatory reform of renewable energies; second, the standstill in public tenders for infrastructures in which had hitherto been our main market; third, a context of deep economic crisis at a national, European and worldwide level which added uncertainty, a dropping demand and risk aversion and fourth, partly as a result of all the foregoing, the depletion of financial markets and sources of financing.

As you may recall, in light of the situation, we put in place the Action Plan, mainly implemented during 2013 and 2014 which, with everybody's effort – certainly yours aswell, our Shareholders, who had to sacrifice your dividend for 2013 – has allowed us to overcome the situation and emerge from the process as a company with a better strategic approach, a solid financial profile and an organisation that has been renewed and is ready to face a new era of growth with optimism.

But first allow me to offer a brief review of the main financial figures for last year. In 2015, the group business turnover reached 6,544 million euros, with an EBITDA of 1,174 million euros, 8% above that of the previous year. Net profit, on its part, amounted to 207 million euros, an increase of 12%.

The net debt/EBITDA ratio fell from 4.9 to 4.4, a reasonable level which has enabled us to improve our global financial relationships, broaden our sources of capital, reduce their cost and extend the lives.

From the investment perspective, 2015 has still been a year of restraint. Thus, the net ordinary capex in the various businesses of ACCIONA in the period amounted to 223 million euros, 34.5% less than in 2014, mainly concentrated in the Energy business.

As for the economic and social contribution in 2015, ACCIONA paid taxes to the various Public Administrations involved amounting to 958 million euros, 6% more than in the previous year and almost five times the net profit of the company. Of this amount, 53% pertained to taxes raised and 47% to input taxes; and of the total 958 million, the most significant item was the tax related to employment — 430 million euros – 45% of the total.

Regarding the generated economic value, that is, cash flow received, this amounted to 7,445 million euros. The main items were the 4,413 million euros used to pay supplier invoices, 830 million to wages and salaries and 114 million towards dividends.

ENERGY

As for our energy business, I shall focus on the resumption of investment and the great opportunities arising from a clear global awareness of the need to decouple economic growth from greenhouse gas emission. This awareness was crystallised in the COP21 agreements, ACCIONA being one of the best positioned global economic agents to help achieve its goals.

2015 has been a year in which we have undergone considerable growth in terms of income and of EBITDA thanks to the good performance of the electricity generation activity, the improvement in the activity of ACCIONA Windpower and construction of turnkey facilities for third parties.

Specifically, the energy division has earned revenue of 2,719 million euros, equal to an increase of 24% over 2014 and an EBITDA close to 900 million, an increase of 14%. In terms of installed capacity, during the year ACCIONA Energía installed 128MW in wind and reached an accumulated total capacity of 8,619MW.

Thus, we closed 2015 with 40% of our electricity generation outside of Spain, growing in line with our strategy of geographical diversification and always in pursuit of opportunities which bring levels of profitability in line with the risks assumed.

In relation to energy activities other than generation, it is worth mentioning the growth of ACCIONA Windpower, which has managed to double its EBITDA in 2015 and whose future is much more promising since the merger with Nordex and the installation of 411 MW turnkey facilities for third parties, mainly in Mexico and Canada.

Among the most outstanding projects in 2015 are to be highlighted the following ones: a 138 MW wind farm in South Africa; the start of the construction in Chile of the largest photovoltaic plant in Latin America, with a capacity of 247 MW and a long term agreement of electricity supply to Google; or the start of the construction of a new wind farm in the United States and another one in India which we expect to become operational by the end of this year.

TRENDS

However, in order to understand our strategy, I would like to take a small step back and review the trends which we believe mark the course of the sector. Nowadays, renewables are the electricity generation technology with the largest growth, among other reasons due to the significant progress made in their integration into the grid, in estimation of production, in efficiency improvements or the significant cost reduction.

In 2015, around 70% of the newly installed electricity capacity in the United States and Europe was renewable. The International Energy Agency estimates that, over the next 25 years, around half of the new installed capacity will be wind and solar photovoltaic energy.

These forecasts – which I believe to be conservative insofar as they do not take into account the latest reductions in generation cost observed in recent auctions – imply that the investment in the renewable sector will increase to approximately 14 trillion dollars by 2040, if we aim to meet the global warming reduction targets undertaken in the COP21 or, in other words, over 500,000 million dollars per annum over the next 25 years.

Moreover, renewables are proving to be increasingly more competitive than conventional technologies; an example of this is Chile, in whose latest auction, open to all technologies - renewable and conventional alike - 100% of the awards came from renewable energies. Or Mexico, where the latest auction reached prices hitherto unseen in the electrical sector; or Dubai, where the world record for prices of photovoltaic electricity was beaten again last week.

But, as I was saying, the favourable winds are not only in the shape of endogenous factors such as technological advancement, economies of scale or reduction in financing costs. The other factor, equally or more important than the previous ones, are the agreements reached in December 2015 in the 21 Conference of Parties (COP21) in Paris, where a historical pact against climate change was signed, where 195 signatory countries undertook to collaborate actively and immediately in the decarbonisation of the economy.

And, the preliminary data for 2015 of the International Energy Agency, ratify that decarbonisation and economic growth are compatible so that, for the second year running, the carbon emissions continued to be stagnated whereas the global economy maintained a sustained growth rate.

It therefore seems clear that the commitments acquired in December in Paris will oblige Europe and Spain to carry out an in-depth review of the regulatory framework of renewable energies to ensure stability and the necessary appeal to attract investment once again in the sector. In very general terms, this would consist in modifying the market design so that it allows the integral participation of renewable energies in all services, of renovating the incentive systems to attract investment and, in parallel, of avoiding measures which could lead to the overprotection of fossil fuel facilities or distort the competition.

But above all, as a horizontal measure of proven efficiency, we actively promote the creation of efficient mechanism of price allocation to CO2 emissions. An emissions trading market which adequately values the negative effects thereof or a system of rates that assigns a cost to whoever contaminates the most, are, undoubtedly, useful mechanisms of proven efficiency in the decarbonisation of the economy.

On our part, we share the vision and goals set at COP21; we played an active role in the conference and our business plan considers investments of at least 2,000 million euros until 2020 in renewable technologies and in a selection of priority countries chosen from among over one hundred analysed.

This global presence and our geographical and technological diversification are precisely what place us in a privileged position to benefit from the global investment explosion in the sector which began in 2015 with over 330,000 million dollars invested globally and which, as I said before, is highly likely to reach 500,000 million dollars per year if we aspire to meet the commitments undertaken in the COP21.

INFRASTRUCTURES

As for the other great area of the company, that of non-energy infrastructures, I wish to share with you the results of the integration process begun two years ago in the division in pursuit of synergies and joint opportunities for the businesses within it: construction, concessions, water and services.

Our effort has focused on risk control, the pursuit of profitability and synergies that have arisen from the unification of activities, as well as support for the highest specialisation which has translated into greater efficiency in management and an improvement in the operating results of the division.

In 2015 we have managed to maintain the profit level before tax in the division by improving the margins, despite it having been a year marked by the downturn in civil construction in Spain and Brazil, two of our main markets.

The EBITDA of the division amounted to 167 million euros, which is a drop of 3.5% over the year before, whereas the pre-tax profit amounted to 90 million euros, with an improvement of 30 basis points of margin.

On its part, at the end of 2015, the backlog amounted to 6,722 million euros, 18% above that of 2014, of which 73% is international.

We have been awarded singular civil works contracts such as the Sidney tram, the railway tunnels of Oslo in Norway, the Quito underground railway, the Site C dam in Canada or the desalinisation plants of Qatar; and we have successfully completed the world's largest water treatment plant in Atotonilco (Mexico) and the desalinisation plant of Fujairah (UAE).

The infrastructures sector is at the apex of one of the most significant transformations that are taking place as a result of urban growth, the new demand for public utilities, the ever-increasing global trade or the need to implement resilience plans in the face of climate change.

According to a report published last week by the World Bank, water scarcity, aggravated by climate change, could lead to the reduction of up to 6% of the GDP in some regions, with the inevitable emigration and more than likely war conflicts. The report also warns that the lower availability of fresh water and the competition generated by other uses – such as certain oil and gas extraction techniques or agriculture – could mean that, by 2050, the available water in cities could be reduced by two thirds compared to 2015 levels.

All these challenges require both the provision of new and complex infrastructures as well as the improvement of others which have been rendered obsolete, which ACCIONA is in a privileged situation to address and which will boost our growth both in emerging regions and in Europe, North America and Australia.

The case of Spain is a good example, with its widespread perception that more investments in infrastructures are not required, when in fact –as shown in many independent reports, particularly that of AT Kearney of November 2015 –, although we are reasonably well provided with passenger transport infrastructures, we suffer from a very concerning deficit of water infrastructures, waste treatment plants, cargo transport or social investment made in the court system, education or health..., to mention but a few examples where strong investments of a public and private nature are essential to bring us up to the level of countries such as Germany, France, United Kingdom or Italy.

The regulatory framework will be, once again, a key factor when addressing these requirements, which is why we must all work together on a new framework that is capable of attracting the private sector to bring the funding that the public sector can no longer unilaterally assume, naturally with a shared criterion of social and economic profitability.

OTHER BUSINESS AREAS

Finally, in regard to Real Estate business, Trasmediterránea and Bestinver, the trend during last year has been positive.

As for the Real Estate business, our main objective continues to be deleveraging via the sale of assets or IPO, the latter being an option which the current political uncertainty does not seem to support. We shall wait a while or proceed with the most viable alternative.

As for Trasmediterránea, the important improvement in results is a consequence, on the one hand, of the great effort invested in cost restructuring and optimisation of lines and fleet carried out over the last few years and, on the other, of the good performance of fuel prices and internal demand. Along these lines, it is worth mentioning the significant increase in EBITDA in 2015, reaching 41 million euros, equal to a year-on-year increase of 38%.

Regarding Bestinver, its contribution to the group EBITDA has been of 67 million euros, meeting our initial expectations.

CORPORATE ACTIVITY – NORDEX AND ATLL

In relation to relevant strategic corporate operations, it is worth mentioning the integration of our ACCIONA Windpower wind turbine manufacturing business with the German group Nordex, and the increase of our stake in a water concession as important as ATLL.

On the merger business of AWP and Nordex, I would like to underline the importance for ACCIONA of having persevered in the value of our wind turbine manufacture activity for a long period in which the sector has long wandered in the wilderness. In these last few years, Windpower has been able to tackle an ambitious transformation plan which has translated into great commercial and financial success, and which has enabled us to lead, along with Nordex, the necessary consolidation of the industry, creating a global reference in the WTG sector. The General Shareholders' Meeting of Nordex is taking place today in Rostock (Germany), of which a few weeks ago we became the shareholder of reference with almost 30% holding in the new company.

As for ATLL, ACCIONA took advantage of the opportunity to acquire the shareholding of our main partner in the concession, the Brazilian bank BTG Pactual, thus increasing our share from 39% to 76%. Despite the legal uncertainties that might affect the future of the concession, ACCIONA has proven its commitment to the management of this key asset for the supply of the public upstream water service to the city of Barcelona and neighbouring communities

SUSTAINABILITY. COMPLIANCE WITH TARGETS SMP 2010-2015

As for the other essential area of our company, at the close of financial year 2015, ACCIONA completed its Sustainability Master Plan 2010-2015, amply meeting set targets and very significant achievements both from a quantitative and qualitative perspective.

Allow me to highlight some of the objectives achieved by this plan as a sample of its breadth and ambition: we have reduced our emissions by more than 40% in the period; we have achieved a six-fold increase of our positive water footprint; we have increased the share of employment of people at the risk of social exclusion by 13% and exceeded the target set for employment of people with disabilities by 18%; we have invested 876 million euros in R&D&i, 75% more than the 500 million euros set as a target at the start of the plan; we have saved 87 million euros via process improvement using applied innovation; and we have linked a percentage of the variable remuneration of senior management to the achievement of the targets of this Sustainability Master Plan.

I would also like to highlight two factors which place the achievements of this 2010-2015 Sustainability Master Plan in context. First, the serious crisis situation amid which it begun, despite which it has comfortably achieved its targets. And second, its trailblazing nature, which has helped it to have become a widespread practice throughout the global business world today, when six years ago it was, at most, an activity which was part of Social Corporate Responsibility and, if it existed, was generally linked to philanthropy or charity.

I am convinced that ACCIONA has helped to extend business awareness of the triple concept – social, environmental and economic- or, in other words, the concept of Sustainability as an essential factor in business strategy.

2020 SUSTAINABLE MASTER PLAN

And, having successfully completed the Sustainability Master Plan 2010-2015, we have prepared a second edition, the 2020 Sustainability Master Plan, with the aim of continuing to establish and consolidate the sustainability practices supported by the business model of our company.

To this end, the new Plan includes strategic and operational objectives, applied throughout the organisation, with specific indications for the various business areas and aiming to further increase the awareness of the specific activity in each. With the implementation of this new plan which, among many others includes the commitment to become a carbon-neutral company this year, we want ACCIONA to be, if not the most, one of the most sustainable companies in the world in its business area.

As is always the case, the aim is to prove that a business model which is respectful with the environment, positive for society and economically profitable can exist.

OUTLOOK 2016

In terms of the Outlook for 2016, we are moderately optimistic despite the unusually low prices of electricity generation in our country, arising to a large extent from the abundance of water and wind sources in the first part of the year.

From an operational point of view, our priorities will focus on growing in our investment level in new energy projects, on securing a new growth pipeline, on the improvement of margins in infrastructures based on excellent execution and a high quality international backlog and on the optimisation of management and portfolio management of non-strategic businesses, which should become a source of opportunities for value creation.

The group's solvency will continue to be the priority and our aim shall be to gradually improve the current leverage levels, as well as to take advantage of opportunities to reduce financial costs and improve the balance between project debt and corporate debt.

In short, we expect 2016 to be a year which allows ACCIONA to continue going forward with its growth targets, profitability and financial strength, with an operating profit more or less in line with the one of the previous year, but which will ensure growth in 2017 based on the strong investment effort under way and the continuous operational improvement of our businesses.

CONCLUSIONS

Therefore, I believe we can all feel reasonably proud of the results obtained in financial year 2015 and the excellent opportunity provided by the positioning of ACCIONA following the efforts made to improve the operations and the balance sheet.

On its part, the market has recognised the radical transformation of the group, its financial strength and its good business prospects, mainly reflected in our share price, which increased during 2015 by 41% compared to a fall of 7% in the IBEX, placing us among the best stocks in the index last year.

The analysts' purchase recommendations have also improved, having gone from 37% at the close of 2014 to 60% today, with an increase in the average target price of 31%, reaching 82 euros per share.

In general, this much more favourable environment allows us to propose to this Meeting an increase of 25% in the dividend over that of last year, aiming to establish a new base of moderate and sustainable growth in the future.

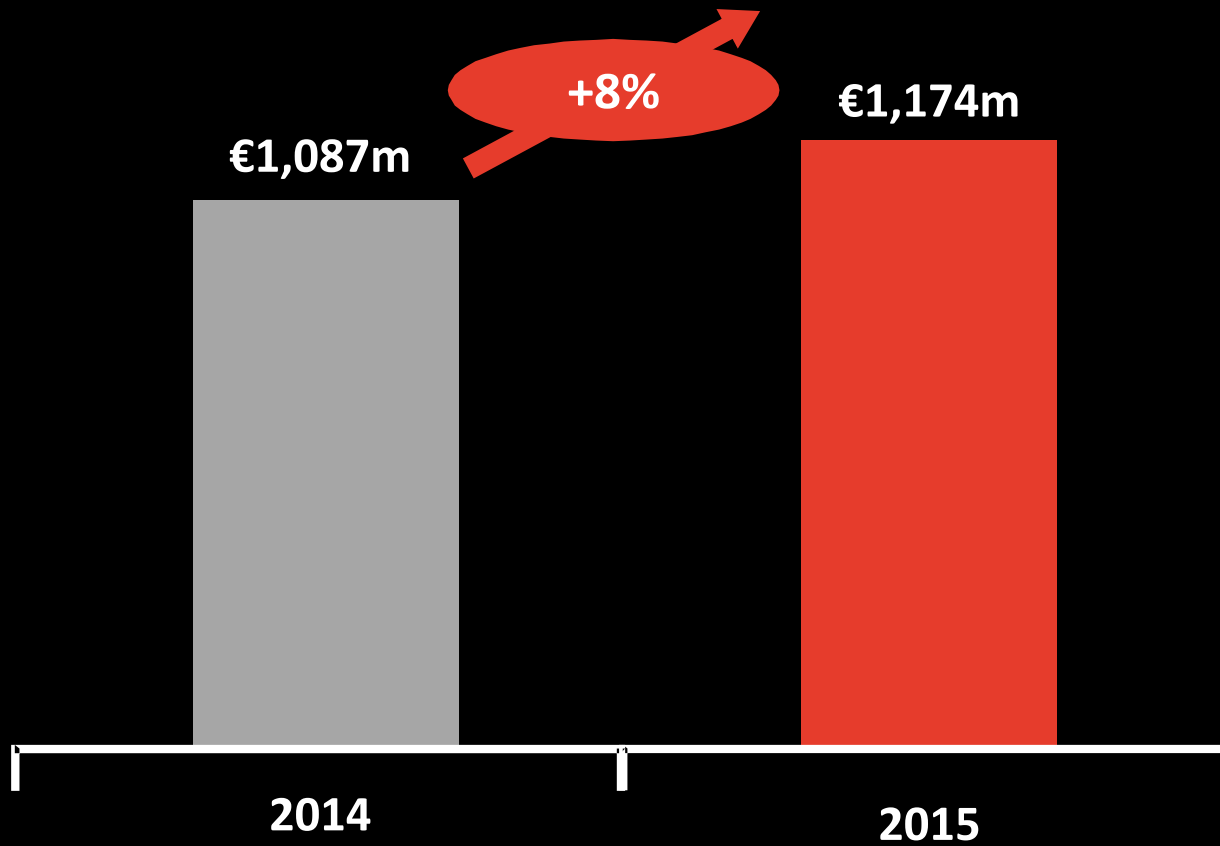
In summary, dear Shareholders, with your support, the commitment of our human team and of the Board of Directors, ACCIONA will continue along its path of profitable growth and creation of value, always contributing to a balanced development model designed to benefit our society and future generations.

Thank you very much.

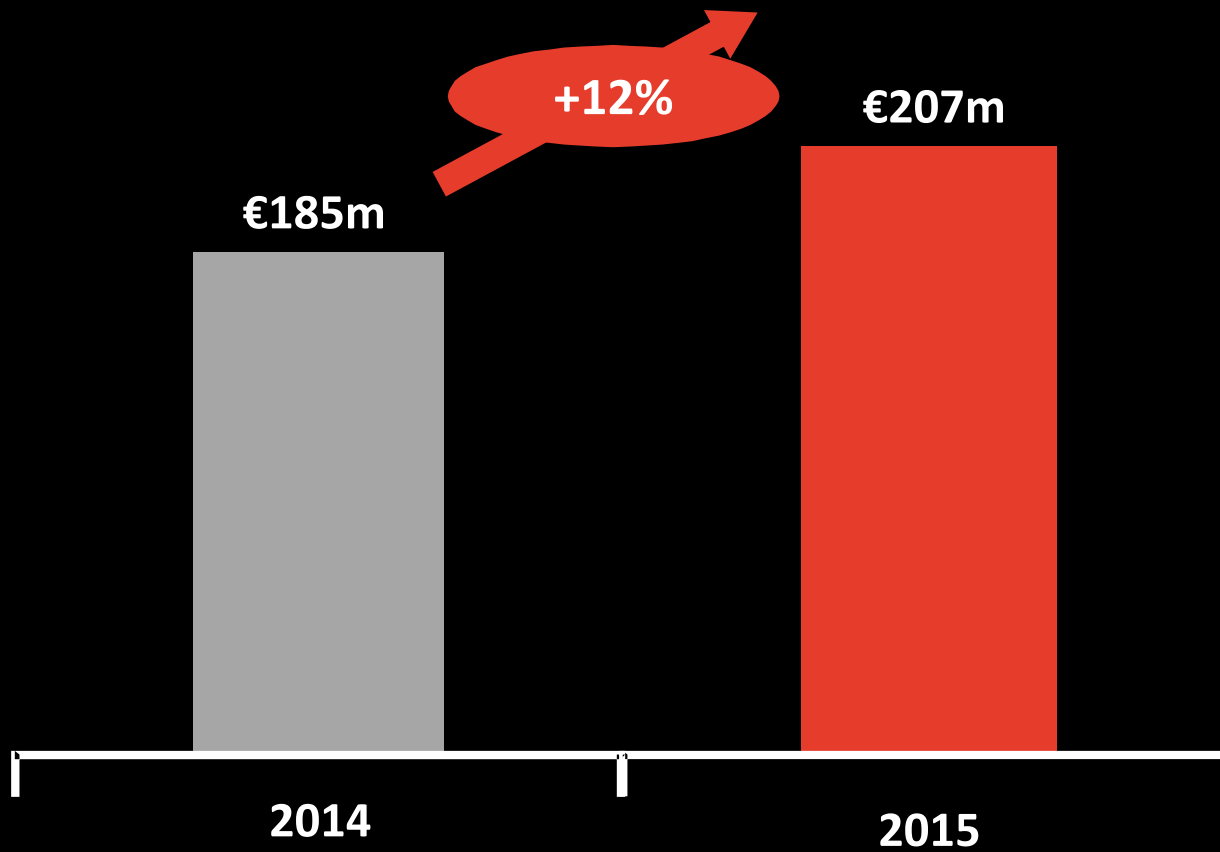
2016
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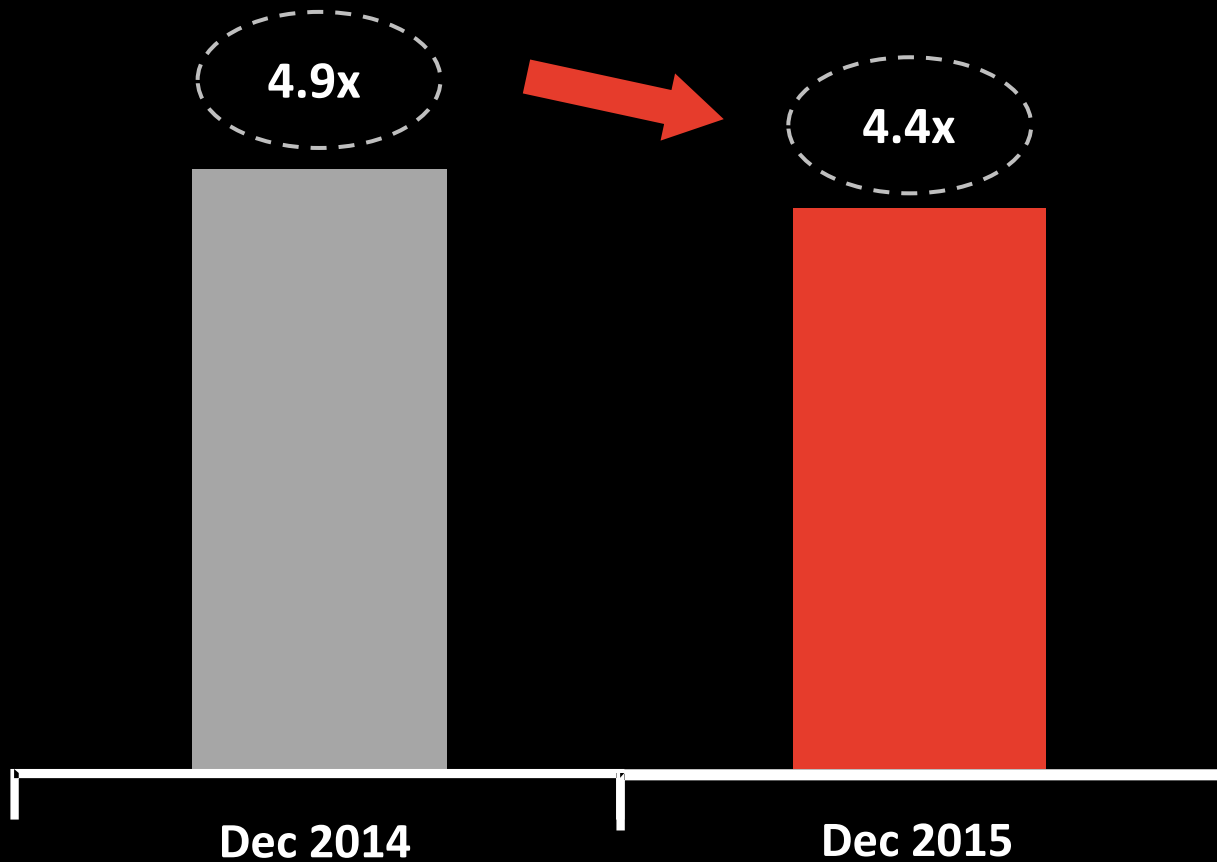
Group EBITDA



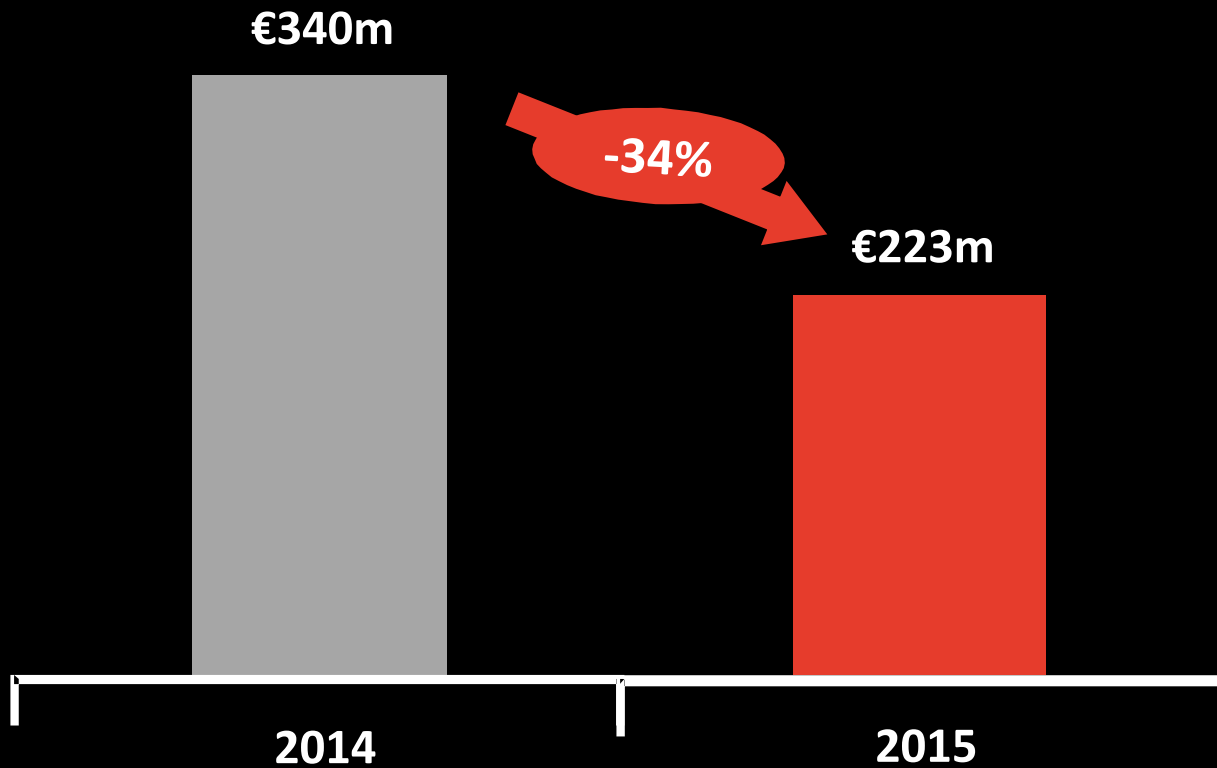
Group Net Income



Net Financial Debt/EBITDA



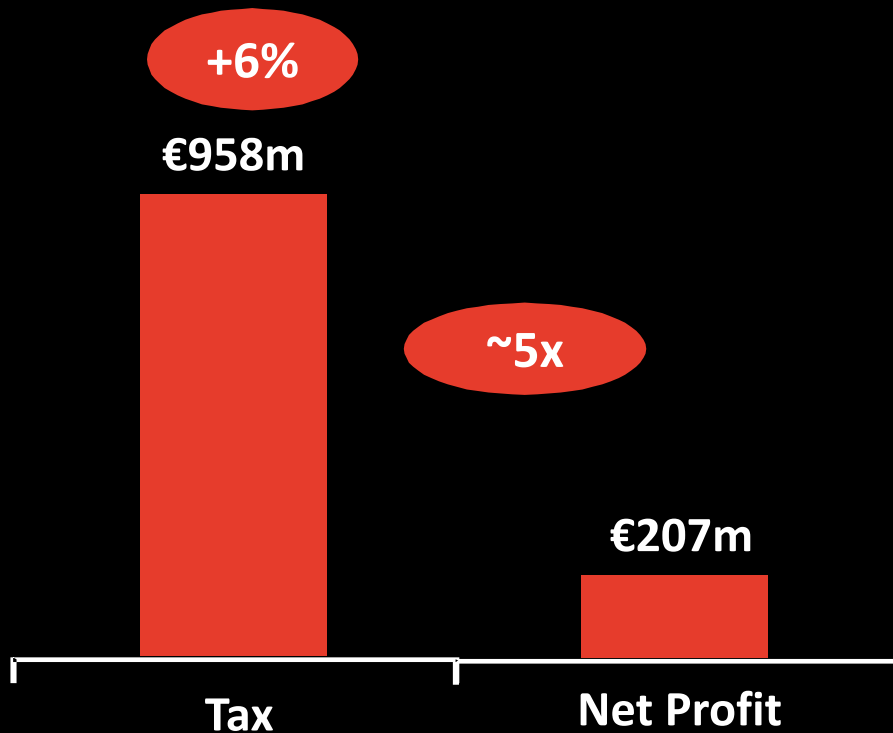
Ordinary net capex



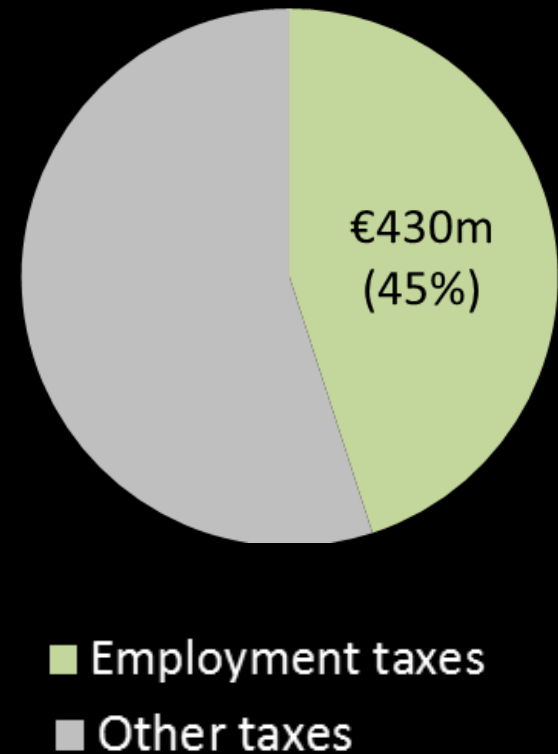
Action Plan: 2015 a year of containment

Economic and social contribution

Taxes paid vs Net Profit (2015)



Taxes related to employment



Economic and social contribution

€7,445m



€4,413m suppliers



€830m wages and salaries



€114m in dividends

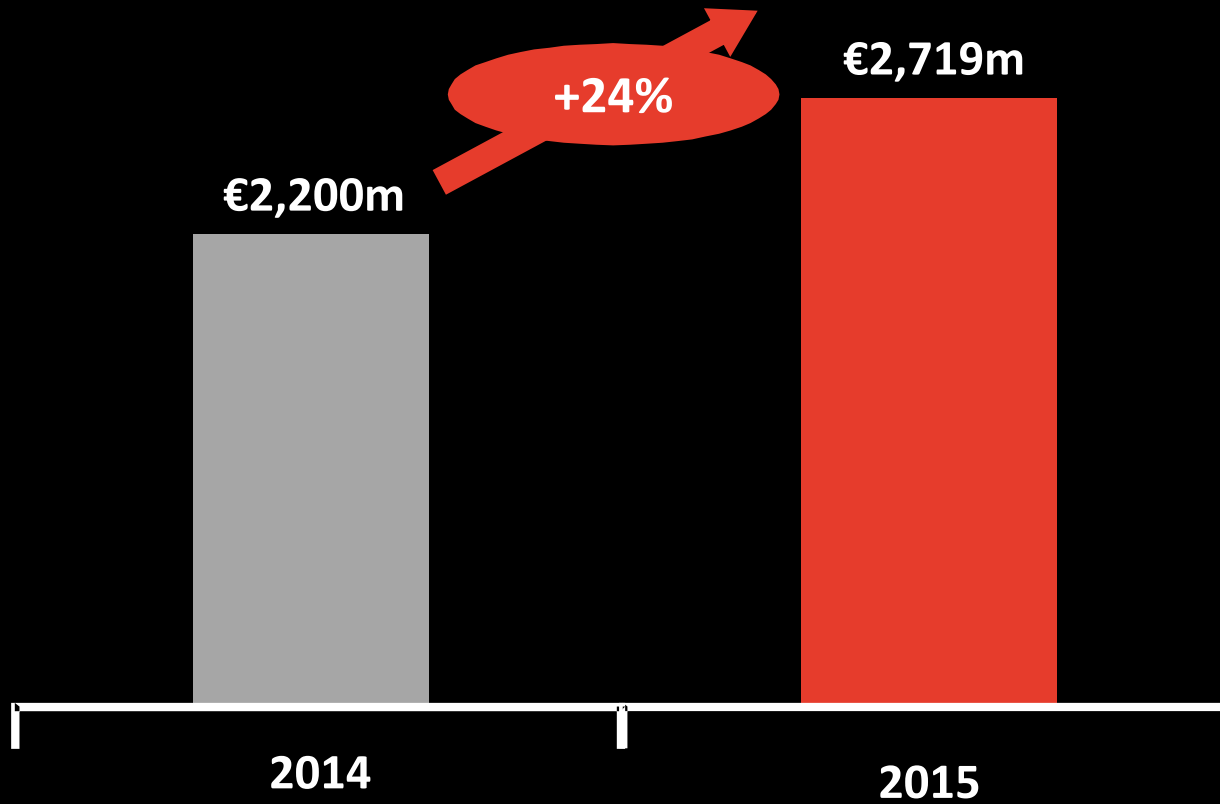


Rest: debt repayment, capex, other

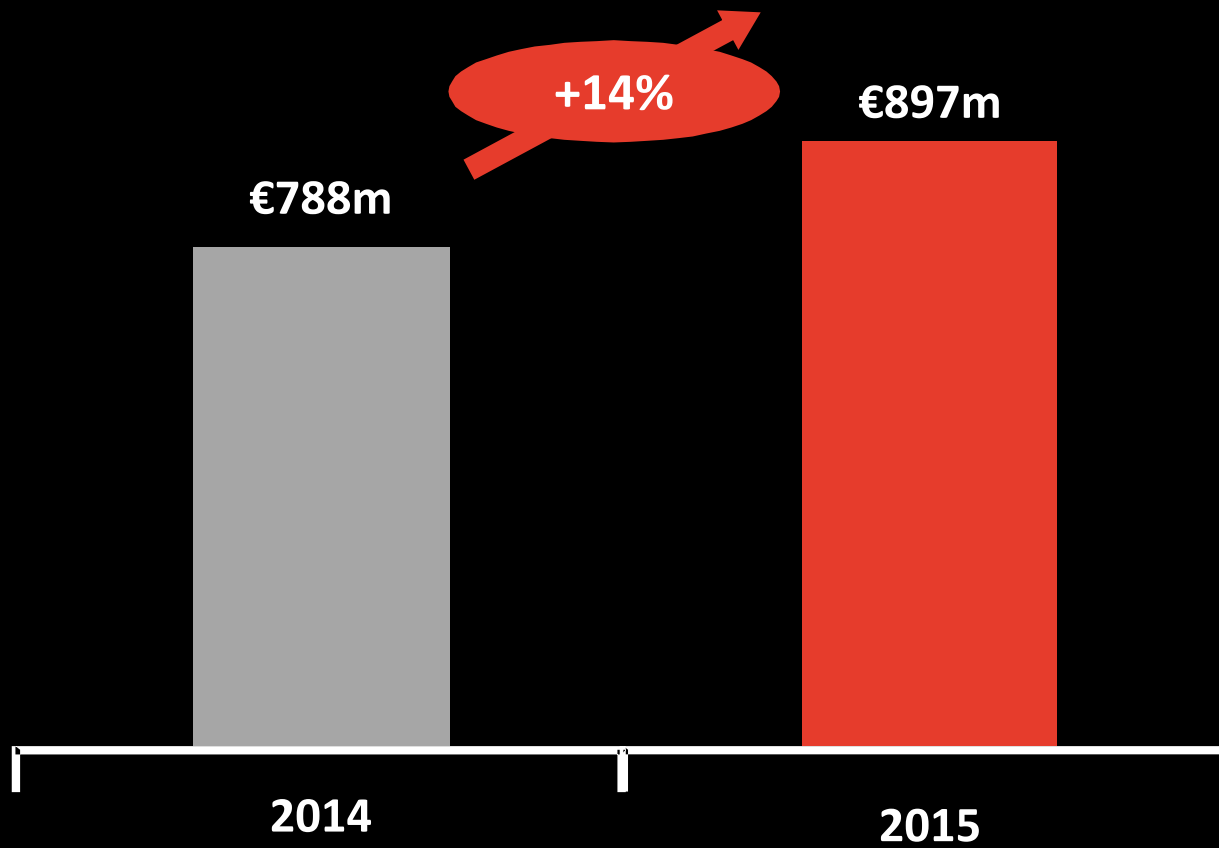
Economic value
distributed in
2015

Energy

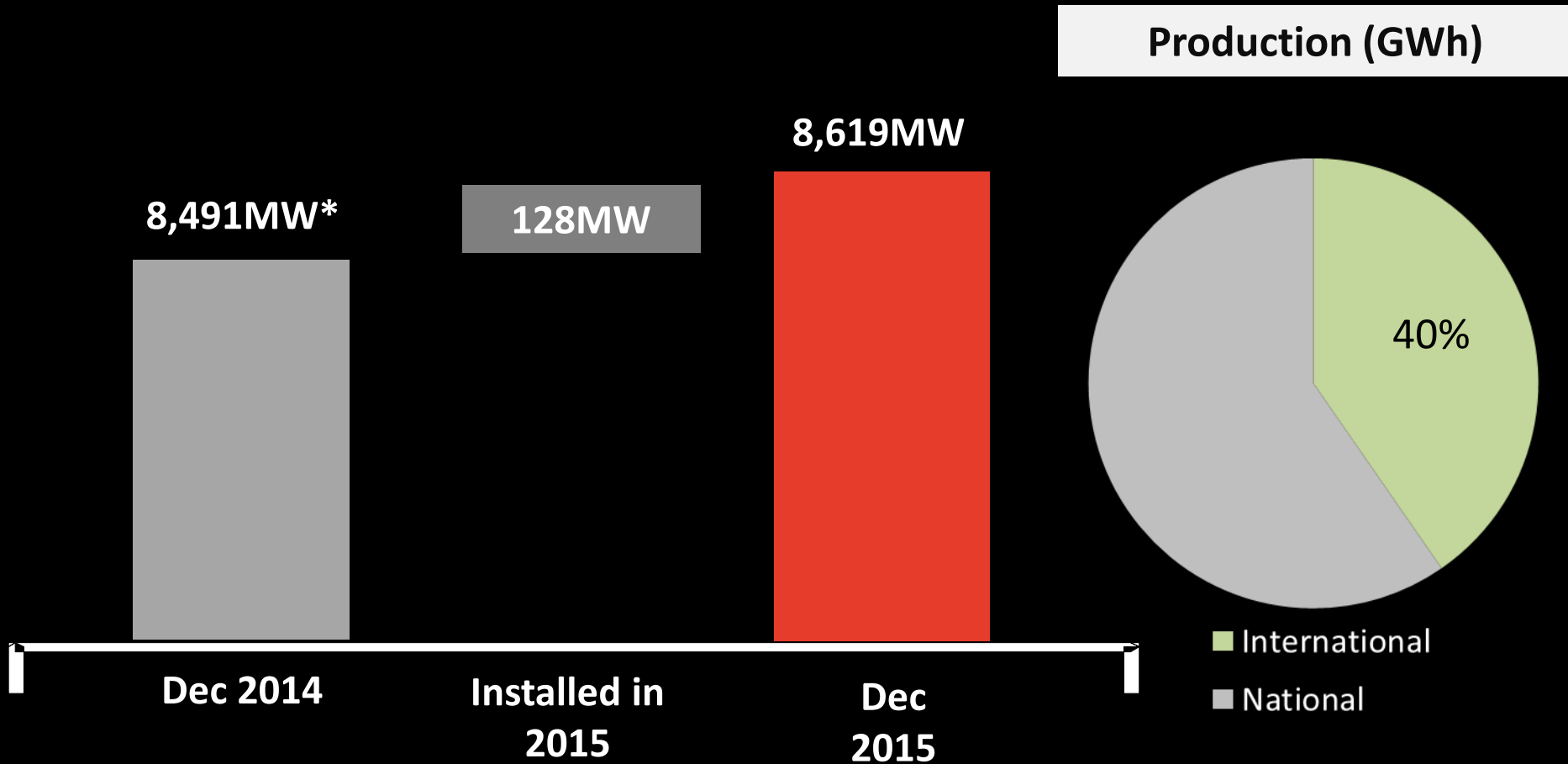
Energy sales



Energy EBITDA



Total installed capacity and production

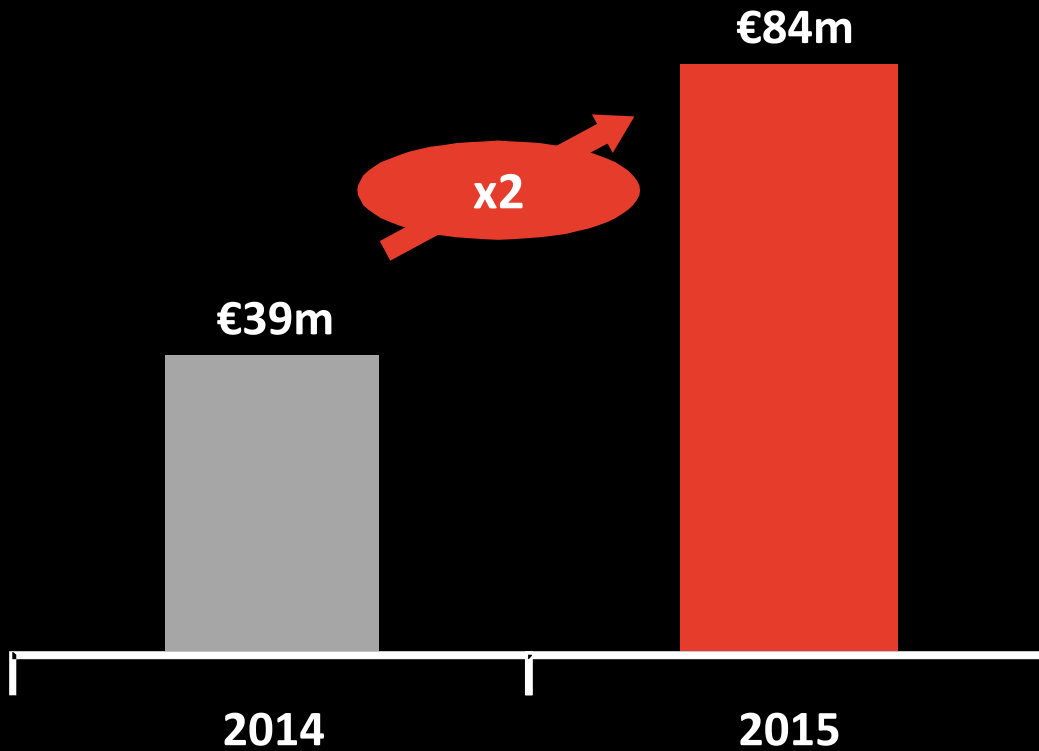


* Adjusted for divestment 9MW in 2015

ACCIONA Windpower

EBITDA

Merger with Nordex





Gouda Wind Farm, South Africa (138MW)



Romero Solar PV Plant, Chile (247MWp)

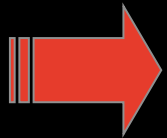


San Roman Wind Farm, United States (93MW)

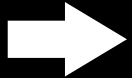


Bannur Wind Farm, India (78MW)

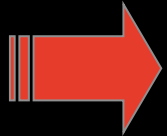
Energy Trends



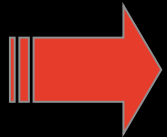
Renewables: highest growing technology



\$500,000m p.a. until 2040 to achieve COP21 objectives



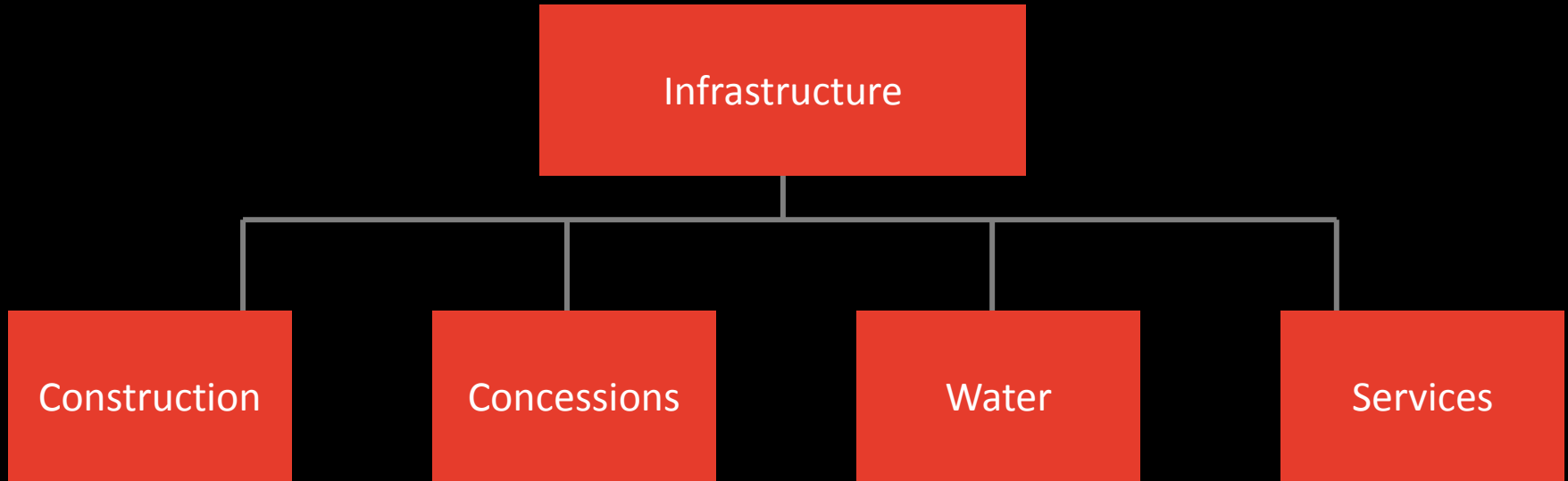
Technology increasingly competitive



Global commitment: COP21

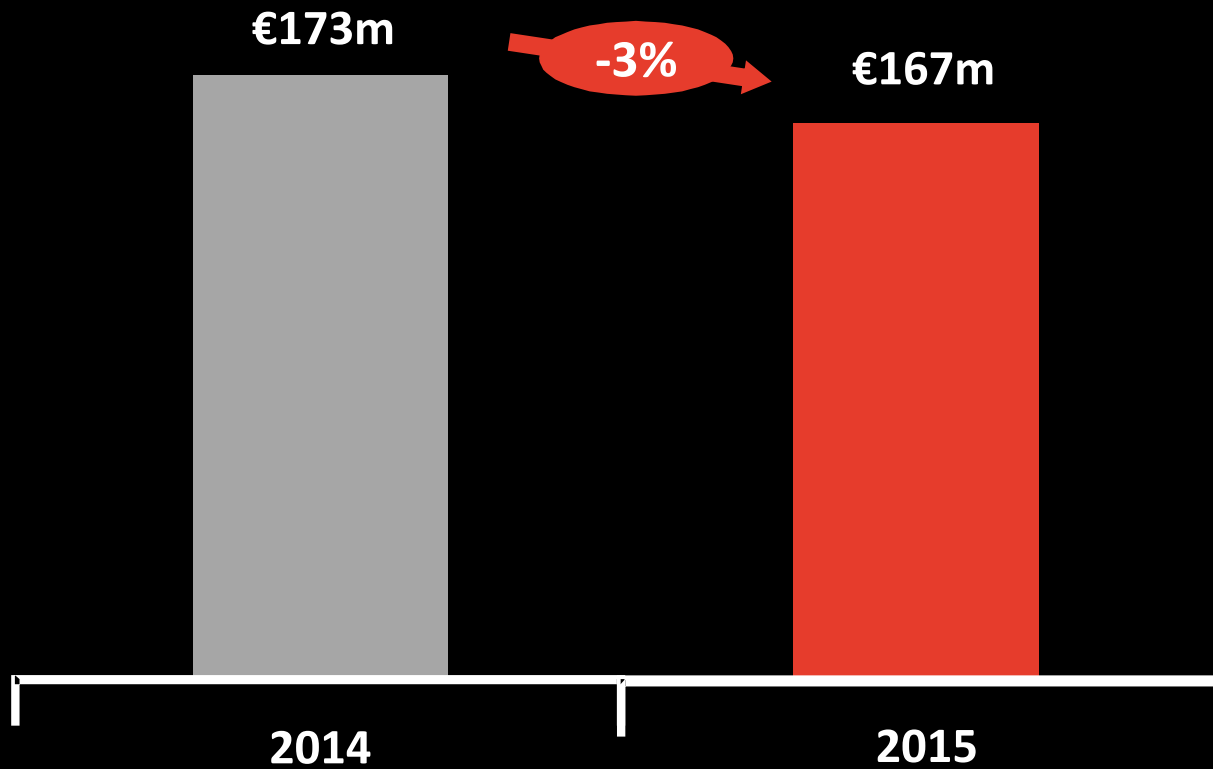
ACCIONA plans to invest more than €2,000m by 2020

Infrastructure

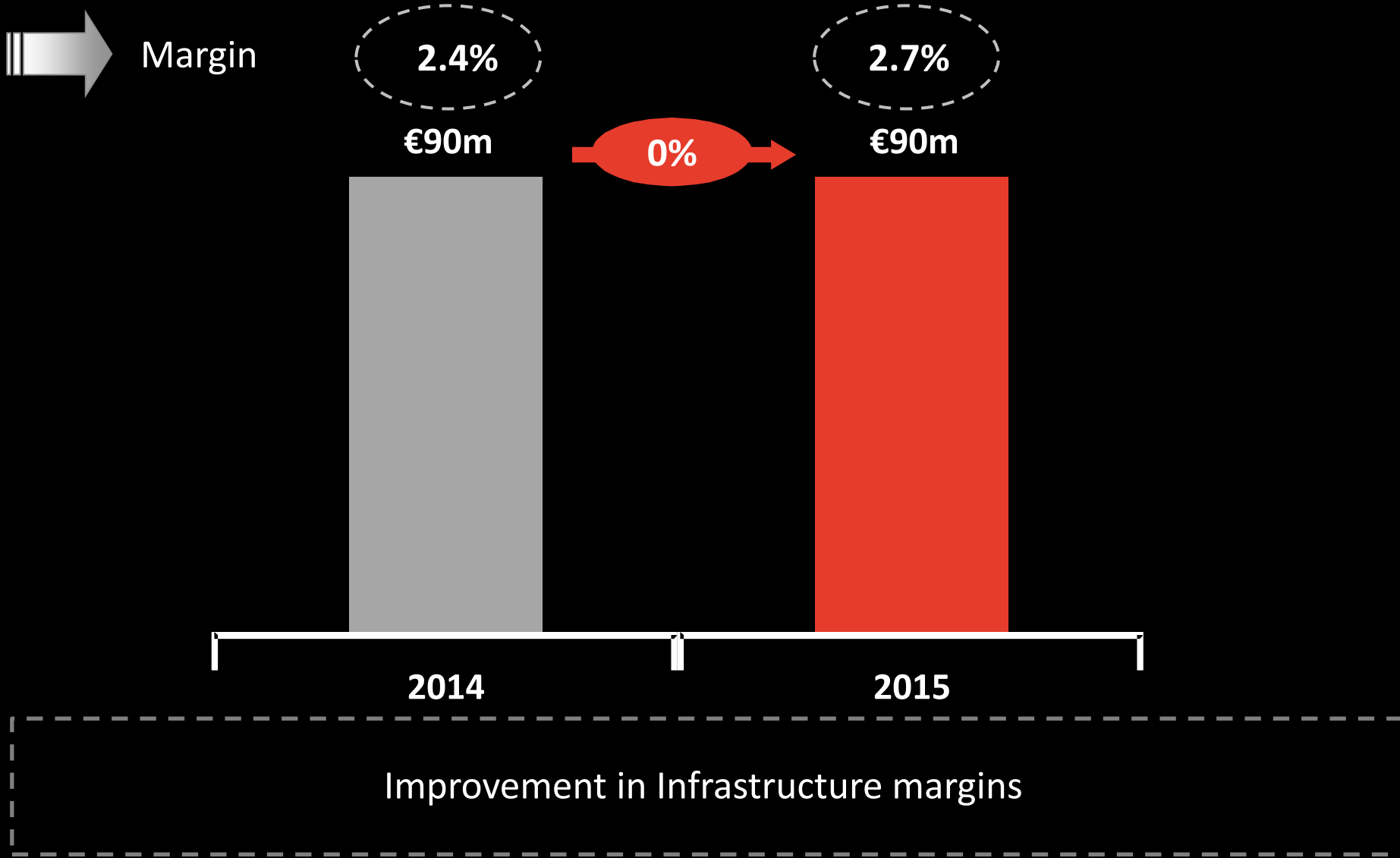


Risk control, profitability, synergies and high specialization

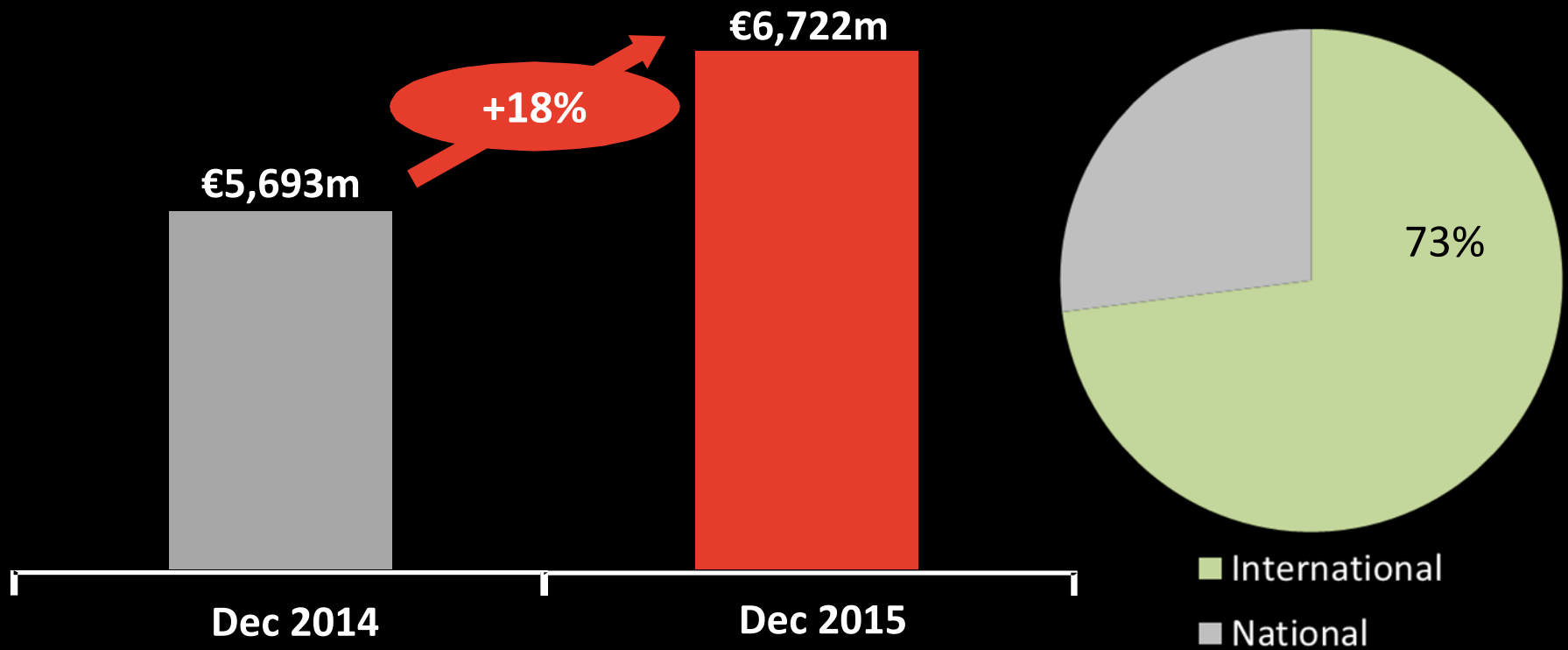
Infrastructure EBITDA



Infrastructure EBT



Infrastructure construction backlog





Sydney Light Rail



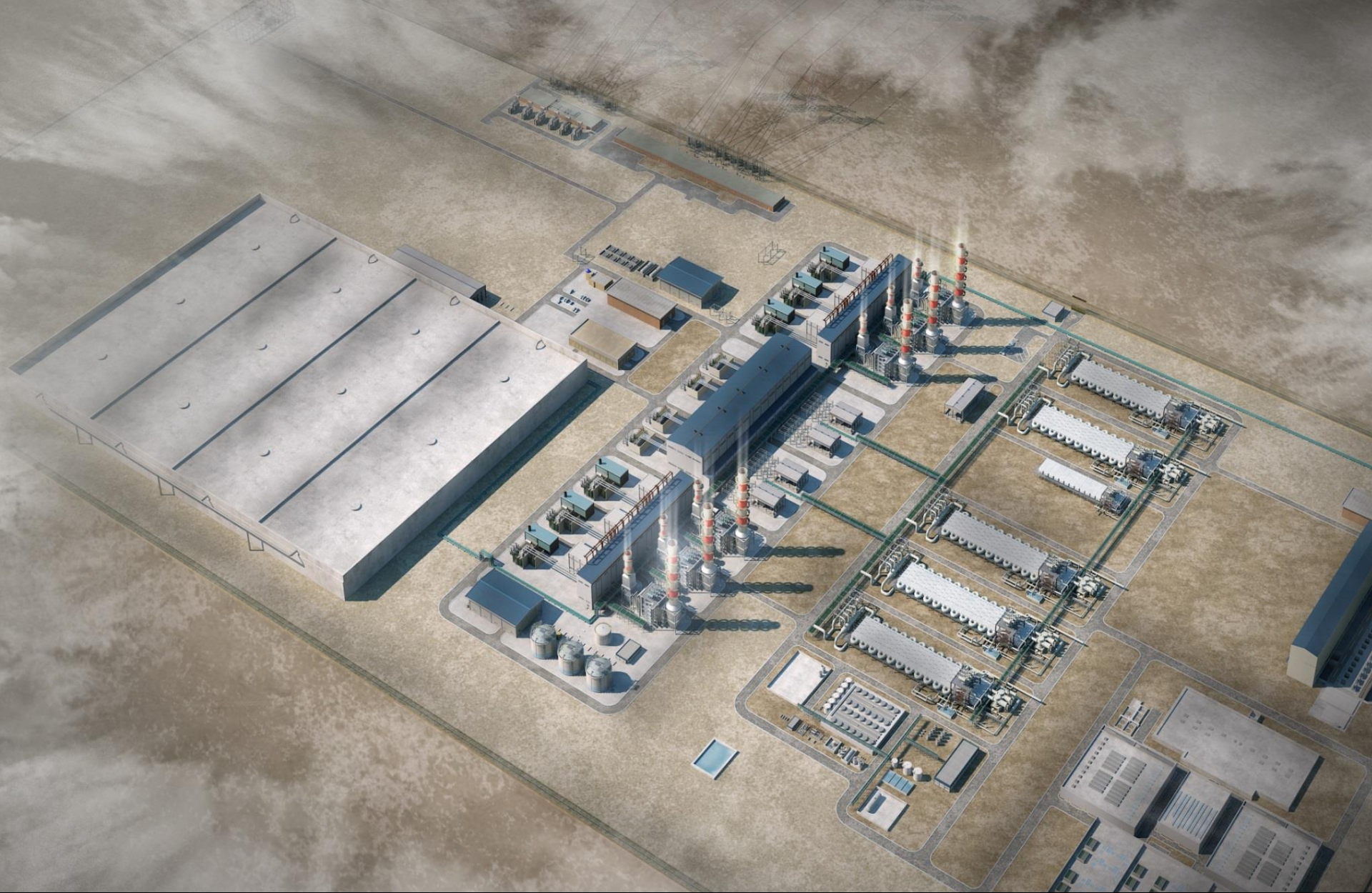
Railway Tunnels in Norway



Quito Metro, Ecuador



Site C Dam, Canada (1,100MW)



Desalination Plant, Qatar



Atotonilco wastewater treatment plant, Mexico



Fujairah desalination plant, United Arab Emirates

Other Activities

Real Estate

- Objective: deleverage through asset disposal or IPO



Subject to environment

Trasmediterránea

- Cost restructuring
- Routes and fleet optimization
- Decrease in fuel price
- Internal demand improvement



+38% EBITDA 2015

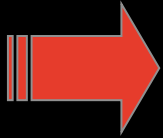
Bestinver

- EBITDA 2015: €67m



Meets expectations

Strategic highlights



Merger of AWP – Nordex

elEconomista.es | Energía
Lunes, 5 de Octubre de 2015 Actualizado a las 9:51

Portada Mercados y Cotizaciones Empresas Economía Tecnología Vivienda Opinión/Blogs

Alimentación Consumo Energía Finanzas y seguros Infraestructuras y construcción Sanidad Telecomunicaciones

IBEX 35 ▲ +0,41% EURUSD ▼ -0,82% I. GENERAL DE MADRID ▲ +0,35% DOW JONES ▲ +0,24% ECO10 ▲ +1,19% EURIBOR

Acciona Windpower se fusiona con Nordex y crea el quinto mayor fabricante de eólica

RUBÉN ESTELLER | 9:51 - 5/10/2015

Expansión ORBYT. Ediciones Vers

MERCADOS AHORRO EMPRESAS ECONOMÍA EMPRENDEDORES&EM

Cataluña Clásica

Acciona cierra la fusión de su filial de aerogeneradores con Nordex

Acciona se fusiona con la alemana Nordex para crear un gigante eólico

OPERACIÓN DE 785 MILLONES DE EUROS/ La unión de Windpower con el grupo alemán sup tamaño y desafa a Vestas, Siemens y GE para liderar el negocio. Es la primera concen

LA VANGUARDIA | Economía

Acciona Windpower y Nordex crearán mayor fabricante de aerogeneradores

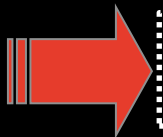
CincoDías
Martes 6 de octubre de 2015 cincodias.com Año XXXVIII Número 10.818 1,60 €

Crea con Nordex el cuarto productor mundial de aerogeneradores

Acciona, viento en popa

■ Aporta Windpower a la germana y tendrá el 29,9% de la firma resultante ■ El grupo español se sitúa como primer accionista "a largo plazo"

SUMARIO EMPRESAS



Increase in ATLL stake from 39% to 76%

Sustainability Master Plan 2010-2015: targets achieved

- ✓ Over 40% reduction in total emissions
- ✓ Positive water footprint increased over six times
- ✓ Employment rate of people in risk of social exclusion increased by 13%
- ✓ Objective of employment of differently-abled people exceeded by an 18%
- ✓ 2010-2015 investment R+D+I amounted to €876m
- ✓ €87m in savings due to process improvements
- ✓ Linking variable remuneration to SMP 2010-2015 objectives achievement

Sustainability Master Plan 2020

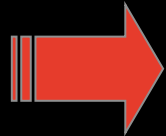
New strategic and operational objectives for the entire company

Carbon neutral commitment

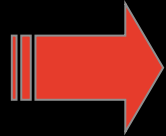
Management of non-financial risk

Excellence in social impact management

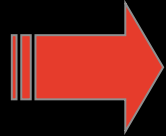
Priorities for 2016



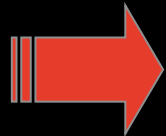
Increase investment in new energy projects



Securing new growth backlog



Improving infrastructure margins



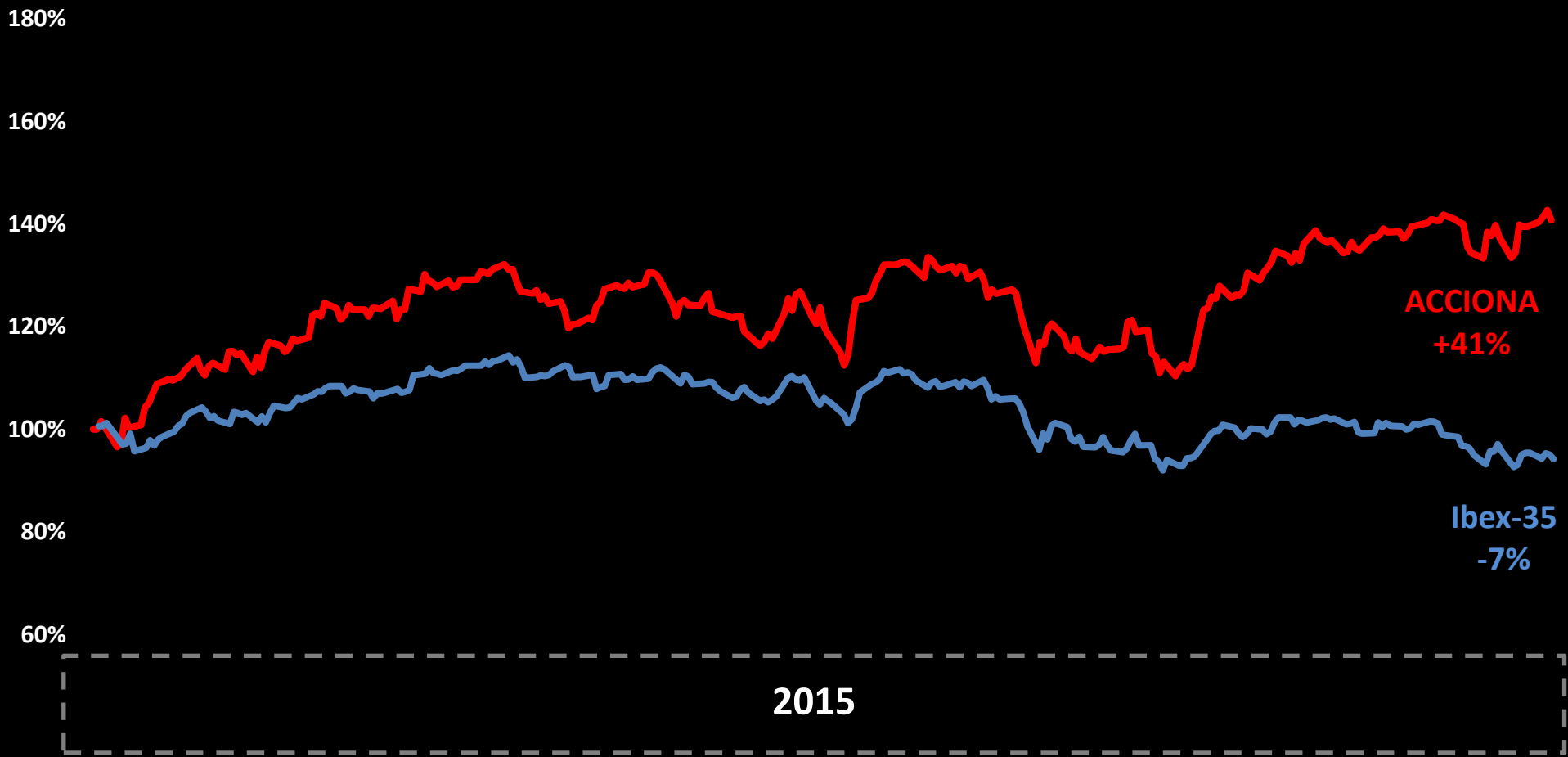
Optimize management and portfolio of non-core businesses



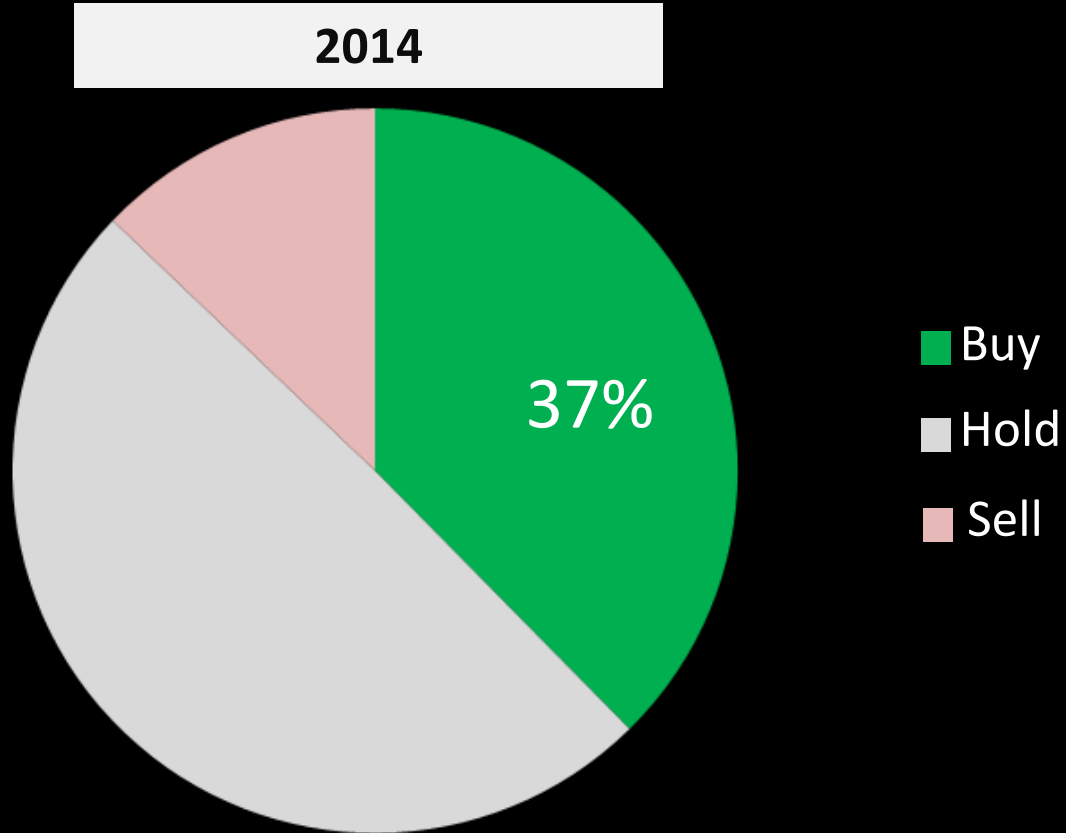
Group's solvency

2016: Growth, profitability and financial strength

2015 share evolution



Analyst consensus evolution

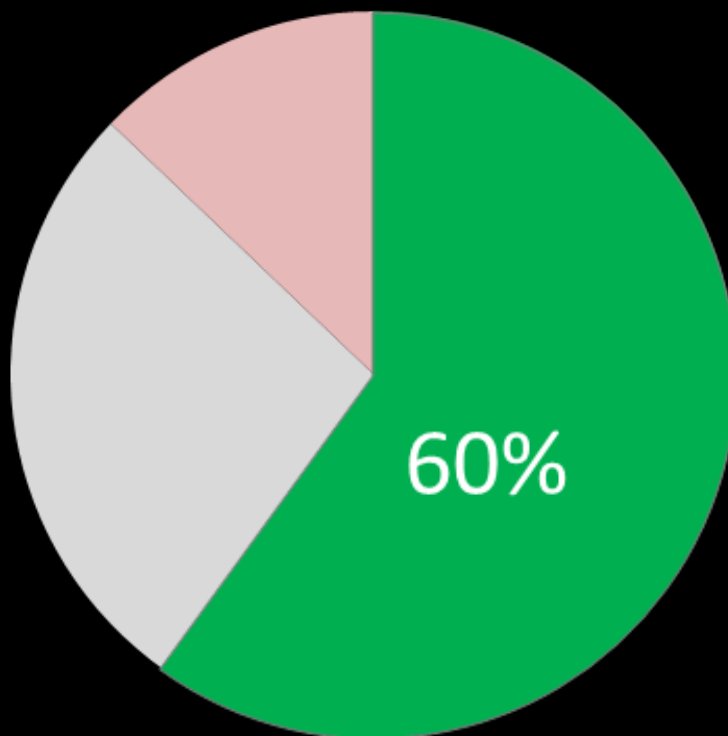


Recent analyst consensus January 2015: BBVA, Goldman Sachs, La Caixa, JBCM, Fidentiis, Kepler Cheuvreux, BoAML, N+1

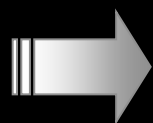
Recent analyst consensus May 2016: Santander, Exane BNP, N+1, BPI, BoAML, Sabadell, La Caixa, BBVA, Macquaire, Goldman Sachs

Analyst consensus evolution

2015



■ Buy
■ Hold
■ Sell



Target price
per share

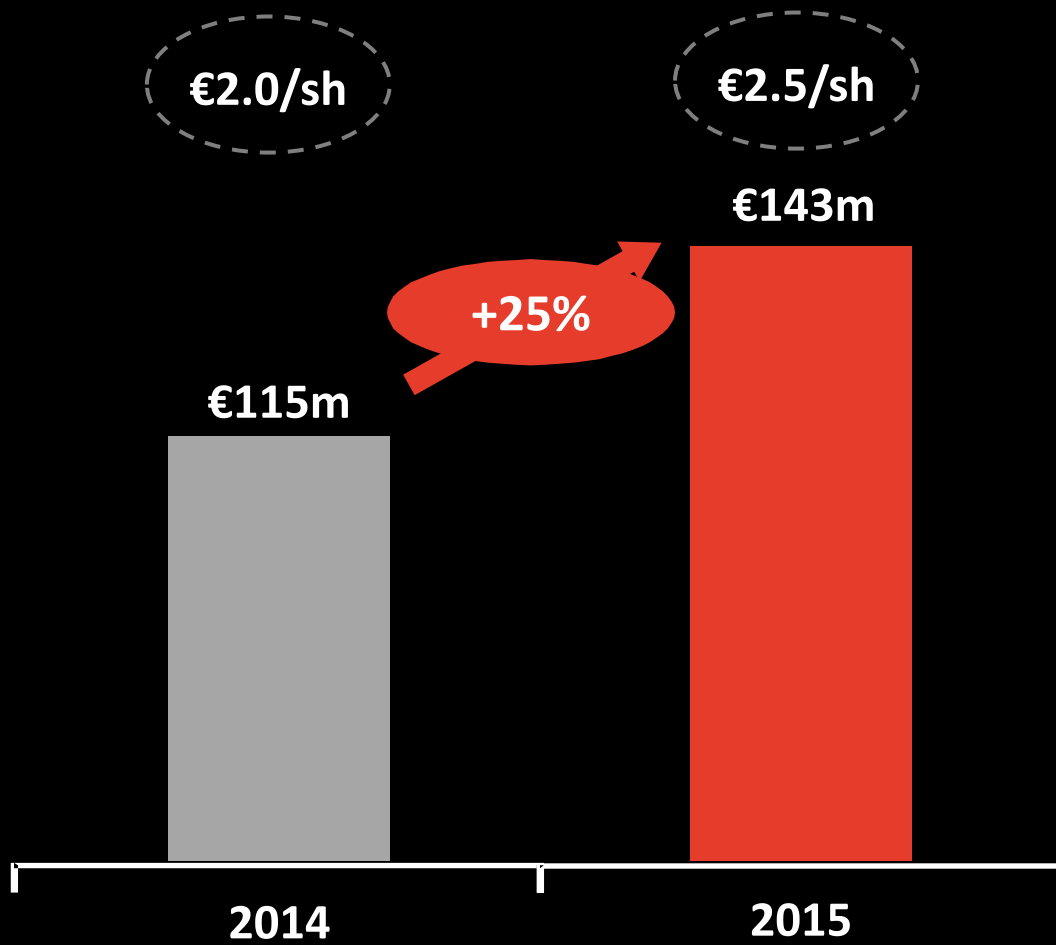
€62

+31%

€82

Recent analyst consensus January 2015: BBVA, Goldman Sachs, La Caixa, JBCM, Fidentiis, Kepler Cheuvreux, BoAML, N+1
Recent analyst consensus May 2016: Santander, Exane BNP, N+1, BPI, BoAML, Sabadell, La Caixa, BBVA, Macquaire, Goldman Sachs

Dividend



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