

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.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
ACCIONA, S.A.,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Acciona, S.A. (the Parent) and Subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated statement of profit or loss, 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.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Acciona, S.A. and Subsidiaries 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 in Spain (identified in Note 2.1 to the accompanying consolidated financial statements) and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of Acciona, S.A. and Subsidiaries as at 31 December 2014, and their consolidated results and their consolidated cash flows for the year then ended 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 in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2014 contains the explanations which the Parent's directors consider appropriate about the situation of Acciona, S.A. and Subsidiaries, the evolution of their 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 2014. 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

A handwritten signature in blue ink, reading "Raquel Martínez", with a long horizontal line extending to the right.

Raquel Martínez Armendáriz
26 February 2015

[The following certified translation is of the 2014 annual accounts for a Spanish company:]

ACCIONA, S.A.
AND
SUBSIDIARIES
(Consolidated Group)

CONSOLIDATED
FINANCIAL STATEMENTS
AND
DIRECTORS' REPORT
2014

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ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS FOR 2014, 2013 and 2012 (Thousands of euros)				
ASSETS	Note	31.12.2014	31.12.2013	31.12.2012
Property, plant and equipment	4	8,012,540	7,831,280	9,325,509
Investment property	5	180,851	117,249	122,014
Goodwill	6	79,295	79,305	1,011,720
Other intangible assets	7	532,431	633,879	749,618
Non-current financial assets	10	155,734	239,932	203,844
Investments accounted for using the equity method	8	390,150	473,167	528,530
Biological assets	11	6,836	6,830	6,825
Deferred tax assets	22	976,874	1,001,566	874,060
Non-current receivables and other non-current assets	12	436,710	384,530	345,384
NON-CURRENT ASSETS		10,771,421	10,767,738	13,167,504
Biological assets		--	--	--
Inventories	13	1,042,644	1,020,035	1,142,857
Trade and other receivables	14	1,940,034	1,786,722	2,235,256
Other current financial assets	10	369,107	333,893	344,491
Current income tax assets		75,928	95,804	60,740
Other current assets		205,097	169,493	230,672
Cash and cash equivalents	15	1,326,812	1,163,568	1,104,878
Non-current assets classified as held for sale and discontinued operations	23	412,137	352,954	252,661
CURRENT ASSETS		5,371,759	4,922,469	5,371,555
TOTAL ASSETS		16,143,180	15,690,207	18,539,059

LIABILITIES AND EQUITY	Note	31.12.2014	31.12.2013	31.12.2012
Share capital		57,260	57,260	57,260
Retained earnings and issue premium		3,376,948	3,242,767	5,153,741
Treasury shares		(28,895)	(6,461)	(4,107)
Translation differences		(25,264)	(63,628)	22,828
Interim dividend		--	--	--
Equity attributable to equity holders of the Parent	16	3,380,049	3,229,938	5,229,722
Non-controlling interests	16	233,438	166,348	275,578
EQUITY		3,613,487	3,396,286	5,505,300
Debt instruments and other marketable securities	18	758,773	201,692	212,371
Bank borrowings	18	5,159,159	5,369,914	5,911,873
Deferred tax liabilities	22	692,794	761,759	835,444
Provisions	17	453,588	533,121	549,667
Other non-current liabilities	21	854,292	478,444	438,285
NON-CURRENT LIABILITIES		7,918,606	7,344,930	7,947,640
Debt instruments and other marketable securities	18	440,436	161,657	6,542
Bank borrowings	18	631,381	1,803,703	2,020,082
Trade and other payables		2,558,228	2,156,112	2,291,326
Provisions		177,307	180,862	165,240
Current income tax liabilities		19,190	19,564	20,375
Other current liabilities	21	463,126	447,132	457,505
Liabilities associated with non-current assets classified as held for sale and	23	321,419	179,961	125,049
CURRENT LIABILITIES		4,611,087	4,948,991	5,086,119
TOTAL EQUITY AND LIABILITIES		16,143,180	15,690,207	18,539,059

The accompanying Notes 1 to 36 are an integral part of the consolidated balance sheet for 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS FOR 2014 and 2013
(Thousands of euros)

	Note	2014	2013
Revenue	25	6,498,501	6,271,208
Other income		363,979	328,099
Changes in inventories of finished goods and work in progress		(7,461)	3,521
Procurements	26	(1,853,678)	(1,447,589)
Staff costs	26	(1,275,310)	(1,307,435)
Other operating expenses	26	(2,638,992)	(2,786,273)
Depreciation and amortisation charge and change in provisions and allowances	4,5,7,26	(547,118)	(1,087,820)
Impairment and gains or losses on disposals of non-current assets	26	32,369	(1,803,759)
Other gains or losses		(326)	(1,935)
PROFIT FROM OPERATIONS		571,964	(1,831,983)
Finance income	28	50,256	74,012
Finance costs	28	(418,557)	(422,230)
Translation differences		5,226	(18,888)
Net losses arising from changes in value of financial instruments at fair value	26	21,960	(332)
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	46,248	25,200
PROFIT BEFORE TAX		277,097	(2,174,221)
Income tax expense	22	(69,905)	145,781
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		207,192	(2,028,440)
Profit/Loss after tax from discontinued operations		--	--
PROFIT FOR THE YEAR		207,192	(2,028,440)
Non-controlling interests	16	(22,243)	56,069
PROFIT ATTRIBUTABLE TO THE PARENT		184,949	(1,972,371)
BASIC EARNINGS per share from continuing operations (euros)	31	3.24	(34.55)
DILUTED EARNINGS per share from continuing operations (euros)	31	3.28	(34.55)
BASIC EARNINGS per share (euros)	31	3.24	(34.55)
DILUTED EARNINGS per share (euros)	31	3.28	(34.55)

The accompanying Notes 1 to 36 are an integral part of the consolidated income statement for 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2014 and 2013
(Thousands of euros)

	Note	2014	2013
A) CONSOLIDATED PROFIT FOR THE YEAR		207,192	(2,028,440)
1. Profit attributable to the Parent		184,949	(1,972,371)
2. Non-controlling interests		22,243	(56,069)
B) ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		(1,193)	(269)
1. Revaluation/(Reversal of the revaluation) of property, plant and equipment and intangible assets		--	--
2. Actuarial gains and losses and other adjustments	17	(1,351)	(332)
3. Tax effect		158	63
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		(69,381)	123,853
Income and expense recognised directly in equity		(143,335)	25,580
1. Revaluation of financial instruments:		5,467	7,898
a) Available-for-sale financial assets	10	5,467	7,898
b) Other income / (expenses)		--	--
2. Cash flow hedges	20	(243,287)	167,453
3. Translation differences		74,234	(138,808)
4. Other income and expenses recognised directly in equity		--	--
5. Tax effect		20,251	(10,963)
Transfers to the income statement:		73,954	98,273
1. Revaluation of financial instruments:		(27,275)	(1,468)
a) Available-for-sale financial assets		(27,275)	(1,468)
b) Other income / (expenses)		--	--
2. Cash flow hedges	20	120,949	139,508
3. Translation differences		11,974	2,350
4. Other income and expenses recognised directly in equity		--	--
5. Tax effect		(31,694)	(42,117)
TOTAL RECOGNISED INCOME / (EXPENSE) (A+B+C)		136,618	(1,904,856)
a) Attributable to the Parent		100,728	(1,842,406)
b) Attributable to non-controlling interests		35,890	(62,450)

The accompanying Notes 1 to 36 are an integral part of the consolidated statement of comprehensive income for 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2014 (thousands of euros)

	Equity attributable to the Parent (thousands of euros) Shareholders' equity							Non-controlling interests	Total equity
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Profit for the year attributable to the Parent	Other equity instruments	Valuation adjustments			
Opening balance at 01/01/14	57,260	5,521,448	(6,461)	(1,972,371)	--	(369,938)		166,348	3,396,286
Adjustments due to changes in accounting policies									--
Adjustments due to errors									--
Adjusted opening balance	57,260	5,521,448	(6,461)	(1,972,371)	--	(369,938)		166,348	3,396,286
Total recognised income/(expense)				184,949		(84,221)		35,890	136,618
Transactions with shareholders or owners	--	70,920	(25,774)	--	--	--		22,718	67,864
Capital increases/(reductions)								13,117	13,117
Conversion of financial liabilities into equity		37,405							37,405
Dividends paid		--						(12,275)	(12,275)
Treasury share transactions (net)	--	--	(25,774)						(25,774)
Increases/(Decreases) due to business combinations								1,086	1,086
Other transactions with shareholders or owners		33,515						20,790	54,305
Other changes in equity	--	(1,971,474)	3,340	1,972,371	--	--		8,482	12,719
Share-based payments		1,136	3,340						4,476
Transfers between equity items		(1,972,371)		1,972,371					--
Other changes		(239)						8,482	8,243
Closing balance at 31/12/14	57,260	3,620,894	(28,895)	184,949	--	(454,159)		233,438	3,613,487

The accompanying Notes 1 to 36 are an integral part of the consolidated statement of changes in total equity for 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2013 (thousands of euros)

	Equity attributable to the Parent (thousands of euros) Shareholders' equity							Non-controlling interests	Total equity
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Profit for the year attributable to the Parent	Other equity instruments	Valuation adjustments			
Opening balance at 01/01/13	57,260	5,487,071	(4,107)	189,401	--	(499,903)		275,578	5,505,300
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)		275,578	5,505,300
Total recognised income/(expense)				(1,972,371)		129,965		(62,450)	(1,904,856)
Transactions with shareholders or owners	--	(151,690)	(7,704)	--	--	--		(44,746)	(204,140)
Capital increases/(reductions)									--
Conversion of financial liabilities into equity									--
Dividends paid		(151,690)						(11,687)	(163,377)
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)	--	--		(2,034)	(18)
Share-based payments		(5)	5,350						5,345
Transfers between equity items		189,401		(189,401)					--
Other changes		(3,329)						(2,034)	(5,363)
Closing balance at 31/12/13	57,260	5,521,448	(6,461)	(1,972,371)	--	(369,938)		166,348	3,396,286

The accompanying Notes 1 to 36 are an integral part of the consolidated statement of changes in total equity for 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR 2014 AND 2013 (Thousands of euros)		
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES	809,993	707,400
Profit before tax from continuing operations	277,097	(2,174,221)
Adjustments for:	700,094	3,196,465
Depreciation and amortisation charge and provisions	526,907	2,925,056
Other adjustments to profit (net)	173,187	271,409
Changes in working capital	217,310	116,206
Other cash flows from operating activities:	(384,508)	(431,050)
Interest paid	(404,777)	(411,412)
Interest received	47,816	25,505
Dividend received	18,166	36,196
Income tax recovered/(paid)	(20,561)	(88,249)
Other amounts received/(paid) relating to operating activities	(25,152)	6,910
CASH FLOWS FROM INVESTING ACTIVITIES	(151,480)	(266,424)
Payments due to investment:	(444,231)	(396,237)
Group companies, associates and business units	(24,089)	(13,711)
Property, plant and equipment, intangible assets and investment property	(420,142)	(382,526)
Proceeds from disposal:	333,622	138,140
Group companies, associates and business units	217,170	98,726
Property, plant and equipment, intangible assets and investment property	116,452	39,414
Other cash flows from investing activities:	(40,871)	(8,327)
Other amounts received/(paid) relating to investing activities	(40,871)	(8,327)
CASH FLOWS FROM FINANCING ACTIVITIES	(507,088)	(347,181)
Proceeds and (payments) relating to equity instruments:	(25,774)	(7,704)
Purchases	(25,774)	(7,704)
Disposals	--	--
Proceeds and (payments) relating to financial liability instruments:	(812,314)	(209,255)
Proceeds from issues	1,446,569	745,495
Repayments and redemptions	(2,258,883)	(954,750)
Dividends and returns on other equity instruments paid	(12,275)	(163,377)
Other cash flows from financing activities	343,275	33,155
Provision of funds by non-controlling interests	397,318	--
Other amounts received/(paid) relating to financing activities	(54,043)	33,155
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	11,819	(35,105)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	163,244	58,690
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,163,568	1,104,878
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,326,812	1,163,568
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	1,104,362	927,905
Other financial assets	222,450	235,663
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	1,326,812	1,163,568

The accompanying Notes 1 to 36 are an integral part of the consolidated statement of cash flows for 2014.

**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 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 Infrastructure Construction: including mainly construction and engineering activities and transport and hospital concessions.
- 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, and other investments.

Note 27 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 significant regulatory frameworks

Basis of presentation

The consolidated financial statements for 2014 of the Acciona Group were prepared by the directors of Acciona, S.A. at the Board of Directors Meeting held on 26 February 2015, and present a true and fair image of the Group’s consolidated equity and consolidated financial position at 31 December 2014, 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 considered to be joint ventures 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.

The Acciona Group's consolidated financial statements for 2013 were approved by the shareholders at the Annual General Meeting on 24 June 2014. The consolidated financial statements for 2013 of the Acciona Group and the separate financial statements for 2014 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.

On 1 January 2014, the Group adopted the five standards or amendments issued jointly in replacement of the standards previously in force with regard to the consolidation and accounting of investments in subsidiaries, associated companies and joint ventures (IFRS 10, 11 and 12 and IAS 27 and 28 (revised)).

With respect to the package of five standards or amendments relating to consolidation, IFRS 11 "Joint ventures" has replaced IAS 31 and has had the greatest impact on the Acciona Group. IFRS 11 changes the analytical approach for joint ventures and defines only two types of joint venture: joint operation or entity under joint investment. If we are facing a joint operation this will be because the analysis has led to the conclusion that the participating company has direct rights and obligations through its proportional share of the assets and liabilities of the respective agreement. On the other hand, if we are facing an entity under joint investment this will be because participation in the agreement entitles the company to receive the net assets of the agreement. This conclusion on the classification of the agreement will determine its accounting.

The fundamental change posed by IFRS 11 with respect to IAS 31 is the accounting treatment for entities under joint investment. This kind of agreement is always accounted using the proportional method, as opposed to the option given in IAS 31 to choose between the equity method or proportional consolidation. Until 31 December 2013, the Acciona Group, in accordance with the option allowed by IAS 31, included joint ventures by the proportional

integration of their financial statements. The adoption of the new standard has had a significant effect.

As a consequence of the retroactive application of this new package of consolidation standards, and pursuant to IAS 1, the re-stated financial information at the start of the first period for comparison is presented below, in addition to the balance sheet at the close of the current period and the comparable period; in short, three balance sheets are shown, i.e. the balance sheet as of 31 December 2013 and 2012, included in the present financial statements have been restated compared to those initially approved, with the following breakdown:

Effect of IFRS 11 (in thousands of euros)	Impact of the re-statement 31.12.13	Impact of the re-statement 31.12.12		Impact of the re-statement 31.12.13	Impact of the re-statement 31.12.12
Property plant and equipment	(926,017)	(1,080,741)	Accumulated earnings	--	--
Financial fixed assets (equity method)	367,873	453,365	Translation differences	--	--
Goodwill	(18,102)	(36,366)	Non-controlling interests	(2,797)	(2,970)
Other non-current assets	(181,940)	(139,876)	Net Equity	(2,797)	(2,970)
Non-current assets	(758,186)	(803,618)	Non-current debt	(668,259)	(814,537)
Inventories	(27,110)	(40,187)	Other non-current liabilities	(110,121)	(108,373)
Accounts receivable	(72,330)	(135,345)	Non-current liabilities	(778,380)	(922,910)
Financial assets and cash	(119,136)	(116,651)	Current debt	(126,838)	(82,187)
Other current assets	(116,666)	(184,437)	Other current liabilities	(185,413)	(272,171)
Current assets	(335,242)	(476,620)	Current liabilities	(312,251)	(354,358)
Total Assets	(1,093,428)	(1,280,238)	Total Liabilities	(1,093,428)	(1,280,238)

Furthermore, the income statement as of 31 December 2013 included in the present financial statement has been re-stated compared to that originally prepared with the following breakdown:

	Impact of the re-statement Dec. 2013
Net revenue	(335,801)
Other revenue and variation in inventories	(36,945)
Amortization endowment	64,917
Other expenses	246,781
Operating Result	(61,048)
Financial result and result of equity method	61,048
Expense for Corporate Income Tax	--
Non-controlling interests	--
Result attributable to the parent company	--

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).

Significant regulatory frameworks

The business of electricity production under the special regime in Spain was regulated until 2013 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, before transitioning into the new system. 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 2013, 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 2013, Royal Decree-Law 1/2013 was published in the Spanish 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 1/2013 affects, *inter alia*, facilities under the special regime that at 28 January 2013 had not been registered in the Pre-assignment Register. Since the Group's

facilities had been registered in the aforementioned Register before 28 January 2013, 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 0.65 euros 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. group company. 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, referencing it to core inflation instead of the Consumer Price Index (CPI).

This RDL established 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 foresaw that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities would 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.

According to the standard, the aim of these parameters 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-Law 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. Its regulation was still pending approval at the close of the last financial year, with a draft Ministerial Order containing the parameters for remuneration. Pursuant to this document, as of 31 December 2013, the group estimated and re-assessed its revenue, impairment tests and other aggregate figures, posting the resulting impairments according to the new model.

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 overall legal framework for the new model, eliminating the concept of the special regime and creating that of the specific remuneration and also establishing the criterion for defining the “reasonable return” for facilities.

Royal Decree 413/2014 was enacted on 6 June 2014 and published in the Official State Gazette (BOE) on 10 June 2014 to regulate the activities of electricity generation from renewable energy sources, co-generation and waste. As a follow-up to the same, the definitive Ministerial Order IET 1045/2014 was issued on 20 June 2014 and published in the BOE on 29 June 2014. This Order contained the final remuneration parameters applicable to all renewable energy facilities, whether already in existence or planned for the future. The new model defines the remuneration of assets applicable from 14 July 2013 as a consequence of RDL 9/2013. Both the structure of the remuneration model and the final values are not substantially different, in the specific case of the Group’s facilities, from the draft versions circulated by the CNMC for comments during the first quarter of 2014 and used by the Group for the estimation and re-assessment of its revenue streams and impairment tests. As a result, the impairments endowed are considered to be sufficient.

Biofuels

With respect to the biodiesel business in Spain, Royal Decree 1,738/10 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. This situation, bearing in mind the net volume of assets relating to the activity, will not have any material impact on the Group's wealth as the assets relating to the activity were written down in 2013.

2.2 Basis of consolidation

a. Consolidation methods

The Group's subsidiaries, considered to be the companies over which effective control is exercised pursuant to IFRS 10, were fully consolidated. These companies are considered to be dependent entities, listed in Appendix I, and their consolidation method explained in section d of this same note.

Entities managed jointly with third parties as a joint venture were proportionately consolidated when it is concluded that the participating company has direct rights and obligations for its proportional share of the assets and liabilities using the method explained in section e. These companies are listed in Appendix II.

Lastly, associates, i.e. companies not classified above among the 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). This consolidation method is explained in section f of this note.

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 generally seen in three elements that must be complied with: having authority over the subsidiary, exposure or the right to variable returns from its investment and the ability to use this authority to influence on the amount of these returns.

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 managed by a Group company and one or more unrelated third parties, all of whom act jointly to manage the relevant activities and where strategic decisions require the unanimous consent of the parties.

In joint ventures, the investing company is deemed to hold direct rights and obligations for the proportional part of the assets and liabilities in the venture.

The financial statements of jointly ventures 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 operations 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 and joint ventures (joint management agreements giving an entitlement to the net assets of the venture) are valued 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 implicitly includes, where applicable, the goodwill arising on their acquisition.

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 2014 financial year, the main reductions in the scope of consolidation correspond to:

- In the energy division, the most outstanding transaction was the sale, in January 2014, of the stakeholdings the Acciona Group held in the following companies based in Germany: Acciona Energie Windparks Deutschland GmbH, EHN Deutschland GmbH and Volkmarsdorfer. These companies owned 18 wind farms located in Lower Saxony and Brandenburg (Germany) and were classified as of 31 December 2013 under the heading "non-current assets and liabilities held for sale".

Furthermore, in view its importance, albeit a transfer without loss of control and therefore a company that continues to be included by global integration, it should be recalled that the Acciona Group subsidiary, Acciona Energía, S.A., signed an agreement on 24 June with the KKR Fund for the acquisition of a one-third stakeholding in the Acciona Group subsidiary, Acciona Energía Internacional, S.A. by a vehicle in its global infrastructure fund, following a corporate restructuring that grouped together in this latter company 51 renewable energy assets operating in 11 countries, the most relevant

of which are: United States, Canada, Mexico, Australia, Chile, India, Italy, Portugal, Poland and South Africa.

The closure of this transaction for a price of 397 million euros, following the fulfilment of the conditions precedent, took place on 3 October through a subordinated debt agreement and an inflow to the Company's capital of 374 and 23 million euros respectively, generating a capital gain of 34 million euros that has been posted to reserves, as explained in Note 16 b). This price is subject to potential adjustment due to differences between the estimated net debt and the real net debt as of 31 December 2014. In addition, the fulfilment of certain conditions with respect to two assets is still pending and these will be incorporated into the transaction as and when the pending conditions are complied with. An additional payment will, therefore, be made, if appropriate, once these conditions are met and so has not been recorded as of the close of the present financial statements. The final price of the operation could be increased by 50 million euros depending on the result of a potential initial placement offer for certain renewable energy assets grouped into a specific investment vehicle ("Yieldco") that the parties intend to promote.

- Within the construction of infrastructure division, the most noteworthy event was the sale, in June 2014, of the associated companies Tramvia Metropolitana, S.A. and Tramvia Metropolitana del Besòs, S.A. These companies were classified as of 31 December 2013 in the heading "non-current assets and liabilities held for sale" (see Note 26).

In addition, in the month of October 2014, Acciona Infraestructuras, S.A. sole the 50% it held in the Freyssinet, S.A. company. Following the retroactive application of IFRS 11, this company was included using the equity method (see Note 26).

- The significant transaction in the other activities division is the purchase of an additional 47.47% over and above the 50% already owned in the Compañía Urbanizadora Coto, S.L. subgroup. Pursuant to IFRS 3, the percentage stakeholding held prior to the business combination has also been reset to fair market value, generating a capital loss of 12 million euros posted to the attached income statement (see Note 26).

Finally, it should be pointed out that the month of December 2014 saw the sale of a percentage of the stakeholding held by the Acciona Group in three Canadian concessions. The amount of the transaction came to 83 million euros (see Note 26).

During 2013, the main exclusion from consolidation and reduction in percentage of ownership correspond to the sale of the Acciona ISL Health Victoria Holdco, Ltd. company based in Canada. In addition, within the energy division, the month of December 2013 saw the sale of the Yeong Yang Windpower Company based in South Korea.

Appendix IV includes the changes in the scope of consolidation in 2014 and 2013.

3. Principal accounting policies

3.1 Adoption of new standards and interpretations issued

Standards and interpretations applicable in the present financial year

In 2014, new accounting standards, amendments and interpretations 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:
<u>Approved for use by the EU</u>		
IFRS 10, Consolidated Financial Statements (issued in May 2011)	Supersedes the requirements relating to consolidated financial statements in IAS 27.	1 January 2014
IFRS 11, Joint Arrangements (issued in May 2011).	Supersedes the current requirements relating to consolidated financial statements IAS 31.	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 2014
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
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 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

These standards and amendments have been applied in the present financial statements and, except for the adoption of the five standards or amendments issued jointly to replace those previously in force in connection with consolidation and accounting of investments in subsidiaries, associated companies and joint ventures (IFRS 10, 11 and 12 and IAS 27 and 28 (revised)), which have been discussed and their impact for the Acciona Group detailed in Note 2.1 “Basis for presentation”, the rest of the standards have been applied without any material impact on the figures reported nor on the presentation and breakdown of the information, either through not implying any relevant changes or else because they refer to financial circumstances that do not affect the Acciona Group.

Standards and interpretations issued and not current

On the date of drafting of these annual accounts, the following standards and interpretations are the most significant ones published by the IASB but have not yet come into effect, either because their effective date is later than the date of the consolidated financial statements, or else because they have not yet adopted by the European Union:

<u>Standards, amendments and interpretations</u>		Mandatorily applicable in annual reporting periods beginning on or after:
<u>Approved for use in the EU</u>		
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	17 June 2014
<u>Not approved for use in the EU</u>		
IFRS 9 – Financial instruments (last phase published in July 2014)	Replacement of the requirements for classification, valuation, recognition and de-registration on accounts of financial assets and liabilities, hedge accounting and impairment under IAS 39.	1 January 2018
IFRS 15 – Revenue from contracts with clients (published in May 2014)	New standard for revenue recognition (replacing IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31).	1 January 2017
Amendment of 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 of the cost of the service in the same period in which they are paid if certain requirements are met.	1 July 2014
Improvements in the IFRS 2010-2012 and 2011-2013 cycle (published in December 2013).	Minor modifications to a series of standards.	1 July 2014
Amendment of IAS 16 and IAS 38 - Acceptable depreciation and amortization methods (published in May 2014).	Clarification of the acceptable depreciation and amortization methods for tangible and intangible fixed assets.	1 January 2016
Amendment to IFRS 11- Accounting of acquisitions of stakeholdings in joint ventures (published in May 2014).	Specification of how to recognise the acquisition of a stakeholding in a joint venture where the activity constitutes a business.	1 January 2016
Improvements in the IFRS 2012-2014 cycle (published in September 2014).	Minor modifications to a series of standards.	1 January 2016
Amendment to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associated company / joint venture (published in September 2014).	Clarification with regard to the result of these operations in the case of businesses or assets	1 January 2016
Amendment to IAS 27 – Equity method in separate financial year statements (published in August 2014)	The equity method will be allowed in an investor's individual financial statements	1 January 2016
Amendment of IAS 16 and IAS 41 – Production plants (published in June 2014)	Production plants will change to be carried by cost, instead of by fair value.	1 January 2016

- IFRS 9 - Financial Instruments.

IFRS 9 will in the future replace IAS 39. 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, a new impairment model based on expected losses instead of losses incurred and also hedge accounting that attempts to align accounting with the risk’s economic management.

At the present time, the Group is analysing all the future impacts of adopting this standard and it is not possible to furnish any reasonable estimate of its effects until this analysis is complete and, on the other hand, all its effects can be taken into consideration once the standard is completely finalized.

- IFRS 15 – Revenue recognition.

IFRS 15 – Revenue from contracts with clients is the new standard for recognising revenue with clients, and will replace the following standards and interpretations currently in force for financial years beginning on or after 1 January 2017: IAS 11 – Construction contracts, IAS 18 – Revenue from ordinary activities, IFRIC 13 – Customer loyalty programmes, IFRIC 15 – Agreement for the construction of buildings, IFRIC 18 – Transfers of assets from clients and SIC 31 – Revenue – Swaps of advertising services.

At the present time, the future impacts of adopting this standard have not yet been analysed.

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) Property, plant and equipment

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 investments made by the Acciona Group are carried out through special purpose vehicles incorporated for that sole aim. These “one-off” companies obtain specific financing generally through the concept known as “Project Finance”. The

financial expenses relating to this funding used for the construction of these assets are entirely capitalized during their construction.

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 2014 were as follows:

Annual depreciation rates	
Buildings	2 - 10%
Special facilities:	
Wind farms	4%
Hydroelectric power plants	1 - 4%
Biomass plants	4%
Solar thermal plants	3.33%
Photovoltaic solar plants	4%
Vessels	5 - 6.7%
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%

The Acciona Group, on the basis of an analysis that has included internal and external information sources by independent experts of recognised prestige, has conducted a new estimation of the working life of its wind farms, which has gone from 20 to 25 years. This change of estimate, applied prospectively as indicated in the accounting standard, has been carried out in accordance with the best information available at the present time, using the sources mentioned. It is the result of an analysis based on the experience acquired in managing wind power assets and is consistent with the financial projections the Group has established in the business plans for these wind farms. In consequence, the “Provision for amortization” heading in the consolidated income statement includes the impact of this change of estimate from 1 January 2014, which has implied a smaller amortization of 122 million euros. This extension affects all national and international wind farm facilities.

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 with the support of 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.

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, 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.

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 2014 of the Group's investment property was calculated with the support of appraisals conducted at that date by "Aguirre Newman Valoraciones y Tasaciones, S.A." (its report was issued on 2 January 2015) and by Jones Lang Lasalle (its report was issued on 15 January 2015).

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 offices (50%), hotels (32%) and other buildings (18%) (residences, car parks, etc.) The discount rates (yields) used for each type of building lie in the following ranges: housing units (3.0-5.0%), offices (6.25-9.0%), hotels (7.3-7.8%) and other buildings (5.5-13.3%).

Taking these appraisals as a benchmark, the corresponding impairment losses were recognised as appropriate under "Impairment of 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.

In accordance with this analysis, as of 31 December 2013, the Acciona Group recorded a material impairment amount under the Impairment of assets line item on the income statement, as reflected in Note 6. As of 31 December 2014, the impairment tests carried out have not brought to light any need to record any additional impairment.

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. This is possible because:

- These assets have a stable long-term production, thus enabling reliable long-term estimates to be made.
- There are extensive series of historical data from reliable external sources.
- In connection with the energy division, the estimates of prices used by the Acciona Group for revenue determination (pool price) are based on a profound understanding of the market and on the analysis of the parameters determining pool prices.
- They have known operating costs with scant variability.
- Most of them have been financed with long-term debt with known and constant terms and conditions enabling the easy projection of the necessary outflows of cash to cover debt service.

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).

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.

In accordance with this analysis, as of 31 December 2013, the Acciona Group recognised a material impairment amount under the “Result for impairment of assets” line item on the income statement, as reflected in Note 7 for concession assets, as well as in Note 4 for non-

current assets in the energy division. As of 31 December 2014, the analyses carried out have not brought to light any need to record any additional impairment.

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.

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 Construction of 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. This revenue is recognised in the net revenue.
- 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 28.

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.
- 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 2014, the available-for-sale financial assets were measured by reference to quoted (unadjusted) market prices and categorised in level one of the hierarchy established in IFRS 7.

In 2014 and 2013, 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 2014, 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 2014, 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 2014, 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:

$$\text{EAD} * \text{PD} * \text{LGD}$$

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.

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	
	2014	2013
Inventories	712,243	776,026
Trade receivables	--	--
Total current assets	712,243	776,026
Bank borrowings	82,552	104,178
Other current liabilities	16,752	16,233
Total current liabilities	99,304	120,411

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.

In the real estate business, 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 2014 and 2013 amounted to 0.2 million euros and 0.4 million euros, respectively (see Note 28).

- 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's directors assess the fair value of the real estate inventories at the end of each year based with support from appraisals undertaken by independent valuers ("Savills Consultores Inmobiliarios, S.A." (whose report was issued on 7 January 2015) and "Instituto de Valoraciones, S.A." (whose report was issued on 31 December 2014)), effecting any necessary endowments for impairment when the properties are found to be overvalued.

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.

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

As of 31 December 2014, Acciona, S.A. and its subsidiary Finanzas Dos, S.A., held 534,499 treasury shares representing 0.933% of the share capital at that date. The acquisition cost of these shares amounted to 28.9 million euros. 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 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 6.46 million euros. The acquisition cost of the treasury shares and the gains or losses on transactions involving them are recognised directly in equity (see Note 16).

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 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 2014 and 2013, 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. These collective agreements also establish a loyalty bonus based on the employee's length of service at the companies. The subgroup currently recognises these obligations at the moment of their effective payment; the cost recognised for these commitments in 2014 and 2013 are 20 and 17 thousand euros, respectively.

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 2014 and 2013 relating to the amounts payable to the insurance company for the benefit obligations accrued in those years amounted to 468 and 478 thousand euros, respectively, and this amount was recognised under "Wages and Salaries" in the accompanying consolidated income statement.

- 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 defined benefit 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.

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) Grants

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) Revenue recognition

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:

Construction business:

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.

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) Environment-related activities

In general, environment-related 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. As indicated in Note 18 b) "Obligations, bonds and negotiable securities" Acciona, S.A. issued negotiable securities in January 2014, with the result that, unlike the situation at year end 2013, the basic earnings per share and the diluted earnings per share at the close of the 2014 and 2013 financial years do not coincide.

U) Consolidated cash flow statement

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 2014 and 2013 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. During the financial year, Note 3.2 a) in connection with the appraisal rules for property, plant and equipment sets out the reasons why the Acciona Group has made a new estimate of the working lives of its wind farms, to be recognised prospectively, shifting from 20 to 25 years, and the impact of this re-assessment is quantified.
- 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 2014 and 2013 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.

Except as indicated in Note 3.2 a) on the appraisal rules for property, plant and equipment and in section 3.3 on estimates and accounting judgements in connection with the new estimate of the working lives of its wind farms, at 31 December 2014 and 2013, there were no significant changes in accounting estimates or accounting policies nor any corrections of errors.

4. Property, plant and equipment

The changes in 2014 and 2013 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	Depreciation	Impairment	Total
Balance at 31/12/2012	500,389	10,342,241	1,446,594	259,974	268,035	(3,474,632)	(17,092)	9,325,509
Variations due to changes in the scope of consolidation	9	(116,464)	538	--	(43)	28,203	--	(87,757)
Additions/charge for the year	5,908	8,023	41,711	190,959	10,570	(636,378)	(772,541)	(1,151,748)
Reductions	(1,474)	(648)	(81,989)	(18,748)	(10,635)	72,804	(19)	(40,709)
Transfers	(16,864)	205,297	(10,765)	(243,344)	(18,964)	73,899	(92,318)	(103,059)
Other changes	(2,869)	(108,593)	(15,723)	(3,467)	(5,793)	22,317	3,172	(110,956)
Balance at 31/12/2013	485,099	10,329,856	1,380,366	185,374	243,170	(3,913,787)	(878,798)	7,831,280
Variations due to changes in the scope of consolidation	(17,940)	(228)	(19,853)	(791)	(13,732)	31,110	--	(21,434)
Additions/charge for the year	5,257	5,466	50,367	307,918	13,981	(439,262)	(2,962)	(59,235)
Reductions	(2,386)	(51,563)	(87,292)	(502)	(21,234)	88,281	7,325	(67,371)
Transfers	(3,738)	388,886	119,455	(307,537)	(10,163)	(25,103)	(15,184)	146,616
Other changes	2,830	229,404	1,530	11,518	1,415	(51,888)	(12,125)	182,684
Balance at 31/12/2014	469,122	10,901,821	1,444,573	195,980	213,437	(4,310,649)	(901,744)	8,012,540

The breakdown of the net balances at the end of 2014 and 2013 is as follows:

Property, plant and equipment	2014				2013			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Land and buildings	469,122	(162,997)	--	306,125	485,099	(150,876)	--	334,223
Electricity generating facilities	10,901,821	(3,863,384)	(800,157)	6,238,280	10,329,856	(1,877,867)	(791,075)	7,660,914
Other plant	992,626	239,799	(98,880)	1,133,545	953,402	(1,431,873)	(85,000)	(563,471)
Machinery	451,947	(363,752)	(2,484)	85,711	426,964	(276,965)	(2,484)	147,515
Advances and property, plant and equipment in the course of construction	195,980	--	--	195,980	185,374	--	--	185,374
Other items of property, plant and equipment	213,437	(160,315)	(223)	52,899	243,170	(176,206)	(239)	66,725
Total	13,224,933	(4,310,649)	(901,744)	8,012,540	12,623,865	(3,913,787)	(878,798)	7,831,280

In the 2014 financial year, the most significant additions are recorded in the heading for “Advances under way” from the energy division for the electricity generation facilities in South Africa and Chile. The wind farms located in Chile and Costa Rica, as well as the solar plant located in South Africa that started construction in 2013, have already been transferred for the most part to the heading for Technical electricity generation facilities as they are now operational. As of 31 December 2014, a wind farm in South Africa is still under construction.

The removals from “Technical electricity generation facilities” include the non-renewal of operation for a hydraulic plant, from “Other technical facilities and machinery” the sale of a ship and sundry machinery in the infrastructure construction division, also reflected in elements recognised in the heading for “Other property, plant and equipment”.

Another material amount can be found in the transfers of the “Other technical facilities and machinery” heading, due to an increase caused by a re-classification of two vessels from the heading for assets held for sale included at the close of the 2013 financial year.

The movements for “Other variations” in 2014 include the effect of the translation differences in the period for a positive amount of 216 million euros (negative 188 million euros in 2013), fundamentally from the wind farms located in the United States and Mexico, where the financial statements are expressed in dollars, a currency that has appreciated almost 14% against the euro during 2014.

In the 2013 financial year, the most notable change to this line item on the balance sheet related to the additions for the impairment of the value of tangible assets in the amount of 784 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 548.3 million euros and wind power generation assets located in United States in the amount of 55.1 million euros.

With respect to the property, plant and equipment allocated to the domestic market, since there was a significant regulatory change in the Spanish electricity system (see Note 2) the Acciona Group evaluated the main implications on the project flows from not only the levies and charges in place from 1 January 2014 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. After effecting this analysis, it was seen that it was necessary to apply impairment to the cost of the property, plant and equipment in different projects under operation for a global amount, as indicated in the preceding paragraphs, of 548.3 million euros. This impairment is considered sufficient in the light of the publication of the definitive Ministerial Order as indicated in Note 2.1, since the definitive parameters are no different from those used in the assessment of the previous regulations and the rest of the material hypotheses used in the impairment tests (see Note 3.2 E)) have not suffered any relevant modification. In consequence, the analyses carried out do not give rise to any need to apply additional charges or reverse impairment for any material amounts.

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 of the 2013 financial year, so they were subjected to an impairment test. According to the results of these analyses, impairments amounting to 55.1 million euros have been recognised for assets under operation on this market at 31 December 2014.

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 Construction of Infrastructure 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 23), under the heading “Transfers”.

“Other Plant” consists mainly of vessels belonging to the Compañía Trasmediterránea subgroup, with a gross cost of 775 million euros. 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, leading the Group to commission new appraisals from independent experts to assess whether the recoverable value of these assets covered their book value at 31 December 2013. In the light of the valuations provided by the independent expert, Tradex Shipbrokers, S.A., the Acciona Group recognised impairment in the amount of 100 million euros reflected under “Result from asset impairment”.

In the updated analysis of the recoverable value, regard is had for the specific characteristics of the market for seagoing vessels, a narrow market where the specific features of each ship is particularly important, as they are not built on a production line but tailor-made for certain types of traffic (their value depends on the year and country of construction, ramps, linear metres, height of the hold, passenger capacity, speed), so the measurement of value habitually takes into account comparable values on the market through the international brokers the Group works with. The 2014 financial year has seen the sale of the Murillo vessel for 21 million euros, in a transaction that has not implied any loss of value for the Group. This fact, together with the references obtained on the fair market values of vessels on sale in the market and the evidence obtained during the various negotiations undertaken in the course of the year for the sale of various Group vessels, has enable the Group to conclude that the impairment recognised are sufficient at the present time.

In 2014, the companies capitalised finance costs amounting to 17.1 and 12.9 million euros to the greater value of property, plant and equipment versus 12.9 million euros as of 31 December 2013 (see Note 28).

Fully depreciated property, plant and equipment in use at 31 December 2014 and 2013 amounted to 512 and 486 million euros, respectively; most of these assets are currently in use.

At 31 December 2014, the Group companies had property, plant and equipment purchase commitments amounting to 87 million euros, mainly for wind farm projects undertaken by the Energy division for projects undertaken in countries with projects under way, namely: South Africa and Poland. The amount committed at 31 December 2013 came to 288 million euros.

At 31 December 2014, an amount of 714 thousand euros (201.14 million euros at 31 December 2013) for property, plant and equipment was classified under the line item (Non-current assets held for sale” (see Note 23).

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 2014 or 2013 in respect of assets held under finance leases.

The Group has mortgaged land and buildings totalling 24 million euros (25 million euros in 2013) to secure credit facilities granted to the Group by banks. In addition, at 31 December 2014, certain vessels with a carrying amount of 152 million euros (182 million euros in 2013) had been mortgaged to secure repayment of the loans received for their acquisition or as collateral for the funding of working capital.

5. Investment property

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

The changes in 2014 and 2013 in the Group's investment property were as follows:

Investment property	Thousands of euros		
	Cost	Accumulated depreciation and impairment losses	Total
Balance at 31/12/12	178,144	(56,130)	122,014
Additions	260	(7,309)	(7,049)
Disposals	0	2,322	2,322
Transfers	0	0	0
Other changes	(5)	(33)	(38)
Balance at 31/12/13	178,399	(61,150)	117,249
Additions	206	(9,818)	(9,612)
Disposals	(396)	21	(375)
Transfers	90,411	(16,781)	73,630
Other changes	(7)	(34)	(41)
Balance at 31/12/14	268,613	(87,762)	180,851

The most significant movement that during the 2014 financial year corresponds to the re-classification from "Non-Current Assets Held for Sale" of two properties as the processes for their sale were delayed in the course of the financial year. No material variations occurred during 2013.

At 31 December 2014 and 2013, the fair market value of the property investments recorded under this line item on those dates, and estimated with the support of the appraisals made by independent valuers (see Note 3.2. e)), amount to 201.46 million euros (139.42 million euros at 31 December 2013). The increase in value is mainly due to the re-classification to this line item of these two real estate properties mentioned in the preceding paragraph.

The rental income earned by the Group from investment property listed under this heading at 31 December 2014 and 2013, all of which is leased out under operating leases, amounted to 19

million euros (13 million euros in 2013). Direct operating expenses arising from investment property in the period amounted to 6 million euros (5 million euros in 2013), recognised under “Other Operating Expenses” in the accompanying consolidated income statement.

In addition, at 31 December 2014, real estate properties mainly from the Compañía Urbanizadora Coto, S.L subgroup were listed as assets held for sale (see Note 23) and their fair market value amounted to 438.42 million euros. This subgroup has been included, in 2014, using the equity method until control was assumed following the purchase of the additional 47.47% that took place in the month of November 2014.

At 31 December 2014 and 2013, the Group had mortgaged a portion of its investment property for 90 and 47 million euros, respectively, to secure credit facilities granted to it by banks.

The detail, by location, of the cost of the properties held to earn rentals owned by the Property Division of the Acciona Group at 31 December 2014 and 2013 is as follows:

Location	2014		2013	
	Cost	Accumulated depreciation and impairment losses	Cost	Accumulated depreciation and impairment losses
Madrid	98,493	(29,724)	12,400	(3,231)
Eastern Spain	11,401	(3,687)	11,383	(3,438)
Andalusia	59,244	(24,849)	59,317	(27,306)
Catalonia	67,439	(19,785)	67,346	(18,770)
Other	29,591	(8,901)	25,275	(7,635)
Total	266,168	(86,946)	175,721	(60,380)

6. Goodwill

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	854,287	0	-853,489	-798	0
Interlogística del Frío, S.A.	5,147	0	-5,147	0	0
Trasmediterránea subgroup	24,878	0	-24,878	0	0
Acciona Facility Service subgroup	78,639	0	-27,677	0	50,962
Acciona Water subgroup	27,976	0	0	0	27,976
Acciona Wind Power subgroup	18,996	0	-18,996	0	0
Other	1,797	0	-1,371	-59	367
Total	1,011,720	0	-931,558	-857	79,305

The changes in “Goodwill” on the accompanying consolidated balance sheet in 2014 were as follows (in thousands of euros):

	Balance at 31/12/13	Additions	Impairment	Other changes	Balance at 31/12/14
Acciona Facility Services subgroup	50,962				50,962
Acciona Water subgroup	27,976				27,976
Acciona Wind Power subgroup	--				--
Other	368			(10)	357
Total	79,305	--	--	(10)	79,295

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.

The regulatory changes in the 2013 financial year, particularly the general modification of the remuneration framework that came into effect in the second half of that year, had a notable impact at the level of the Group's finances and profitability, so it re-assessed and substantially altered 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 are not generating sufficient free cash flow to fund the contributions that need to be committed to international projects.

All of the above was taken into account for the drafting of the projections used in the preparation of a goodwill impairment test at 31 December 2013. The result of the same led the Acciona Group to write down the total amount of this goodwill.

Furthermore, impairments of lesser significance were recognised in other goodwill items, mainly the goodwill corresponding to the Trasmediterránea subgroup and the Acciona 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. In the 2014 financial year, the updating of the impairment tests did not bring to light any need to recognise any additional impairment.

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 2014 and 2013 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
2014					
Compañía Urbanizadora Del Coto, S.L.	15,018	47.47%	57,659	(12,353)	--
2013					
San Solar Energy Facility (Proprietary) Limited	327	63.75%	--	327	--

The negative consolidation difference generated in the purchase transaction for 47.47% of Compañía Urbanizadora Coto, S.L. has been applied against the goodwill previously existing in the company. The Acciona Group had previously been including 50% of it by means of the equity method.

7. Other intangible assets

The changes in 2014 and 2013 were as follows (in thousands of euros):

Other intangible assets	Development expenditure	Concessions	Transfer rights	Computer software	Advances	Accumulated amortisation	Impairment losses	Total
Balance at 31/12/12	87,024	815,104	1,169	59,545	29,016	(239,047)	(3,193)	749,618
Changes to scope of consolidation	--	--	--	22	--	(8)	--	14
Additions / charge for the year	6,445	36,851	112	4,114	34,920	(60,127)	(60,333)	(38,018)
Reductions	(34)	(21,784)	(480)	(582)	--	15,441	145	(7,294)
Transfers	686	(408)	267	(140)	(39,939)	(3,557)	--	(43,091)
Other changes	1	(28,172)	(5)	(450)	(2,039)	3,315	--	(27,350)
Balance at 31/12/13	94,122	801,591	1,063	62,509	21,958	(283,983)	(63,381)	633,879
Changes to scope of consolidation	--	(258)	--	(819)	(14)	603	--	(488)
Additions / charge for the year	3,196	31,154	609	2,899	2,909	(49,415)	--	(8,648)
Reductions	(143)	(26,157)	--	(1,081)	--	1,167	68	(26,146)
Transfers	325	(45,897)	--	(3,952)	(19,461)	(61)	184	(68,862)
Other changes	2	3,462	(12)	(45)	78	(743)	(46)	2,696
Balance at 31/12/14	97,502	763,895	1,660	59,511	5,470	(332,432)	(63,175)	532,431

The net balances by headings at the close of the 2014 and 2013 financial years are as follows:

Intangible assets	2014				2013			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Development	97,502	(79,772)	(1,608)	16,122	94,122	(67,446)	(1,793)	24,883
Concessions	763,895	(202,044)	(61,532)	500,319	801,591	(165,243)	(61,555)	574,793
Transfer rights	1,660	(404)	(35)	1,221	1,063	(264)	(33)	766
Computer software	59,511	(50,212)	--	9,299	62,509	(51,030)	--	11,479
Advances	5,470	--	--	5,470	21,958	--	--	21,958
Total	928,038	(332,432)	(63,175)	532,431	981,243	(283,983)	(63,381)	633,879

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.

The breakdown of the concessions as of 31 December 2014 and 2013 is as follows:

Concessions	2014				2013			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Administrative Concessions	375,658	(125,789)	(18,508)	231,361	461,983	(106,467)	(18,531)	336,984
Intangible Concessions (IFRIC 12)	388,237	(76,255)	(43,024)	268,956	339,608	(58,776)	(43,024)	237,809
Total	763,895	(202,044)	(61,532)	500,319	801,591	(165,243)	(61,555)	574,793

The breakdown of the main concessions is given in Appendix VI and the detail of the balance of the main concessions under the intangible model at 31 December 2014 and 2013 is as follows:

Concessions	2014				2013			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Rodovia do Aço, S.A.	158,080	(18,718)	(39,920)	99,442	113,056	(14,591)	(39,920)	58,545
S.C. A2 Tramo 2, S.A.	148,426	(29,264)	(3,104)	116,058	148,127	(19,604)	(3,104)	125,419

Both at 31 December 2014 and 2013, the main additions in the period corresponded to the advances in certain of the Group's concession operations in the area of road transport infrastructures.

The transfers include the reclassification to plant property and equipment of a number of rights in expectation and intangible assets that have been transferred to technical facilities for electricity generation after the start of construction for the facilities with which they were associated.

“Other Changes” includes the effect of translation differences in the period for a positive amount of 3 million euros (negative effect of 26 million euros in 2013).

The most significant movement in 2013 was the result of the impairment tests performed. Impairment losses were recorded on concession assets in the construction of infrastructures division at both domestic and international level as a consequence of the deviations detected and the worsening of the specific circumstances of the projects (delays in works with a negative impact on tariffs, cost increases, ...), especially in Brazil. The updated analysis has not brought to light any need to make significant adjustments to the impairments.

At 31 December 2013, an amount of 7.41 million euros belonging to this item of the balance sheet was classified under the heading for “Non-current assets held for sale”. These assets correspond to the construction of infrastructure and energy divisions sold during the 2014 financial year (see Note 23).

At 31 December 2014, Group companies held undertakings to acquire intangible assets in the amount of 103 million euros for concession projects in the construction of infrastructure division (motorways) and in the water division. At 31 December 2013, the amount committed came to 124 million euros.

Fully amortised intangible assets in use at 31 December 2014 and 2013 amounted to 105 and 72 million euros, respectively.

8. Investments in associates

The changes in 2013 in this heading 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
Autovía De Los Viñedos	1,785	(2,565)	--	780	--	--
Nova Dársena Deportiva De Bara, S.A.	720	--	--	(720)	--	--
S.C. Del Canal De Navarra, S.A.	(5,767)	--	--	5,767	--	--
S.C. Puente Del Ebro, S.A.	(2,028)	--	--	2,028	--	--
Acciona Nouvelle Autoroute 30 Inc	--	3,785	--	39,395	--	43,180
Acciona Isl Health Victoria Holdco, Ltd	(10,219)	(7,216)	--	11,466	5,969	--
Consorcio Traza, S.A.	8,363	(1,253)	--	772	420	8,302
Gran Hospital Can Misses, S.A.	3,412	(638)	--	2,098	--	4,872
S.C. Novo Hospital De Vigo S.A.	12,769	1,840	--	(1,254)	781	14,136
Tramvia Metropolità, S.A.	3,296	1,077	(683)	(3,690)	--	--
Total direct investments	12,331	(4,970)	(683)	56,642	7,170	70,490

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
Indirect Acciona Energy Subgroup	218,638	32,103	(15,552)	(5,567)	(80,790)	148,832
Indirect Ceatesalas Subgroup	100,527	(12,764)	(4,899)	1,083	(234)	83,713
Indirect Acciona Infrastructure Subgroup	61,002	1,620	(3,000)	(2,586)	(25,474)	31,562
Indirect Acciona Concesiones Subgroup	(401)	2,026	(2,576)	1,151	185	385
Indirect Acciona Water Subgroup	95,228	15,304	(7,243)	(11,918)	12,948	104,319
Indirect Acciona Property Subgroup	27,488	(7,494)	--	2,722	9,261	31,977
Indirect Trasmediterrànea Subgroup	9,335	1,142	(822)	(374)	(9,105)	176
Other	4,382	(1,767)	--	(923)	21	1,713
Total indirect investments	516,199	30,170	(34,092)	(16,412)	(93,188)	402,677
Total investments accounted for using the equity method	528,530	25,200	(34,775)	40,230	(86,018)	473,167

The changes in 2014 in this heading in the accompanying consolidated balance sheet were as follows (in thousands of euros):

Direct investments of the Parent	Balance at 31/12/13	Share of profit (loss) before tax	Dividends	Tax effect and other changes	Changes in the year	Balance at 31.12.14
Consorcio Traza, S.A.	8,302	(629)	--	(2,169)	--	5,504
Gran Hospital Can Misses, S.A.	4,872	(344)	--	(3,696)	--	832
S.C. Novo Hospital De Vigo S.A.	14,136	759	--	(3,537)	--	11,358
Acciona Nouvelle Autoroute 30 Inc.	43,180	7,899	--	--	(51,079)	--
Total direct investments	70,490	7,685	--	(9,402)	(51,079)	17,694

Indirect investments of the Parent	Balance at 31/12/13	Share of profit (loss) before tax	Dividends	Tax effect and other changes	Changes in the year	Balance at 31.12.14
Indirect investments of the Acciona Energy Subgroup	148,832	12,039	(3,999)	2,066	(36)	158,902
Indirect investments of the Ceatesalas Subgroup	83,713	1,170	(960)	357	(630)	83,650

Indirect investments of the Acciona Infrastructures Subgroup	31,562	5,008	--	(5,326)	(17,171)	14,073
Indirect investments of the Acciona Concessions Subgroup	385	2,956	(373)	(6,406)	6,947	3,509
Indirect investments of the Acciona Water Subgroup	104,319	20,253	(11,780)	(11,934)	2,553	103,411
Indirect investments of the Acciona Property Subgroup	31,977	(4,361)	--	(3,420)	(17,309)	6,887
Indirect investments of the Acciona Trasmediterránea Subgroup	176	191	(13)	(189)	--	165
Other indirect investments	1,713	(49)	--	192	3	1,859
Total indirect investments	402,677	37,207	(17,125)	(24,660)	(25,643)	372,456
Total investments accounted for using the equity method	473,167	44,892	(17,125)	(34,062)	(76,722)	390,150

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

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".

During 2014, the most significant changes stem from the sale of a non-controlling interest in certain infrastructure concessions in Canada. This disposal has not entailed any modification in terms of the consolidation method for these entities within the Acciona Group. Furthermore, the most noteworthy significant changes in the period are the sale of the Freyssinet, S.A. company (Acciona Infrastructures subgroup) and the purchase of 47.47% of the Group company "Compañía Urbanizadora Coto, S.L." (Acciona Property subgroup) which entailed a change in its consolidation method, as it was no longer globally integrated (see Note 2.2 h)). In 2013, the most significant change was the improvement in the valuation of the derivatives held by the Acciona Nouvelle Autoroute, Inc. concession holder, the equity of which was negative in 2012 and had been recorded on the liabilities side (see the accounting method in Note 2.2 f)) and is now accounted for under this heading.

Furthermore, the caption "Companies' profit or loss by the proportional method" includes an amount of 1.4 million euros corresponding to the Tramvia Metropolitana, S.A. and Tramvia Metropolitana del Besòs, S.A. companies which, since 31 December 2013 and until the moment of their sale, will be classified in the Held for Sale heading.

The detail of the assets, liabilities, revenue and profit or loss for 2014 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):

	Energy	Construction	Water	Services	Other Businesses	Total 2014
Asset						
Non-current assets	656,432	230,559	526,645	968	11	1,414,615
Current assets	107,088	196,403	120,477	7,141	10,542	441,651
Total assets	763,520	426,962	647,122	8,109	10,553	1,856,266
Liabilities						
Equity	242,554	36,517	103,412	616	7,051	390,150
Non-current liabilities	431,628	273,949	446,810	4,753	170	1,157,310
Current liabilities	89,338	116,496	96,900	2,740	3,332	308,806
Total liabilities and equity	763,520	426,962	647,122	8,109	10,553	1,856,266
Profit or loss						
Net revenue	208,645	41,491	171,435	3,567	8,257	433,395
Profit before tax from ongoing activities	13,209	15,801	20,253	(201)	(4,170)	44,892
Profit before tax	13,209	15,801	20,253	(201)	(4,170)	44,892

None of the associates is individually significant for the entity except for “ATLL Concesionaria de la Generalitat de Catalunya, S.A.”, for which we detail below the main figures at 39%, the percentage held by Acciona Group:

Asset	2014	2013
Non-current assets	393,105	396,756
Current assets	53,253	34,824
Total assets	446,358	431,580
Liabilities		
Equity	56,554	59,940
Non-current liabilities	353,790	282,881
Current liabilities	36,014	88,759
Total liabilities and equity	446,358	431,580
Profit or loss		
Net revenue	56,211	52,928
Profit before tax from ongoing activities	3,870	2,073
Profit before tax	3,870	2,073

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 2014 are summarised as follows:

	Companies	Unincorporated temporary joint ventures (UTEs)
Revenue	137,428	1,053,267
Gross profit from operations	26,595	139,386
Profit from operations	22,529	126,073
Non-current assets	63,841	65,954

Current assets	73,657	904,046
Non-current liabilities	1,678	98,025
Current liabilities	68,396	802,842

There are no stakeholdings in Joint Arrangements that are material for the entity.

10. **Current and non-current financial assets**

The detail of the balance for this chapter of the consolidated balance sheets is as follows:

	2014		2013		2012	
	Non-current	Current	Non-current	Current	Non-current	Current
Available-for-sale financial assets	26,087	20	73,366	67	44,626	28
Impairment of available-for-sale financial assets	(8,137)	--	(28,361)	--	(7,273)	--
Financial derivatives at fair value (Note 20)	14	--	3,311	--	--	--
Held-to-maturity investments	--	349,636	--	294,538	--	300,482
Deposits and guarantees	10,999	8,250	44,327	27,514	13,119	17,062
Other loans	130,692	11,620	149,905	12,120	154,842	27,037
Impairment of other loans	(3,921)	(419)	(2,616)	(346)	(1,470)	(118)
Total, net	155,734	369,107	239,932	333,893	203,844	344,491

Available-for-sale financial assets:

The changes in “Available-for-Sale Financial Assets” in the years ended 31 December 2014 and 2013 were as follows:

	Non-current
Balance at 31/12/12	44,626
Additions	25,793
Sales	(641)
Changes in fair value	4,798
Transfers	(1,133)
Other changes	(73)
Changes in the scope of consolidation	(4)
Closing balance at 31/12/13	73,366
Additions	170
Sales	(53,114)
Changes in fair value	5,467
Transfers	--
Other changes	210
Changes in the scope of consolidation	(12)
Balance at 31/12/14	26,087

Impairment losses	
Balance at 31/12/12	(7,273)
Additions	(19,837)
Sales	(802)
Transfers	(449)
Other changes	--
Closing balance at 31/12/13	(28,361)
Additions	(209)
Sales	20,433
Transfers	--
Other changes	--
Changes in the scope of consolidation	--
Balance at 31/12/14	(8,137)
Total, net	17,950

The main changes in 2014 correspond to the line items for “Variations due to changes in fair value” and “Sales”, mainly due to the revaluation of the stakeholding in “Bolsas y Mercados Españoles, S.A.” until July 2014 when this stakeholding was sold for a total of 28 million euros to generate a capital gain of 27 million euros (see Note 26).

Furthermore, within the Acciona Infrastructures subgroup, practically the entire stakeholding in “Gtceisu Construcción, S.A.” was sold in October 2014. The acquisition and impairment costs were 25 and 20 million euros respectively and the result of this transaction is recorded in the heading for “Profit or loss from changes in value of financial instruments at fair value” on the attached consolidated income statement (see Note 26).

Held-to-maturity investments:

The main changes occurring in 2014 correspond to re-classification of short-term deposits and guarantees as financial assets held to maturity. 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

At 31 December 2014, the increase in this account arose 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. During 2014, this investment undertaking has gradually been materialized in accordance with the scheduled due dates and this account has therefore been reduced by payments and transfers to the short term.

11. **Biological assets**

The breakdown of the non-current and current biological assets at 31 December 2014 and 2013 is as follows (in thousands of euros):

	2013	2011
Non-current	6,836	6,830
Current	--	--
Balance at 31 December	6,836	6,830

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 breakdown of “Non-Current Receivables and Other Non-Current Assets” at 31 December 2014, 31 December 2013 and 31 December 2012 is as follows (in thousands of euros):

	2014	2013	2012
Non-current operating receivables	76,636	75,272	107,701
Non-current prepayments and accrued income	5,092	6,368	4,235
Concessions under the non-current financial asset model	354,982	302,890	233,448
Total non-current receivables and other non-current assets	436,710	384,530	345,384

At 31 December 2014, 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.

“Concessions under the Non-Current Financial Asset Model” included the balances receivable in more than one year for 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 2014, 2013 and 2012, the balance reclassified to short term in the “Concessions under the Current Financial Asset Model” and within the line item for “Trade and Other Receivables” for the amount expected to be collected by the assigning bodies in the next twelve months respectively came to 17.18, 12.23 and 10.89 million euros (see Note 14).

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

	2014	2013	2012
Construction of Infrastructure division	342,462	288,593	220,503
Water division	12,520	14,297	12,945
Total	354,982	302,890	233,448

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 and are detailed in Appendix VI. The breakdown in the balance of the main concessions the financial model as of 31 December 2014 and 2013 is as follows:

	31.12.2014	31.12.2013
S.C. Acciona Concesiones Ruta 160	209,060	197,064
S.C. Hospital del Norte, S.A.	89,939	92,685

The change in the 2014 financial year relates, on the one hand, to 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 Chile within the construction of infrastructure division and mainly to the transfer from “Non-Current Assets Classified as Held for Sale” to “Other Non-Current Assets” of a concession for a hospital in Mexico as it has not been possible to complete the sale process after a long period of negotiations.

At 31 December 2014, the Group companies had commitments to acquire concession assets under the financial asset model amounting to 3 million euros, most of which related to concession arrangements awarded in the Construction of Infrastructure division (24 million euros at 31 December 2013).

13. Inventories

The detail of the Group’s inventories at 31 December 2014, 2013 and 2012 is as follows (in thousands of euros):

	2014	2013	2012
Raw materials, other procurements and goods held for resale	298,091	292,447	317,861
Work in progress and semi-finished goods	30,178	29,351	29,532
Finished goods	2,895	3,159	2,699
Assets received in payment of loans	24,993	24,768	25,323
Land	841,518	848,478	860,580
Property developments in progress	45,887	6,005	10,487
Completed property developments	141,865	205,530	199,665
Advances paid	153,729	121,889	95,806
Write-downs	(496,512)	(511,592)	(399,096)
Total inventories	1,042,644	1,020,035	1,142,857

The Group’s Directors, with the support of the evaluations and appraisals performed by Savills Consultores Inmobiliarios, S.A. and Instituto de Valoraciones, S.A., independent property appraisers without ties to the Group, have estimated that the fair value at 31 December 2014 and 2013 of the Group’s property inventories, including inventories relating to the companies consolidated using the equity method, amounted to 712,016 million euros. In this sense, the impairments endowed in the consolidation process are sufficient to reduce the carrying amounts of the property inventories to their fair values, incorporating the distortions and uncertainties currently persisting in the real estate market.

At 31 December 2014 and 2013, the carrying amounts of mortgaged inventories were 97.52 and 158.80 million euros, respectively, and related mostly to property developments completed in 2014 and 2013.

At 31 December 2014, there were no firm land purchase commitments.

Property development sales commitments to customers at 31 December 2014 and 2013 amounted to 87.05 and 78.94 million euros. Of the amount at 31 December 2014, 35.86 million euros 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 (32.41 million euros at 31 December 2013).

14. **Trade and other receivables**

The detail of “Trade and Other Receivables” at 31 December 2014 and 2013 is as follows:

	2014	2013	2012
Trade receivables	1,449,185	1,335,514	1,397,770
Doubtful trade receivables	62,546	64,375	56,384
Amounts to be billed for work performed	515,544	446,122	634,224
Total trade receivables for sales and services	2,027,275	1,846,011	2,088,378
Receivable from associates	81,939	69,593	63,941
Sundry accounts receivable	168,677	213,534	257,997
Current concessions under the financial asset model (Note 12)	17,175	12,234	10,885
Allowances	(355,032)	(354,650)	(185,945)
Total trade and other receivables	1,940,034	1,786,722	2,235,256
Customer advances	(852,608)	(604,387)	(565,429)
Total net balance at 31 December	1,087,426	1,182,335	1,669,827

During 2014, the most significant variations in this caption are in the headings for Trade receivables and Customer advances, fundamentally corresponding to the energy division due to the significant increase in the business of constructing and assembling WTGS and wind farms.

During 2013, the main variation in the balances making up this heading occurred in the allowances accounts. The increase was basically due to the extraordinary impairment of the accounts receivable from a Brazilian client in the amount of 74 million euros 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 80 million euros 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 negative progress in their finalisation process. These amounts have not suffered any variation as there have been no changes in the situations described.

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

	2014	2013
Energy	592,246	544,519
Construction of Infrastructure	666,917	616,450
Water	147,751	131,993
Services	186,551	190,326
Other Activities	166,120	275,108
Intra-Group transactions	(672,159)	(576,061)
Total net balance at 31 December	1,087,426	1,182,335

The breakdown relating to the construction business is as follows:

	2014	2013
Progress billings receivable	674,903	655,091
Amounts to be billed for work performed	481,978	398,035
Sundry accounts receivable	236,690	232,472
Allowances	(263,570)	(244,528)
Total construction trade receivables	1,130,001	1,041,070
Customer advances	(458,658)	(411,732)
Total net balance at 31 December	671,343	629,338

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

	2014	2013
State	44,109	34,784
Regional Governments	19,201	18,410
Municipal councils	5,774	9,870
Others	44,278	72,987
Public-sector subtotal	113,362	136,052
Private-sector subtotal	253,764	205,255
Total Spanish customers	367,126	341,307
Total foreign customers	304,217	288,031

The breakdown of the age of the Accounts receivable heading is as follows:

	2014	2013
Age up to 3 months by date of invoice	1,085,263	1,050,617
Age between 3 and 6 months by date of invoice	102,356	86,132
Age greater than 6 months by date of invoice	261,566	198,765
Total	1,449,185	1,335,514
Invoices past due by more than 3 months and not provisioned	172,069	158,573

Furthermore, the movement in the allowance for impairment losses in accounts receivable at 31 December 2014 and 2013 is as follows (in millions of euros):

	2014	2013
Opening balance	355	186
Increase in impairment allowances for accounts receivable	40	203
Accounts receivable de-registered as impossible to collect	(15)	(8)
Reversal of amounts not used	(26)	(28)
Changes in the scope of consolidation	--	--
Reclassifications and other minor adjustments	1	2
Closing balance	355	355

15. Cash and cash equivalents

The detail of "Cash and Cash Equivalents" at 31 December 2014 and 2013 is as follows:

	2014	2013
Cash	1,104,362	927,905
Deposits and other	222,450	235,663
Total cash and cash equivalents	1,326,812	1,163,568

“Cash and Cash Equivalents” includes mainly the Group’s cash, bank deposits and risk-free deposits with initial maturity of three months or less. None of the balances in this caption is unavailable.

In 2014 and 2013 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 1 euro 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.

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 2014, 2013 and 2012:

	31/12/14	31/12/13	31/12/12
Tussen de Grachten, BV	27.17%	27.803%	27.803%
Entreazca, BV	26.75%	27.430%	27.430%
FIL Limited	1.044%	(**)	(**)
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 its stake comes to 0.986%.

(**) FIL Limited did not have any significant stakeholding during the 2013 and 2012 financial years. It currently appears as the indirect registered holder of the stakeholding indicated.

The decline in the significant stakeholdings of Entreazca and Tussen de Grachten arose out of the loan to HSBC securities of up to 3 million shares overall, divided equally between them, so that securities loans can be furnished to investors within the framework of the convertible bond issue made by Acciona and notified to the CNMV as a Material Event under registration number 198,666 (see Note 18.b).

b) Share premium and reserves

The balance of the “Share Premium” account, which at 31 December 2014, 2013 and 2012 amounted to 170.11 million euros, 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:

	2014	2013	2012
Issue premium	170,110	170,110	170,110
Legal reserve	11,452	11,452	11,452
Reserve for retired capital	10,453	10,453	10,453
Voluntary reserves	2,620,074	3,730,211	3,695,269
Consolidated reserves (Note 16.d)	379,910	1,292,912	1,077,056
Subtotal reserves	3,021,889	5,045,028	4,794,230
Translation differences (Note 16.d)	(25,264)	(63,628)	22,828
Total reserves	2,996,625	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.

As indicated in Note 2.2 h), the transfer of a one-third stakeholding in the subsidiary “Acciona Energía Internacional, S.A.”, the parent of the Acciona Energía Internacional subgroup was formalized on 3 October by a vehicle in the KKR fund. Pursuant to the terms and conditions of the agreement reached, the Group retains control of the Acciona Energía Internacional subgroup so the increase in attributed equity resulting from the transaction, in the amount of 34 million euros, has been posted to reserves, in accordance with the provisions contained in IFRS 10 (paragraph 23).

c) Treasury shares

The changes in treasury shares during the 2014, 2013 and 2012 financial years were as follows:

	2014		2013		2012	
	Number of shares	Cost	Number of shares	Cost	Number of shares	Cost
Opening balance	140,440	6,461	108,781	4,107	5,598,867	411,129
Additions	466,283	25,774	145,588	7,704	911,587	47,992
Reductions due to retirement of shares			--	--	(6,290,450)	(446,548)
Other disposals	(72,224)	(3,340)	(113,929)	(5,350)	(111,223)	(8,466)
Closing balance	534,499	28,895	140,440	6,461	108,781	4,107

During the 2014 financial year, a total of 466,283 shares were acquired for an amount of 25.77 million euros. Furthermore, there was a reduction of 72,224 shares with a 1.14 million euro gain recognised in reserves in the financial year, due to the delivery of shares mainly to senior management under the Share Grant Plan approved by the shareholders at the Annual General Meeting (see Note 34). This same concept in 2013 saw the retirement of 113,929 shares, with a 5 thousand euro 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 440.26 million euros due to the capital reduction approved by the shareholders at the Annual General Meeting held on 24 May 2012 in the amount of 6.29 million euros.

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 2014, 2013 and 2012 is as follows (in thousands of euros):

	2014		2013		2012	
Line of business	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Energy	(836,990)	3,714	713,350	(23,436)	509,897	29,263
Infrastructure	206,788	(15,859)	510,274	(26,710)	375,535	(2,153)
Water	77,401	(2,857)	69,303	(5,102)	39,871	(994)
Services	(56,577)	929	(4,179)	621	1,117	1,249
Other Activities	1,034,992	(11,191)	51,227	(9,001)	196,504	(4,537)
Consolidation adjustments	(45,704)	--	(47,063)	--	(45,868)	--
Total	379,910	(25,264)	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 2014 and 2013 is provided in Appendix V.

In addition to the Parent, at 31 December 2014, the Group company Mostostal Warszawa, S.A. was a listed company. The average market price of this company in the last quarter was PLN 6.63 and the market price at year-end was PLN 6.00.

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 2014 and 2013 were as follows:

	2014	2013
Balance at 1 January	15,432	10,931
Increases in value in the year	3,838	5,529
Decreases in value in the year	--	--
Transfer to results in the year	(19,091)	(1,028)
Changes in the scope of consolidation	--	--
Balance at 31 December	179	15,432

During 2014, the Group has divested itself of all the securities it held in the Bolsas y Mercados Españoles company, transferring the increases in value accumulated to date to the

income statement in the amount of 19 million euros, net of the tax impact. The variation in 2013 also corresponded, almost entirely, to changes in the value of the securities indicated.

▪ 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 2014 and 2013 were as follows:

	2014	2013
Balance at 1 January	(321,237)	(533,427)
• Variations in value in the year	(187,209)	116,679
<i>Gross</i>	(226,259)	166,684
<i>Tax effect</i>	39,050	(50,005)
• Transfer to income for the year	81,069	95,511
<i>Gross</i>	115,813	136,444
<i>Tax effect</i>	(34,744)	(40,933)
Balance at 31 December	(427,377)	(321,237)

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 2013 were as follows (in thousands of euros):

Company	Balance at 31/12/12	Changes in scope and ownership interests	Dividends	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	5,073	--	--	(209)	131	4,995
Acciona Energy subgroup ⁽¹⁾	2,660	--	(333)	4,077	(12,650)	(6,246)
Acciona Energía Internacional subgroup	148,537	5,731	(9,856)	(9,866)	3,941	138,487
Ineuropa de Cogeneración subgroup	4	--	--	--	6	10
Alabe	13	--	--	--	(78)	(65)
Acciona Infrastructures subgroup	278	5	(450)	(678)	1,320	475
Acciona Forwarding subgroup	458	94	(315)	(123)	158	272
Trasmediterránea subgroup	66,328	(38,561)	--	(340)	(13,166)	14,261
Ceatesalas subgroup	7,728	(328)	(733)	584	(1,318)	5,933
Total non-controlling interests	275,578	(33,059)	(11,687)	(8,415)	(56,069)	166,348

⁽¹⁾ Excluding the Acciona Energía Internacional subgroup

The changes in 2014 were as follows (in thousands of euros):

Company	Balance at 31/12/13	Changes in scope and ownership interests	Dividends	Valuation adjustments and other	Profit (Loss) for 2013	Balance at 31/12/14
Hospital del Norte	717	--	--	(80)	119	756
Mostostal Warszawa subgroup	7,509	(3,069)	--	7	(302)	4,145
Parque Reforma	4,995	--	--	(19)	1,156	6,132

Acciona Energía subgroup ⁽¹⁾	(6,246)	--	(180)	(4,896)	4,672	(6,650)
Acciona Energía Internacional subgroup	138,487	37,132	(11,799)	27,358	12,918	204,096
Ineuropa de Cogeneración subgroup	10	--	--	(1)	(1)	8
Alabe subgroup	(65)	--	--	--	66	1
Acciona Infrastructures subgroup	475	(100)	--	272	3,983	4,630
Acciona Forwarding subgroup	272	14	--	15	85	386
Trasmediterránea subgroup	14,261	--	--	(364)	(750)	13,147
Ceatesalas subgroup	5,933	(70)	(296)	(189)	127	5,505
Inosa subgroup	--	1,086	--	26	170	1,282
Total non-controlling interests	166,348	34,993	(12,275)	22,129	22,243	233,438

⁽¹⁾ Excluding the Acciona Energía Internacional subgroup

On 3 October, the Group formalized an agreement for the transfer, without loss of control, of a one-third stakeholding in the capital of the Acciona Energía Internacional subgroup, included in the Acciona Energía subgroup, to a vehicle in the KKR global infrastructure fund. The impact on the “Non-controlling interests” heading in the balance sheet of the aforesaid transaction, which came to 23 million euros, is shown in the column for “Changes in scope of consolidation” in the table of movements shown above (see Note 2.2 h)).

In addition, also within the Acciona Energía Internacional subgroup, increases have occurred in the non-controlling interest, through capital contributions of 13 million euros in two generation facilities, a wind farm and a photovoltaic plant both located in South Africa, the first of which is in the construction phase and the second was recently commissioned.

Furthermore, the line item “Adjustments for changes in value and others” includes changes in the non-controlling interest due to variations in the exchange rate in the amount of 22 million euros, fundamentally as a consequence of the US dollar’s appreciation against the euro.

With respect to 2013, the most significant variation corresponds to the acquisition of an additional 12.86% in the Trasmediterránea subgroup, which entailed a reduction of 38 million euros in the non-controlling interest.

The summary financial information for those subgroups or subsidiaries representing a material portion of the assets, liabilities and transactions of the Group and for which no dominant stakeholdings are held are shown below:

31.12.2014	Acciona Energía Internacional Subgroup	Acciona Thermosolar Subgroup	Mostostal Warszawa, S.A.	Cía. Trasmediterránea Subgroup
% Non-controlling interests	33.33%	15.00%	49.91%	7.29%
ASSETS				
Non-current assets	3,058,830	881,569	68,469	363,790
Current assets	445,900	289,065	284,337	143,530
Total Assets	3,504,730	1,170,634	352,806	507,320
LIABILITIES				
Equity	318,697	(55,779)	3,460	180,506
Attributed Equity	145,434	(55,779)	(2,390)	180,517
Non-controlling interests	173,263	--	5,850	(11)

Non-current liabilities	2,992,285	1,167,086	93,732	79,497
Current liabilities	193,748	59,327	255,614	247,317
Total Liabilities	3,504,730	1,170,634	352,806	507,320
PROFIT OR LOSS				
Revenue	512,990	112,022	355,006	417,125
Operating profit	300,809	53,529	7,091	(1,165)
Profit or (loss) before tax	153,526	736	3,196	(11,001)
Profit or (loss) after tax	140,078	27,995	(1,225)	(10,185)
Profit or (loss) attributed to Non-controlling interests	(7,960)	--	(603)	8
Profit or (loss) attributed to the parent	132,118	27,995	(1,828)	(10,177)

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 leverage ratio at 31 December 2014 and 2013 is shown below:

	Leverage	
	Millions of euros	
	2014	2013
Net financial debt:	5,294	6,040
Non-current bank borrowings	5,918	5,572
Current bank borrowings	1,072	1,965
Current financial assets and cash and cash equivalents	(1,696)	(1,497)
Equity:	3,613	3,396
Of the Parent	3,380	3,230
Of non-controlling interests	233	166
Leverage	147%	178%

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 and lawsuits

The changes in the long-term provisions on the liability side of the consolidated balance sheets at 31 December 2014 and 2013 were as follows (in thousands of euros):

	31.12.2014	31.12.2013
Opening balance	533.121	549.667
Additions and period provisions	31.124	36.604
Reductions	(18.112)	(43.048)
Transfers	(62.008)	3.322
Other changes	(30.537)	(13.424)
Closing balance	453.588	533.121

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) Constructive obligations: 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 2014, the provision in this connection amounted to 76 million euros (54 million euros at 31 December 2013). The detail of the assets, liabilities, revenue and profit or loss for 2014 of the associates for which a provision is recognised, in proportion to the Group's ownership interest therein, is as follows:

	Energy	Construction	Water	Services	Total 2014
Assets					
Non-current assets	40,925	384,000	95,014	281	520,220
Current assets	12,972	35,195	4,282	4,137	56,586
Total assets	53,897	419,195	99,296	4,418	576,806
Liabilities					
Equity	(6,710)	(67,895)	(1,179)	(634)	(76,418)
Non-current liabilities	46,927	340,186	97,032	450	484,595
Current liabilities	13,680	146,904	3,443	4,602	168,629
Total equity and liabilities	53,897	419,195	99,296	4,418	576,806
Profit or Loss					
Revenue	7,278	18,359	7,055	10,793	43,485
Profit before tax from continuing operations	(795)	(2,507)	459	(262)	(3,105)
Profit (Loss) before tax	(795)	(2,507)	459	(262)	(3,105)

This section includes a provision for the construction of infrastructure division in the amount of 29 million euros for the “Infraestructuras y Radiales, S.A.” and “Henarsa, S.A.” companies that are currently engaged in voluntary insolvency proceedings declared by Business Court nº 10 in Madrid on 5 September 2013.

b) Levies, taxes and local charges: these correspond to provisions for regional, state or international levies, taxes and local charges 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 2014, the provision in this connection amounted to 59 million euros (61 million euros at 31 December 2013). During the financial year payments in the amount of 18 million euros have been made, mainly in connection with the inspections performed as described in Note 22 and beginning in March, 2012.

c) Guarantees: these correspond to 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 2014, the provision in this connection amounted to 22 million euros (10 million euros at 31 December 2013).

d) Repairs: these correspond to provisions relating to repairs agreed with the awarding entity in those concessions originating the construction of infrastructure division. Each year they are systematically endowed by a charge against the operating profit or loss. The provision for this concept at 31 December 2014 amounted to 13 million euros (12 million euros at 31 December 2013).

e) Pensions and similar: these correspond to 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 2014, the provision in this connection amounted to 12 million euros (10 million euros at 31 December 2011)

f) Burdensome contracts: these correspond to contracts for works or the provision of services that represent and burden and lead to losses. The Group charges a provision against the income statement for losses expected from these contracts at the moment when it determines that the contract's costs are likely to exceed the revenue therefrom. The provision for this concept at 31 December 2014 amounts to 68 million euros (84 million euros at 31 December 2013).

g) Lawsuits: these correspond to provisions for lawsuits under way as a number of claims have been brought against the Group for various reasons. At 31 December 2014, the Group has a provision in the amount of 203 million euros (238 million euros at 31 December 2013). The main lawsuits open are listed below:

- Construction defects: these correspond to provisions for construction defects and lawsuits relating to work performed and claims over discrepancies in the provision of the services, mainly in the construction and property divisions. The provision for this concept at 31 December 2014 comes to 55 million euros.
- CNC Penalties: corresponding to certain liabilities relating to the Logistics division, mainly arising from three penalties imposed by the Spanish National Competition

Commission (CNC) and currently under appeal. The provision for this concept at 31 December 2014 amounts to 46 million euros.

- At 31 December 2014, the Group has provisions corresponding to certain liabilities relating mainly to the energy division in connection with lawsuit brought for payment commitments linked to future wind project developments as well as intellectual property rights over wind power technology. The provision for this concept at 31 December 2014 amounts to 27 million euros.
- In addition, there are provisions corresponding mainly to three lawsuits under way in connection with proceedings relating to disputed land involved in a Spanish property development, breaches of contract in the United States and a case involving trademarks and image. The provision for this concept at 31 December 2014 amounts to 75 million euros.

With respect to these cases, it is complicated to predict how they will turn out, although the Group's directors are of the opinion that there will be no short-term outflow of economic profits due to the status of these court cases at the present time.

The best estimates of the risks and uncertainty inevitably surrounding most of the events and circumstances affecting these cases have been taken into account for the recording of their provisions. In this sense, the negative downturn in recent years of the general market situation and the economic and financial conditions in many of the countries in which the Group has operations has contributed to a general situation of extreme and very widespread instability, giving rise to very significant uncertainties. This situation has not only remained constant but has in fact even increased recently, with the result that the calibration of this uncertainty has been done with prudence, understood as the inclusion of a certain degree of caution in the prosecution of the necessary court cases, but safeguarding in all cases the true and faithful image of financial statements.

With regard to the movements in the financial year, the line item for "Transfers" corresponds mainly to the materialisation of a contingent liability in connection with a concession in the logistics division that has come to light following the loss of the sole client operating the concession. The "Removals" line reflects mainly the applications of the provision for taxes on the payment of the tax inspection conclusions following the audit (see Note 22).

Group management considers that no additional liabilities not provided for in the consolidated financial statements at 31 December 2014 and 2013 will arise.

In addition to the lawsuit under way and listed above, the current status of the court proceedings is given below for the dispute with "ATLL Concesionaria de la Generalitat de Catalunya, S.A." (see Note 8).

The contract signed between ATLL Concesionaria de la Generalitat de Catalunya, S.A. (ATLL) and the Regional Government of Catalonia ("Generalitat") on 27 December 2012, which started to be executed on 1 January 2013, is currently still being executed.

Following the formalization of the contract and once the service had begun to be provided, the Administrative Body for Contractual Resources in Catalonia ("OARCC") issued a ruling on 2 January 2013 whereby it partially upheld the special appeal lodged by AGBAR and excluded

ACCIONA from the contracting procedure in accordance with the legal arguments set out in the legal rationale of the said Ruling.

Both ACCIONA WATER and the concession holder ATLL as well as their partner BTG and also the Generalitat itself lodged respective administrative dispute appeals against the OARCC's ruling. The decision by the Court has been not to joinder all these proceedings and they are currently pending the setting of a date for the appeals to be heard and resolved by the High Court of Justice in Catalonia (TSJ of Catalonia).

The judgments handed down by the TSJ of Catalonia in due course on the merits of the matter are subject to appeal for reversal before the Supreme Court (TS).

The TS has refused the petition for interim measures requested by "Aigues de Catalunya" (BTG), the Generalitat and by Acciona Water as well as the concession holder for enforcement of the OARCC's ruling to be suspended, without prejudice to an acknowledgement that the plaintiff's arguments are "merely the expression of the question at the heart of the matter to be decided in the proceedings. This question cannot be resolved in an interim measures request but only in the judgment".

On 17 December, the Generalitat issued its own resolution ordering the opening of proceedings to comply with the enforcement of the decision by the Supreme Court to decline the interim suspension of the enforceability of the OARCC's ruling. For these purposes, a procurement board has been set up and has been charged, with the support of an advisory technical committee, with the task of assessing the manner and the steps to be followed in order to comply with the OARCC's ruling. The resolution dated 17 December accepts the proposal by the Subdirectorate-General for Economic Management, Contracting and Internal Regime and the legal counsel of the Department for Land and Sustainability which indicated that "The OARCC's ruling has not expressly declared the contract null and void nor has it declared invalid the contract or the tender procedure". Furthermore "it also fails to indicate the specific material activity the Administration must undertake to establish how to exclude the party awarded the contract. Therefore, for the Administration to enforce the OARCC ruling, a number of other acts have to take place first. These acts, as yet undetermined and unspecified, will be the result of prior activity by the Administration, which will have to decide on how to execute the OARCC's ruling within the margin of discretion corresponding to it at the moment it is performing administrative acts". The advisory technical committee, in a report dated 4 February 2015, has proceeded to give a technical analysis of all the considerations contained in the OARCC's ruling and concluded by a) ratifying the technical report dated 18 February 2012 that evaluated the work schedule submitted by the two bidders and the correctness of the score awarded to the Consortium in which ACCIONA is participating, and b) informing the procurement board that, if it were to apply the criteria contained in the OARCC's ruling, both of the bids should be excluded from the tender process.

In short, ATLL has to continue complying with the obligations stemming from the public service management contract for the supply of water to the treatment plants in accordance with the terms of the contract until the Generalitat orders otherwise and pays the corresponding compensation. Such compensation would include, among other concepts, the refund of the portion of the levy not amortised and always without prejudice to any claim for damages that may be appropriate.

In consequence, the Directors are of the opinion that the final resolution of the proceedings described will not imply any outflow of resources, for which reason no provision for risks and expenses in connection with this lawsuit has been recorded as of 31 December 2014.

Provisions for pensions and similar obligations

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

In 2014 and 2013, the number of employees considered in this connection was 105 (115 at the close of 2013), of whom 23 had already taken early retirement (17 employees at 2013 year-end).

The changes in these provisions in 2014 and 2013 are as follows:

	2014	2013
Balance at 1 January	7.123	7.460
Additions and period provisions	816	369
Reductions	--	(600)
Transfers	(173)	(98)
Other changes	8	(8)
Balance at 31 December	7.774	7.123

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 2014 and 2013 were as follows:

	2014	2013
Interest rate	2,26%	3,86%
Mortality tables	PERPM/F2000	PERPM/F2000
Expected rate of return on plan assets	2,16%	3,76%
Salary increase	2,3%	2,3%

Information is provided below on the changes in the actuarial liabilities for the defined benefit obligations at 31 December 2014 and 2013:

	2014	2013
Initial actuarial liability	2,800	2,575
Cost incurred in the year	85	80
Finance costs	108	102
Benefits paid in the year	--	--
Actuarial gains and losses	782	43
Final actuarial liability	3,775	2,800

Information is provided below on the changes in the actuarial assets for the defined benefit obligations at 31 December 2014 and 2013:

	2013	2011
Initial actuarial asset	2,298	2,085
Rate of return in the year	86	80
Contributions made in the year	31	111
Actuarial gains and losses	69	22
Final actuarial asset	2,484	2,298

At 31 December 2014 and 2013, the total amount of the final actuarial assets and liabilities related in full to defined benefit obligations in Spain.

At 2014 year-end, the amount recognised in the consolidated income statement for defined benefit pension obligations amounted to 107 thousand euros (2013 year-end: 102 thousand euros) 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) 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 3.18 million euros (2,53 million euros at 31 December 2013).

The actuarial changes arising in this connection gave rise to a loss of 638 thousand euros in 2014 (311 thousand euros in 2013).

- iii) 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 2014 and 2013, were as follows:

	Provision for other long-term employee benefit obligations
Balance at 31/12/12	4,254
Additions and period provisions	(141)
Reductions	(740)
Transfers	--
Other changes	--
Balance at 31/12/13	3,373
Additions and period provisions	(197)
Reductions	(586)
Transfers	--
Other changes	--
Balance at 31/12/14	2,590

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. **Financial debt**

a) Bank borrowings

The detail of this heading at 31 December 2014 and 2013 is as follows (in thousands of euros):

	2014		2013	
	Current	Non-current	Current	Non-current
Non-recourse bank borrowing	419,515	4,304,743	430,752	4,128,656
Mortgage loans for non-current asset financing	75,929	85,990	36,283	122,054
Mortgage loans for property developments	88,344	--	123,558	--
Project finance	247,720	4,151,346	259,444	3,938,645
Obligations under finance leases	4,624	4,781	8,353	8,804
Other limited recourse debt	2,898	62,626	3,114	59,153
Recourse bank borrowing	211,866	854,416	1,372,951	1,241,258
Unmatured discounted notes and bills	5,162	--	27,455	--
Other bank loans and credit facilities	206,704	854,416	1,345,496	1,241,258
Total bank borrowings	631,381	5,159,159	1,803,703	5,369,914

In 2014 and 2013, 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 zloty and the BBSY for financing in Australian dollars; these are the most important indices for the Group outside of the euro area. 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.

During 2014 there was a significant reduction in the funding through "Other bank loans and credit facilities" as a result of the diversification from traditional sources of finance to finance through issues of commercial paper, and issues of obligations as described in section b) of this note.

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 special purpose 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. In projects of this kind, no collateral is provided other than the *in rem* guarantee on the assets.

During 2014, particularly noteworthy in this heading are the increases of 56 and 97 million euros in the international energy division due respectively to the closure of the finance arrangements for a wind farm in Chile and a photovoltaic plant in South Africa, as well as the partial drawdown of 76 million euros in the project for a wind farm also in South Africa and that was in the construction phase at the close of the financial year.

Furthermore, also noteworthy is the increase corresponding to the greater appraisal of the financial derivatives contracted in the construction of infrastructure and energy divisions fundamentally due to the progression of the interest rate curves and a negative impact on the financial year that has amounted to 160 million euros.

Finally, during 2014, the main reduction in this heading, in addition to the scheduled amortizations according to the calendar for each project, corresponds to early amortizations of both indebtedness and the associated derivative, if any, in the domestic energy division, as part of the debt diversification process mentioned earlier.

As indicated in Note 3.2 I), the adoption of IFRS 13 requires 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 2014, the adjustment of credit risk represented a lower valuation of liability derivatives in the amount of 17.09 million euros, recognised on the one hand as a smaller debt with credit entities in the amount of 13.91 million euros by subsidiaries and, on the other hand, as a higher valuation of the investment by the equity method in the amount of 3.18 million euros, without considering the tax effect, 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 12.03 million euros.

At 31 December 2014, Group companies had been granted additional financing not drawn down in the amount of 2,081.48 million euros, of which 1,972.702 million euros corresponded to credit lines for the financing of working capital. The Group's Management is of the opinion that the amount of these credit lines and the ordinary generation of cash, together with the realisation of current assets, will sufficiently cover the short-term payment obligations.

At 31 December 2014 and 2013, 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 2015.

Furthermore, in 2014 and 2013 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 bank borrowings for the four [sic for five] years following the reporting date is as follows:

2015	2016	2017	2018	2019	Subsequent years	Total
631,381	717,715	446,196	368,686	455,370	3,171,192	5,790,540

Obligations under finance leases

The detail of the Group's finance leases at 31 December 2014 and 2013 is as follows:

Obligations under finance leases	Minimum lease payments	
	2014	2013
Within one year	4.870	9.260
Between one and two years	3.264	5.576
Between two and five years	1.677	3.320
After five years	338	500
Total lease payments payable	10.149	18.656
Less: future finance charges	744	1.499
Present value of lease obligations	9.405	17.157
Less: amount due for settlement within twelve months (current liability)	4.624	8.353
Amount due for settlement after twelve months	4.781	8.804

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 2014, 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 2014 with respect to 2013 was due mainly to the payments made as established in the leases.

b) Debentures, bonds and negotiable securities

The breakdown as of 31 December 2014 and 2013 is as follows (in thousands of euros):

	Thousands of euros	
	2014	2013
Debentures, bonds and negotiable securities without recourse	229,488	203,446
Debentures, bonds and negotiable securities with recourse	969,721	159,903
Total debentures, bonds and negotiable securities	1,199,209	363,349

The movement in these accounts on the current and non-current liabilities side of the balance sheet for the 2014 and 2013 financial years has been as follows:

	Thousands of euros	
	2014	2013

Opening balance	363,349	218,913
Net incorporation of companies into the Group	--	--
Issues	1,118,528	234,414
Interest accrued pending payment	9,336	--
Amortisations	(327,302)	(80,770)
Other changes	35,298	(9,208)
Closing balance	1,199,209	363,349

The main variation in this heading in 2014, on the “Issues” and “Amortisations” items corresponds to the issue of debentures that can be converted into shares, the private placement of simple bearer bonds, the formalisation of an EMTN programme and the renewal of the Euro Commercial Paper programme, all by Acciona, S.A. as detailed at the end of this note. The line item for “Other changes” corresponds mainly to the translation differences arising in the two issuances of bonds done in currencies other than the euro.

In 2013, the main change in this heading for the “Issues” and “Amortisations” items corresponded to the formalisation by Acciona, S.A. of its Euro Commercial Paper (ECP) programme described in the following paragraphs.

The distribution of the maturity of these debentures for 2014 and the next four financial years and for subsequent years is as follows:

2015	2016	2017	2018	2019	Subsequent years	Total
440,436	53,286	37,397	6,048	396,425	265,617	1,199,209

At 31 December 2014, the details of the issuances making up the balance for this heading are as follows:

- Placement of a bonds issue on 10 August 2012 with a credit rating of “BBB -” given by the Standard & Poors and Fitch rating agencies for the Mexican subsidiaries “CE Oaxaca Dos, S. de R.L. de C.V.” and “CE Oaxaca Cuatro, S. de R.L. de C.V.” in a total amount of 298.7 million US dollars. The purpose of this funding was the development, construction and operation of separate 102 MW wind power projects for the final client, the Federal Electricity Commission (CFE). The issue accrues interest at 7.250% per annum, payable every six months on 30 June and 31 December each year until 31 December 2031. The redemption of the debt began on 31 December 2012 and will continue with six-monthly debt write-downs until its total amortisation on 31 December 2031. At 31 December 2014, the balances recorded for this issue on the non-current and current bonds and debentures account come to 226 and 3 million euros, respectively.

- Euro Commercial Paper (ECP) Programme formalised on 17 January 2013 by Acciona, S.A. and renewed most recently on 29 October 2014 for another twelve months and a maximum of 500 million euros. Through this programme, which is listed on the Irish Stock Exchange, notes are issued on the euro market with maturities between 15 and 364 days. During 2014, the most noteworthy event was the significant increase of promissory notes and the outstanding balance has grown from 160 million euros at 31 December 2013 to 428 million euros at 31 December 2014.

- Issue of bonds convertible into shares of Acciona, S.A. in the amount of 342 million euros that took place on 30 January 2014 and maturing on 30 January 2019. The reference price of

the share on the issue date was 47.563 euros with a conversion premium of 32.5% on this price. The number of shares to be surrendered in the case that all the convertible obligations were converted, bearing in mind the conversion price (63.021 euros) and the amount of the issue, would come to 5.43 million shares, representing approximately 9.48% of the share capital of Acciona, S.A. currently in circulation. The issues pays a coupon of 3% per annum every six months. At 31 December 2014, the balances recorded by the convertible bond on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the accrual of interest, amounted to 306 and 4 million euros respectively. Furthermore, an amount of 37 million euros has been entered on the equity as corresponding, net of the transaction costs, to the equity component (conversion option) included in the convertible bond. To determine the valuation of the financial debt and equity component the valuation model used is based on the Black-Scholes method that concludes, after considering the market values relating to volatility, the share price of Acciona, S.A. and the credit spread on the date of issue, what part of the convertible bond's value corresponds to the "bond floor" and what part corresponds to the bond conversion option.

- Issue by Acciona, S.A. in April 2014 of simple bearer debentures through a private placement in the amount of 62.7 million euros and maturing in 2024. The face value of each debenture is 100,000 euros and they accrue interest at 5.55% per annum with an annual coupon. At 31 December 2014, the balances recorded for these simple debentures on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the accrual of interest, amounted to 61.3 and 2.4 million euros respectively.

- Formalisation by Acciona, S.A. in July 2014 of a programme of fixed-interest securities (Euro Medium Term Note Programme, EMTN) for a maximum amount of up to one billion euros and maturing in July 2019. With respect to this programme, the company prepared a basic informative dossier that was approved by the Central Bank of Ireland. The securities issued under this programme may: accrue interest at fixed or variable rates, be issued in euros or another currency and at face value, under par or with a premium, as well as have different maturities. At 31 December 2014, the balances recorded for this EMTN programme on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the accrual of interest, amounted to 165 and 2.7 million euros respectively.

At 31 December 2014, there are no issues of securities convertible into shares other than the issue mentioned in this note, nor any issue granting rights or privileges that may, in the event of any contingency, make them convertible into shares of the Parent Company or of any of the Group companies.

In addition, two of the companies in the Acciona Group consolidated using the equity method have issued obligations and bonds with the following characteristics:

- Issue by Autovía de los Viñedos, S.A. This issue took place on 28 October 2004 in an amount of 64.1 million euros and accrues interest at 4.79% per annum payable on 15 December each year throughout the life of the issue. The bonds began to be redeemed on 15 December 2009 and their total amortisation is scheduled for 15 December 2027.
- Private issue of bonds with a credit rating of "A" given by the Standard & Poors rating agency for the Canadian company Chinook Roads Partnership in the amount of 108.88 million euros attributed as part of the funding needed to undertake the construction, operation and maintenance project for the Southeast Stoney Trail motorway in the city of

Calgary (Canada). This issue took place on 31 March 2010 and accrues interest of 7.134% per annum payable monthly on the last working day of each month during the construction phase and quarterly during the operation phase. Debt amortisation began on 31 December 2013 and will continue with quarterly cancellations until its total amortisation on 31 March 2043.

c) Other debt-related information

At 31 December 2014, the mean interest rate of the debt, considering bank borrowings and the debt associated with debentures and other negotiable securities, was 5.59%.

During the financial year, the percentage of debt not subject to interest rate volatility has gone up from 67.44% in 2013 to 75.81% in 2014. This is mostly due to the diversification of finance sought during the year, which has implied an increase in financing through debentures, bonds and promissory notes for 836 million euros (see Note 18 b).

The composition of indebtedness in currencies other than the euro at 31 December 2014 is given below, classified by the main currencies in which the Acciona Group operates:

Currency	Financial Indebtedness
Australian dollar	226,712
Brazilian real	80,966
Canadian dollar	47,295
Chilean peso	147,399
Mexican peso	26,633
Polish zloty	56,789
US dollar	888,776
South African rand	231,764

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, or also to the LIBOR rate as the projects in this geographic area are frequently financed in US dollars as the cash-flow generated by the asset are also in the same currency.

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 2014.

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 6.37 million euros at 31 December 2014.

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 2014 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 97.54 million euros 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 20.10 million euros 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 2014 is shown below in thousands of euros for the main currencies in which the Acciona Group operates.

Currency	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sensitivity (10%)
Australian dollar	420,029	156,344	253,310	121,375	201,688	20,169
Brazilian real	119,079	66,466	83,336	111,066	(8,857)	(886)
Canadian dollar	134,007	130,175	50,492	79,144	134,546	13,455
Chilean Peso	237,268	154,999	151,915	93,893	146,459	14,646
Mexican Peso	111,348	350,954	56,259	271,602	134,441	13,444
Polish zloty	216,913	290,214	103,947	226,052	177,128	17,713
US dollar	1,832,919	322,565	1,228,208	242,177	685,099	68,510
South African rand	325,245	61,940	259,690	44,629	82,866	8,287

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. On this basis, the last column of the table above contains an estimate of the negative impact on the Group's net equity of a 10% re-valuation in the quotation of the euro with respect to these eight main currencies in which the Group operates and holds investments.

Procurement price risk

The Acciona Group is exposed to fluctuations in the price of procurements, mainly fuel in its sea transportation 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 of approximately 3.6 million euros on the profits in 2015.

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.

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, ACCIONA adds 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, as well as debentures convertible into shares, a private placement of simple bearer bonds and a programme of Euro Medium Term Notes (see Note 18).

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-Law 9/2013 adopting urgent measures to guarantee the financial stability of the electricity system was published on 12 July 2013. This Royal Decree, which came into force on 13 July 2013, repealed, among others, Royal Decree 661/2007, of 25 May, the decree governing the remuneration framework supporting renewable energies for most of the Acciona Group's power generation facilities located in Spain.

Royal Decree 413/2014, regulating the activities for electricity generation from renewable energy sources, co-generation and waste was enacted on 6 June 2014 and published in the BOE on 10 June 2014. Developing this decree, the definitive Ministerial Order IET 1045/2014 was signed on 20 June 2014 and published in the BOE on 29 June 2014, setting out the final remuneration parameters applicable to all renewable facilities, whether already in existence or planned. The new model defines the remuneration for assets to be applied from 14 July 2013 as a consequence of RD-L 9/2013.

This new regulation foresees that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities can 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. Furthermore, the terms for remunerating the investment and the transaction will be reviewed every 3 years, taking into consideration the revenue from energy sales at market rates by standard facilities, so that any upward or downward variations outside the range of the bands established in the said Ministerial Order will be incorporated into the calculation of the specific remuneration.

According to the rules, these remuneration terms are not intended to exceed the minimum level necessary to cover the costs enabling the facilities to compete on an equal footing with the rest of the technologies on the market and making it possible for them to achieve reasonable profitability. With regard to what constitutes reasonable profitability, the Royal Decree-Law indicates this will revolve around the mean pre-tax yield on the secondary market of ten-year State Bonds by applying the appropriate differential. The first additional provision of Royal Decree-Law 9/2013 sets this appropriate differential at 300 basis points for facilities participating in the economic regime with a premium, all without prejudice to a possible review every six years.

The new regulatory framework shows that a large part of the Group's renewable assets, especially wind power technology commissioned prior to 2004, as well as many of its 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. On the domestic electricity market, approximately 53% of the Group's total production is subject to regulated remuneration while the other 47% is remunerated solely at market prices.

Finally, with regard to the price risk on the international power markets where ACCIONA operates, it should be noted that approximately 68% of production is governed by a long-term price contract (PPA) established with a third party, 9% under a regulatory feed-in tariff and the remainder through its unrestricted sale on the market.

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 2014 and 2013, 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)	2014					2013				
	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 ^(*)
<i>Cash flow hedges:</i>										
Interest rate swaps	3,046,355	446,635	17,711	14	(93,399)	3,867,822	308,088	4,744	3,311	(122,521)
Collars	--	--	--	--	--	3,274	--	--	--	--
Caps	--	--	--	--	--	34,517	289	--	--	--
Total	3,046,355	446,635	17,711	14	(93,399)	3,905,613	308,377	4,744	3,311	(122,521)

(*) 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 2014 and 2013, the fixed interest rates on these financial derivative instruments ranged from 5.085% to 1.51% (from 6.00% to 1.51% in 2013).

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.

The terms in which these cash flow hedges are expected to impact the operating statement, in proportion to the percentage stakeholding, are given below:

Future settlements				
< 1 month	1 - 3 months	3 months - 1 year	1 year - 5 years	+ 5 years
630	3,480	100,496	292,231	161,922

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 negative 112.82 million euros at 31 December 2014 and negative 89.07 million euros at 31 December 2013; these were recognised in equity (see Note 22).

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:

	2014	2013
Group companies or jointly controlled entities	2,402,181	2,686,423
Associates	514,712	1,099,842
Companies classified as held for sale	129,462	119,348
Total notional amount arranged	3,046,355	3,905,613

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, in proportion to the percentage stakeholding, are as follows:

Change in notional amounts					
2015	2016	2017	2018	2019	2020
2,835,925	2,504,449	2,301,073	2,001,289	1,731,138	1,502,137

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, S.A., 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. The settlements of these derivatives in 2013 were unfavourable to the Group and a cost of 2.13 million euros 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.

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

Furthermore, the company has hedged the risk of fluctuations in the prices of fuel oil and gas oil for the 2015 financial year by contracting two derivatives that ensure a fixed purchase price per tonne of fuel oil and gas oil for 50% of the expected consumption in 2015. The amount directly recognised at 31 December 2014 on the equity as the effective part of the cash-flow hedging relations amounts to a loss of 5 million euros net of deferred tax. The company has designated the pertinent hedging relations at 31 December 2014 and they are fully effective. In these hedging relations, the risk covered is the fluctuation in the prices of fuel oil and gas oil.

Foreign currency hedges

The Group uses currency derivatives to hedge significant future transactions and cash flows. In 2014 and 2013 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.

The detail of the transactions outstanding at 31 December 2014 and 2013 is as follows (in thousands of euros):

			2014		2013	
	Currency	Expiry date	Amount arranged	Effect of measurement at market value	Amount arranged	Effect of measurement at market value
Foreign currency purchase	USD	30.04.2016	135,592	17,442	--	--
Foreign currency purchase	USD	31.03.2014	--	--	657	13
Total			135,592	17,442	657	13

At 31 December 2014, changes in the market values of foreign currency hedges were recognised under “Current and non-current borrowing with credit institutions” for amounts of 701 thousand euros and 16.74 million euros respectively, and mainly relate to exchange rate hedges for the construction, from 2015 on, of a wind farm in Mexico. 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.

In addition, in order to minimize the impact of the variation in fuel prices on the income statement and since there have been no hedged transactions during 2014, as indicated in the preceding section, for gas oil and fuel oil purchases, the subsidiary Compañía Trasmediterránea, S.A. has proceeded to guarantee the euro-dollar exchange rate through the

contracting of derivative instruments. The settlements of the same represented the recording of a lower expense in “Procurements – Fuel Consumption” for 1.84 million euros in the 2014 financial year, with the hedge contract settled up at the close of 2014.

The settlement of the exchange rate hedges in force during 2013 gave rise to a loss of 101 thousand euros, which was recognised as an addition in the cost of procurements.

Other derivative financial instruments

In 2009, the Acciona Group prospectively discontinued the accounting of an interest rate derivative from a subsidiary consolidated by the equity method 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 12.11 million euros 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 2014, the balance yet to be transferred to profit or loss amounted to 3.06 million euros.

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 2014, there was a balance payable in “Reserves” and in “Non-controlling interests”, net of the tax effect, amounting to 11.03 and 5.499 million euros, with balancing entries in accounts payable of 23.563 million euros.

The summary of the impacts on equity of the re-measurement of derivative financial instruments at 31 December 2014 is given below:

(Thousands of euros)	31.12.2014
Financial liability due to interest rate derivatives	446.635
Held-for-sale liability due to interest rate hedge	17.711
Financial asset due to interest rate hedge	(14)
Negative impact on equity due to interest rate hedge by associates, net of tax	93.399
Net deferred tax payable due to interest rate hedge	(112.816)
Net deferred tax payable due to interest rate hedge from held-for sale liabilities	(4.428)
Ineffectiveness of hedging derivatives	0
Other, mainly due to non-controlling interests in interest rate hedging transactions	(25.625)
Balance adjusted due to changes in value of interest rate hedging transactions	414.862
Balance adjusted due to changes in value of fuel hedging transactions (net of non-controlling interests and tax)	4.701
Balance adjusted due to changes in value of foreign currency hedging transactions (net of non-controlling interests and tax)	12.213
Balance adjusted due to changes in value of energy contract (net of non-controlling interests and tax)	(11.030)
Balance adjusted due to changes in value of transactions with discontinued hedging (net of tax)	3.058
Other, mainly due to translation differences on derivatives	3.573
Total asset balance receivable for valuation adjustments at 31 December (Note 16)	427.377

21. 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	
	2014	2013	2014	2013
Obligations under finance leases	17,658	17,236	520	493
Grants	152,733	151,012	--	--
Other deferred income	77,311	85,561	--	--
Remuneration payable	--	--	92,478	89,948
Other payables	606,590	224,635	370,128	356,691
Closing balance	854,292	478,444	463,126	447,132

“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”, liabilities are recorded for long-term business transactions relating to the construction business for 65 million euros as well as a loan from the Administration for 61 million euros as part of the finance for the “A-2 Tramos 2, S.A.U.” concession company. In addition, the increase in this heading in 2014 is mainly due to the subrogation by the KKR infrastructure fund of one third of the subordinated debt of the Acciona Energía Internacional, S.A. company on 25 February 2012 as described in Note 2.2 h), and with a balance of 375 million euros at 31 December 2014. This debt matures in 2017 and may be automatically extended annually for a maximum term of 5 years at the Euribor 12-month interest rate * 3.7%.

“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	
	2014	2013
Within one year	2,125	2,070
Between one and two years	2,086	2,053
Between two and five years	6,229	5,900
After five years	29,997	30,726
Total lease payments payable	40,437	40,749
Less: future finance charges	22,259	23,020
Present value of lease obligations	18,178	17,729
Less: amount due for settlement within twelve months (current liability)	520	493
Amount due for settlement after twelve months	17,658	17,236

The main change in the financial year is related, on the one hand, to the payments made and also to the appreciation 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 2014 and 2013 were as follows:

	Grants
Balance at 31/12/2012	101,646
Additions	71,077
“Other Income” taken to profit or loss	(16,791)
Other	(4,920)
Balance at 31/12/2013	151,012
Additions	4,380
“Other Income” taken to profit or loss	(15,081)
Others	12,422
Balance at 31/12/2014	152,733

In 2014, the most significant additions correspond to subsidies awarded by the Regional Government of Navarre to Acciona Blades, S.A., a subsidiary in the Acciona Wind Power subgroup, as part of a programme to promote industrial investment to the tune of 2.8 million euros. The “Others” item basically reflects variations in the exchange rate as a consequence of the appreciation of the US dollar against the euro.

The main change in the 2014 financial year was related to the award of a total of 68 million euros for two wind farms in United States.

22. 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, several entities in the Group availed themselves 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. With regard to that for 2005, it was signed on a partially contested basis. The amount (tax due, interest payable and penalty) came to 5.74 million euros and the Company filed an economic-administrative appeal with the Central Economic and Administrative Court (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.

On 20 November 2014, the National Appellate Court handed down a judgment finding partly in favour of the appeal submitted and cancelling the penalty imposed, albeit dismissing all the other claims.

An appeal for this judgment to be reviewed was lodged with the Supreme Court on 11 December 2014.

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 tax inspectors 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, 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 led to the signing of the corresponding contested tax assessment for this concept. On 3 and 17 July 2014, the Company lodged economic and administrative appeals at the Central Economic Administrative Court.

The rest of the inspection actions concluded on 12 June 2014 with the signing of uncontested conclusions for Company Income tax for 2007-2009 and without any tax due, uncontested conclusions for VAT with the regularization of Acciona's differentiated activity sectors as a "mixed holding" (without penalty), as well as contested conclusions on the Personal Income Tax withholdings relating to the termination packages. The Group lodged economic and administrative appeals at the Central Economic Administrative Court and it is estimated that the risk of the proposed penalties being approved is remote.

On 28 November 2014, the Inspectorate services at the Central Delegation for Large Taxpayers notified the opening of actions aimed at Acciona, S.A. as the parent company in the VAT Group of entities to review the periods from 02/2010 to 12/2010, in order to regularize the VAT for this period on the same terms agreed in the previous inspection, which concluded with uncontested conclusions.

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 9,16 million euros and it is estimated that the possibility of these liabilities materialising is remote.

As a consequence of the progression of all these audit inspections, the Group has applied the provisions endowed for this purpose in previous financial years.

During the month of December 2014, the Mexican companies in the project, Eurus SAPI de CV, CE Oaxaca III and CE Oaxaca IV, received notifications of tax settlements from Juchitán Town Council for municipal levies corresponding to the 2011 to 2014 financial years. These companies have lodged complaints or appeals (petitions for legal protection) before the District Court of Oaxaca and have obtained the suspension of enforcement of the settlements. There is a high likelihood that the appeals lodged will be upheld and the administrative acts questioned will be declared null and void as contrary to law, as there are solid arguments for the defence and constitutional principles were breached in their determination.

The directors of Acciona, S.A. consider that the liabilities that might arise from the open audits would not have a material effect on the equity of the Acciona Group.

At 31 December 2014, 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. 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 might give rise to tax liabilities which cannot be objectively quantified at the present time. However, the probability 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 2014 and 2013 is as follows:

	2014		2013	
	Non-current	Current	Non-current	Current
Tax receivables				
VAT and other indirect taxation	--	163,468	--	125,112
Income Tax	--	75,928	--	95,804
Tax receivables for uncollected grants	--	575	--	395
Deferred tax assets	976,874		1,001,566	--
Other	--	34,532	--	37,864
Total	976,874	274,503	1,001,566	259,175
Tax payables				
Income tax	--	19,190	--	19,564
Personal income tax withholdings	--	17,990	--	16,167
VAT and other indirect taxation	--	84,208	--	96,601
Deferred tax liabilities	692,794		761,759	--
Accrued social security charges	--	25,643	--	25,382
Other local taxes	--	52,640	--	40,555
Other	--	15,517	--	13,563
Total	692,794	215,188	761,759	211,832

In the 2014 financial year, the main variation in the outstanding balance for VAT and other indirect taxes comes from the increase in indirect taxation to be recouped for the execution of international projects (mainly in Mexico), and these sums will be recovered for the most part on the conclusion of the projects.

The change in the current receivables in the financial year for tax refunds is fundamentally due to the reduction in the amount of Company Income Tax to be refunded to the Tax Group compared to the previous financial year.

With respect to the accounts payable, it should be noted that, since the 2013 financial year, the heading for Other local taxes includes the Tax on the Value of Electricity Generation and the canon for the use of continental waters for generating electricity. These charges were introduced by Law 15/2012 of 27 December and came into effect on 1 January 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

In view of the multinational nature of the activities carried out by the Group in the 2014 financial year, it has been considered appropriate to make a change in the presentation of the determination of tax expenses, starting from the accounting profit or loss before tax so that, unlike the calculations shown in previous financial years, the reconciliation is not formulated by reference to the general tax rate for Company Income tax in force in Spain but rather taking into consideration the different tax rates applicable to each of the tax jurisdictions where the corresponding transactions take place. As a consequence of this, and bearing in mind the difficulty entailed by this reformulation, the table with the reconciliation corresponding to the 2013 financial year is not shown.

	Thousands of euros
	2014
Consolidated profit before tax	277,097
Profit/Loss before tax from discontinued operations	--
Permanent differences	(88,843)
Adjusted accounting profit	188,254

	Thousands of euros
	2014
Adjusted expense at the tax rate	54,403
Tax credits	(18,261)
Offset of taxable amounts not posted to the accounts	(8,692)
Unrecognised tax credits	32,233
Income Tax expense	59,683
Effect of different tax rates	(22,522)
Effect of tax adjustments from previous years	32,744
Tax expense per the income statement	69,905
Tax expense of discontinued operations	

The “Permanent differences” are made up of income and expenditure that are not eligible for inclusion in accordance with the applicable tax legislation. In addition, the heading also includes those results that are eliminated in the consolidation process but, nonetheless, are fully effective within the scope of the international tax returns of each entity in the Group, especially those that are not included in the Tax Group. The most significant concept included in 2014 corresponds to the sale of the wind power assets owned by the Group in Germany, where the consolidated capital gain was 28 million euros, is exempt. The remainder comprises mainly the differences arising in connection with certain companies whose financial statements are subsumed within the group in view of the functional currency used in their transactions, although their tax returns on earnings corresponding to their applicable legislations are presented on the basis of financial statements translated into the local currency.

As indicated above, the “Adjusted expense at the tax rate” is the result of applying the different tax rates applicable to the adjusted accounting result for each of the different jurisdictions.

The heading for “Unrecognised tax credits” includes the tax effect derived from not recording the negative results generated by certain subsidiaries outside the tax group.

As a result of the reduction in the tax rate to 28% and the definitive rate to 25% applied in Spain for tax periods starting after 2015 and 2016, respectively, as approved by the new Company Income Tax Act (Law 27/2014, of 27 November), the Group has updated the deferred tax assets and liabilities generated in connection with transactions and operations performed in the domestic arena, where the rate has changed from 30% to 28% or 25%, depending on the estimated calendar for application/reversal. The impact of this update on deferred tax assets and liabilities arising from transactions or operations reflected on the income statement has been 21 million euros of additional revenue, reflected in the heading for “Effect of different tax rates” on the reconciliation table shown above.

The reconciliation of the pre-tax accounting profit to the taxable profit is shown below:

	2014
Consolidated profit before tax	277,097
Permanent differences	(88,843)
Temporary differences	(270,615)
Offsetting of tax loss carryforwards	(76,344)
Taxable amount	(158,705)

The Group’s taxable amount for the 2014 financial year has included a large part of the impairments for domestic assets in the energy division recorded in 2013 on the basis of the

approval of the new regulatory framework that introduced a new remuneration regime applicable to the generation of electricity from renewable sources. These impairments are presented as a negative adjustment in an amount close to 300 million euros to the heading for "Temporary differences". In addition, this same caption also includes the increases to the taxable amount with regard to the limitations on the deductibility of the amortisation endowment. This particularly affects the subsidiaries established in Spain and is applicable for the 2013 and 2014 financial years, as described below in this same note.

Tax recognised in equity

In addition to the income tax recognised in the consolidated income statement, in 2014 and 2013 the Group recognised the following amounts in consolidated equity:

	Thousands of euros	
	2014	2013
Translation differences	(22,270)	41,642
Fair value of financial instruments	44,150	(50,236)
Financial assets at fair value through equity	(1,629)	(2,369)
Actuarial losses and gains on pension plans	158	63
Total	20,409	(10,900)

Deferred tax

In conformity with the tax legislation in force in the countries in which the consolidated companies are located, in 2014 and 2013 certain temporary differences arose that must be taken into account when quantifying the related income tax expense.

The deferred taxes arose in 2014 and 2013 as a result of the following:

	Thousands of euros	
Deferred tax assets originating in:	2014	2013
Tax loss carryforwards	214,568	169,024
Tax credit carryforwards	204,387	171,532
Derivative financial instruments	119,216	89,384
Translation differences	33,226	41,280
Impairment losses recognised on assets and equity interests	15,994	13,284
Relating to taxation under the pass-through regime (UTEs)	32,223	35,326
Other	357,260	481,736
Total deferred tax assets	976,874	1,001,566

	Thousands of Euros	
Deferred tax liabilities originating in:	2014	2013
Remeasurement of financial assets	77	6,614
Reversal of merger goodwill	184	184
Translation differences	23,398	15,536
Allocation of first-time consolidation differences to assets	145,693	169,271
Remeasurement of property, plant and equipment and investment property	588	667
Derivative financial instruments	5,471	1,041
Relating to taxation under the pass-through regime (UTEs)	19,042	12,368
Other	498,341	556,078
Total deferred tax liabilities	692,794	761,759

At 31 December 2014, 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 160.8 million euros. Of this amount, a total of 157.6 million euros corresponded

to tax loss carryforwards not capitalised on the consolidated balance sheet corresponding to the Tax Group of which Acciona, S.A. is the parent, as there was no assurance of the achievement of sufficient future profits or else because the tax regulations establish limits and requirements for them to be offset.

The subsidiaries of the Compañía Trasmediterránea Subgroup, which were included in the Tax Group in 2010, contributed most of this balance.

For its part, the provisional settlement of the Tax Group for Income Tax corresponding to 2014 has generated a tax loss carryforward of 198.3 million euros.

In addition, some Energy division subsidiaries in the US, Australia and Mexico, as well as Mostostal Warszawa and the concessions subsidiary in Chile also recognised tax loss carryforwards.

At 2014 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	50,372	No lapsing date
Spanish companies outside the Tax Group	114	No lapsing date
International - limited	3,447	2016
International - limited	7,496	2017
International - limited	4,385	2018
International - limited	26,461	2023
International - limited	36,223	2024
International - limited	373	2025
International - limited	1,813	2026
International - limited	1,547	2027
International - limited	2,496	2028
International - limited	30,622	2029
International - limited	10,635	2030
International - unlimited	38,584	No lapsing date
Total	214,568	

The Corporation Income Tax Act (Law 27/2014, of 27 November) has eliminated the deadline for offsetting tax loss carryforwards (previously set at 18 years), so these are now unlimited.

The unused tax credits, totalling 196.11 million euros, relate mainly to those earned by the tax Group of which Acciona, S.A. is the parent. At 31 December 2014, the most significant unused tax credits were as follows: R&D+I tax credits amounting to 98.04 million euros; tax credits for the reinvestment of extraordinary income amounting to 63.46 million euros; and environmental tax credits amounting to 14.36 million euros.

At 2014 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 (DDI)	8,287	Unlimited
Acciona, S.A. tax group (previous years)	826	2021

Acciona, S.A. tax group	18,432	2023
Acciona, S.A. tax group	20,805	2024
Acciona, S.A. tax group	21,396	2025
Acciona, S.A. tax group	32,850	2026
Acciona, S.A. tax group	15,530	2027
Acciona, S.A. tax group	13,538	2028
Acciona, S.A. tax group	22,548	2029
Acciona, S.A. tax group	17,391	2030
Acciona, S.A. tax group	14,699	2031
Acciona, S.A. tax group	10,640	2032
Non-resident companies	7,445	No lapsing date
Total	204,387	

The Corporation Income Tax Act (Law 27/2014, of 27 November) has eliminated the deadline for offsetting double-taxation deductions pending application from previous financial years, and this is therefore unlimited.

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 mostly in the 2013 financial year for both resident companies and foreign subsidiaries, mainly in the United States, which are not deductible. The balance for "Other concepts" reflects the adjustment for the 30% cap on non-deductible accounting depreciation for Spanish companies introduced temporarily for the 2014 and 2014 financial years on taxable amounts of 105.72 and 77.18 million euros, respectively; the unification adjustments made as part of the consolidation process, such as eliminations of internal margins (in the amount of 63.83 million euros at 31 December 2014) that will gradually be reversed with the asset amortisation process. It also includes adjustments to the taxable amounts through the application of other countries' specific regulations whereby certain expenses are not deductible until they are paid or the criterion of accounting accrual is not observed for deductibility, as is the case in Mexico, Australia and United States, or else a billing-based criterion is applied instead of accounting accrual by degree of progress, as happens in Chile.

The "Others concepts" section of the deferred tax asset caption includes the tax adjustments under the freedom to amortise foreseen in the Eleventh Addition Provision included in RDL 4/2004 (enacting the Consolidated Text of the Corporation Income Tax Act, TRLIS) by Law 4/2008. In the 2014 financial year, this incentive will not be applied because the Tax Group will have a tax loss carryforward, and establishes a limitation depending on the taxable amount. In the 2013 financial year, an adjustment was applied to the taxable amount of 110.72 million euros for this concept. The variation in this account is due to the reversal of the adjustment from previous years in the amount of the accounting amortisation for the present financial year and the lowering of the tax rate approved by the Corporation Income Tax Act (Law 27/2014, of 27 November) for the 2015 and 2016 financial years, as indicated in the preceding section of this same note on "Reconciliation of the accounting profit to the tax profit".

This heading also includes the effect of accelerated depreciation for tax purposes in United States, Australia and Mexico and the application of the specific regulations of countries 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, mainly Chile and Mexico.

Reporting obligations

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

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

In the 2010, 2011, 2012, 2013 and 2014 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 86.55, 160.25, 8.64, 9.60 and 30.17 million euros, respectively. The income relating to 2009 and 2010 was reinvested in 2010, the income relating to 2011 was reinvested in 2011, the income relating to 2012 and 2013 was reinvested in 2013, and the income relating to 2014 in the present financial year. 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 accordance with the provisions contained in Article 93 of Legislative Royal Decree 4/2004 (TRLIS) certain Group companies engaged in the transactions listed below during the 2014 financial year, and availed themselves of the Special Regime for mergers, spin-offs, contribution of assets and securities swaps.

- Partial spin-off with segregation of assets and liabilities from “Acciona Agua, S.A.” in favour of “Acciona Agua Servicios, S.L.U.” documented in a deed dated 30 June 2014 and with retroactive effect from 1 January 2014.

- Takeover merger of the “P.E. Topacios, S.A.” company by “Alabe Sociedad de Cogeneración, S.A.” documented in a deed dated 18 September 2014 and with retroactive effect from 1 January 2014.

- Takeover merger of the “C.E. de Puerto Llano, S.L.” company by “Global de Energías Eólicas Al Ándalus, S.A.” documented in a deed dated 18 September 2014 and with retroactive effect from 1 January 2014.

- Takeover merger of the “Eólica Gallega del Atlántico, S.L.” company by “Eólica Breogán, S.L.” documented in a deed dated 18 September 2014 and with retroactive effect from 1 January 2014.

- Takeover merger of the “C.E. de Barruelo, S.L.”, “C.E. de Manzanedo, S.L.”, and “Puerto Llano, S.L.” companies by “Sistemas Energéticos Valle de Sedano, S.A.” documented in a deed dated 18 September 2014 and with retroactive effect from 1 January 2014.

- Takeover merger of the “Toyonova, S.L.” company by “Eurovento, S.L.” documented in a deed dated 19 December 2014 and with retroactive effect from 1 January 2014.

In accordance with the provisions contained in section 3 of article 93 of the TRLIS, the information required for transactions carried out in previous financial years is detailed in the corresponding individual annual reports approved after their completion.

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.

23. **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 2014 and 2013 is as follows:

	Balance at 31/12/2014	Balance at 31/12/2013
Other Activities division assets (investment property)	412,137	145,821
Energy division assets (wind farms)	--	144,137
Construction of Infrastructure division assets (concession assets)	--	62,996
Total non-current assets classified as held for sale	412,137	352,954

At 31 December 2014, the detail, by division, of the main asset headings prior to their classification as “Assets Held for Sale” is as follows:

	Other Activities division
Property, plant and equipment	714

Investment property	397,770
Investments recognised by the equity	1,926
Deferred tax assets	7,471
Non-current receivables and other non-	1,250
Trade and other receivables	94
Cash and cash equivalents	2,908
Other assets	4
Assets classified as held for sale	412,137

Also, the detail at 31 December 2014 and 2013 of “Liabilities Associated with Non-Current Assets Classified as Held for Sale” in the accompanying consolidated balance sheet is as follows:

	Balance at 31/12/14	Balance at 31/12/13
Other Activities division liabilities (investment property)	321,419	44,394
Energy division liabilities (wind farms)	--	104,468
Construction of Infrastructure division liabilities (concession assets)	--	31,099
Total non-current liabilities classified as held for sale	321,419	179,961

At 31 December 2014, the detail, by division, of the main items prior to their classification under “Liabilities Associated with Non-Current Assets Classified as Held for Sale” is as follows:

	Other activities division
Current and non-current bank borrowings	267,679
Other liabilities	53,740
Liabilities associated with non-current assets classified as held for sale	321,419

The detail of the cumulative income and expenses recognised directly in equity at 31 December 2014 in relation to assets classified as held for sale is as follows:

	Cash flow hedges (Note 20)
Other Activities division assets (vessels and investment property)	(12,947)
Total recognised income/(expense)	(12,947)

Within the Energy division, 2014 saw the sale of the 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), which had been reclassified as held for sale in December 2013. The price agreed in the transaction was 157 million euros and the net bank borrowing was 85 million euros. This sale resulted in a capital gain of 27 million euros for the Company (see Note 27).

Within the Construction of Infrastructure division, the Tramvia Metropolitana, S.A. and Tramvia Metropolitana del Besòs, S.A. companies, which had been classified under the headings “Non-current assets and liabilities held for sale” at the end of the previous financial year, were sold. The sale price was 16 million euros and resulted in a capital gain of 8 million euros for the Group.

With respect to the León Bajío Hospital, two vessels from the Trasmediterránea subgroup and property assets in this situation of held for sale at the close of 2013 and, in view of the slowdown suffered in their respective sales processes, the Group's Management decided in 2014 to transfer them to the corresponding asset and liability headings. Thus, the assets held for sale at 31 December 2014 now correspond solely to those derived from the resolution adopted by the Board of Directors ordering the disposal through sale of the Compañía Urbanizadora Coto, S.L. subgroup, following the acquisition of the 47.47% additional stake to take control, as described in Note 2.2 h). The main assets of this entity are property investments so, at 31 December 2014, its assets and liabilities were transferred to the heading for "Assets and liabilities held for sale".

Group Management remains committed to the sales plans for this group of companies at a price, higher than their carrying amounts. Accordingly, it is considered highly probable that they will be sold within the coming twelve months.

24.- Guarantee commitments to third parties

At 31 December 2014 and 2013, respectively, the companies had provided 2,516.73 and 2,334.80 million euros in third-party guarantees 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.

25.- Income

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

	Thousands of euros	
	2014	2013
Energy	2,199,800	1,971,738
Construction	2,625,940	2,652,785
Water	409,412	494,512
Services	691,346	628,042
Other Activities	692,451	634,571
Consolidation adjustments	(120,448)	(110,440)
Total revenue	6,498,501	6,271,208

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
2014					
Energy	1.185.543	147.560	646.171	220.526	2.199.800
Construction	1.074.154	371.633	589.063	591.090	2.625.940
Water	176.630	36.493	40.071	156.218	409.412
Services	550.432	105.607	21.683	13.624	691.346
Other Activities	628.783	10.741	45.685	7.242	692.451
Intra-Group transactions	(91.592)	(4)	(28.637)	(215)	(120.448)
Total 2014 production	3.523.950	672.030	1.314.036	988.485	6.498.501
2013					
Energy	1.440.817	130.756	316.401	83.764	1.971.738
Construction	1.034.255	429.821	639.085	549.624	2.652.785
Water	236.601	31.355	108.011	118.545	494.512
Services	504.833	100.221	12.144	10.844	628.042
Other Activities	596.686	11.293	15.638	10.954	634.571
Intra-Group transactions	(92.672)	(66)	(13.794)	(3.908)	(110.440)
Total 2013 production	3.720.520	703.380	1.077.485	769.823	6.271.208

Revenue from the concession activity

At 31 December 2014, the Acciona Group maintains its most significant service concession contracts in force at the infrastructure and water divisions. The net amount of the revenue at the close of the financial year for each category of concession agreement, including those within the scope of SIC 29, came to 110 and 23 million euros, respectively. The detail of the main concessions is given in Appendix VI.

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 assets, based on its effective interest rate. This interest income is recognised under “Revenue”, which at 31 December 2014 and 2013 amounted to 17.94 and 18.60 million euros, respectively.

Construction revenue

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

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

	Thousands of euros	
	2014	2013
Civil engineering	1,771,209	1,825,135
Residential building construction	38,850	74,286
Non-residential building construction	489,732	445,986
Other business activities	221,370	204,614
Total construction revenue	2,521,161	2,550,021

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

	2014	2013
State	203,506	257,404
Regional Governments	83,831	128,359
Municipal councils	25,509	26,256
Regional Agencies and Government-owned corporations	309,499	346,449
Public sector	622,345	758,468
Private sector	406,965	237,474
Total Spanish customers	1,029,310	995,942
Total customers abroad	1,491,851	1,554,079
Total construction revenue	2,521,161	2,550,021

The accumulated data for the contracts in progress in the construction activity at the close of the 2014 and 2013 financial years are as follows:

	2014	2013
Accumulated revenue from contracts in progress	6,896,231	6,334,678
Accumulated amount of costs incurred	6,602,682	6,060,890
Total accumulated earnings	293,549	273,788
Advances from clients (Note 14)	458,658	411,732
Withholdings	48,321	75,485

The breakdown, by geographical area, of the construction backlog at the end of 2014 and 2013 is as follows:

2014	Spain	Abroad
Civil engineering	1,521,235	3,152,472
Residential building construction	26,282	33,948
Non-residential building construction	311,661	264,911
Other business activities	203,138	179,403
Total construction backlog	2,062,316	3,630,734

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	222,547	199,233
Total construction backlog	2,630,470	3,050,007

26.- Expenses

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

	2014	2013
Procurements	1,853,678	1,447,589
Staff costs	1,275,310	1,307,435
Wages, salaries and similar	1,027,419	1,066,591
Social security costs	228,643	223,344
Other staff costs	19,248	17,500
Other external expenses	2,401,541	2,520,458
Taxes other than income tax	197,764	210,330
Other current operating expenses	39,687	55,485
Subtotal	5,767,980	5,541,297
Change in provisions and allowances	53,102	387,115
Depreciation and amortisation charge	494,016	700,705
Total	6,315,098	6,629,117

Employees:

The average number of employees in 2014 and 2013, by professional category, was as follows:

	2014	2013	Change
Management and supervisors	2,521	3,182	(661)
Qualified line personnel	5,040	5,301	(261)
Clerical and support staff	2,423	3,621	(1,198)
Other employees	23,575	20,878	2,697
Total average number of employees	33,559	32,982	577

The preceding classification broken down by gender in 2014 and 2013 was as follows:

	2013			2011		
	Men	Women	Total	Men	Women	Total
Management and supervisors	2,098	423	2,521	2,698	484	3,182
Qualified line personnel	3,350	1,690	5,040	3,478	1,823	5,301
Clerical and support staff	884	1,539	2,423	1,492	2,129	3,621
Other employees	18,281	5,294	23,575	16,860	4,018	20,878
Total average number of employees	24,613	8,946	33,559	24,528	8,454	32,982

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

	2014	2013	Change
Energy	2,375	2,351	24
Construction of Infrastructure	12,268	14,417	(2,149)
Water	2,410	2,310	100
Services	14,321	11,790	2,531
Other Activities	2,185	2,114	71
Total average number of employees	33,559	32,982	577

The preceding classification broken down by gender in 2014 and 2013 was as follows:

	2014			2013		
	Men	Women	Total	Men	Women	Total
Energy	1,796	579	2,375	1,773	578	2,351
Construction of Infrastructure	10,355	1,913	12,268	12,273	2,144	14,417
Water	2,024	386	2,410	1,925	385	2,310
Services	8,935	5,386	14,321	7,081	4,709	11,790
Other Activities	1,503	682	2,185	1,476	638	2,114
Total average number of employees	24,613	8,946	33,559	24,528	8,454	32,982

In 2014 and 2013, respectively, 247 and 265 of the total headcount were employees of the Parent and the remainder were the personnel of Group subsidiaries.

At 31 December 2014, the consolidated companies have raised the average number of employees with a disability level of 33% or over to 712 (direct or indirect employees). The Social Integration of Persons with Disabilities Act (LISMI) (Law 13/1982, of 7 April) establishes a minimum quota of 2% for the recruitment of disabled persons in companies with more than 50 employees. The Group's headcount in 2011 included 3.57% 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 41 and 36 million euros in 2014 and 2013, respectively.

At 31 December 2014 and 2013, 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:

2014 (thousands of euros)					
Vessel	Arrangement date	Expiry date	Type	2015	2016-2017
Wisteria/Vronskiy	29/02/2012	30/11/2015	Time Charter	4,608	-
Albayzin	22/02/2010	31/03/2015	Time Charter	1,503	-
Tenacia	07/12/2011	07/12/2015	Time Charter	5,544	-
Oleander/Sherbatskiy	01/10/2014	01/10/2015	Time Charter	4,482	-
Miranda	06/01/2013	01/03/2015	Time Charter	246	-
Scandolla	21/02/2013	03/03/2015	Time Charter	375	-
Volcán de Tenagua	04/02/2013	04/02/2015	Time Charter	282	-

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	5,897	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 Tenagua	04/02/13	04/08/14	Time charter	1,966	-

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):

	2014	2013
Change in allowance for uncollectible receivables	35,190	181,989
Change in inventory write-downs	5,000	120,058
Other provisions	12,912	85,068
Total	53,102	387,115

At 31 December 2013, the heading for “Variation due to uncollectibles” basically reflected 74 million euros in receivables from a Brazilian client as a result of the initiation of judicial receivership in November of that year, as well as 80 million euros 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 entire amount of which has been provisioned. The circumstances giving rise to this provision in 2013 continue to pertain in the current financial year (see Note 14). No material endowments have been made in 2014.

At 31 December 2013, the “Variation in provisions for inventory” heading mainly included the impairment in inventory held by the Property division in the amount of 96.6 million euros. No changes have been made to the provisions for inventory in any material amount as of 31 December 2014.

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 2014 and 2013 financial years is as follows:

Impairment and profit or loss from the disposal of plant, property and equipment	2014	2013
Profit or (loss) from plant, property and equipment	50.349	10.448
Interests in the losses of companies held by the equity method	(2.056)	(6.875)
Impairment of companies held by the equity method	(12.078)	(931.558)
Impairment of other assets (Notes 4 and 7)	(3.846)	(875.774)
Total	32.369	(1.803.759)

At 31 December 2014, the heading for “Profit or (loss) from plant, property and equipment” mainly reflects the divestment of a percentage of the stakeholding held by the Acciona Group in three concessions in Canada with a capital loss of 14 million euros; the sale of two concessions in Spain (Tramvia Metropolità, S.A. and Tramvia Metropolità del Besòs, S.A.) with a capital gain of 8 million euros, the sale of Freyssinet, S.A. with a capital gain of 15 million euros as well as the sale of German companies that held wind power assets in that country with a capital gain of 28 million euros (see Note 2.2 h).

The heading for “Impairment of companies held by the equity method” includes the impairment losses in the property division as a consequence of taking 50% of the initial stakeholding in Compañía Urbanizadora Coto, S.L. to market value following the purchase of an additional 47.47%, as it had previously been consolidated by the equity method.

At 31 December 2013, the heading “Impairment of goodwill” mainly includes the impairment in the amount of 854 million euros 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 548 million euros 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 100 million euros, the impairment in the amount of 62 million euros for biofuels and the impairment of 40 million euros suffered by the concession asset “Acciona Concessões Rodovia do Aço, S.A.”

Profit or loss from changes in the value of financial instruments at fair value

At 31 December 2014, this heading mainly includes the fruits of the sale last July of the stakeholding that the Acciona Group held in the “Bolsas y Mercados Españoles, S.A.” company with a capital gain of 27 million euros, as well as the sale last October of practically all its stakeholding in “Gtceisu Construcción, S.A.” with a capital loss of 5 million euros (see Note 10).

27. 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.

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.

In order to help understand the results and in line with how the Acciona Group Directors manage this information, certain exceptional amounts enabling a better understanding of the ordinary course of business are presented as an additional segment. Nonetheless, whenever these effects are material with regard to the Group's results, details are given as to how they affect each segment.

Segment information about these businesses for 2014 and 2013 is presented below:

Balances at 31/12/14	Energy	Constructi on	Water	Services	Other activities	Intra-group Operations	Extraordi- nary Items	Total Group
ASSETS								
Property, plant and equipment, intangible assets and investment property	7,580,403	372,147	215,647	44,658	549,608	(36,641)	--	8,725,822
Goodwill	--	357	27,976	50,962	--	--	--	79,295
Non-current financial assets	41,556	18,077	9,095	9,191	69,364	8,451	--	155,734
Investments accounted for using the equity method	242,554	36,517	103,412	616	7,162	(111)	--	390,150
Other assets	464,517	556,058	41,918	1,594	354,873	1,460	--	1,420,420
Non-current assets	8,329,030	983,156	398,048	107,021	981,007	(26,841)	--	10,771,421
Inventories	221,936	192,649	17,722	917	627,381	(17,961)	--	1,042,644
Trade and other receivables	876,972	1,125,575	213,287	189,020	207,340	(672,160)	--	1,940,034
Other current financial assets	334,459	26,216	4,339	1,613	1,255	1,225	--	369,107
Other assets	86,458	127,074	14,655	16,869	8,550	(6,398)	33,817	281,025
Cash and cash equivalents	(1,063,922)	919,692	99,854	(37,383)	1,418,247	(9,676)	--	1,326,812
Non-current assets classified as held for sale	--	--	--	--	412,137	--	--	412,137
Current assets	455,903	2,391,206	349,857	171,036	2,674,910	(704,970)	33,817	5,371,759
Total assets	8,784,933	3,374,362	747,905	278,057	3,655,917	(731,811)	33,817	16,143,180
EQUITY AND LIABILITIES								
Consolidated equity	1,272,692	574,005	214,008	120,361	1,446,065	(47,461)	33,817	3,613,487
Bank borrowings and other financial liabilities	4,309,131	428,359	157,248	4,979	1,018,215	--	--	5,917,932

Balances at 31/12/14	Energy	Constructi on	Water	Services	Other activities	Intra-group Operations	Extraordi- nary Items	Total Group
Other liabilities	1,280,696	356,259	64,353	4,833	306,723	(12,190)	--	2,000,674
Non-current liabilities	5,589,827	784,618	221,601	9,812	1,324,938	(12,190)	--	7,918,606
Bank borrowings and other financial liabilities	1,080,740	243,419	57,907	34,225	(344,474)	--	--	1,071,817
Trade and other payables	690,739	1,510,241	197,232	90,562	244,915	(175,461)	--	2,558,228
Other liabilities	150,935	262,079	57,157	23,097	663,054	(496,699)	--	659,623
Liabilities directly associated with non-current assets classified as held for sale	--	--	--	--	321,419	--	--	321,419
Current liabilities	1,922,414	2,015,739	312,296	147,884	884,914	(672,160)	--	4,611,087
Total equity and liabilities	8,784,933	3,374,362	747,905	278,057	3,655,917	(731,811)	33,817	16,143,180

Balances at 31.12.14	Energy	Constructio n	Water	Services	Other activities	Intra-group Operations	Extraordi- nary Items	Group Total
Total revenue	2,199,800	2,625,940	409,412	691,346	692,451	(120,448)	--	6,498,501
Revenue	2,187,445	2,591,144	408,262	628,009	683,641	--	--	6,498,501
Revenue to other segments	12,355	34,796	1,150	63,337	8,810	(120,448)	--	--
Other revenue and operating expenses	(1,411,453)	(2,507,793)	(374,850)	(670,833)	(566,903)	120,370	--	(5,411,462)
Gross operating result	788,347	118,147	34,562	20,513	125,548	(78)	--	1,087,039
Endowments	(395,192)	(80,880)	(18,088)	(10,902)	(44,111)	2,055	--	(547,118)
Impairment and profits and losses from disposal of plant, property and equipment	6,766	416	(75)	(89)	2,429	--	22,922	32,369
Other profits and losses	(1,692)	(1,838)	52	(191)	3,343	--	--	(326)
Profit or (loss) from operations	398,229	35,845	16,451	9,331	87,209	1,977	22,922	571,964
Financial profit or (loss)	(324,889)	1,825	(8,851)	(1,951)	(28,365)	153	(997)	(363,075)
Profit or (loss) due to changes in value	(231)	--	--	--	6	--	22,185	21,960
Profit or (loss) from entities accounted for by the equity method	13,209	17,158	20,253	(201)	(4,174)	3	--	46,248
Profit or (loss) before tax	86,318	54,828	27,853	7,179	54,676	2,133	44,110	277,097
Expense for Income Tax	58,573	(25,482)	(12,656)	(2,929)	(73,749)	(3,370)	(10,292)	(69,905)
Consolidated profit or (loss) in the year	144,891	29,346	15,197	4,250	(19,073)	(1,237)	33,818	207,192
Profit or (loss) after tax from discontinued activities	--	--	--	--	--	--	--	--
Profit or (loss) in the year	144,891	29,346	15,197	4,250	(19,073)	(1,237)	33,818	207,192
Non-controlling interests	(17,783)	(3,792)	--	(85)	(576)	(7)	--	(22,243)
Profit or (loss) attributable to the Parent	127,108	25,554	15,197	4,165	(19,649)	(1,244)	33,818	184,949

Balances at 31.12.13	Energy	Constructi on	Water	Services	Other activities	Intra-group Operations	Extraordi- nary Items	Group Total
ASSETS								
Property, plant and equipment, intangible assets and investment property	7,487,979	404,199	222,852	35,358	481,409	(49,388)	--	8,582,408
Goodwill	--	368	27,976	50,962	--	--	--	79,305
Non-current financial assets	70,806	15,463	1,625	9,293	120,237	22,508	--	239,932
Investments accounted for using the equity method	232,546	103,611	104,319	538	32,152	--	--	473,167
Other assets	553,833	508,127	53,192	1,108	274,064	2,602	--	1,392,926
Non-current assets	8,345,164	1,031,768	409,964	97,259	907,862	(24,278)	--	10,767,738

Inventories	183,252	192,403	13,403	695	649,365	(19,082)	--	1,020,035
Trade and other receivables	640,361	1,030,684	186,916	192,410	312,411	(576,061)	--	1,786,722
Other current financial assets	307,430	22,742	2,697	1,742	(701)	(17)	--	333,893
Other assets	1,543,867	331,929	6,457	41,714	280,187	--	(1,938,857)	265,296
Cash and cash equivalents	(1,380,513)	1,020,828	62,410	(123,524)	1,606,860	(22,492)	--	1,163,568
Non-current assets classified as held for sale	144,137	62,996	--	--	145,821	--	--	352,954
Current assets	1,438,534	2,661,582	271,883	113,037	2,993,943	(617,652)	(1,938,857)	4,922,468
Total assets	9,783,698	3,693,350	681,847	210,296	3,901,805	(641,930)	(1,938,857)	15,690,206
<u>EQUITY AND LIABILITIES</u>								
Consolidated equity	2,577,534	912,982	206,281	46,815	1,639,460	(47,929)	(1,938,857)	3,396,286
Bank borrowings and other financial liabilities	4,349,634	466,710	86,690	3,688	664,883	--	--	5,571,605
Other liabilities	1,030,509	348,408	60,736	1,419	350,193	(17,940)	--	1,773,324
Non-current liabilities	5,380,143	815,118	147,426	5,107	1,015,076	(17,940)	--	7,344,929
Bank borrowings and other financial liabilities	1,184,751	208,358	66,792	51,682	453,778	--	--	1,965,360
Trade and other payables	393,886	1,401,721	195,550	83,522	237,029	(155,597)	--	2,156,112
Other liabilities	142,915	324,072	65,799	23,169	512,067	(420,463)	--	647,557
Liabilities directly associated with non-current assets classified as held for sale	104,468	31,098	--	--	44,395	--	--	179,961
Current liabilities	1,826,020	1,965,249	328,141	158,373	1,247,269	(576,060)	--	4,948,990
Total equity and liabilities	9,783,697	3,693,349	681,848	210,295	3,901,805	(641,929)	(1,938,857)	15,690,205

Balances at 31.12.13	Energy	Constructi on	Water	Services	Other activities	Intra-group Operations	Extraordi- nary Items	Group Total
Total revenue	1,971,738	2,652,785	494,512	628,042	634,571	(110,440)	--	6,271,208
Revenue	1,960,438	2,611,984	493,915	575,387	629,485	(1)	--	6,271,208
Revenue to other segments	11,300	40,801	597	52,655	5,086	(110,439)	--	--
Other revenue and operating expenses	(1,117,646)	(2,592,874)	(454,163)	(607,541)	(547,609)	110,156	--	(5,209,677)
Gross operating result	854,092	59,911	40,349	20,501	86,962	(284)	--	1,061,531
Endowments	(557,502)	(80,142)	(32,933)	(9,949)	(57,596)	2,610	(352,308)	(1,087,820)
Impairment and profits and losses from disposal of plant, property and equipment	(2,795)	5,374	(510)	107	11,288	--	(1,817,223)	(1,803,759)
Other profits and losses	(3,293)	2,296	(66)	(268)	(604)	--	--	(1,935)
Profit or (loss) from operations	290,502	(12,561)	6,840	10,391	40,050	2,326	(2,169,531)	(1,831,983)
Financial profit or (loss)	(334,011)	(21,918)	2,275	(6,913)	(14,104)	139	7,094	(367,438)
Profit or (loss) from entities accounted for by the equity method	50,249	5,982	15,305	(253)	(5,112)	--	(40,971)	25,200
Profit or (loss) before tax	6,740	(28,497)	24,420	3,225	20,834	2,465	(2,203,408)	(2,174,221)
Expense for Income Tax	(32,314)	(25,770)	(6,592)	(1,701)	(32,751)	(738)	245,647	145,781
Consolidated profit or (loss) in the year	(25,574)	(54,267)	17,828	1,524	(11,917)	1,727	(1,957,761)	(2,028,440)
Profit or (loss) after tax from discontinued activities	--	--	--	--	--	--	--	--
Profit or (loss) in the year	(25,574)	(54,267)	17,828	1,524	(11,917)	1,727	(1,957,761)	(2,028,440)
Non-controlling interests	(825)	33,851	--	(158)	5,055	(758)	18,904	56,069
Profit or (loss) attributable to the Parent	(26,399)	(20,416)	17,828	1,366	(6,862)	969	(1,938,857)	(1,972,371)

In the 2014 financial year, the “Extraordinary items” segment shows a pre-tax profit of 44 million euros, mainly the result of the following transactions:

- Sales of the removable energy activities in Germany with a capital gain of 28 million euros.
- Sale of the stakeholdings in the Tramvia Metropolitana and Tramvia Metropolitana del Besòs concessions with a capital gain of 8 million euros.
- Sale of a percentage of the stakeholding in three Canadian concessions with a capital loss of 14 million euros.
- Sale of the shares the Group owned in Gtceisu Construcción, S.A. with a capital loss of 5 million euros.
- Sale of the shares the Group owned in Bolsas y Mercados Españoles, S.A. (BME) with a capital gain of 27 million euros.

In the 2013 financial year, the Extraordinary Items section provides a pre-tax result of 2,203 million euros. The main effects and their impact on each of the divisions in the Acciona Group are as follows:

- Positive effects: 19 million euros 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 (18 million and 1 million euros, respectively).
- Negative effects: 2,223 million euros affecting the following divisions:
 - Energy: 1,675 million euros, caused mainly by the impairment of goodwill (in the amount of 870 million euros) and assets as a consequence of the successive regulatory changes in Spain (in the amount of 563 million euros)
 - Infrastructure: 288 million euros, 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: 100 million euros, as a result of the loss of value in property assets
 - Rest: 160 million euros, 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	
	2014	2013	2014	2013	2014	2013	2014	2013
Spain	3,523,950	3,720,520	12,049,871	12,290,538	6,821,367	7,222,402	5,228,504	5,068,136
European Union	605,122	695,473	768,578	846,681	701,501	753,265	67,077	93,416
OECD countries	1,314,036	1,077,486	2,374,705	2,048,463	2,534,830	2,342,143	(160,125)	(293,680)
Other countries	1,055,393	777,729	950,026	504,525	713,723	449,928	236,303	54,597
Total	6,498,501	6,271,208	16,143,180	15,690,207	10,771,421	10,767,738	5,371,759	4,922,469

28. 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:

	2014	2013
Finance income	50,256	74,012
From equity investments	805	1,420
From other financial instruments in Associates	4,714	4,393
Other finance income	44,737	68,199
Finance costs	(418,557)	(422,230)
On payables to third parties	(434,502)	(433,457)
On ineffectiveness of derivatives (see Note 20)		(5)
Capitalisation of borrowing costs	17,346	13,391
Change in financial provisions	(1,401)	(2,159)

Other finance income and costs:

The Group had capitalised borrowing costs amounting to 17.3 million euros at 31 December 2014 and 13.4 million euros at 31 December 2013, of which 17.1 million euros and 12.9 million euros, respectively, were capitalised to property, plant and equipment (see Note 4) and 0.2 million euros and 0.4 million euros, respectively, were capitalised to inventories (see Note 3.2 j).

Finance costs:

In 2014 payables to third parties subtracted from equity and included in "Finance Costs" relating to the periodic settlements of hedging derivatives and corresponding to fully consolidated Group companies amounted to 96.31 million euros (96.76 million euros in 2013). Also, an amount of 22.81 million euros (39.90 million euros in 2013) 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.

29. Proposed distribution of profit

The distribution of Acciona, S.A.'s profit for 2014 and 2013, which, in the case of 2013, was approved by the shareholders at the Annual General Meeting and, in the case of 2014, will be proposed by the Board of Directors for approval by the shareholders at the Annual General Meeting, is as follows (in euros):

	2014	2013
Distribution basis:		
Acciona, S.A. profit or loss	137,464,549.02	(1,075,506,685.00)
Distribution:		
To legal reserve		--
To bylaw reserve	13,746,454.90	--
To voluntary reserves	9,198,994.12	--
To losses from previous years		(1,075,506,685.00)
Dividends	114,519,100.00	
Total	137,464,549.02	(1,075,506,685.00)

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.

30. 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 2014, 41% of the Group's global sales and 76% of the EBITDA is based on businesses included in what the United Nations Environment Programme (UNEP) defines as the Green Economy. and over 518 million are devoted to environmental activities.

Environmental expenses have represented 95 million euros and environmental investments 298 million euros. The figure for construction, operation and maintenance of waste water treatment plants and drinking water treatment plants amounted to 167 million euros, thus placing the overall figure for the company's environmental activities at 560 million euros. This figure includes the construction, operation and maintenance of waste water treatment plants and drinking water treatment plants.

The breakdown by category of this economic figure for environment-related activities is as follows:

- Measures to minimise environmental impact: Expenditure amounts to 52 million euros.
- Environmental research, development and innovation: the figure for this concept corresponding to environment-related activities was 29 million euros.
- Environmental prevention: The investments for this concept came to 287 million euros. These investments for environmental prevention include investments in new renewable energy 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 7 million euros.

- Investments in plant, property and equipment to prevent environmental impacts and protect the environment: The investments in this concept came to 10 million euros.
- Environmental consultancy and advisory services: the expenditure for this concept was 4 million euros.
- Waste water treatment and drinking water treatment: The figure came to 167 million euros.
- 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 3 million euros.

In 2014, ACCIONA obtained bonuses for carrying out actions encouraging respect for the environment and its protection. These bonuses totalled 223 thousand euros.

31. Earnings per share

- Basic:

Basic earnings per share are calculated by dividing the profit distributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the financial year.

The amounts for the periods closed on 31 December 2014 and 2013 are given below:

	2014	2013
Net profit for the year (thousands of euros)	184,949	(1,972,371)
Weighted average number of shares outstanding	57,051,313	57,095,597
Basic earnings per share (euros)	3.24	(34.55)

- Diluted:

To calculate the diluted earnings per share, the entity will adjust the result of the financial year attributable to the holders of ordinary equity instruments and the mean weighted average of the number of outstanding shares for all diluting effects inherent to the potential ordinary shares.

In January 2014, Acciona S.A. issued convertible bonds (see Note 18). The effect of this issue on the income statement for this financial year has been 16.40 million euros.

The amount for the period closed on 31 December 2014 is given below:

	2014
Net profit for the year (thousands of euros)	201,351
Diluted weighted average number of shares outstanding	61,422,516
Diluted earnings per share (euros)	3.28

32. Events after the reporting period

No events worthy of note have taken place after year end.

33. 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 2014 and 2013 is as follows (in thousands of euros):

	Receivables / Expenses		Payables / Income	
	2014	2013	2014	2013
Trade and other receivables	89,739	58,507	--	--
Trade and other payables	--	--	51,057	31,244
Loans to associates	119,356	159,754	--	7,042
Income and expenses	6,662	14,941	287,804	236,686

The Income column basically reflects billings by Acciona Infrastructure to various concession holders for the construction of their assets.

The balances payable corresponding to the “Loans to associates” heading are mainly made up of loans made by Acciona Energy and the Parent to associates.

These transactions were performed on an arm’s length basis.

Transactions with other related parties

At 31 December 2014, following the arrival of the KKR Fund in the shareholders of the Acciona Group subsidiary, Acciona Energía Internacional, S.A., as described in Note 2.2. h), this fund becomes a “related party” for the Group as the term is defined in IAS 24. The only transaction of note with the KKR Fund in the 2014 financial year consists in the subordinated debt described in Note 21.

In addition, the contract signed between Acciona Energía, S.A. and the said fund incorporates long-term collaboration agreements between the Acciona Group and KKR in certain affected countries indicated in Note 2.2 through certain rights of refusal that in no case represent a firm commitment.

Transactions with shareholders

In 2014 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 2014 and 2013 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:

Thousands of euros					
31/12/2014					
Expenses and income	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	--	--	--	6,157	6,157
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	--	--	--	21,662	21,662
Sale of goods (finished goods or work in progress)	--	--	--	--	--
Gains on disposal of assets	--	--	--	--	--
Other income	--	--	--	--	--

	Thousands of euros				
	31/12/14				
Other transactions	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	--	--	--	--	--

	Thousands of euros				
	31/12/2013				
Expenses and income	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	--	--	--	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	--	--	--	--	--

	Thousands of euros				
	31/12/2013				
Other transactions	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	--	--	--	--	--

34. **Remuneration and other benefits**

A. Board of Directors

During the 2014 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 2014, 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:

- a) For each director belonging to the Board of Directors 67,500 euros.
- b) For each director belonging to the Executive Committee 45,000 euros.
- c) For each director belonging to the Audit Committee 45,000 euros.
- d) For each director belonging to the Appointments Committee 36,000 euros.

e) For each director belonging to the Sustainability Committee 36,000 euros.

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 1.50 million euros. 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 2014 amounted to 1.45 million euros. The detail of this amount, by director, is as follows:

	Fixed remuneration	Remuneration for membership of Board Committees	Total 2014	Total 2013
Mr. Daniel Entrecanales Domecq	68	36	104	104
Ms. Sol Daurella Comadrán	68	45	113	90
Mr. Jerónimo Marcos Gerard Rivero(**)	34		34	0
Mr. Carlos Espinosa de los Monteros	68	45	113	135
Mr. Jaime Castellanos Borrego	68	126	194	171
Mr. Fernando Rodés Vila	68	72	140	140
Mr. José Manuel Entrecanales Domecq	68		68	68
Mr. Juan Ignacio Entrecanales Franco	68		68	68
Ms. Miriam Gonzalez Durántez (*)	34	23	57	113
Mr. Juan Carlos Garay Ibargaray (**)	68	36	104	52
Mr. Valentín Montoya Moya	68	126	194	194
Ms. Belén Villalonga Morenés	68		68	68
Ms. Consuelo Crespo Bofill	34	18	52	104
Mr. Javier Entrecanales Franco	68	36	104	86
Ms. María del Carmen Becerril Martínez(**)	34		34	0

Mr. Juan Manuel Urgoiti López-Ocaña ^(***)	0	0	0	104
TOTAL	884	563	1.447	1.497

(*) Directors leaving the Board during 2014

(**) Directors joining the Board during 2014

(***) Directors leaving the Board during 2013

The remuneration paid to Directors for the performance of senior management executive functions and for their membership of the Board was 4.82 and 5.85 million euros in 2014 and 2013, respectively.

Those Directors who carried out executive functions in 2014 received a total of 2,505 shares and 5,511 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 62.84 euros per share.

In addition, a non-executive director has a professional services contract signed with the Acciona Group for which she received 72 thousand euros in 2014.

During 2014, the Company implemented a savings plan related to a term life assurance, permanent disability in the degrees of total, absolute and grand invalidity, and death (“Savings Plan”) aimed solely and exclusively at the Company’s Executive Directors. The basic characteristics of the plan are as follows:

- a) It is a social welfare system based on a defined contribution.
- b) It is a system endowed externally through the payment by the Company of annual premiums to an insurance company in favour of the Participant for the coverage of survival and the risk contingencies, i.e. (i) death and (ii) permanent disability in the degrees foreseen in the Regulations.
- c) Should the Participants cease to occupy positions as Executive Directors of Acciona for any reason, the Company shall cease to pay the premiums to the Savings Plan on the date on which they indisputably cease to hold their position, without prejudice to any economic rights recognised to Participants.
- d) The payment of the Benefit arising out of the Savings Plan will be made directly by the insurance entity to the Participants, net of any corresponding withholdings or payments on account of personal Income Tax that may be applicable in each case and payable by the beneficiary of the Benefit. For the rest of the contingencies, the payment of the Benefit will also be made directly by the insurance entity to any entitled parties.
- e) The status of Participant in the Savings Plan will be lost should any of the following circumstances arise: i) occurrence of any of the risk contingencies covered and collection of the Benefit; ii) attainment of the age of 65 years; iii) removal from the position of Executive Director of Acciona for any reason other than those indicated above.

The contributions to the Savings Plan in 2014 in favour of the Executive Directors came to 1.13 million euros.

No obligations have been entered into in connection with pensions 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 2014 and 2013 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 as follows: 6.20 and 7.21 million euros respectively in the 2014 and 2013 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 2014 and 2013 is summarised as follows:

Type of remuneration	2014	2013
Number of persons	37	36
Remuneration (thousands of euros)	17,159	25,121

(*) 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 6 June 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) 150,000 euros 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 Text of the Capital Corporations 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 0.01 euros 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, 38,192 shares with a fair value of 2.55 million euros and 8,811 purchase option rights on Acciona, S.A. shares with a fair value of 143 thousand euros were granted in the financial year closed as of 31 December 2014 to the Group's senior executives, including the executive directors. Since these plans vest with a three-yearly interval, one third of the fair values mentioned above have been reflected in the heading for "Personnel expenses" on the attached income statement as of 31 December. The remaining two thirds will be attributed to the income statement in the 2015 and 2016 financial years.

The Company has determined the fair value of the goods and services received by reference to the fair value of the equity instruments assigned.

The movement during the financial year in the number of options and the weighted mean of the strike prices for the share options is as follows:

2014	N° of options	Strike Price - Weighted Average (in euros)
Existing at the start of the financial year	129,379	70.55
Awarded during the period	8,811	62.84
Cancelled during the period	(900)	91.75
Exercised during the period	(2,717)	53.00
Lapsed during the period	--	--
Existing at the end of the period	134,573	70.26
Capable of being exercised at the end of the period	82,537	75.03

With respect to the options existing at the end of the financial year, it should be indicated that the strike price ranges between 53 and 91.75 euros and that the weighted mean of the remaining life of the contract is 2.5 years.

The valuation methodology applied is based on the Enhanced FASB 123 method (Accounting for Stock Based Compensation), which is in turn based on standard "fair value" methods of the CRR binomial type with certain modifications. The model consists in estimating the value of the option by trinomial tree methods and then adjusting this value by considering that the executing in question may leave the company during the maturity period, or may exercise the

option when the share reaches a multiple of the strike value. The market inputs applied for valuation purposes are the closing price of the reference share on the date of issue of the plan and the strike price established for the exercise of the option, the track record of the reference share in terms of volatility calculated as the standard deviation from the quotation yields for a period equal to the duration of the plan and the risk-free interest rate.

The General Meeting of Shareholders adopted the following resolution on 24 June 2014:

A) To extend the currency of the Plan for the Surrender of Shares and Options to the management of the Acciona Group, including the Executive Directors, as approved by the General Meeting of Shareholders in Acciona, S.A. on 4 June 2009 for application in the 2014 to 2020 financial years, and to increase the maximum number of shares available by 200,000 shares.

B) To empower the Company's Board of Directors so that it may, with all of the extension required in law and at the proposal of the Appointments and Remuneration Committee, amend the Regulations for the Plan on such points of its terms and conditions as it may deem appropriate, establishing the conditions and schedule for delivery, accrual periods, assignment criteria and limits, and any other aspect it may consider relevant in order to align the long-term interests of the Company's Executive Directors and other executives in the Acciona Group as far as possible with those of the shareholders in Acciona, S.A. and so boost their motivation for the creation of greater value and liability stability for the group as well as consolidating their loyalty and continued presence in the Group.

In execution of the resolutions adopted by the General Meeting of Partners, the Board of Directors is of the opinion that the work under way for the approval of new Regulations reflecting the amendments established will be completed during the first half of 2015.

The breakdown of the persons who held senior management positions (taking the Parent and subsidiaries into account as Senior Management) in 2014 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
Joaquín Ancín Viguiristi	General Manager – Acciona Energy - Engineering, Construction and Innovation
Isabel Antúnez Cid	General Manager – Acciona Property
Carlos María Arilla de Juana	General Manager - Economic and Financial Area
Carmen Becerril Martínez	General Manager - International
Raúl Beltrán Núñez	Director of Internal Audit
José Luis Blanco Diéguez	General Manager - Acciona Windpower
Pío Cabanillas Alonso	General Manager - Corporate Image and Global Marketing
Alfonso Callejo Martínez	General Manager - Corporate Resources
Macarena Carrión López de la Garma	General Manager - Office of the President
Luis Castilla Cámara	President - Acciona Water
Adalberto Claudio Vázquez	General Manager - Acciona Infrastructure - International and

Full name or corporate style	Position(s) held
	Concessions
Corella Hurtado, Olga	General Manager - Acciona Infrastructure - Economic Oversight Area
Juan Manuel Cruz Palacios	General Manager - Acciona Infrastructure - Labour Relations, Environment Quality Plan and Sustainability
Díaz-Caneja Rodríguez, José Luis	Area General Manager - Acciona Infrastructure
Arantza Ezpeleta Puras	General Manager - International Area - Office of the President
José María Farto Paz	Area General Manager - Acciona Infrastructure - Galicia
Fernando Fajardo Gerez	Area General Manager - Acciona Infrastructure - Australia and South-East Asia
Roberto Fernández López	Area General Manager - Acciona Infrastructure - Corporate Resources
Carlos López Fernández	Area General Manager - Acciona Engineering and Facilities
Walter Luna Butz	CEO - Acciona Property
Ramón Jiménez Serrano	Area General Manager - Acciona Engineering and Facilities
Rafael Mateo Alcalá	CEO - Acciona Energy
Eduardo Medina Sánchez	Area General Manager - Acciona Energy - Business Development
Ricardo Luis Molina Oltra	Area General Manager - Acciona Service
Joaquín Mollinedo Chocano	General Manager - Institutional Relations
Juan Antonio Muro-Lara Girod	General Manager - Corporate Development and Relations with Investors
Carlos Navas García	Area General Manager - Acciona Airport Services
Félix Rivas Anoro	Area General Manager - Procurement, Innovation, Quality and the Environment
Vicente Santamaría de Paredes Castillo	General Manager - Legal Services
Dolores Sarrión Martínez	Assistant Area General Manager - Corporate Resources
Juan Ramón Silva Ferrada	Area General Manager - Sustainability
José Ángel Tejero Santos	Area General Manager - Economic Oversight and Finance
José Manuel Terceiro Mateos	Area General Manager - Acciona Infrastructure - Economics and Finance
Jorge Vega-Penichet Lopez	Secretary General
Justo Vicente Pelegrini	Area General Manager - Acciona Infrastructure Spain and Construction Africa, Sweden and Emirates

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 Vela	General Manager – Acciona Infrastructure - Latin America
Joaquín Ancín Viguiristi	General Manager – Acciona Energy - Engineering, Construction and Innovation
Isabel Antúnez Cid	General Manager – Acciona Property
Carlos María Arilla de Juana	General Manager - Economic and Financial Area

Full name or corporate style	Position(s) held
Carmen Becerril Martínez	General Manager - International
Raúl Beltrán Núñez	Director of Internal Audit
José Luís Blanco Diéguez	General Manager - Acciona Windpower
Pio Cabanillas Alonso	General Manager - Corporate Image and Global Marketing
Alfonso Callejo Martínez	General Manager - Corporate Resources
Macarena Carrión López 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 Martínez Martínez	President - Acciona Infrastructure
Rafael Mateo Alcalá	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
Vicente Santamaría de Paredes Castillo	General Manager - Legal Services
Dolores Sarrión Martínez	Assistant General Manager - Corporate Resources
Juan Ramón Silva Ferrada	General Manager - Sustainability
José Ángel Tejero Santos	General Manager - Risks and Finance
José 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

C. Fees paid to auditors

In 2014, 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	
	2014	2013	2014	2012
Audit services	2,933	3,323	1,688	1,500
Other assurance services	674	604	273	315
Total audit and related services	3,607	3,927	1,961	1,815
Tax advisory services	713	498	828	794
Other services	2,539	2,628	3,641	2,263
Total professional services	3,252	3,126	4,469	3,057

35. Other disclosures concerning the Board of Directors

Pursuant to Article 229 of Legislative Royal Decree 1/2010, of 2 July, approving the Consolidated Text of the Capital Corporations Act, at 31 December 2014, according to the information available to the Company and notified by Directors and their related persons, they were not affected by any situations of conflict, whether direct or indirect, with the Company's interests.

36. 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	2014		2013	
	Amount	%	Amount	%
Within the maximum payment period	2,354,690	81%	2,144,139	78%
Other	540,794	19%	604,904	22%
Total payments for the year	2,895,484	100%	2,749,103	100%
Maximum payment period exceeded by (days)	36		62,65	
Payments at 31 December 2011 which exceed the maximum payment period.	83,786		112,749	

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 2014, and the information thereon at 31 December 2014, are as follows (amounts in thousands of euros):

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
3240934 Nova Scotia Company	--	Canada	Energy	100.00%	Subgroup: Acciona Renewable Canada	3,929
Acciona - Vjetroelektrane D.O.O.	(C)	Croatia	Energy	100.00%	Subgroup: Acciona Windpower International	3
Acciona Wind Energy Canadá Inc.	--	Canada	Energy	66.67%	Subgroup: Acciona Energy International	62,053
Acciona Agua Adelaide Pty Ltd	(A)	Australia	Water Treatment	100.00%	Subgroup: Acciona Water Australia	7
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	885
Acciona Agua India Private Limited	(A)	India	Water Treatment	100.00%	Subgroup: Acciona Water	834
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 México, S.R.L. De C.V.	(B)	México	Water Treatment	100.00%	Subgroup: Acciona Water	2,526
Acciona Agua Servicios S.L.	(A)	Madrid	Water Treatment	100.00%	Subgroup: Acciona Water	51,130
Acciona Agua, S.A.	(A)	Madrid	Water Treatment	100.00%	Acciona	124,267
Acciona Airport Services Barcelona, S.L	--	Madrid	Logistics Services	100.00%	Acciona	3
Acciona Airport Services Berlin, S.A.	(E)	Germany	Logistics Services	100.00%	Acciona	2,706
Acciona Airport Services Canarias, S.L	--	Madrid	Logistics Services	100.00%	Acciona	3
Acciona Airport Services Este, S.L	--	Madrid	Logistics Services	100.00%	Acciona	3
Acciona Airport Services Frankfurt, GmbH	(A)	Germany	Logistics Services	100.00%	Acciona	5,637
Acciona Airport Services Madrid, S.L	--	Madrid	Logistics Services	100.00%	Acciona	3
Acciona Airport Services Norte, S.L	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Services and Environment	2
Acciona Airport Services Sur, S.L	--	Madrid	Logistics Services	100.00%	Acciona	3
Acciona Airport Services, S.A.	(A)	Madrid	Logistics Services	100.00%	Acciona	3,065
Acciona Biocombustibles, S.A.	--	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	2,136
Acciona Cerro Negro, S.A.	(A)	Chile	Trat. Water/Construction	100.00%	Subgroup: Acciona Infrastructures	8
Acciona Concesiones Chile, S.A.	(B)	Chile	Concession Operation	100.00%	Subgroup: Acciona Infrastructures	57,731
Acciona Concesiones, S.L.	(A)	Madrid	Concession Operation	100.00%	Subgroup: Acciona Concessions	4,988
Acciona Concessions Management Inc.	--	Canada	Concession Operation	100.00%	Subgroup: Acciona Concessions	4,142

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Acciona Copiapó, S.A.	--	Chile	Water Treatment / Construction	100.00%	Subgroup: Acciona Infrastructures	8
Acciona Corporación, S.A.	--	Madrid	Instrumental	100.00%	Subgroup: Finance and Portfolio 2	60
Acciona Desarrollo Corporativo, S.A.	--	Madrid	Instrumental	100.00%	Subgroup: Finance and Portfolio 2	60
Acciona Do Brasil, Ltda.	(E)	Brazil	Concession Operation	100.00%	Subgroup: Acciona Infrastructures	9,246
Acciona Energía Atlanta I, S.L.	--	Madrid	Energy	66.67%	Subgroup: Acciona Energy International	2
Acciona Energía Atlanta II, S.L.	--	Madrid	Energy	66.67%	Subgroup: Acciona Energy International	2
Acciona Energía Atlanta III, S.L.	--	Madrid	Energy	66.67%	Subgroup: Acciona Energy International	2
Acciona Energía Chile	(B)	Chile	Energy	100.00%	Subgroup: Acciona Energy Global	37
Acciona Energía Costa Rica, S.A.	--	Costa Rica	Energy	100.00%	Subgroup: Acciona Energy Global	479
Acciona Energía Global Italia, S.R.L.	(A)	Italia	Energy	100.00%	Subgroup: Acciona Energy Global	510
Acciona Energía Global, S.L.	--	Navarre	Energy	100.00%	Subgroup: Acciona Energy	12,307
Acciona Energía Internacional, S.A.	(C)	Navarre	Energy	66.67%	Subgroup: Acciona Energy	324,000
Acciona Energía México Global Llc	(A)	México	Energy	100.00%	Subgroup: Acciona Energy Global	--
Acciona Energía México, Srl	(A)	México	Energy	66.67%	Subgroup: Acciona Energy International	3,300
Acciona Energía Servicios México S De RI De C.V.	--	México	Energy	100.00%	Subgroup: Acciona Energy Global México	5,185
Acciona Energía Solar, S.L.	--	Navarre	Energy	100.00%	Subgroup: Acciona Energy	1,797
Acciona Energía Solare Italia, S.R.L	--	Italy	Energy	100.00%	Subgroup: Acciona Energy Global Italia	--
Acciona Energía, S.A.	(C)	Navarre	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	1,146,380
Acciona Energiaki, S.A.	(A)	Greece	Energy	80.00%	Subgroup: Acciona Windpower Cesa	5,726
Acciona Energija D.O.O.	--	Croatia	Energy	66.67%	Subgroup: Acciona Energy International	2
Acciona Energy North America Corp.	--	USA	Energy	66.67%	Subgroup: Acciona Energy International	153,924
Acciona Energy Australia Global, Pty. Ltd	--	Australia	Energy	100.00%	Subgroup: Acciona Energy Global	--
Acciona Energy Canada Global Corp	--	Canada	Energy	100.00%	Subgroup: Acciona Energy Global	2,267
Acciona Energy Development Canada Inc	--	Canada	Energy	100.00%	Subgroup: Acciona Energy Global Canada	1,108
Acciona Energy Global Poland Sp. Z.O.O.	--	Poland	Energy	100.00%	Subgroup: Acciona Energy Global	716
Acciona Energy India Private Limited	(C)	India	Energy	100.00%	Subgroup: Acciona Energy Global	3,322
Acciona Energy Korea, Inc	(C)	South Korea	Energy	100.00%	Subgroup: Acciona Energy Global	2,661
Acciona Energy Oceania Construction Pty Ltd	--	Australia	Energy	100.00%	Subgroup: Acciona Energy Global Australia	1,125
Acciona Energy Oceania Financial Services Ply, Ltd	--	Australia	Energy	100.00%	Subgroup: Acciona Energy Global Australia	35
Acciona Energy Oceania Ply. Ltd	(C)	Melbourne	Energy	66.67%	Subgroup: Acciona Energy International	102,736

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Acciona Energy Poland Maintenance Services Sp. Z O	(C)	Poland	Energy	100.00%	Subgroup: Acciona Energy Global Poland	24
Acciona Energy South Africa (Proprietary) Limited	(A)	South Africa	Energy	66.67%	Subgroup: Acciona Energy International	34,852
Acciona Energy South Africa Global (Pty) Ltd	(A)	South Africa	Energy	100.00%	Subgroup: Acciona Energy Global	10,528
Acciona Energy Usa Global Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global	19,260
Acciona Engineering Canada Inc	--	Canada	Engineering	100.00%	Subgroup: Acciona Engineering	554
Acciona Engineering Qatar	--	Qatar	Engineering	100.00%	Subgroup: Acciona Engineering	47
Acciona Eólica Basilicata, Srl	--	Italy	Energy	100.00%	Subgroup: Acciona Energy Global Italy	9
Acciona Eólica Calabria, Srl	--	Italy	Energy	100.00%	Subgroup: Acciona Energy Global Italy	1,052
Acciona Eólica Cesa Italia, S.R.L.	(A)	Italy	Energy	66.67%	Subgroup: Acciona Energy International	5,571
Acciona Eólica Cesa, S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Ceatesalas	93,938
Acciona Eólica De Castilla La Mancha, S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Alabe	100
Acciona Eólica De Galicia, S.A.	(A)	Lugo	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	56,216
Acciona Eólica Levante, S.L.	(A)	Valencia	Energy	100.00%	Subgroup: Alabe	19,314
Acciona Eólica Molise, Srl	--	Italy	Energy	100.00%	Subgroup: Acciona Energy Global Italy	33
Acciona Eólica Portugal Unipersonal, Lda.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Energy International	24,457
Acciona Epc North America Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global USA	4
Acciona Facility Services Automación Aragón, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Automación Catalunya, S.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Automación Centro, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Automación 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 Facility Services	6
Acciona Facility Services Canada Ltd	--	Canada	Urban Services	100.00%	Subgroup: Acciona Facility Services	--
Acciona Facility Services Este, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Acciona Facility Services Germany Gmbh	--	Germany	Logistics Services	100.00%	Subgroup: MDC	1,244
Acciona Facility Services Holland B.V.	--	Holland	Urban Services	100.00%	Subgroup: Acciona Facility 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 Services	101,518
Acciona Financiación Filiales	(A)	Madrid	Other Businesses	100.00%	Acciona	60
Acciona Forwarding Brasil	(E)	Brazil	Logistics Services	98.71%	Subgroup: Acciona Forwarding	3,305
Acciona Forwarding Canarias, S.L.	(E)	Canarias	Logistics Services	100.00%	Subgroup: Acciona	392

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
					Forwarding	
Acciona Forwarding, S.A.	(A)	Madrid	Logistics Services	100.00%	Subgroup: Acciona Logistics	14,649
Acciona Forwarding Argentina, S.A.	(E)	Argentina	Logistics Services	100.00%	Subgroup: Acciona Forwarding	673
Acciona Green Energy Developments, S.L.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Energy	1,000
Acciona Ground Services, S.L	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Services and Environment	2
Acciona Industrial, S.A.	(B)	Seville	Construction	100.00%	Subgroup: Acciona Infrastructures	30,560
Acciona Infraestructuras Residenciales México S.A.	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Infrastructures	3
Acciona Infraestructuras, S.A.	(B)	Madrid	Construction	100.00%	Acciona	196,149
Acciona Infraestructuras-Elecnor, Hospital David,	(E)	Panama	Construction	75.00%	Subgroup: Acciona Infrastructures	6
Acciona Infraestructuras Australia Pty. Ltd	(B)	Australia	Construction	100.00%	Subgroup: Acciona Infrastructures	20
Acciona Ingeniería Industrial S.A. De C.V.	(B)	Mexico	Engineering	100.00%	Subgroup: Acciona Engineering	3
Acciona Ingeniería, S.A.	(B)	Madrid	Engineering	100.00%	Subgroup: Acciona Infrastructures	6,909
Acciona Inmobiliaria, S.L.	(A)	Madrid	Property	100.00%	Acciona	123,848
Acciona Instalaciones México, S.A De C.V.	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Industrial	3
Acciona Inversiones Corea, S.L.	--	Navarre	Energy	100.00%	Subgroup: Acciona Energy Global	--
Acciona Las Tablas, S.L.	--	Madrid	Property	100.00%	Subgroup: Acciona Property	10,000
Acciona Logística, S.A.	--	Madrid	Portfolio Company	100.00%	Acciona	51,963
Acciona Mantenimiento De Infraestructuras, S.A.	(B)	Madrid	Construction	100.00%	Subgroup: Acciona Infrastructures	278
Acciona Medioambiente, S.A.	(A)	Valencia	Urban Services	100.00%	Subgroup: Acciona Facility Services	3,053
Acciona Multiservicios, S.A.	(A)	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	700
Acciona Nieruchomosci, Sp. Z.O.O	(A)	Poland	Property	100.00%	Acciona	7,705
Acciona Operación Y Mantenimiento, S.R.L De C.V.	(A)	Mexico	Energy	100.00%	Subgroup: Acciona Facility Services	829
Acciona Portugal Ii – Energía Global, Lda	--	Portugal	Energy	100.00%	Subgroup: Acciona Energy Global	1
Acciona Producciones Y Diseño, S.A.	(B)	Seville	Other Businesses	100.00%	Subgroup: Acciona Infrastructures	1,268
Acciona Rail Services, S.A.	--	Madrid	Logistics Services	100.00%	Subgroup: Acciona Logistics	1,200
Acciona Renewable Energy Canada Gp Holdings Inc	--	Canada	Energy	100.00%	Subgroup: Nova Scotia	3,726
Acciona Renewable Energy Canada Holdings Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global USA	4,032
Acciona Rinnovabili Calabria, Srl	--	Italy	Energy	100.00%	Subgroup: Acciona Energy Global Italy	43
Acciona Rinnovabili Italia, Srl	--	Italy	Energy	100.00%	Subgroup: Acciona Energy Global Italy	1,586
Acciona Saltos De Agua, S.L.U.	(A)	Madrid	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	10,603
Acciona Serv. Hospitalarios, S.L.	--	Madrid	Hospitals	100.00%	Subgroup: Acciona Services and Environment	1,500
Acciona Service, S.L.	--	Madrid	Urban Services	100.00%	Acciona	136,306
Acciona Servicios A La Automoción, S.L.	--	Valencia	Urban Services	100.00%	Subgroup: Dalmau	5

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
					Environment	
Acciona Servicios Concesionales, S.L.	(A)	Madrid	Hospitals	100.00%	Acciona	160
Acciona Servicios Ferroviarios, S.L.	--	Madrid	Logistics Services	100.00%	Subgroup: Acciona Facility Services	21
Acciona Servicios Urbanos Medio Ambiente México, S	--	México	Urban Services	100.00%	Subgroup: Acciona Facility Services	881
Acciona Servicios Urbanos, S.L.	(A)	Madrid	Urban Services	100.00%	Subgroup: Acciona Services and Environment	30,809
Acciona Sistemas De Seguridad, S.A.	--	Madrid	Construction	100.00%	Subgroup: Acciona Facility Services	411
Acciona Solar Canarias, S.A.	--	Canary Islands	Energy	75.00%	Subgroup: Acciona Solar	463
Acciona Solar Energy Llc	--	USA	Energy	66.67%	Subgroup: Acciona Energy North America	27,382
Acciona Solar Power Inc.	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global USA	8,823
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 Towers, S.L.	--	Madrid	Energy	100.00%	Subgroup: Acciona Windpower	16,155
Acciona Wind Energy Pvt Ltd	(C)	India	Energy	66.67%	Subgroup: Acciona Energy International	8,091
Acciona Wind Energy Usa, Llc	(A)	USA	Energy	66.67%	Subgroup: Acciona Energy North America	254,625
Acciona Windpower Brasil Ltda.	--	Brazil	Energy	100.00%	Subgroup: Acciona Windpower International	386
Acciona Windpower Chile, S.A.	--	Chile	Energy	100.00%	Subgroup: Acciona Windpower 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 Windpower International	250
Acciona Windpower México, Srl De C.V.	(A)	Mexico	Energy	100.00%	Subgroup: Acciona Windpower International	--
Acciona Windpower North America L.L.C.	--	USA	Energy	100.00%	Subgroup: Acciona Windpower International	2,477
Acciona Windpower Oceania, Pty, Ltd	(C)	Melbourne	Energy	100.00%	Subgroup: Acciona Windpower International	--
Acciona Windpower Rüzgar Enerjisi Sistemleri Anoni	--	Canada	Energy	100.00%	Subgroup: Acciona Windpower International	4
Acciona Windpower South Africa (Pty) Ltd.	(A)	South Africa	Energy	100.00%	Subgroup: Acciona Windpower International	--
Acciona Windpower, S.A.	(C)	Navarre	Energy	100.00%	Subgroup: Corporation Acciona Windpower	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	18
Afs Efficient Energy Uk Limited	--	United Kingdom	Energy	100.00%	Subgroup: Acciona Facility Services	--

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Afs Empleo Social Barcelona, S.L.	--	Barcelona	Urban Services	100.00%	Subgroup: Acciona Facility Services	3
Afs Empleo Social, S.L.	--	Barcelona	Urban Services	100.00%	Subgroup: Acciona Facility Services	153
Agencia Maritima Transhispanica, S.A.	--	Madrid	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	664
Agencia Schembri, S.A.	(A)	Madrid	Logistics Services	92.71%	Subgroup: Schembri Agency	14,808
Aguas Pilar De La Horadada S.L.	--	Madrid	Water Treatment	100.00%	Subgroup: Acciona Water Services	3
Aie Trafalgar	--	Cádiz	Energy	86.20%	Subgroup: Acciona Energy	1,693
Alabe Mengibar, A.I.E.	--	Madrid	Energy	96.25%	Subgroup: Ineuropa Cogeneration	59
Alabe Sociedad De Cogeneracion, S.A.	(A)	Madrid	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	23,448
Amherst Wind Construction Gp Inc	--	Canada	Energy	100.00%	Subgroup: Acciona Energy Global Canada	1,108
Anchor Wind, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Windpower International	12,930
Andratx Obres I Sanetjament, S.L.	--	Mallorca	Water Treatment	100.00%	Subgroup: Acciona Water	4
Antigua Bodega De Don Cosme Palacio, S.L.	--	Alava	Wineries	100.00%	Subgroup: Sileno	266
Apoderada Corporativa General, S.A.	--	Madrid	Other Businesses	100.00%	Acciona	60
Arsogaz 2005, S.L.	--	Madrid	Property	100.00%	Subgroup: Acciona Property	5
Asesores Turisticos Del Estrecho, S.A.	--	Malaga	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	186
Asimetra, S.A. C.V.	(E)	Mexico	Construction	100.00%	Subgroup: Acciona Facility Services	1,426
Aulac Wind Power Lp	--	Canada	Energy	100.00%	Subgroup: Acciona Energy Global Canada	--
Autopista Del Mar Atlantica, S.L.	--	Madrid	Logistics Services	91.78%	Subgroup: Acciona Trasmediterranea	3
Bear Creek	--	USA	Energy	100.00%	Subgroup: GWH Acciona Energy	1,379
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	2,405
Biodiesel Caparros, S.L.	--	Navarre	Energy	100.00%	Subgroup: Acciona Energy	54,707
Biodiesel Coruña, S.L.	--	Corunna	Energy	100.00%	Subgroup: Alabe	--
Biodiesel Del Esla Campos	--	Navarre	Energy	100.00%	Subgroup: Biofuels	60
Biodiesel Sagunt, S.L.	--	Navarre	Energy	100.00%	Subgroup: Biofuels	2,186
Biomasa Alcazar, S.L.	--	Madrid	Energy	100.00%	Subgroup: National Biomass	3
Biomasa Briviesca, S.L.	(C)	Burgos	Energy	85.00%	Subgroup: National Biomass	4,191
Biomasa Miajadas, S.L.	(C)	Madrid	Energy	100.00%	Subgroup: National Biomass	3
Biomasa Sangüesa, S.L.	(C)	Navarre	Energy	100.00%	Subgroup: Acciona Energy	100

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Bodegas Palacio, S.A.	(A)	Alava	Wineries	100.00%	Subgroup: Palacio	1,526
Capev Venezuela	(E)	Venezuela	Construction	100.00%	Subgroup: Acciona Infrastructures	3,883
Ce Oaxaca Cuatro, S. De R.L. De C.V. (Usd)	(A)	Mexico	Energy	66.67%	Subgroup: Acciona Energy Mexico	248
Ce Oaxaca Dos, S. De R.L. De C.V. (Usd)	(A)	Mexico	Energy	66.67%	Subgroup: Acciona Energy Mexico	299
Ce Oaxaca Tres, S. De R.L. De C.V. (Usd)	(A)	Mexico	Energy	66.67%	Subgroup: Acciona Energy Mexico	--
Ceatesalas, S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	983,583
Cenargo España, S.L.	(A)	Madrid	Logistics Services	92.71%	Subgroup: Schembri Agency	7,080
Centro De Servicios Compartidos De Acciona SI	--	Madrid	Logistics Services	100.00%	Acciona	3
Ceolica Hispania, S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Acciona Windpower Cesa	49,404
Cesa Eolo Sicilia Srl.	--	Italy	Energy	66.67%	Subgroup: Cesa Italy	1,380
Cirtover, S.L.	--	Madrid	Instrumental	100.00%	Acciona	3
Coefisa, S.A.	--	Switzerland	Finance	100.00%	Acciona	711
Combuslebor, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui	506
Compania Eólica Granadina, S.L.	(A)	Granada	Energy	50.00%	Subgroup: Ceólica	2,930
Compañia De Aguas Paguera, S.L.	--	Mallorca	Water Treatment	100.00%	Subgroup: Gesba	1,803
Compañia Internacional De Construcciones	--	Panama	Finance	100.00%	Acciona	1,353
Compañía Trasmediterranea, S.A.	(A)	Madrid	Logistics Services	92.71%	Subgroup: Acciona Logistics	260,540
Compañía Urbanizada Del Coto, S.L.	(A)	Madrid	Property	97.47%	Subgroup: Acciona Property	98,552
Consorcio Acciona Ossa,S.A	--	Chile	Construction	65.00%	Subgroup: Acciona Infrastructures	5
Consorcio Acciona_Ossa Andina S.A.	--	Chile	Construction	65.00%	Subgroup: Acciona Infrastructures	4
Consorcio Constructor Araucaria Ltd.	--	Chile	Construction	60.00%	Subgroup: Acciona Infrastructures	3
Consorcio Eolico Chiripa, S.A.	(A)	Costa Rica	Energy	65.00%	Subgroup: Acciona Energy	--
Construcciones Residenciales Mexico, C.B.	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Infrastructures	3,220
Constructora El Paso S.P.A.	--	Chile	Construction	100.00%	Subgroup: Acciona Infrastructures	8
Constructora La Farfana, Spa	--	Chile	Construction	100.00%	Subgroup: Acciona Infrastructures	8
Constructora Ruta 160, S.A.	(B)	Chile	Construction	100.00%	Subgroup Acciona Concessions Chile	54,985
Copane Valores, S.L.	--	Madrid	Portfolio Company	100.00%	Acciona	55,779
Corporación Acciona Energías Renovables, S.L.	(A)	Madrid	Energy	100.00%	Acciona	1,773,906
Corporacion Acciona Eólica, S.A.	(A)	Madrid	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	98,503
Corporacion Acciona Hidráulica, S.A.	(A)	Madrid	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	65,003
Corporación Acciona Windpower, S.L.	--	Madrid	Energy	100.00%	Acciona	1,995
Corporacion De Explotaciones Y Servicios, S.A	--	Madrid	Portfolio Company	100.00%	Subgroup: Acciona Services and Environment	3,829
Corporacion Eolica Catalana, S.L.	--	Madrid	Energy	100.00%	Subgroup: Ceólica	12

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Corporacion Eolica De Valdivia. S.L.	--	Madrid	Energy	100.00%	Subgroup: Ceólica	12,405
Corporacion Eolica De Zamora. S.L.	--	Madrid	Energy	100.00%	Subgroup: Ceólica	2,717
Corporacion Eolica La Canada. S.L.	--	Madrid	Energy	100.00%	Subgroup: Ceatesalas	1,368
Corporacion Eolica Sora. S.A.	--	Zaragoza	Energy	60.00%	Subgroup: Ceólica	835
Deep River Wind Facility (Propietary) Limited	--	South Africa	Energy	51.00%	Subgroup: Acciona Energy Global South Africa	--
Demsey Ridge Wind Farm, Llc	(A)	USA	Energy	66.67%	Subgroup: Acciona Wind Energy USA	49,288
Depurar 7B, S.A.	(E)	Aragon	Water Treatment	100.00%	Subgroup: Acciona Water	4,892
Depurar 8B, S.A.	(E)	Aragon	Water Treatment	100.00%	Subgroup: Acciona Water	5,939
Desarrolladora De Infraestructura Hispano-Peninsul	(B)	Mexico	Construction	60.00%	Subgroup: Acciona Infrastructures	2
Desarrolladora De Infraestructuras Hispano-Mexican	(B)	Mexico	Construction	62.00%	Subgroup: Acciona Infrastructures	3
Desarrollos Revolt Del Llobregat,S.L.	--	Madrid	Property	100.00%	Subgroup: Acciona Property	32,461
Desarrollos Y Construcciones, S.A. De Cv	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Infrastructures	7,828
Dren, S.A.	--	Madrid	Portfolio Company	100.00%	Acciona	1,115
Ecogrove	(A)	USA	Energy	66.67%	Subgroup: Acciona Wind Energy USA	98,508
Ecovista Wind, Llc	--	USA	Energy	100.00%	Subgroup: Ecoenergy	--
Ehn Poland	(C)	Poland	Energy	66.67%	Subgroup: Acciona Energy International	26,548
Ehn Slovenia	--	Slovenia	Energy	100.00%	Subgroup: Acciona Energy Global	--
Emp.Diseño Constr.Cons.Jardines Y Zonas Verdes,Sa.	--	Malaga	Construction	100.00%	Subgroup: Acciona Infrastructures	546
Empordavent S.L.U.	(C)	Barcelona	Energy	100.00%	Subgroup: Acciona Energy	14,206
Empreendimientos Eólicos Do Verde Horizonte, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	5,248
Empreendimientos Eólicos Ribadelide, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	3,662
Empresa Operadora Atil, S.A.	(A)	Barcelona	Water Treatment	100.00%	Subgroup: Acciona Water	60
Enalia, Ltda.	(E)	Colombia	Wineries	100.00%	Subgroup: Hijos de Antonio Barceló	2,136
Energiea Servicios Y Mantenimiento. S.L.	(A)	Barcelona	Energy	100.00%	Subgroup: Terranova Energy Corporation	3
Energía Renovable De Teruel ,S.L.	--	Teruel	Energy	51.00%	Subgroup: Alternative Energy Teruel	33
Energía 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	82
Energías Eolicas De Catalunya, S.A.	(C)	Barcelona	Energy	100.00%	Subgroup: Acciona Energy	6,000
Energías Renovables De Ricobayo. S.A.	--	Madrid	Energy	50.00%	Subgroup: Ceólica	294
Energías Renovables El Abra. S.L	--	Vizcaya	Energy	100.00%	Subgroup: Ceólica	5,798
Energías Renovables Operacion Y Mantenimiento, S.L	(A)	Barcelona	Urban Services	100.00%	Subgroup: Multiservices Acciona Facility Services	3

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Energias Renovables Pena Nebina. S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Ceólica	2,625
Entidad Efinen, S.A.	--	Madrid	Instrumental	100.00%	Acciona	4,508
Entrecanales Y Tavora Gibraltar, Ltd	--	Gibraltar	Construction	100.00%	Subgroup: Acciona Infrastructures	37,645
Eolica De Rubio, S.A.	(C)	Barcelona	Energy	100.00%	Subgroup: Acciona Energy	6,000
Eolica De Sanabria. S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Ceólica	6,403
Eolica De Zorraquin, S.L.	(C)	Madrid	Energy	66.00%	Subgroup: Acciona Energy	603
Eolica Villanueva, S.L.	(C)	Navarre	Energy	66.66%	Subgroup: Acciona Energy	867
Eolicas Del Moncayo. S.L.	--	Soria	Energy	100.00%	Subgroup: Ceólica	846
Eolicos Breogan. S.L.	--	Pontevedra	Energy	100.00%	Subgroup: Ceólica	5,028
Eoliki Evripoy 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 Bahía, S.A.	--	Cádiz	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	--
Estudios Y Construcciones De Obras, S.A. De C.V.	--	Mexico	Construction	50.00%	Subgroup: Acciona Infrastructures	--
Europa Ferrys, S.A.	(A)	Cádiz	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	18,572
Eurus S,A,P.I De C.V. (Usd)	(A)	Mexico	Energy	62.67%	Subgroup: Acciona Energy México	2
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	3
Finanzas Y Cartera Uno, S.A.	--	Madrid	Other Businesses	100.00%	Acciona	3
Flughafendienst Av Gmbh	--	Germany	Logistics Services	100.00%	Acciona	28
Frigoriferi Di Tavazzano, S.P.A.	--	Italy	Logistics Services	100.00%	Subgroup: Acciona Logistics	2,273
Frigoríficos Caravaca, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui	3,893
Generacion De Energia Renovable. S.A.	--	Alava	Energy	100.00%	Subgroup: Ceólica	4,438
Generica De Construcc.Y Mto. Industrial, S.A.	--	Zaragoza	Construction	100.00%	Acciona	30
Gestio Catalana D'Aigües, 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 Servicios Urbanos Baleares, S.A.	--	Mallorca	Water Treatment	100.00%	Subgroup: Acciona Water Services	7,234
Global De Energias Eolicas Al-Andalus. S.A.	--	Zamora	Energy	100.00%	Subgroup: Ceólica	25,509
Globaser International Services	--	Switzerland	Urban Services	100.00%	Subgroup: Multiservices Acciona Facility Services	--
Gouda Wind Facility (Proprietary) Limited	(A)	South Africa	Energy	34.00%	Subgroup: Acciona Energy South Africa	4,671
Grupo Transportes Frigoríficos Murcianos, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui	934
Guadalaviar Consorcio Eolico Alabe Enerfin, S.A.	--	Madrid	Energy	100.00%	Subgroup: Guadalaviar	250
Gunning Wind Energy Developments Pty Ltd	(C)	Australia	Energy	66.67%	Subgroup: Gunning	1,798

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
					Wind Energy	
Gunning Wind Energy Holdings Pty Ltd	--	Australia	Energy	66.67%	Subgroup: Acciona Energy Oceania	1,798
Heartland Windpower, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global USA	--
Hermes Logistica, S.A.	(A)	Barcelona	Logistics Services	92.36%	Subgroup: Acciona Trasmediterranea	3,855
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
Hsd Flughafen Gmbh	--	Germany	Logistics Services	100.00%	Acciona	27
Iber Rail France, S.L.	--	France	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	170
Iberica Arabian Co Ltd	--	Saudi Arabia	Engineering	100.00%	Subgroup: Acciona Engineering	120
Iberinsa Do Brasil Engenharia Ltda.	--	Brazil	Engineering	100.00%	Subgroup: Acciona Engineering	529
Inantic, S.A.	--	Madrid	Instrumental	100.00%	Subgroup: Acciona Infrastructures	560
Industria Toledana De Energias Renovables, S.L.	--	Toledo	Energy	100.00%	Subgroup: Acciona Windpower	250
Inetime, S.A.	--	Madrid	Urban Services	100.00%	Acciona	19
Ineuropa De Cogeneracion, S.A.	--	Madrid	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	18,462
Infraestructuras Ayora, S.L.	--	Madrid	Energy	84.72%	Subgroup: Alabe	3
Inmobiliaria Parque Reforma, S.A. De Cv	(A)	Mexico	Property	100.00%	Subgroup: Acciona Property	34,357
Inr Eolica, S.A.	--	Seville	Energy	100.00%	Subgroup: Acciona Energy	613
Interlogística Del Frío, S.A.	(A)	Barcelona	Logistics Services	100.00%	Subgroup: Acciona Logistics	16,819
Interurbano De Prensa, S.A.	(A)	Madrid	Logistics Services	100.00%	Subgroup: Acciona Logistics	2,676
Kimberly Solar Facility (Propietary) Limited	--	South Africa	Energy	51.00%	Subgroup: Acciona Energy Global South Africa	--
Kw Tarifa, S.A.	(A)	Madrid	Energy	100.00%	Subgroup: Corp. Acciona Renewable Energy	8,134
Lambarene Necso Gabon	(D)	Gabon	Construction	100.00%	Subgroup: Acciona Infrastructures	152
Lameque Wind Power Lp	(A)	Canada	Energy	66.67%	Subgroup: Acciona Wind Energy Canada	17,467
Logistica Del Transporte Slb, S.A.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui	1,050
Lusonecso	--	Portugal	Property	100.00%	Subgroup: Acciona Property	6,573
Maritime Global Operator, Ltd	--	Malta	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	33,145
Mdc Airport Consult Gmbh	--	Germany	Logistics Services	100.00%	Acciona	1,276
Meltemi South Sp. Z.O.O.	--	South Africa	Energy	100.00%	Subgroup: Acciona Energy Global Poland	2,863
Meltemi Sp. Z.O.O.	(C)	Poland	Energy	66.67%	Subgroup: Acciona Energy Poland	15,585
Metrologia Y Comunicaciones, S.A.	--	Madrid	Construction	100.00%	Subgroup: Acciona Infrastructures	150
Millatres 2003, S.L.	--	Tenerife	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	3

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Mostostal Warszawa, S.A.	(B)	Poland	Construction	50.09%	Subgroup: Acciona Property	40,671
Moura Fabrica Solar, Lda.	(B)	Portugal	Energy	100.00%	Subgroup: Acciona Energy	10,005
Mt Gellibrand Wind Farm Pty, Ltd.	--	Australia	Energy	100.00%	Subgroup: Acciona Energy Global Australia	391
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	233
Necso Canada, Inc.	(B)	Canada	Construction	100.00%	Subgroup: Acciona Infrastructures	90,017
Necso Entrecanales Cubiertas Mexico, Sa. De Cv	(B)	Mexico	Construction	100.00%	Subgroup: Acciona Infrastructures	553
Necso Hong Kong, Ltd.	(E)	Hong Kong	Construction	100.00%	Subgroup: Acciona Infrastructures	1,936
Necso Triunfo Construcoes Ltda	--	Brazil	Construction	50.00%	Subgroup: Acciona Infrastructures	155
Nevada Solar One, Llc	(A)	USA	Energy	66.67%	Subgroup: NVS1 Investment Group	11,505
Notos Produção De Energia Lda	(B)	Portugal	Energy	46.67%	Subgroup: Sayago	200
Nvs1 Investment Group Llc	--	USA	Energy	66.67%	Subgroup: Acciona Solar Energy	11,505
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	694
Pacific Renewable Energy Generation Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global USA	--
Packitivity, S.A.	--	Madrid	Logistics Services	100.00%	Acciona	2,474
Parco Eolico Cocullo S.P.A.	(A)	Italia	Energy	66.67%	Subgroup: Cesa Italia	9,064
Paris Aquitaine Transports, S.A.	--	France	Logistics Services	100.00%	Subgroup: Olloquiegui	1,236
Parque Eólico Da Costa Vicentina, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	5,403
Parque Eolico Da Raia, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	1,843
Parque Eolico De Manrique, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	1,314
Parque Eolico De Pracana, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	1,139
Parque Eolico Do Marao, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	2,551
Parque Eolico Do Outeiro, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	14,483
Parque Eolico Dos Fiéis, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	882
Parque Eólico El Chaparro	--	Navarre	Energy	100.00%	Subgroup: Alabe	5
Parque Eólico Escepar, S.A.	(A)	Toledo	Energy	100.00%	Subgroup: Ceólica	1,539
Parque Eolico La Esperanza. S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Global de Wind Energy	1,056
Parque Eólico Peralejo, S.A.	(A)	Toledo	Energy	100.00%	Subgroup: Ceólica	1,020
Parque Eolico Tortosa. S.L.	(A)	Barcelona	Energy	100.00%	Subgroup: Ceólica	2,394

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Parque Eólico Villamayor, S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Global Wind Energy	2,912
Parque Reforma Santa Fe, S.A. De C.V.	(A)	Mexico	Property	70.00%	Subgroup: Parque Reforma	10,592
Parques Eólicos Celadas, S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Ceólica	4,599
Parques Eolicos De Ciudad Real. S.L.	(A)	Ciudad Real	Energy	100.00%	Subgroup: Global Wind Energy	7,844
Parques Eolicos Del Cerrato. S.L.	(A)	Madrid	Energy	100.00%	Subgroup: Ceólica	1,375
Pat Cargo, S.A.	(E)	Chile	Logistics Services	57.50%	Subgroup: Acciona Forwarding	687
Pia.Cos S.R.L.	--	Italy	Water Treatment	100.00%	Subgroup: Acciona Water	10
Pitagora Srl.	(A)	Italy	Energy	66.67%	Subgroup: Cesa Italia	5,854
Press Cargo Colombia, S.A.	(E)	Colombia	Logistics Services	81.33%	Subgroup: Acciona Forwarding Peru	120
Pridagua Tratamiento De Aguas Y Residuos, Ltda.	--	Portugal	Water Treatment	100.00%	Subgroup: Acciona Water	--
Pridesa America Corporation	--	USA	Water Treatment	100.00%	Subgroup: Acciona Water	--
Punta Palmeras, S.A. (Usd)	(B)	Chile	Energy	66.67%	Subgroup: Acciona Energy International	2,568
Pyrenees Wind Energy Developments Pty. Ltd	(C)	Australia	Energy	66.67%	Subgroup: Acciona Energy Oceania	8,358
Pyrenees Wind Energy Holdings Pty. Ltd	--	Australia	Energy	66.67%	Subgroup: Pyrenees Wind Energy	5,586
Ramwork, S.A.	--	Madrid	Urban Services	99.98%	Subgroup: Acciona Facility Services	500
Ravi Urja Energy India Pvt Ltd	(C)	India	Energy	100.00%	Subgroup: Acciona Energy Global	--
Red Hills Finance, Llc	(A)	USA	Energy	66.67%	Subgroup: Acciona Wind Energy USA	11,138
Red Hills Holding, Llc	--	USA	Energy	66.67%	Subgroup: Red Hills Finance	20,991
Rendos, S.A.	--	Madrid	Finance	100.00%	Acciona	17,990
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	4,021
Rio Paraiba Do Sul Serviços Ltda	--	Brazil	Concession Operation	100.00%	Subgroup: Acciona Brazil	3
A2 Do Aço, S.A.	(E)	Brazil	Concession Operation	100.00%	Subgroup: Acciona Infrastructures	59,289
Rusticas Vegas Altas, S.L.	(C)	Badajoz	Energy	100.00%	Subgroup: Acciona Energy	7,000
S.C. A2 Tramo 2, S.A.	(A)	Guadalajara	Concession Operation	100.00%	Acciona	14,876
S.C. Acciona Concesiones Ruta 160	(B)	Chile	Concession Operation	100.00%	Subgroup: Acciona Concessions Chile	32,320
S.C. Dlp, S.A.	--	Madrid	Construction	60.00%	Subgroup: Acciona Infrastructures	571
S.C. Hospital Del Norte, S.A.	(A)	Madrid	Hospitals	95.00%	Acciona	9,103
Salto Del Nansa, S.A.U.	(A)	Santander	Energy	100.00%	Subgroup: Acciona Waterfalls	92,226
Salto Y Centrales De Catalunya, S.A.	(A)	Barcelona	Energy	100.00%	Subgroup: Acciona Waterfalls	42,016
San Solar Energy Facility (Propietary) Limited	(A)	South Africa	Energy	100.00%	Subgroup: Acciona Energy Global South Africa	430
Sc Acciona Facility Services Automotive Srl	--	Rumania	Urban Services	100.00%	Subgroup: Acciona Facility Services	--
Sociedad Empresarial De Financiación Y Comercio, S.L	--	Madrid	Finance	100.00%	Acciona	138

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
Servicios Corporativos Iberoamerica, S.A. De C.V	(A)	Mexico	Property	100.00%	Subgroup: Acciona Facility Services	776
Shanghai Acciona Windpower Technical Service Co.,L	(C)	China	Energy	100.00%	Subgroup: Acciona Windpower 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 Barceló	7,615
Sishen Solar Facility (Proprietary) Limited	(A)	South Africa	Energy	34.00%	Subgroup: Acciona Energy South Africa	363
Sistemas Energeticos El Granado. S.A	--	Seville	Energy	100.00%	Subgroup: Ceólica	2,104
Sistemas Energeticos Sayago. S.L	--	Madrid	Energy	66.67%	Subgroup: Acciona Energy International	213
Sistemas Energeticos Valle De Sedano. S.A.	--	Madrid	Energy	100.00%	Subgroup: Ceólica	6,373
Sociedad Explotadora De Recursos Eólicos, S.A.	(A)	Portugal	Energy	66.67%	Subgroup: Acciona Windpower Portugal	4,818
Sociedad Istmeña Desarrollo Eólico, S. De R.L. De	--	Mexico	Energy	100.00%	Subgroup: Acciona Energy Global México	67
Sociedad Levantina De Obras Y Servicios, S.A.	--	Valencia	Construction	100.00%	Acciona	75
Sociedad San Rafael Hidráulica S.A. De C.V.	(B)	Mexico	Engineering	100.00%	Subgroup: Acciona Engineering	3
Soconfil, S.A.	--	Madrid	Instrumental	100.00%	Subgroup: Finance and Portfolio 2	60
Solar Fields Energy Photo Voltaic India Pvt Ltd	--	India	Energy	100.00%	Subgroup: Acciona Energy Global	--
Solomon Forks Wind Farm, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global USA	--
Starke Wind Golice Sp. Z.O.O.	(C)	Poland	Energy	66.67%	Subgroup: Acciona Energy Poland	6,227
Sun Photo Voltaic Energy India Pvt Ltd	(C)	India	Energy	100.00%	Subgroup: Acciona Energy Global	--
Surya Energy Photo Voltaic India Pvt Ltd	(C)	India	Energy	100.00%	Subgroup: Acciona Energy Global	--
Table Mountain Wind Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global USA	--
Tajro, Sp. Z.O.O.	(A)	Poland	Property	100.00%	Subgroup: Acciona Property	33,458
Tatanka Finance Llc	--	USA	Energy	66.67%	Subgroup: Acciona Wind Energy USA	673
Tatanka Holding, Llc	--	USA	Energy	26.00% (100% class B shares)	Subgroup: Tatanka	1,145
Tecniomnía Española, S.L.	--	Madrid	Urban Services	100.00%	Subgroup: Acciona Facility Services	30
Terminal De Carga Rodada, S.A.	(A)	Madrid	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	2,941
Terminal De Contenedores Algeciras, S.A.	--	Algeciras	Logistics Services	100.00%	Acciona	8,895
Terminal Ferry Barcelona, S.R.L.	(A)	Barcelona	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	16,244
Termosolar Alvarado Dos, S.L.	--	Badajoz	Energy	100.00%	Subgroup: Acciona Energy	3
Termosolar Alvarado, S.L.	(C)	Badajoz	Energy	85.00%	Subgroup: Termosolar National	9,775
Termosolar Majadas, S.L.	(C)	Madrid	Energy	85.00%	Subgroup: Termosolar National	20,450
Termosolar Palma Saetilla, S.L.	(C)	Madrid	Energy	85.00%	Subgroup: Termosolar	41,790

Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
					National	
Ternua Holdings. B.V.	--	Holland	Energy	100.00%	Subgroup: Tecusa	855
Terranova Energy Corporation	--	USA	Energy	100.00%	Subgroup: Acciona Windpower Cesa	52,289
Terranova Energy Corporation. S.A.	--	Barcelona	Energy	100.00%	Subgroup: Ceólica	15,933
Tibest Cuatro, S.A.	--	Madrid	Instrumental	100.00%	Acciona	13,523
Tictres, S.A.	--	Madrid	Instrumental	100.00%	Acciona	5,042
Tours And Incentives, S.A.U.	--	Madrid	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	464
Towarowa Park Spolka Z.O.O.	(A)	Poland	Property	100.00%	Subgroup: Acciona Property	15,338
Transcargos Magreb, S.A.	--	Madrid	Logistics Services	92.71%	Subgroup: Trasmediterranea Cargo	14
Transcargos Grupajes, S.A.	--	Madrid	Logistics Services	92.71%	Subgroup: Trasmediterranea Cargo	14
Transportes Frigoríficos Murcianoss, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup: Olloquiegui	1,257
Transportes Olloquiegui, S.A.	--	Navarre	Logistics Services	100.00%	Subgroup: Acciona Logistics	44,063
Transurme, S.A.	--	Barcelona	Logistics Services	100.00%	Subgroup: Acciona Logistics	1,451
Trasmediterranea Cargo, S.A.	(A)	Madrid	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	18,187
Trasmediterranea Shipping Maroc, S.A.R.L.	--	Tangiers	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	9
Tratamiento De Residuos De La Rad, S.L.	--	La Rioja	Urban Services	100.00%	Acciona	3,003
Ttanka Wind Power Llc	(A)	USA	Energy	26.00% (100% class B shares)	Subgroup: Tatanka	138,765
Tucana, Sp. Z.O.O.	(A)	Poland	Property	100.00%	Subgroup: Acciona Property	23,300
Tuppadahalli Energy India Private Limited	(C)	India	Energy	66.67%	Subgroup: Acciona Energy International	10,892
Turismo Y Aventuras, S.A.U	--	Madrid	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	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	66.67%	Subgroup: Acciona Wind Energy USA	7,433
Viajes Eurotras, S.A.	--	Cádiz	Logistics Services	92.71%	Subgroup: Acciona Trasmediterranea	927
Viñedos Viña Mayor, S.L.	--	Madrid	Wineries	100.00%	Subgroup: Hijos de Antonio Barceló	4
Vjetroelektrana Čemernica D.O.O.	--	Croatia	Energy	66.67%	Subgroup: Acciona Energy International	2
Vjetroelektrana Jelinak Doo	(C)	Croatia	Energy	66.67%	Subgroup: Acciona Energy International	8,002
Vjetroelektrana Opor D.O.O.	--	Croatia	Energy	66.67%	Subgroup: Acciona Energy International	2
Voltser Serviços De Operação E Manutenção De Centr	--	Portugal	Energy	100.00%	Subgroup: Acciona Energy Global Portugal II	79
White Shield Wind Project Llc	(A)	USA	Energy	66.67%	Subgroup: Acciona Wind Energy USA	75,897
Wind Farm 66, Llc	--	USA	Energy	100.00%	Subgroup: Acciona Energy Global USA	711
Yeong Yang Windpower Corporation Ii	(C)	South Korea	Energy	100.00%	Subgroup: Acciona	179

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Group company	Auditor	Location	Main business line	% of effective ownership	Holder of the stakeholding	Carrying amount
					Energy Global	
Zurich Wind Power Lp Inc	--	Canada	Energy	100.00%	Subgroup: Acciona Renewable Canada	915

(*) Companies whose financial statements are audited by: (A) Deloitte; (B) PricewaterhouseCoopers; (C) KPMG; (D) Ernst & Young; (E) Other

APPENDIX II

JOINTLY CONTROLLED ENTITIES

The jointly controlled entities proportionately consolidated in the year ended 31 December 2014, 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	% of effective ownership	Holder of the Stakeholding	Carrying amount
Bokpoort Epc Consortium (Pty) Ltd	--	South Africa	Engineering	30.00%	Subgroup: Acciona Engineering	--
Chin Chute Windfarm Jv	(B)	Canada	Energía	22.22%	Subgroup: Acciona Wind Energy Canada	4.309
Consortio Acciona Brotec Icafal S.A.	--	Chile	Construction	60.00%	Subgroup: Acciona Infrastructures	4
Consortio Hospital Egc, S.A.	--	Chile	Construction	80.00%	Subgroup: Acciona Infrastructures	5
Iniciativas Energeticas Renovables, S.L.	--	Pamplona	Energía	50.00%	Subgroup: Acciona Energía	15
Magrath Windfarm Jv	(B)	Canada	Energía	22.22%	Subgroup: Acciona Wind Energy Canada	993
Ouarzazate Solar 1, Sarl	--	Morocco	Engineering	37.50%	Subgroup: Acciona Engineering	--
Ripley Windfarm Jv	(B)	Canada	Energía	33.34%	Subgroup: Acciona Wind Energy Canada	12.815
Sistema Electrico De Evacuacion Eolica En Subestac	--	Madrid	Energía	31.90%	Subgroup: Acciona Windpower Cesa	10

(*) 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 2014, 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	% of effective ownership	Holder of the Stakeholding	Carrying amount
ACCI Holdeco	--	Canada	Concession Operation	10.00%	Acciona	2,451
Acciona & Ghanim Bin Saad Alsaad And Sons Group Ho	--	Qatar	Urban Services	49.00%	Subgroup: Acciona Facility Services	21
Acciona Chinook Roads Gp Inc.	(A)	Canada	Concession Operation	5.00%	Subgroup: Acciona Concessions Canada	--
Acciona Fsj Gp Ltd.	(A)	Canada	Hospitals	5.00%	Subgroup: Acciona Concessions Canada	--
Acciona Nouvelle Autoroute 30 Inc	(A)	Canada	Concession Operation	5.00%	Acciona	--
Acciona Wep Holdings Inc.	(A)	Canada	Concession Operation	33.33%	Subgroup: Acciona Concessions	7,611
Acciones Urbanas, Servicios Y Medio Ambiente, S.L.	--	Murcia	Urban Services	50.00%	Subgroup: Acciona Services	2
Adelaideaqu Pty Ltd.	(A)	Australia	Water Treatment	50.00%	Subgroup: Acciona Water Adelaide	--
Aguas Tratadas Del Valle De Mexico S.A. De C.V.	(A)	México	Water Treatment	24.26%	Subgroup: Acciona Water	12,799
Algerian Water Investment, S.L.	--	Madrid	Water Treatment	50.00%	Subgroup: Acciona Water	6,825
Amper Central Solar Moura	(B)	Portugal	Energy	43.74%	Subgroup: Acciona Energy Internacional	12,740
Aprofitament D'Energies Renovables De L'Ebre S.L.	--	Barcelona	Energy	9.76%	Subgroup: Acciona Energy	378
Arturo Soria Plaza, A.I.E.	(A)	Madrid	Property	48.74%	Subgroup: INOSA	12
Atll Concesionaria De La Generalitat De Catalunya,	(A)	Barcelona	Water Treatment	39.00%	Subgroup: Acciona Water	58,500
Autovia De Los Viñedos	(A)	Toledo	Concession Operation	50.00%	Acciona	24,846
Autovia Del Almanzora S.A.	(D)	Seville	Concession Operation	23.75%	Subgroup: Acciona Infrastructures	1,635
Baja California Power, S.A. De C.V.	(B)	México	Engineering	65.00%	Subgroup: Acciona Engineering	2
Bana H2 Szeleromu Megujulo Energia Hasznosito Kft	(E)	Hungary	Energy	49.25%	Subgroup: Energy Corp Hungary	91
Bioetanol Energetico	--	Madrid	Energy	50.00%	Subgroup: Biofuels	804
Bioetanol Energetico La Mancha	(C)	Madrid	Energy	50.00%	Subgroup: Biofuels	931
Camarate Golf, S.A.	(A)	Madrid	Property	22.00%	Subgroup: Acciona Property	2,455
Carnotavento. S.A.	--	Corunna	Energy	24.01%	Subgroup: Eurovento	1
Cathedral Rocks Construcc. And Management, Pty Ltd	--	Australia	Energy	50.00%	Subgroup: Acciona Energy Global Australia	--
Cathedral Rocks Holdings 2, Pty. Ltd	--	Australia	Energy	33.34%	Subgroup: Cathedral Rocks Holdings	8,544
Cathedral Rocks Holdings, Pty. Ltd	--	Australia	Energy	33.34%	Subgroup: Acciona Energy Oceania	9,441
Cathedral Rocks Wind Farm, Pty. Ltd	(B)	Australia	Energy	33.34%	Subgroup: Cathedral Rocks Holdings 2	8,544
Chinook Highway Operations Inc.	(A)	Canada	Concession Operation	50.00%	Subgroup: Acciona Concessions	1,136
Cogeneracion Arrudas Ltda	--	Brazil	Water Treatment	50.00%	Subgroup: Acciona	55

Group company	Auditor	Location	Main line of business	% of effective ownership	Holder of the Stakeholding	Carrying amount
					Water	
Concesionaria De Desalacion De Ibiza, S.A.	(E)	Ibiza	Water Treatment	50.00%	Subgroup: Acciona Water	1,082
Concesionaria La Chira, S.A.	(B)	Peru	Water Treatment	50.00%	Subgroup: Acciona Water	3,134
Consortio Traza, S.A.	(A)	Zaragoza	Concession Operation	16.60%	Acciona	12,074
Constructora De Obras Civiles Y Electromecanicas D	(A)	Mexico	Water Treatment	24.50%	Subgroup: Hispano-Mexican Waters	1
Constructora Necso Sacyr Chile	--	Chile	Construction	50.00%	Subgroup: Acciona Concessions Chile	7
Constructora Sacyr Necso Chile, S.A.	--	Chile	Construction	50.00%	Subgroup: Acciona Concessions Chile	7
Depurar P1, S.A.	--	Zaragoza	Water Treatment	50.00%	Subgroup: Acciona Water	1,035
Desarrollo De Energias Renovables De Navarra, S.A.	(B)	Pamplona	Energy	50.00%	Subgroup: Acciona Energy	4,936
East West Connect Holding 3 Pty Limited	--	Australia	Concession Operation	5.00%	Subgroup: Acciona Concessions	--
Emserva, S.A.	--	Malaga	Water Treatment	49.00%	Subgroup: Acciona Water Services	50
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: Acciona Windpower Cesa	3,908
Entorno Urbano Y Medio Ambiente, S.L.	--	Murcia	Urban Services	50.00%	Subgroup: Acciona Services	2
Eolicas Mare Nostrum S.L.	(A)	Valencia	Energy	50.00%	Subgroup: Acciona Energy	2,452
Eolico Aljar, S.A.	(A)	Cádiz	Energy	50.00%	Subgroup: Acciona Energy	2,791
Eurovento Renovables, S.L.	--	Corunna	Energy	50.00%	Subgroup: Ceólica	2
Eurovento. S.L.	--	Corunna	Energy	50.00%	Subgroup: Tripower	29
Evacuacion Villanueva Del Rey, S.L.	--	Seville	Energy	38.04%	Subgroup: Thermosolar Palma Saetilla	1
Explotaciones Eolicas Sierra De Utrera. S.L.	(B)	Madrid	Energy	25.00%	Subgroup: Ceólica	817
Ferrimaroc Agencias, S.L.	(E)	Almería	Logistics Services	46.36%	Subgroup: Cenargo Span	14
Ferrimaroc, S.A.	--	Morocco	Logistics Services	46.36%	Subgroup: Cenargo Span	20
Firefly Investments 238 (Proprietary) Limited	(A)	South Africa	Energy	45.00%	Subgroup: Oakleaf Investment Holdings 86	--
Gestion De Edificios Comerciales, S.A.	--	Madrid	Property	48.74%	Subgroup: Inosa	117
Gran Hospital Can Misses, S.A.	(A)	Ibiza	Hospitals	40.00%	Acciona	9,641
Gwh-Acciona Energy Llc	--	USA	Energy	49.00%	Subgroup: Acciona Energy Global USA	--
Helena Water Finance Pty Ltd	(A)	Australia	Water Treatment	25.05%	Subgroup: Acciona Water Internacional Australia	8,054
Helena Water Pty Ltd	--	Australia	Water Treatment	25.05%	Subgroup: Helena Water	220
Helena Water Holdings Pty Ltd	--	Australia	Water Treatment	25.05%	Subgroup: Acciona Water Internacional Australia	--
Infraestructuras Radiales, S.A.	(A)	Madrid	Concession Operation	25.00%	Acciona	28,773
Infraestructuras Villanueva, S.L.	--	Madrid	Energy	40.53%	Subgroup: Guadalaviar	1
Interboya 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

Group company	Auditor	Location	Main line of business	% of effective ownership	Holder of the Stakeholding	Carrying amount
Lineas Electricas Gallegas Iii. S.L.	--	Galicia	Energy	50.00%	Subgroup: Eurovento	2
Lineas Electricas Gallegas. S.L.	--	Galicia	Energy	35.00%	Subgroup: Eurovento	1
Locubsa	(E)	Andorra	Construction	48.89%	Subgroup: Acciona Infrastructures	26
Mov-R H1 Szeleromu Megujulo Energia Hasznosito Kft	(E)	Hungary	Energy	49.25%	Subgroup: Energy Corp Hungary	2,078
Myah Typaza, Spa	(E)	Algeria	Water Treatment	25.50%	Subgroup: Algerian Water Investment	6,858
Natural Climate Systems, S.A.	--	Pamplona	Energy	22.00%	Subgroup: Acciona Energy	440
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	1,866
Oakleaf Investment Holdings 86 (Proprietary) Limit	(A)	South Africa	Energy	50.00%	Subgroup: Acciona Energy South Africa	--
Operador Del Mercado Ibérico - Polo Español, S.A.	--	Madrid	Energy	5.00%	Subgroup: Acciona Energy	1,583
Operadora Can Misses S.L.	--	Ibiza	Hospitals	40.00%	Subgroup: Acciona Hospital Services	1
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 Barbanza. S.L.	(D)	Corunna	Energy	12.50%	Subgroup: Eurovento	450
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
S.C. Autovia De La Plata S.A.	(A)	Madrid	Concession Operation	25.00%	Subgroup: Acciona Infrastructures	10,018
S.C. Autovia Gerediaga Elorrio S.A.	(B)	Bilbao	Concession Operation	22.80%	Subgroup: Acciona Infrastructures	2,861
S.C. Del Canal De Navarra, S.A.	(D)	Pamplona	Concession Operation	35.00%	Acciona	4,725
S.C. Novo Hospital De Vigo S.A.	(D)	Pontevedra	Hospitals	43.33%	Acciona	13,075
S.C. Puente Del Ebro, S.A.	(A)	Aragón	Concession Operation	50.00%	Acciona	6,693
Secomsa Gestió, S.L	--	Tarragona	Urban Services	50.00%	Subgroup: CESSA	3,033
Servicio De Tratamiento De Aguas Ptar Caracol, S,A	(D)	México	Water Treatment	48.98%	Subgroup: Acciona Water	328
Servicios Comunitarios De Molina De Segura, S.A.	(E)	Murcia	Water Treatment	48.27%	Subgroup: Acciona Water Services	10,267
Sistemas Electricos Esplugas, S.A.	--	Barcelona	Energy	50.00%	Subgroup: Acciona Energy	31
Sociedad De Aguas Hispano Mexicana S.A De C.V.	(A)	México	Water Treatment	50.00%	Subgroup: Acciona Water	1
Sociedad Mixta Del Agua- Jaen, S.A.	(A)	Jaén	Water Treatment	60.00%	Subgroup: Acciona Water Services	1,368
Solena Group	--	USA	Urban Services	25.00%	Subgroup: Acciona	3,995

Group company	Auditor	Location	Main line of business	% of effective ownership	Holder of the Stakeholding	Carrying amount
					Services and Environment	
Torre Lugano S.L.	--	Valencia	Property	50.00%	Subgroup: Acciona Property	5,252
Toyonova. S.L.	--	Corunna	Energy	50.00%	Subgroup: Tripower	1
Tranvias Urbanos De Zaragoza S.L.	(A)	Zaragoza	Concession Operation	15.00%	Subgroup: Acciona Concessions	9
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
Vento Mareiro. S.L.	--	Corunna	Energy	24.50%	Subgroup: Eurovento	1
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: Repower	90
Vertex Residencial Cuajimalpa, Sa De Cv	(A)	México	Property	10.00%	Subgroup: Parque Reforma	1,062

(*) 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 2014 were as follows:

Company	Location	Main line of business	Change	2014 consolidation method
Acciona Ground Services, S.L	Madrid	Urban Services	Registration	Global
Acciona Airport Services Barcelona, S.L	Madrid	Logistics Services	Registration	Global
Acciona Airport Services Canarias, S.L	Madrid	Logistics Services	Registration	Global
Acciona Airport Services Este, S.L	Madrid	Logistics Services	Registration	Global
Acciona Airport Services Madrid, S.L	Madrid	Logistics Services	Registration	Global
Acciona Airport Services Norte, S.L	Madrid	Logistics Services	Registration	Global
Acciona Airport Services Sur, S.L	Madrid	Logistics Services	Registration	Global
Acciona Concessions Management Inc.	Canada	Concession Operation	Registration	Global
ACCI Holdco	Canada	Concession Operation	Registration	Equity method
Acciona Energy Australia Global, Pty. Ltd	Australia	Energy	Registration	Global
Acciona Energy Canada Global Corp	Canada	Energy	Registration	Global
Acciona Energia Global Italia, S.R.L.	Italy	Energy	Registration	Global
Acciona Energia Mexico Global Llc	Mexico	Energy	Registration	Global
Acciona Energy Global Poland Sp. Z.O.O.	Poland	Energy	Registration	Global
Acciona Portugal Ii – Energia Global, Lda	Portugal	Energy	Registration	Global
Acciona Energy South Africa Global (Pty) Ltd	South Africa	Energy	Registration	Global
Acciona Energy Usa Global Llc	USA	Energy	Registration	Global
Acciona Financiación Filiales	Madrid	Other Businesses	Registration	Global
Afs Efficient Energy Uk Limited	United Kingdom	Energy	Registration	Global
Consorcio Acciona_Ossa Andina S.A.	Chile	Construction	Registration	Global
Acciona Energia Atlanta I, S.L.	Madrid	Energy	Registration	Global
Acciona Energia Atlanta Ii, S.L.	Madrid	Energy	Registration	Global
Acciona Energia Atlanta Iii, S.L.	Madrid	Energy	Registration	Global
Acciones Urbanas, Servicios Y Medio Ambiente, S.L.	Madrid	Services	Registration	Equity method
Acciona Windpower Rüzgar Enerjisi Sistemleri Anoni	Canada	Energy	Registration	Global
Consorcio Acciona Brotec Icafal S.A.	Chile	Construction	Registration	Proportional method
Centro De Servicios Compartidos De Acciona SI	Madrid	Logistics Services	Registration	Global
Entorno Urbano Y Medio Ambiente, S.L.	Madrid	Urban Services	Registration	Equity method
East West Connect Holding 3 Pty Limited	Australia	Concession Operation	Registration	Equity method
Desarrolladora De Infraestructura Hispano-Peninsul	Mexico	Construction	Registration	Global
Hsd Flughafen GmbH	Germany	Logistics Services	Registration	Global
Meltemi South Sp. Z.O.O.	South Africa	Energy	Registration	Global
Tecniomnía Española, S.L.	Madrid	Services	Registration	Global
Vertex Residencial Cuajimalpa, Sa De Cv	Mexico	Property	Registration	Equity method

Acciona Concesiones Canadá 2008 Inc.	Canada	Concession Operation	De-registration	Global
Acciona Energie Windparks Deutschland GmbH	Germany	Energy	De-registration	Global
Compania Eolica Puertollano. S.L.	Puertollano	Energy	De-registration	Global
Corporacion Eolica De Barruelo. S.L.	Madrid	Energy	De-registration	Global
Corporacion Eolica De Manzanedo. S.L.	Madrid	Energy	De-registration	Global
Deutsche Necso Entrecanales Cubiertas GmbH	Germany	Construction	De-registration	Global
Ehn Deutschland, GmbH	Germany	Energy	De-registration	Global
Eolica Gallega Del Atlantico. S.L.	Corunna	Energy	De-registration	Global
Freyssinet, S.A.	Bilbao	Construction	De-registration	Equity method
Makrynoros Societe Anonyme Of Production And Tradi	Greece	Energy	De-registration	Equity method
Parque Eolico Topacios, S.A.	Madrid	Energy	De-registration	Global
Pe Ingenio, S. De R.L. De C.V.	Mexico	Energy	De-registration	Global
Soluciones Mecanicas Y Tecnologicas, S.L.	Navarra	Energy	De-registration	Global
Tranvia Metropolitana Del Besos, S.A.	Barcelona	Concession Operation	De-registration	Equity method
Tranvia Metropolitana, S.A.	Barcelona	Concession Operation	De-registration	Equity method
Trikorfa	Greece	Energy	De-registration	Equity method
Volkmarisdorfer	Germany	Energy	De-registration	Global
Compañía Urbanizada Del Coto, S.L.	Madrid	Property	Change of method	Global

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	Services	Registration	Equity method
Acciona Agua Servicios S.L.	Madrid	Water Treatment	Registration	Global
Acciona Energía Servicios México S De RI De C.V.	Mexico	Energía	Registration	Group
Acciona Energija D.O.O.	Croatia	Energía	Registration	Global
Acciona Energy Oceania Construction Pty Ltd	Australia	Energía	Registration	Global
Acciona Energy Poland Maintenance Services Sp. Z.O.O.	Poland	Energía	Registration	Global
Acciona Engineering Qatar	Qatar	Engineering	Registration	Global
Acciona EPC North America, L.L.C	USA	Energía	Registration	Global
Acciona Facility Services Automocion Aragon, S.L.	Madrid	Urban Services	Registration	Global
Acciona Facility Services Automocion Catalunya, S.L.	Madrid	Urban Services	Registration	Global
Acciona Facility Services Automocion Centro, S.L.	Madrid	Urban Services	Registration	Global
Acciona Facility Services Automocion Este, S.L.	Madrid	Urban Services	Registration	Global
Acciona Facility Services Automocion Levante, S.L.	Madrid	Urban Services	Registration	Global
Acciona Facility Services Italia, S.R.L.	Italia	Urban Services	Registration	Global
Acciona Infraestructuras Residenciales México S.A.	Mexico	Construction	Registration	Global
Acciona Infraestructuras-Elecnor, Hospital David, S.A.	Panamá	Construction	Registration	Global
Acciona Windpower South Africa (Pty) Ltd.	South Africa	Energía	Registration	Global

Aguas Pilar De La Horadada , S.L.	Madrid	Tratamiento Agua	Registration	Global
Amherst Wind Power , L.P.	Canada	Energía	Registration	Global
Baja California Power, S.A. De C.V.	México	Construction	Registration	Proportional method
Bokpoort Epc Consortium (Pty) Ltd.	South Africa	Construction	Registration	Proportional method
Chinook Highway Operations Inc.	Canada	Concession Operation	Registration	Proportional method
Consorcio Hospital Egc, S.A.	Chile	Construction	Registration	Proportional method
Desarrolladora De Infraestructuras Hispano-Mexicanas, S.A. de C.V.	Mexico	Construction	Registration	Global
Firefly Investments 238 (Proprietary) Limited	South Africa	Energía	Registration	Proportional method
Oakleaf Investment Holdings 86 (Proprietary) Limited	South Africa	Energía	Registration	Proportional method
Ouarzazate Solar 1, S.A.R.L.	Morocco	Construction	Registration	Proportional method
Pe Ingenio, S. De R.L. De C.V.	México	Energía	Registration	Global
San Solar Energy Facility (Proprietary) Limited	South Africa	Energía	Registration	Global
Sociedad San Rafael Hidráulica S.A. de C.V.	Mexico	Construction	Registration	Global
Viñedos Viña Mayor, S.L.	Madrid	Wineries	Registration	Global
Vjetrolektrana Cemernica D.O.O.	Croatia	Energía	Registration	Global
Vjetrolektrana Opor D.O.O.	Croatia	Energía	Registration	Global
Acciona Isl Health Victoria Holdco, Ltd	Canada	Hospitals	De-registration	Proportional method
Creuers del Port de Barcelona, S.A.	Barcelona	Logistics Services	De-registration	Equity method
Ibiza Consignatarios, S.L.	Ibiza	Logistics Services	De-registration	Global
Olloquiegui France, Eurl	France	Logistics Services	De-registration	Global
Retiro Inmuebles, S.L.	Madrid	Property	De-registration	Proportional method
Terratest Tecnicas Especiales, S.A.	Madrid	Construction	De-registration	Equity method
Woodlawn Wind Energy Pty. Ltd.	Australia	Energía	De-registration	Equity method
Yeong Yang Windpower	South Korea	Energía	De-registration	Global

APPENDIX V

DETAIL OF CONSOLIDATED RESERVES AND TRANSLATION DIFFERENCES

(Amounts in thousands of euros)

Company	2014		2013	
	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Acciona Airport Services Berlin GMBH	(11,003)	--	(10,220)	--
Acciona Airport Services Frankfurt GMBH	4,311	--	1,156	--
Acciona Airport Services, S.A.	21,055	--	18,241	--
Acciona Services, S.L.			16,677	--
Acciona ISL Health Victoria Holdco LTD	--	--	1,005	--
Acciona Nouvelle Autoroute 30 INC	13,649	--	(40,887)	(8,712)
Acciona Servicios Concesionales, S.L.	(791)	--	(17,564)	--
Apoderada Corporativa General, S.A.	(404)	--	(391)	--
Autovía de los Viñedos, S.A.	(29,113)	--	(21,268)	--
Cirtover, S.L.	93	--	93	--
Coefisa, S.A.	681	30	694	25
Compañía Internacional de Construcciones, S.A.	4,940	437	4,912	67
Consortio Traza, S.A.	(5,840)	--	(2,884)	--
Copane Valores, S.L.	12,608	--	11,587	--
Dren, S.A.	(633)	--	344	--
Entidad Efinen, S.A.	(4,347)	--	(4,347)	--
Finanzas Dos, S.A.	(1,979)	--	(2,147)	--
Finanzas y Cartera Uno	(10)	--	(9)	--
Genérica de Construcciones y Mantenimiento Industrial, S.A.	77	--	77	--
Gestion de Recursos Corporativos, S.L.	(5)	--		
Gran Hospital Can Misses, S.A.	(8,502)	--	(4,353)	--
Hospital De Leon Bajio, S.A. De C.V.	14,160	(825)	12,957	(938)
Inetime, S.A.	(988)	--	(923)	--
Infraestructuras Radiales, S.A.	(58,186)	--	(58,186)	--
Nova Dársena Deportiva de Bara, S.A.	(7,094)	--	(1,089)	--
Packitivity, S.A.	(2,407)	--	(2,407)	--
Rendós, S.A.	(18,312)	--	(18,097)	--
Sdad. Concesionaria Hospital del Norte, S.A.	2,998	--	3,099	--
Sefinco, S.L.	152	--	1,007	--
Terminal de Contenedores Algeciras, S.A.	(9,823)	--	(9,425)	--
Tibest Cuatro, S.A.	1,289	--	1,147	--
Tranvia Metropolitana, S.A.	1,964	--	460	--
Tratamiento de Residuos de la Rad, S.L.	(30,968)	--	(30,967)	--
Sociedad Concesionaria A2 Tramo 2, S.A.	(26,086)	--	(17,479)	--
Sociedad Concesionaria del Canal de Navarra, S.A.	(12,642)	--	(8,150)	--
Sociedad Concesionaria Novo Hospital de Vigo	(2,248)	--	(227)	--
Sociedad Concesionaria Puente del Ebro, S.A.	(14,138)	--	(7,798)	--
Sociedad Levantina de Obras y Servicios, S.A.	1,657	--	1,700	--

Subgroup Acciona Agua	77,401	(2,857)	69,303	(5,102)
Subgroup Acciona Concesiones	(31,990)	253	(19,212)	(311)
Subgroup Acciona do Brasil	--	--	9,628	252
Subgroup Acciona Infraestructuras	412,491	(11,817)	697,875	(14,834)
Subgroup Acciona Inmobiliaria	(292,542)	(10,961)	(166,716)	(8,768)
Subgroup Acciona Logística	(211,620)	635	(73,281)	692
Subgroup Acciona Services y M.A.	(28,335)	(94)	363	(411)
Subgroup Bestinver	71,527	--	89,896	--
Subgroup Corporación Acciona Energías Renovables	(699,806)	2,071	736,397	(25,788)
Subgroup Corporación Acciona Windpower	(99,262)	1,642	33,213	2,350
Subgroup Corporación de Explotaciones y Servicios			3,743	--
Subgroup Finanzas y Cartera Dos	(20)	--	(15)	--
Subgroup Hijos de Antonio Barceló	40,926	(347)	39,514	345
Subgroup MDC Airport Consult GMBH	(5,309)	--	(4,418)	--
Subgroup Mostostal Warszawa	(36,689)	(3,164)	(7,149)	(1,864)
Subgroup Tictres	(16,740)	--	(16,258)	--
Reserves for consolidation adjustments in the Parent	1,449,392	(267)	187,011	(633)
Consolidation adjustments	(83,629)	--	(103,320)	2
Total	379,910	(25,264)	1,292,912	(63,628)

APPENDIX VI

DISCLOSURE OF THE MAIN CONCESSIONS

Water Division:

Name	Description	Period	Country	ACCIONA	Status	Consolidation method	Asset class
EDAR 8B	Construction, operation and maintenance of waste water treatment facilities in "Area 08B" of the Aragonese Sewage Plan	2008-2028	Spain	100.0%	Operational	Global integration	Intangible asset
EDAR 7B	Construction, operation and maintenance of waste water treatment facilities in "Area 07B" of the Aragonese Sewage Plan	2011-2031	Spain	100.0%	Operational	Global integration	Intangible asset
IDAM Alicante	Construction, operation and maintenance of seawater desalinization facilities in Alicante	2000-2018	Spain	50.0%	Operational	Global integration	Financial asset
IDAM Javea	Construction, operation and maintenance of seawater desalinization facilities in Javea	2001-2023	Spain	100.0%	Operational	Proportional method	Financial asset
IDAM Cartagena	Construction, operation and maintenance of seawater desalinization facilities in Cartagena	2001-2020	Spain	62.5%	Operational	Proportional method	Financial asset
IDAM Ciutadella	Construction, operation and maintenance of seawater desalinization facilities in Ciutadella	2007-2026	Spain	100.0%	Operational	Global integration	Financial asset
IDAM Fouka	Construction, operation and maintenance of seawater desalinization facilities in Tipaza	2008-2036	Algeria	25.5%	Operational	Equity method	Financial asset
IDAM Ibiza –Portmany	Refurbishment, operation and maintenance of seawater desalinization facilities in San Antonio, Portmany and Ibiza	2010-2024	Spain	50.0%	Operational	Equity method	Financial asset
PTAR Atotonilco	Construction, operation and maintenance of waste water treatment facilities in Atotonilco	2010-2035	Mexico	24.3%	Construction	Equity method	Financial asset
WWTP Mundaring	Construction, operation and maintenance of waste water treatment facilities in Mundaring	2011-2048	Australia	25.1%	Operational	Equity method	Financial asset
PTAR La Chira	Construction, operation and maintenance of waste water treatment facilities in La Chira	2011-2027	Peru	50.0%	Construction	Equity method	Financial asset
IDAM Sureste	Enlargement and adaptation, operation and maintenance of seawater desalinization facilities in the South-East of Gran Canaria island	2002-2014	Spain	100.0%	Operational	Global integration	Intangible asset
IDAM Arucas Moya	Enlargement, operation and maintenance of seawater desalinization facilities in Arucas / Moya	2008-2024	Spain	100.0%	Operational	Global integration	Intangible asset

Infrastructure Division:

Name	Description	Period	Country	ACCIONA	Status	Accounting methodology	Asset class
Chinook roads (SEST)	Availability-payment highway included in the Calgary ring road (25 km)	2010 - 2043	Canada	5%	Operational	Equity method	Financial asset
Autovía de los Viñedos	Construction, operation and maintenance of the CM-42 dual carriageway between Consuegra and Tomelloso (74.5 km). Shadow toll	2003 - 2033	Spain	50%	Operational	Equity method	Intangible asset
Ruta 160	Refurbishment, conservation and operation of Route 160, connecting Tres Pinos and the Northern access road to Coronel (91 km). Explicit toll	2008 – 2048	Chile	100%	Construction and Operational	Global integration	Financial asset
Infraestructuras y radiales (R-2)	Construction and operation of the R-2 toll motorway between Madrid and Guadalajara (includes conservation of the stretch of the M-50 between the A1 and the A2 motorways). Explicit toll	2001 – 2039	Spain	25%	Operational	Equity method	Intangible asset
Rodovia do Aç	Recovery, operation and maintenance of the BR-393 trunk road (200.4 km) in the state of Rio de Janeiro (between Volta Redonda and Além). Explicit toll	2008 – 2033	Brazil	100%	Construction and Operational	Global integration	Intangible asset
A2 - Tramo 2	Remodelling, restoration, operation and maintenance of 76.5 km of the R2 road between km 62 and km 139 (province of Soria to Guadalajara). Shadow toll	2007 – 2026	Spain	100.0%	Operational	Global integration	Intangible asset
Puente del Ebro	Toll motorway between the N-II and N-232 roads (5.4 km; 400 m over the Ebro river). Shadow toll	2006 – 2036	Spain	50%	Operational	Equity method	Intangible asset
Windsor Essex Parkway	Design, construction and operation of an 11 km toll road connecting Windsor (Ontario - Canada) and the US border (Detroit - Michigan)	2010 – 2044	Canada	33%	Construction	Equity method	Financial asset
Nouvelle Autoroute A-30	Construction and operation of Montreal's Motorway 30 between Châteauguay and Vaudreuil-Dorion (74 km). Explicit toll	2008 – 2043	Canada	5%	Operational	Equity method	Financial asset
Autovía Gerediaga – Elorrio	Construction, conservation and operation of the N-636 road in the stretch from Gerediaga to Elorrio and the conservation and operation of the stretch already built of the Elorrio Bypass. Availability payment	2012 - 2042	Spain	23%	Construction	Equity method	Financial asset
Autovía del Almanzora	Construction and operation of a 40.76 km stretch of dual carriageway in the province of Almería between Purchena and the Autovía del Mediterráneo (A-7) dual carriageway. Availability payment	2012 - 2044	Spain	24%	Construction	Equity method	Financial asset
Autovía de la Plata	Execution, conservation and operation of the Autovía de la Plata (A-66) dual carriageway between Benavente and Zamora. Stretches: A6 (Castrogonzalo) to Santovenia del Esla, Santovenia del Esla to Fontanillas de Castro, Fontanillas de Castro to Zamora. Availability payment	2012 - 2042	Spain	25%	Construction	Equity method	Intangible asset
Consortio Traza (Tranvía Zaragoza)	Construction and operation of the tramway crossing the city of Zaragoza from north to south	2009 – 2044	Spain	17%	Operational	Equity method	Branched

	(12.80 km)						
Canal de Navarra	Construction and operation of the first phase of the area under irrigation from the Canal de Navarra	2006 - 2036	Spain	35%	Operational	Equity method	Branched
Nova Darsena Esportiva de Bara	Construction and operation of the sports marina at Roda de Bara. Revenue from assignment and rental of moorings, storage and commercial areas (191,771 m ²)	2005 - 2035	Spain	50%	Operational	Equity method	N/A
Fort St John	Design, construction, fitting-out and O&M of a new hospital with 55 beds, including an ICU and centre for the elderly (123 beds)	2009 - 2042	Canada	5%	Operational	Equity method	Financial asset
Hospital de Leon Bajio	Design, construction, fitting-out and O&M of the hospital (184 beds)	2005 - 2030	Mexico	100%	Operational	Equity method	Financial asset
Hospital del Norte (Madrid)	Design, construction, fitting-out and O&M of the hospital. Surface area of 90,000 m ² divided into 4 blocks (283 beds)	2005 - 2035	Spain	95%	Operational	Global integration	Financial asset
Gran Hospital Can Misses (Ibiza)	Design, construction, fitting-out and O&M of the hospital. Surface area of 72,000 m ² and a health centre (241 beds)	2010 - 2045	Spain	40%	Construction and Operational	Equity method	Financial asset
Novo Hospital de Vigo	Design, construction, fitting-out and O&M of 3 hospitals. Surface area of 300,000 m ² (175,000 m ² for the hospital and 125,000 m ² for parking areas). (2007 beds)	2011 - 2035	Spain	43%	Construction	Equity method	Financial asset

ACCIONA, S.A. AND SUBSIDIARIES
(CONSOLIDATED GROUP)
MANAGEMENT REPORT FOR THE 2014 FINANCIAL YEAR

EXECUTIVE SUMMARY

Income Statement Data

<i>(Million euro)</i>	Jan-Dec 13	Jan-Dec 14	Chg.(%)
Revenues	6,271	6,499	3.6%
EBITDA	1,062	1,087	2.4%
EBIT	(1,832)	572	n.m.
Ordinary EBIT	29	233	698.3%
EBT	(2,174)	277	n.m.
Net attributable profit	(1,972)	185	n.m.

Balance Sheet Data and Capital Expenditure

<i>(Million euro)</i>	31-Dec-13	31-Dec-14	Chg. %
Equity	3,396	3,613	6.4%
Net debt	6,040	5,294	(12.3%)
Ordinary capital expenditure	339	340	0.2%

Operating Data

	31-Dec-13	31-Dec-14	Chg. %
Construction backlog (Million euro)	5,680	5,693	0.2%
Water backlog (Million euro))	9,916	9,358	(5.6%)
Total wind installed capacity (MW)	7,140	7,087	(0.7%)
Total installed capacity (MW)	8,502	8,502	0.0%
Total production (GWh) (Jan-Dec)	22,404	21,450	(4.3%)
Average workforce	32,982	33,559	1.7%

Key highlights of FY 2014

- **IFRS 11 implementation:** IFRS 11 – Joint Arrangements - came to force on 1 January, 2014, replacing IAS 31 which had been effective until that date. IFRS 11 has implications on some ACCIONA Group companies which were formerly consolidated under the proportional method and are now consolidated by the equity method. This new accounting rule requires that the 2013 financial statements are re-expressed on a like-for-like basis in order for the information to be consistent between reporting periods. Therefore, all the references and figures of 2013 have been restated under the new methodology.
- **Accounting useful life of wind assets extended:** ACCIONA Group has extended the useful life of its wind assets from 20 to 25 years. The analysis has been based on both internal and external sources. As a result, the line “Depreciation and amortization” in the

consolidated income statement reflects the impact of this change since January 1 2014, resulting in 122 million euros lower depreciation charges in 2014. This accounting change affects all wind assets whether national or international.

- **Strategic alliance with KKR:** The closing of the disposal of one third of ACCIONA Energía Internacional to KKR took place on 3 October, after the conditions precedent were met for most of the companies and assets within the perimeter.
 - ACCIONA Energía Internacional encompasses almost all the group international capacity which amounts to 2.2 GW (net) of wind, photovoltaic and solar thermal installed capacity, distributed among 11 countries among which the USA, Mexico, Australia, Italy, Portugal, Canada, South Africa, India and Poland stand out.
 - The closing of the transaction implied a cash inflow 397¹ million euros. This amount could increase by 50 million euros depending on the result of a potential public offering of certain renewable assets grouped in a specific investment vehicle (“Yieldco”) that the partners intend to pursue.
- **Divestments:**
 - The sale of the German renewable portfolio to Swisspower Renewables, agreed in December 2013, was completed in January. The portfolio consisted of 18 wind parks with a consolidated capacity of 150.3 MW and weighted average life of 8 years. The transaction amounted to 157 million euros including net financial debt of 85 million euros. The capital gain amounted to 28 million euros. The debt associated to this asset was deconsolidated as of December 2013 (debt of assets held for sale).
 - The sale to Globalvía of 11.78% and 12.88% of the shares owned by ACCIONA in the companies which manage the two tram lines which run in the city of Barcelona, Tramvia Metropolità and Tramvia Metropolità del Besòs respectively. The total amount of the deal was 16 million euros and the capital gain was 8 million euros.
 - The sale of the stake of the Group in Bolsas y Mercados Españoles (BME) took place in July. The amount of the transaction was 28 million euros and the capital gain was 27 million euros.
 - The sale of a percentage of the stake that ACCIONA owns in three Canadian concessions took place in December. The amount of the transaction was 83 million euros resulting in a capital loss of 14 million euros.
 - Additionally, the sale of two companies of the construction division took place during last quarter. The total amount of both transactions was 39 million euros and the capital gain was 9 million euros.
- **First convertible bond issue:** ACCIONA issued on the 16th January 2014 a convertible bond for a total amount of 342 million euros, with a fixed annual coupon of 3% and 5-year maturity. The bond is convertible into existing or new shares and the conversion price was set at € 63.02 per share.
- **Royal Decree 413/2014:** On 10th of June 2014, the official gazette BOE published Royal Decree 413/2014 containing the regulation of electricity generation from renewable, cogeneration and waste sources. Subsequently, on 29th June, IET Order 1045/2014 was published. This order contains the new parameters for the remuneration of all renewable

¹ Pending compliance with certain conditions for some assets. An additional payment will be made once these conditions are fulfilled.

installations, existing and future. The new regulatory model defines the remuneration of these assets to be applied from 9th July 2013, in accordance with RD-L 9/2013. Neither the structure of the remuneration model, nor the final parameters represent significant differences from those contained in the drafts published in February as part of the CNMC public consultation process. The results of the energy division for the first nine months of 2013 did not reflect any impact from RD-L 9/2013. After conducting an assessment of the effect, their impact was registered in December.

CONSOLIDATED INCOME STATEMENT

<i>(Millions of euros)</i>	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Revenues	6,271	6,499	228	3.6%
Other revenues	328	363	35	10.9%
Changes in inventories of finished goods and work in progress	4	-7	-11	n.a.
Total Production Value	6,603	6,855	252	3.8%
Cost of goods sold	-1,448	-1,854	-406	28.1%
Personnel expenses	-1,307	-1,275	32	(2.5%)
Other expenses	-2,786	-2,639	147	(5.3%)
EBITDA	1,062	1,087	25	2.4%
Depreciation and amortization	-701	-494	207	(29.5%)
Provisions	-387	-53	334	(86.3%)
Impairment of assets value	-1,814	-18	1,796	n.a.
Results on non current assets	10	50	40	382.0%
Other gains or losses	-2	0	2	n.a.
EBIT	-1,832	572	2,404	n.a.
Net financial result	-346	-367	-21	6.0%
Exchange differences (net)	-19	5	24	n.a.
Var. provisions financial investments	-2	-1	1	(35.1%)
Income from associated companies	25	46	21	83.5%
Variation in fair value of financial instruments	0	22	22	n.a.
EBT	-2,174	277	2,451	n.a.
Income tax	146	-70	-216	n.a.
Profit from Continuing Activities	-2,028	207	2,235	n.a.
Minority interest	56	-22	-78	n.a.
Attributable Net Profit	-1,972	185	2,157	n.a.

Revenues

<i>(Millions of euros)</i>	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Energy	1,972	2,200	228	11.6%
Infrastructure	3,775	3,727	(48)	(1.3%)
Construction	2,652	2,627	(25)	(1.0%)
Water	495	409	(86)	(17.2%)
Services	628	691	63	10.1%
Other activities	635	692	57	9.1%
Consolidatoin Adjustment	(111)	(120)	(9)	9.1%
TOTAL Revenues	6.271	6.499	228	3,6%

Consolidated revenues increased by 3.6% to 6.5 billion euros, mainly due to the combined effect of the following factors:

- Increase of the Energy revenues (+11.6%) as a result of the strong contribution from AWP which offsets the negative impact of the regulatory changes in Spain in force since the second half of 2013 (RD-L 9/2013).
- Growth in Services revenues (+10.1%) due to the good performance of Facility Services and Other Activities (+9.1%).
- Decrease in Water revenues (-17.2%) mainly due to the decline of the design and construction activity.
- Decrease of Construction revenues (-1.0%) due to the activity decline.

EBITDA

<i>(Millions of euros)</i>	Jan-Dec 13	% EBITDA	Jan-Dec 14	% EBITDA	Chg. (€m)	Chg. (%)
Energy	854	80.5%	788	72.5%	(66)	(7.7%)
Infrastructure	121	11.4%	173	15.9%	52	43.4%
Construction	60	5.6%	118	10.9%	58	97.2%
Water	40	3.8%	35	3.2%	(5)	(14.3%)
Services	21	1.9%	21	1.9%	0	0.1%
Other activities	87	8.1%	126	11.5%	39	44.4%
Consolidation adjustments	0	n.a.	(0)	n.a.	(0)	n.a.
TOTAL EBITDA	1,062	100.0%	1,087	100.0%	25	2.4%
Margin (%)	16.9%		16.7%			(0.2) p.p.

The EBITDA in FY 2014 increased by 2.4% to 1.09 billion euros mainly due to the better performance of the Construction and Other Activities businesses and despite of the lower contribution of the Spanish Energy business as a consequence of the significant impact of the regulatory changes.

It is worth stressing that the negative impact of the RD-L 9/2013 on EBITDA was 188 million euros. Otherwise the Group's EBITDA would have increased by 11.8% (taking into consideration that the 2013 results were already affected by these regulatory changes).

The EBITDA margin stood at 16.7%, in line with FY 2013 (16.9%).

With respect to the relative EBITDA contribution of the divisions: Energy contributed the most (73%), followed by Construction (11%). Other Activities contributed 16% of EBITDA.

EBIT

EBIT reached 572 million euros versus losses of -1.83 million euros in FY 2013.

This variation is mainly explained by:

- Significant asset impairment accounted in 2013 mainly related to the Spanish renewable assets after the impact of the regulatory changes in Spain.
- The lower depreciation charges resulting from the combined effect of the change of criteria for the life of the wind assets - increased from 20 to 25 years - with a positive impact of

122 million euros, and to the lower asset base subject to depreciation due to the assets impairments implemented as of December 2013.

- The results generated by corporate divestments carried out during the year.

EBT

<i>(Millions of euros)</i>	Jan-Dec13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Energy	7	86	79	n.a.
Infrastructure	(1)	90	91	n.a.
Construction	(28)	55	83	n.a.
Water	24	28	4	14.1%
Services	3	7	4	122.6%
Other activities	21	55	34	162.4%
Consolidation adjustments	2	2	--	(13.4%)
Ordinary EBT	29	233	204	698.3%
Extraordinaries	(2,203)	44	2,247	n.a.
TOTAL EBT	(2,174)	277	2,451	n.a.
Margin (%)	(34.7%)	4.3%		+38.9pp

Ordinary EBT amounted to 233 million euros versus 29 million euros in FY 2013 thanks to the growth of all the Group's businesses.

Total EBT including extra-ordinaries amounted to 277 million euros. EBT would have been 346 million euros higher were it not for the energy reforms introduced in Spain at the end of 2012.

Attributable Net Profit

Attributable net profit amounted to 185 million euros versus losses of -1.97 billion euros in 2013.

Consolidated Balance Sheet

<i>(Millions of euros)</i>	31-Dec-13	31-Dec-14	Chg. (€m)	Chg. (%)
Property, Plant & Equipment and Intangible assets	8,589	8,733	144	1.7%
Financial assets	713	546	-167	(23.4%)
Goodwill	79	79	0	(0.0%)
Other non-current assets	1,387	1,413	26	2.0%
NON-CURRENT ASSETS	10,768	10,771	3	0.0%
Inventories	1,020	1,043	23	2.2%
Accounts receivable	1,787	1,940	153	8.6%
Other current assets	265	281	16	5.9%
Current financial assets	333	369	36	10.5%
Cash and Cash equivalents	1,164	1,327	163	14.0%
Assets held for sale	353	412	59	16.8%
CURRENT ASSETS	4,922	5,372	450	9.1%
TOTAL ASSETS	15,690	16,143	453	2.9%

Capital	57	57	0	0.0%
Reserves	5,151	3,167	-1,984	(38.5%)
Profit attributable to equity holders of the parent	-1,972	185	2,157	n.a
Own Securities	-6	-29	-23	347.2%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	3,230	3,380	150	4.6%
MINORITY INTERESTS	166	233	67	40.3%
EQUITY	3,396	3,613	217	6.4%
Interest-bearing borrowings	5,572	5,918	346	6.2%
Other non-current liabilities	1,773	2,001	228	12.8%
NON-CURRENT LIABILITIES	7,345	7,919	574	7.8%
Interest-bearing borrowings	1,965	1,072	-893	(45.5%)
Trade payables	2,156	2,558	402	18.7%
Other current liabilities	648	660	12	1.9%
Liabilities associated to assets held for sale	180	321	141	78.6%
CURRENT LIABILITIES	4,949	4,611	-338	(6.8%)
TOTAL LIABILITIES AND EQUITY	15,690	16,143	453	2.9%

Attributable Equity

ACCIONA's attributable equity as of 31 December 2014 amounted to 3.38 billion euros, 4.6% higher than in December 2013.

Net Financial Debt

<i>(Millions of euros)</i>	31-Dec-13		31-Dec-14			
	(€m)	% Total	(€m)	% Total	Chg. (€m)	Chg. (%)
Interest-bearing borrowings without recourse	4,763	63.2%	4,954	70.9%	191	4.0%
Interest-bearing borrowings with recourse	2,774	36.8%	2,036	29.1%	(738)	(26.6%)
Total interest-bearing debt	7,537	100.0%	6,990	100.0%	(547)	(7.3%)
Cash + Cash equivalents	(1,497)		(1,696)		(199)	13.3%
Net financial debt	6,040		5,294		(746)	(12.3%)

Net financial debt fell from 6.04 billion euros as of 31 December 2013 to 5.29 billion euros as of 31 December 2014. Such decrease was mainly due to cash generation from operating activities and divestments carried out during the year which have offset the net negative cash flow from CapEx and financing activities.

The financial debt as of December 2014 has been negatively impacted by the mark to market effect of the derivatives and the evolution of the exchange rate trends. Due to these two effects the debt has increased by 259 million euros. Without them the net financial debt would have decreased by 1 billion euros versus December 2013.

Financial gearing has evolved as follows:

<i>(Millions of euros)</i>	31-Dec-13	31-Dec-14
Net debt	6,040	5,294
Gearing (Net Debt/Equity) (%)	178%	147%

In January ACCIONA announced its first convertible bond issue, amounting to 342 million euros with a fixed annual coupon of 3%. The conversion price was set at € 63.021 per share and the bonds are convertible into existing or newly issued shares.

In January 2013 ACCIONA also formalized the Euro Commercial Paper Programme (ECP) which was renewed for the last time on 29 October 2014 for another twelve months and for a maximum amount of 500 million euros. This programme is registered in the Irish Stock Exchange. Notes are issued in the Euro market and have a maturity ranging from 15 to 364 days. It is to be highlighted the significant increase in the balance of these notes which went from amounting 160 million euros as of 31 December 2013 to 428 million euros as of 31 December 2014.

In April there has been an issue of simple bonds, through private placement, amounting to 63 million euros, and maturing in 2024. The nominal value of each bond is € 100,000 and bearing a coupon of 5.55% per annum payable annually.

Additionally, in July ACCIONA formalized a program of debt securities (EMTN) for a maximum amount of 1 billion euros. As of 31 December 2014 the balances arising from this EMTN programme in the non-current and current debenture and bonds accounts, net of costs and considering accrued interest amount to 165 and 2.7 million euros, respectively.

Capital Expenditure

<i>(Millions of euros)</i>	Jan-Dec 13	Jan-Dec 14
Energy	205	282
Infrastructure	196	70
Construction	156	39
Water	30	9
Services	10	22
Other activities	(62)	(12)
Ordinary Net Investments	339	340
Extraordinary divestment	(104)	(629)
Total Net Investments	236	(289)

Net ordinary capital expenditure across ACCIONA's divisions amounted to 340 million euros, in line with 2013. Energy represents the biggest share of the investment effort with 282 million euros.

Results by Division

Energy

(Millions of euros)	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Generación	1,432	1,240	(192)	(13.4%)
Industrial, desarrollo y otros	540	960	420	77.7%
Cifra de Negocios	1,972	2,200	228	11.6%
Generación	987	824	(163)	(16.5%)
Industrial, desarrollo y otros	(133)	(36)	97	(72.8%)
EBITDA	854	788	(66)	(7.7%)
Margen (%)	43.3%	35.8%		
BAI	7	86	79	1180.7%
Margen (%)	0.3%	3.9%		

ACCIONA Energy revenues increased by 11.6% to 2.2 billion euros. The EBITDA decreased by 7.7% to 788 million euros and the EBITDA margin contracted 7.5 percentage points to 35.8% versus 43.3% in FY 2013. EBT amounted to 86 million euros versus 7 million euros last year.

The results are mainly driven by the following factors:

- The severe impact of the successive regulatory changes in Spain. RD-L 9/2013 in force since 14th July 2013 has impacted the EBITDA of the division by -188 million euros. Otherwise, EBITDA would have increased by 4.7% (taking into consideration that FY 2013 results already showed regulatory impact).
- The net increase of the consolidated installed capacity by 1 MW in the last twelve months due to the combined effect of:
 - The sale of 150 MW wind power in Germany in Q1 2014 and 41 MW of hydro in Spain in Q4 2014.
 - The installation of 98 MW of new wind capacity (45 MW in Chile, 45 MW in South Africa and 8 MW in Costa Rica) and 94 MW of photovoltaic solar power in South Africa.
- At an operational level, the division presents a performance slightly lower than last year with a consolidated production of 17,572 GWh, 3.4% lower than FY 2013 mainly due to a lower wind load factor in Spain.
- It is worth highlighting the significant improvement of “industrial activity and development” with an EBITDA net improvement of 93 million euros relative to the same period last year, boosted by the good performance of ACCIONA Windpower which installed 762 MW versus 205 MW in FY 2013.

EBITDA from industrial activity and development

(Millions of euros)	Jan-Dec 13	Jan-Dec 14	Var. (€m)
Biofuels & others	(5)	(2)	3
Windpower	(52)	39	91
Development and construction	(27)	(28)	(1)
Total EBITDA Industrial & development	(84)	9	93

Breakdown of Installed Capacity and Production by Technology

	Totales		Consolidados		Netos	
31-Dec-14	Installed MW	Produced GWh	Installed MW	Produced GWh	Installed MW	Produced GWh
Wind Spain	4,743	10,378	3,465	7,295	4,075	8,763
Wind International	2,344	7,104	2,102	6,395	1,409	4,308
USA	627	2,161	552	1,889	371	1,270
Mexico	556	2,174	557	2,174	361	1,412
Australia	305	932	239	755	181	562
Canada	181	516	103	303	69	202
Italy	156	239	156	239	104	159
Portugal	120	308	120	308	75	190
India	86	226	86	226	57	151
Poland	71	148	71	148	47	99
Costa Rica	50	127	50	127	32	83
Greece	48	119	48	119	35	86
Chile	45	28	45	28	30	18
South Africa	45	0	45	0	15	0
Croatia	30	79	30	79	20	53
Hungary	24	47	0	0	12	23
Total Wind	7,087	17,482	5,567	13,690	5,484	13,071
Hydro special regime	248	857	248	857	248	857
Conventional Hydro	641	2,076	640	2,076	640	2,075
Biomass	61	405	61	405	59	389
Solar PV	143	113	97	27	55	49
Solar Thermoelectric	314	516	314	516	262	431
Cogeneration	9	1	9	1	9	1
Total otras Other technologies	1,416	3,968	1,369	3,882	1,273	3,802
Total Energy	8,503	21,450	6,936	17,572	6,757	16,873
Total Spain	5,955	14,119	4,676	11,036	5,253	12,441
Total International	2,548	7,331	2,260	6,536	1,504	4,432

The application of new accounting rule results in a change in the consolidation method of 682 MW, which are now consolidated under the equity method whereas previously consolidated proportionally. Together with the 16 MW that ACCIONA already consolidated by the equity method, the Group now accounts for 698 MW via the equity method.

Infrastructure

<i>(Millions of euros)</i>	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Construction	2,652	2,627	(25)	(1.0%)
Water	495	409	(86)	(17.2%)
Services	628	691	63	10.1%
Revenues	3,775	3,727	(48)	(1.3%)
Construction	60	117	57	97.2%
Water	40	35	(5)	(14.3%)
Services	21	21	--	0.1%
EBITDA	121	173	52	43.4%
<i>Margin (%)</i>	3,2%	4,6%		
EBT	(1)	90	91	n.a.
<i>Margin (%)</i>	0.0%	2.4%		

ACCIONA has brought together its operations of Construction, Water and Services under a single division. This new structure brings the following benefits:

- Common and integrated international structure to support Construction, Water and Service business development.
- A single and more comprehensive global offer to clients.
- Additional business opportunities from synergies among business units.
- More efficient international organizational structure to support the business.
- Focus on accountability and risk control through specialization, technical excellence and consistent execution.

A. Construction

<i>(Millions of euros)</i>	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Construction & Engineering	2,541	2,517	(24)	(1.0%)
Concessions	111	110	(1)	(0.8%)
Revenues	2,652	2,627	(25)	(1.0%)
Construction & Engineering	19	77	58	302.6%
Concessions	41	40	(1)	(0.4%)
EBITDA	60	117	57	97.2%
<i>Margin (%)</i>	2,3%	4,5%		
EBT	(28)	55	83	n.a.
<i>Margin (%)</i>	(1.1%)	2.1%		

Revenues amounted to 2.63 billion euros, 1.0% lower than in FY 2013 mainly due to a decrease in the levels of activity in construction.

EBITDA increased by 97.2% reaching 118 million euros with a margin of 4.5% (versus 2.3% in FY 2013). The improvement in EBITDA is mainly due to the increase in the international construction volumes.

With respect to the concession business, its revenues and EBITDA remained in line with those of FY 2013.

The sale of the concessions in the last months has no effect in the EBITDA as they were accounted by equity method.

- Hospital Royal Jubilee in Canada (Q3 2013)
- Trams Tramvia Metropolitana and Tramvia Metropolitana del Besòs in Barcelona (Q2 2014)
- The sale of a percentage of the stake that ACCIONA holds in three Canadian concessions: Nouvelle Autoroute A-30, Chinook roads (SEST) and hospital Fort St John (Q4 2014)

Construction Backlog

As of 31 December 2014 the construction backlog amounted to 5.70 billion euros, in line with December 2013. The international backlog reached an overall weight of 64% out of the total backlog versus 54% at the end of 2013.

During 2014, new works contracted amounted to 2.54 billion euros, of which 82% came from international markets. It is worth mentioning the award in Q4 of the construction contract for 12 Km of a light rail route in Sydney. Besides, the company was also awarded two large projects in Mexico, namely the Baja California V power plant and the General Hospital of Nogales as well as the Warreel Creek Nambruca highway in Australia.

<i>(Millions of euros)</i>	31-Dec-13	31-Dec-14	Chg. (%)	Weight (%)
Civil Works Spain	1,851	1,521	(17.8%)	26.7%
Civil Works International	2,554	3,153	23.5%	55.4%
Total Civil Works	4,405	4,674	6.1%	82.1%
Non Residential Spain	532	312	(41.5%)	5.5%
Non Residential International	278	265	(4.6%)	4.7%
Total Non Residential	810	577	(28.9%)	10.1%
Residential Spain	24	26	9.9%	0.5%
Residential International	20	34	73.0%	0.6%
Total Residential	44	60	38.4%	1.1%
ANA Development Spain	0	0	0.0%	0.0%
ANA Development International	16	19	24.0%	0.3%
Total ANA Development	16	19	23.4%	0.3%
Other*	405	363	(10.6%)	6.4%
TOTAL	5,680	5,693	0.2%	100.0%
<i>Total Spain</i>	<i>2,630</i>	<i>2,062</i>	<i>(21.6%)</i>	<i>36.2%</i>
<i>Total International</i>	<i>3,050</i>	<i>3,631</i>	<i>19.0%</i>	<i>63.8%</i>

* Other includes: Construction auxiliary, Engineering and Other.

Concessions

As of 31 December ACCIONA held a portfolio of 20 concessions with a book value of 1.39 billion euros (435 million euros in equity and 956² million euros in net debt).

² It includes the debts of the concessions accounted by the equity method (607 million euros).

The sale to Globalvía of 11.78% and 12.88% of the shares owned by ACCIONA in the companies managing the two tram lines in the city of Barcelona, *Tramvia Metropolità* and *Tramvia Metropolità del Besòs*, was carried out in June 2014.

The sale of the Canadian concession Royal Jubilee Hospital was completed in August 2013.

As a result of the new accounting rules, six concessions are now accounted via the equity method.

B. Water

(Millions of euros)	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Revenues	495	409	(86)	(17.2%)
EBITDA	40	35	(5)	(14.3%)
<i>Margin (%)</i>	<i>8.20%</i>	<i>8.40%</i>		
EBT	24	28	4	14.1%
<i>Margin (%)</i>	<i>4.9%</i>	<i>6.8%</i>		

The Water division has shown a 17.2% decline in revenues to 409 million euros mainly due to the reduction of the design & construction activity derived from the finalization of the main ongoing works in 2013.

EBITDA amounted to 35 million euros, 14.3% lower than last year.

Water Backlog

Water backlog as of December 2014 stood at 9.36 billion euros, 6% less than twelve months ago.

(Millions of euros)	31-Dec-13	31-Dec-14	Chg. (%)
D&C	425	336	(20.9%)
O&M	9,491	9,022	(4.9%)
TOTAL	9,916	9,358	(5.6%)
(Millions of euros)	31-Dec-13	31-Dec-14	Chg. (%)
Spain	8,969	8,377	89.5%
International	947	981	10.5%
TOTAL	9,916	9,358	100.0%

C. Services

(Millions of euros)	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Revenues	628	691	63	10.1%
EBITDA	21	21	0	0.1%
<i>Margin (%)</i>	<i>3.3%</i>	<i>3.0%</i>		
EBT	3	7	4	122.6%
<i>Margin (%)</i>	<i>0.5%</i>	<i>1.0%</i>		

ACCIONA Service encompasses a series of services: airport handling services, facility services, logistic services, waste management and others.

The division reported an increase in revenues of 10.1% reaching 691 million euros as a result of higher volumes of facility service activity. The EBITDA level has also reported positive, reaching 21 million euros, in line with December 2013.

Other Activities

<i>(Millions of euros)</i>	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Trasmediterranea	419	417	(2)	(0.3%)
Real estate	59	94	35	57.6%
Bestinver	113	135	22	19.6%
Winery	38	40	2	4.5%
Corp. & other	6	6	--	21.0%
Revenues	635	692	57	9.1%
Trasmediterranea	11	30	19	178.9%
Real estate	(2)	3	5	n.a.
Bestinver	78	96	18	22.2%
Winery	5	5	--	(7.6%)
Corp. & other	(5)	(8)	(3)	41.7%
EBITDA	87	126	39	44.4%
<i>Margin (%)</i>	<i>13.7%</i>	<i>18.1%</i>		
EBT	21	55	34	162.4%
<i>Margin (%)</i>	<i>3.3%</i>	<i>7.9%</i>		

During 2014, this division, which includes Trasmediterranea, property, Bestinver, wineries and others, reported revenues of 692 million euros, 9.1% higher than in 2013.

Its EBITDA also increased to 126 million euros, 44.4% above FY 2013 levels, boosted by the improving performance of Trasmediterranea, Bestinver and the property business.

Trasmediterranea:

Trasmediterranea improved its EBITDA by 19 million euros.

During this period, the number of passengers and vehicles decreased by 10.3% and 13.9% respectively. The lane metres increased by 5.9%.

The increase of 19 million euros in EBITDA versus 2013 is mainly explained by the increase of the average prices reported in passengers and vehicles and the decrease in fuel costs.

	Jan-Dec 13	Jan-Dec 14	Var. (%)
Passengers served	2,635,721	2,363,924	(10.3%)
Cargo handled (lane metres)	5,161,963	5,466,305	5.9%
Vehicles	630,212	542,597	(13.9%)

Property:

Property EBITDA reached 3 million euros versus the loss of 2 million euros in 2013 as a result of international development activity (Mexico in particular).

	31-Dec-13	31-Dec-14	Chg. (%)
Housing stock	649	535	(17,6%)

Out of the 535 units, 19 are international units.

Bestinver:

Bestinver's assets under management stood at 6.47 billion euros as of 31 December 2014.

Bestinver reported an EBITDA of 96 million euros (+22.2%) versus FY 2013.

MATERIAL INFORMATION, DIVIDEND AND SHARE DATA

Significant communications to the stock market

- **16 January 2014: ACCIONA informs of the issue of bonds convertible into shares**
 - The Company has approved the definitive terms and conditions of the Issue set out below:
 - The initial size of the Issue is 325 million euros, which may be increased up to an aggregate principal amount of 50 million euros.
 - It will accrue a fixed annual coupon of 3% payable semi-annually, commencing on 30 July 2014.
 - The initial conversion price has been set at € 63.02 per ordinary share, which represents a premium of approximately 32.5% over the volume-weighted average price on the Spanish Automated Quotation System of the Issuer's ordinary shares during the period between launch and the establishment of the final terms of the Issue.
 - 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.
- **23 January 2014: ACCIONA informs on the closing of the sale of the share capital of ACCIONA Energie Windparks Deutschland GmbH, ACCIONA Energie Deutschland GmbH and Volksmarsdorfer Windparkbetriebs GmbH, owners of 18 operating wind farms located in Lower Saxony and Brandenburg (Germany).**
 - ACCIONA Energía Internacional S.A. has entered into a sale and purchase agreement with two companies of the Swisspower Renewables AG Group over the entire share capital of ACCIONA Energie Windparks Deutschland GmbH, ACCIONA Energie Deutschland GmbH and Volksmarsdorfer Windarkbetriebs GmbH, the owners of 18 operating wind farms located in Lower Saxony and Brandenburg (Germany), with a total consolidated capacity of 150.3 MW and a weighted average life of 8 years.
 - The consideration for the transaction amounts to 157 million euros. The companies' net debt with financial institutions amounts to 85 million euros.
 - The capital gain from the transaction is approximately 27 million euros.
- **27 January 2014: ACCIONA informs that it has partially exercised the over-allotment option granted to the joint bookrunners on behalf of the Managers of the Issue, in relation with the Convertible bonds Issuance.**
 - It is reported that the managers of the Issue, have partially exercised, in the amount of 17 million euros, the over allotment option granted by the Company to increase the size of the Issue by up 50 million euros.
 - Consequently, the final size of the Issue is 342 million euros.
 - The number of ordinary shares to be delivered upon conversion of all the Convertible Bonds, taking into account the initial conversion price (€ 63.02) and the final size of the Issue (342 million euros), would amount to approximately 5.43 million shares, representing approximately 9.48% of the currently issued and outstanding share capital of the Company.
- **7 April 2014: Announcement of General Meeting of Bondholders**

- General Meeting of Bondholders has been called to be held at the Syndicate of Bondholders' address, located in Alcobendas (Madrid) at Avenida de Europa 18 at 11.00 a.m. on 24 April 2014 at the first call.
- **11 April 2014: issue of bearer senior unsecured notes, by means of a private placement in the amount of 75 million euros.**
 - The Company notifies the issue of bearer senior unsecured notes, by means of a private placement, in an amount of 75 million euros and due 2024.
 - The nominal amount of each note is € 100,000 and they bear a coupon of 5.55% per annum payable annually.
- **28 April 2014: Resolutions adopted by the General Assembly of Bondholders held on April 24, 2014.**
 - On 28 April de 2014 the General Meeting of Bondholders adopted the following resolutions:
 - To approve the management actions to date of Structured Finance Management (Spain) S.L. in its capacity as Interim Commissioner of the Syndicate of Bondholders.
 - To ratify Structured Finance Management Obligations (Spain), S.L. in the position of Commissioner of the Syndicate of Bondholders.
 - To ratify the entire contents of the Regulations for the Syndicate of Bondholders.
- **19 May 2014: Official announcement and submission of proposal to the Annual General Meeting.**
 - On 19 May 2014, the company informed the CNMV (Spanish Stock Market Regulator) announcement of the Annual General Meeting for 23 June 2014 at the first call, or 24 June 2014 at the second call, and submitted the resolutions proposed.
- **24 June 2014: Annual General Meeting – Approval of Resolutions.**

On 24 June 2014, the Annual General Meeting adopted the following resolutions:

 - To acknowledge the resignations submitted by Ms. Miriam González Durántez and Ms. Consuelo Crespo Bofill as independent board members.
 - To appoint Mr. Jerónimo Marcos Gerard Rivero as an independent board member and Ms. Carmen Becerril Martínez as a non-independent board member.
 - To approve the acquisition of shares and purchase option rights for senior management of ACCIONA, S.A. and its group, including the executive directors of ACCIONA S.A., and the extension and modification of the current plan to deliver shares up to 2020.
 - To authorize the board of directors for a period of five years to increase the share capital on one or more occasions through monetary contributions and up to a maximum of € 28,629,775, equivalent to half the current capital, on such terms and conditions as the board may decide in each case, with the further power to exclude preferential subscription rights in whole or in part.
 - To authorize the board of directors for a five year term to issue bonds and other fixed income securities, either simple and/or convertible or exchangeable for shares in the company, or in another company, as well as other instruments giving the right to

acquire newly issued shares in the company, or in another company, with the power to exclude preferential subscription rights (where these legally exist) in whole or in part with the joint limit of 3 billion euros excluding promissory notes, which will have a separate limit of 1 billion euros.

- To approve the individual annual accounts of ACCIONA and the group consolidated accounts corresponding to 2013.
- To approve the Sustainability Report for 2013.

▪ **24 June 2014: ACCIONA announces the agreement reached by ACCIONA and KKR for the transmission of one third of the shares in ACCIONA Energía Internacional.**

ACCIONA Energía has reached an agreement with KKR whereby KKR buys through its global infrastructure fund a minority stake (one third) in ACCIONA Energía Internacional.

- The agreement states that ACCIONA Energía will operate ACCIONA Energía Internacional's assets for 20 years under a management agreement. ACCIONA Energía will also give ACCIONA Energía Internacional a Right of First Offer on future renewable energy projects it develops within ACCIONA Energía Internacional's operational territory.
- The partnership intends to promote a future IPO on some of the renewable assets ("YieldCo").
- The price of the transaction amounts to 417 million euros that may increase by another 50 million euros based on the outcome of the said YieldCo public offering.
- The investment gives an implied enterprise value to ACCIONA Energía Internacional of 2.56 billion euros, including 1.25 billion euros in equity, excluding the 50-million-euro additional payment and 1.31 billion euros of net debt.

▪ **2 July 2014: ACCIONA announces the formalization of bond issue programme (EMTN).**

- ACCIONA has formalized a bond programme for a maximum amount of 1 billion euros.
- The securities issued under the programme will have the following features, among others:
 - They may be issued in euros or any other currency to be agreed at the time of issuance, which will be issued in series, and may have different maturity dates, subject to the legal requirements established for issuance in different currencies.
 - Securities may be issued at par, under par or at a premium.
 - May bear interest at a fixed rate, variable or a combination of both, among others.
 - They are subject to English law and under the jurisdiction of the English courts.

▪ **6 October 2014: ACCIONA announces the closing of the transaction with KKR for the transfer of a one-third stake in ACCIONA Energía Internacional**

- ACCIONA announces the closing of the transfer of one third of the share capital in Acciona Energía Internacional, S.A. to the KKR global infrastructure fund. From the international assets' portfolio, 2,195 MW located in 11 countries have been allocated to Acciona Energía Internacional, S.A. The transaction amounts to 397.3 million euros

subject to potential net debt adjustments for differences between estimated net debt as of 2014 financial close and the real net debt.

- The fulfilment of some conditions precedent is still pending in respect of certain assets and, therefore, the corresponding additional payment will take place once these conditions are met.

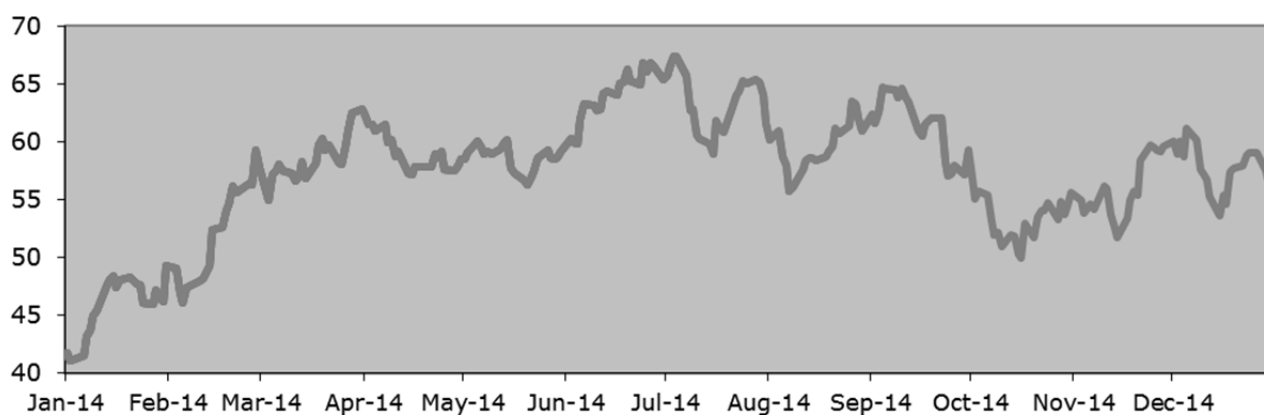
Dividend

On 12 December 2013, the board of directors of ACCIONA resolved not to distribute any interim dividend against the 2013 results.

Furthermore, at the Annual General Meeting held on 24 June, no complementary dividend was approved since no such resolution was proposed on the agenda.

Share data and share price performance

ACCIONA Share Price Evolution (€/share)



Key Share Data

	31-Dec-14
Price at 31 st December 2014 (€/share)	56.20
Price at 1 st January 2014 (€/share)	41.77
Low in FY 2014 (02/01/2014)	41.05
High in FY 2014 (03/07/2014)	67.40
Average daily trading (shares)	290,510
Average daily trading (€)	16,322,016
Number of shares	57,259,550
Market capitalisation 31 st December 2014 (€ million)	3,218

Share Capital Information

As of 31 December 2014, the share capital of ACCIONA amounted to € 57,259,550 divided into 57,259,550 ordinary shares with a face value of € 1 each.

The group's treasury stock as of 31 December 2014 amounted to 534,499 shares, equivalent to 0.93% of the share capital.

Treasury Stock

As of 31 December 2014, Acciona, S.A. and its subsidiary Finanzas Dos, S.A. hold 534,499 shares of treasury stock, equivalent to 0.93% of the share capital at that date. The acquisition cost of the said shares came to 28.90 million euros. The acquisition cost of treasury stock as well as the result of any transactions with the same are recorded directly on the net equity.

Subsequent events

No subsequent events of note occurred after the close.

Main Risks associated with the ACCIONA Group's business activities

The risk scenarios considered in the ACCIONA Risk Management System have been classified into four groups: financial, strategic, operational and unforeseeable, with the first two groups identified by the Group's executives as those presenting a greater risk profile.

1. Economic and financial risks:

These risks are 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.

In order to mitigate exchange-rate risk, ACCIONA contracts currency derivatives and exchange-rate hedging instruments to cover significant future transactions and cash flows in line with the tolerated risk thresholds.

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. It is mitigated by hedging transactions involving the contracting of derivatives.

The risk of fluctuations in prices of raw materials (when stockpiling for construction work and particularly fuel for transportation) is fundamentally mitigated in the short term by specific hedging transactions generally involving the contracting of derivatives.

With respect to credit and liquidity risks, the Group negotiates operations solely and exclusively with solvent third parties and requires sufficient assurances to mitigate the risk of financial losses in the event of any non-compliance. It also constantly monitors the forecasts and the current levels of cash flows to match these against the maturity profiles for financial assets and liabilities.

2. Strategic risks:

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.

3. Operational risks:

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.

In order to mitigate the risks in the procurement process, controls have been established to favour free competition and transparency in the processes and to avoid violating ACCIONA's commitment to ethical behaviour in these processes.

Each year, ACCIONA draws up a map of the risks with its critical suppliers, analysing the main risks in its supply chain from the perspectives of economics, the environment, the prevention of occupational hazards, the activity and the country of origin.

Risks derived from irregular behaviour. ACCIONA has put in place a 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. A whistleblowing channel has been communicated at all levels of the Organization, and enables the reporting, in total confidence, of any irregular conduct related to accounting, oversight or auditing issues as well as any violation or breach of the ethical behaviour outlined in the Code.

In September 2011, the Board of Directors resolved to subscribe Acciona, S.A. to the Code of Good Tax Practices in order to combine and complement the control, prevention and regulatory compliance systems already in place to reduce the material tax risks and to prevent behaviour capable of generating these issues.

4. Unforeseeable Risks:

Environmental risks. ACCIONA has its own Corporate System in place for the Management of Environmental Crises. This system includes the measures to be followed and the responsibilities and resources necessary for the proper handling of a crisis situation due to any incident arising at the facilities owned or operated by the Company and entailing an impact on the environment.

During 2014, ACCIONA has consolidated its initiatives with regard to environment risk management, focusing its efforts on identifying and implementing measures to mitigate the most relevant risks.

Occupational hazards. 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 Management Systems under international premises certified to OHSAS 18001 standard.

Sustainability

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. Some of the challenges set by ACCIONA for 2015 are, among others:

- To achieve a total of 500 million euros in R&D+I for the period from 2010 to 2015.
- To improve the ratio of CO₂ emissions avoided by 15% with respect to the CO₂ emissions generated (base 2009) and to increase the positive net contribution of its water footprint (an increase of 5x compared to the 2009 base year).

- To reduce the work-accident frequency rate by 20% with respect to 2011.
- To implement the methodology to manage the social impact of all the classified projects in certain strategic divisions.
- To improve the sustainability performance of the supply chain and to encourage and promote responsible procurement through bidding processes that incorporate sustainability criteria.
- To implement gradually good governance enhancement measures.
- To consolidate ACCIONA's position as a benchmark in sustainability.
- To consider the expectations of the Company's main stakeholders in the management of its sustainability practices.
- To report transparently and rigorously to its main stakeholders in accordance with the highest international standards on the Company's performance in terms of its sustainability practices.

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 PDS 2015. Another route to drive the implementation of the Company's sustainability strategy and the achievement of its targets has been to link part of the executives' and managers' bonuses to the achievement of sustainability targets.

The milestones in 2014 include ACCIONA's continued very active presence in numerous initiatives and international organizations working towards more sustainable development and combating climate change, such as the United Nations' LEAD Global Compact, the World Business Council for Sustainable Development and the Corporate Leaders Group on Climate Change, among others. It should also be noted that ACCIONA is co-chair of the Renewable Energy Committee of the Advisory Council for the Sustainable Energy for All (SE4ALL) initiative promoted by the UN and the World Bank, and it has also participated in the launch of the Decade of Sustainable Energy for All (2014-2024) by the United Nations in Latin America and the Caribbean (SE4ALL Americas). Furthermore, the Company was present at the 2014 Private Sector Forum as part of the United Nations Climate Summit, and at the Climate Change Conference (COP 20) in Peru.

In line with the best practices in good governance, ACCIONA has launched a diagnostic process with regard to human rights so as to understand the main risks in this area by business and country.

On the other hand, the Company has consolidated the implementation of its social impact management methodology in 2014 by increasing the risk study phases and the social impact surveys throughout the course of its projects, as well as the scope with respect to the number of projects subject to this management model. In this way, over 20 projects in different

countries (Brazil, Mexico, Cape Verde, Chile, Costa Rica, Gabon, Colombia, Panama, Peru, Egypt, Trinidad and Tobago, and Ecuador) are now at different stages in the implementation of this methodology. These projects are very diverse, such as the construction of underground railway lines, water treatment stations, wind farms, reconstruction of roads or maintenance of parkland, among others. In addition, dissemination tools have been developed both internally, to strengthen entrepreneurial culture when managing social impacts, as well as externally in order to communicate this methodology to partners and clients.

Furthermore, in 2014, progress has continued with the “Light at Home” programme run by the ACCIONA Microenergy Foundation. This programme aims at providing access to basic electricity services for isolated rural communities in developing countries without any expectation of accessing these services. In Peru, in the Cajamarca region, 900 new home photovoltaic systems have been installed so there are now 3,900 families enjoying basic electricity supplied by ACCIONA Microenergy Peru. In Mexico, thanks to a Public-Private Development Partnership with the Government of Oaxaca and the Spanish Co-operation Agency access to basic electricity has been provided for another 1,150 new families through third-generation photovoltaic systems for domestic use.

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 of new sustainable products and services on its catalogue.

The advances seen in the fulfilment of these targets and actions carried out during 2014, together with the challenges faced by the Company in terms of sustainability, are described in detail in the Sustainability Annual Report and on the corporate website (<http://www.accion.es/sostenibilidad>).

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 2014, 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: sectoral associations and entities, investors and press releases.

This materiality study has identified and prioritised relevant matters for each of ACCIONA’s main lines of business (energy, construction, water, services and industry) as well as its impact throughout the value chain. In addition, a geographic criterion has been applied by evaluating the risk implied by each matter identified in the countries where ACCIONA operates. The metrics used in the country-risk study come from different reference sources such as the World Bank, the United Nations Statistics Division, the Yale Center for Environmental Law and Policy, EIU (Country Risk and Political Risk), International Human Development Indicators, among others.

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.

With respect to the key topics identified for ACCIONA's main lines of business, the most relevant subject for Energy, Construction, Water and Industrial was "Impact on local communities". "Climate change strategy and impacts" appears as highly relevant for Energy, Water and Services. For its part, the "Ethics and compliance" topic is relevant in the Construction and Industrial businesses, whereas "Sustainability performance" is relevant for Services.

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 CO₂ emissions generated in its production activity by a factor of 28 times, ACCIONA has continued developing during 2014 the measures necessary to reduce and offset its global environmental footprint.

These efforts have been acknowledged by the main international benchmarks in 2014:

- ACCIONA obtained the highest score in Environmental Policy/Management and in Biodiversity, according to the valuation by the Dow Jones World Sustainability Index and also achieved an overall environmental mark higher than 96% of all the electricity companies assessed.
- The CDP organization (previously the Carbon Disclosure Project) honoured ACCIONA again in 2014 as a leader in the fight against climate change by awarding it the highest grade possible in environment performance for a business. ACCIONA leads the utilities sector in the new international CDP index.
- For the second year in a row, CDP also included ACCIONA in its highest category as a Sustainable Supplier, where it is now listed on the exclusive list of only 121 companies recognised as a supplier of sustainable products and services.
- Acciona received the European Environment Prize for Companies awarded by the European Commission, Spanish section, in the category of "best sustainable product and/or service for sustainable development".

The Company's most significant figures in environmental matters during 2014 have been:

- 16.3 million tonnes of CO₂ avoided, meaning that ACCIONA avoids 28 times the amount of CO₂ generated in its production activities.
- For the seventh 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 CO₂, a fall of 9% with respect to the previous year.
- Also for the seventh year in a row, the Company has reduced its energy consumption, . In 2014, ACCIONA cut its energy use by 8% with respect to the previous year.

- As for water, the Company's balance sheet is clearly favourable for the environment, with a positive global water footprint of over 532 million cubic metres, a figure equivalent to the annual domestic consumption of 6.5 million inhabitants.
- 17% of the Company's total water consumption comes from reused or recycled water.
- Greenhouse Gas (GHG) emissions have been calculated for the entire supply chain, i.e. 28 thousand suppliers. With this pioneering action, ACCIONA is sharing its commitment to fight climate change with 100% of its supply chain, more than surpassing the target set in its 2015 Sustainability Master Plan, which proposed to measure the emissions associated with its 1,500 top-billing suppliers.
- Development and consolidation of initiatives within the framework of the Biodiversity Compensation and Improvement Programme.
- Promotion of environmental offsetting services 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 design and implementation of the world's largest audio-visual immersion project, produced by "Acciona Producciones y Diseño" for the Wu Kingdom Relic Museum in the Chinese city of Wuxi, and it was awarded the international Red Dot Design Award.

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.

In 2014, the Board of Directors approved the ACCIONA Water Policy, to join the other three specific policies in the environmental area: Climate Change Policy, Environment Policy and Biodiversity Policy.

The Company has also advanced in the implementation and certification of quality management systems and environment management systems in all ACCIONA divisions. These systems, which meet the ISO 9001 and ISO 14001 international standards, respectively, permit process-level management, considering all environmental aspects related to our activities in all the development phases, with an approach based on continuous improvement. It has also increased the roll-out of ISO 50001 energy efficiency systems at Acciona Water and Acciona Construction centres. All these management systems represent a decisive tool for controlling operational and environmental risks.

During 2014, ACCIONA has consolidated its initiatives with regard to environmental risk management. Thus, following the identification and evaluation of the Company's main risks in this area (carried out in the previous campaign), efforts in 2014 have focused on identifying and implementing mitigation measures for the most relevant risks.

A total of 35 specific interviews have been held with the heads of those centres where the risks were assessed as very high and the mitigation measures were analysed, both those already in place and those with potential for implementation. In addition, the tolerability of these risks was assessed, with the first steps being taken this year to execute additional measures to lower risks at unacceptable levels.

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 2014 the implementation of 129 specific solutions and the identification of 56 improvement measures aimed at preventing and minimising the impacts associated with each of the issues identified.

Environment-related figures for 2014:

The environmental investments and expenditure effected by the ACCIONA Group in 2014 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
- Treatment of waste water and drinking water
- Others

In 2014, environmental expenditure amounted to 95 million euros and investments 298 million euros (respectively 80 and 204 million euros in 2013). Furthermore, the construction, operation and maintenance of waste water and drinking water treatment plants represented 167 million euros. This gives an overall total of 560 million euros for the Company's environmental efforts.

The greatest efforts were made in the areas of waste water treatment, environmental prevention and measures to minimise environmental impact.

Innovation

In 2014, Acciona has focused its Innovation on improving efficiency, reducing costs and generating added value in its projects, as seen in the Company's technological differentiation vis-à-vis its competitors. ACCIONA is convinced that Innovation is the main driver for

development and the key to growth, so it continued to aim its innovation efforts at strengthening its competitive advantages in all divisions.

ACCIONA's emphasis on continuous innovation is all the more notable and has allowed it to raise its Innovation investment in 2014 to 174.9 million euros, a record high in the Company's history.

The number of Innovation projects rose to 225, of which 15 correspond to the portfolio of international projects with an associated figure of 40.7 million euros. The drive to internationalize innovation at ACCIONA can be seen in the 23% of the total innovation in the ACCIONA Group that comes from beyond Spain's borders.

With regard to finance, there has been an increase in the degree of coverage for innovation with respect to 2013 thanks mainly to the European programmes and the new ACCIONA Innovation programme for the period from 2013 to 2016 in the amount of 240 million euros, funded 50% by a 120 million euro loan from European Investment Bank (EIB).

ACCIONA's position remains steady in the most important innovation rankings. The "2014 EU Industrial R&D Investment Scoreboard" published by the European Commission's IRI (Economics of Industrial Research and Innovation) puts ACCIONA in 5th place among Spanish firms and nº 139 in Europe in terms of the effort made in R&D+I, improving its position.

On the international context, the global consultancy firm of Booz & Company, in its worldwide ranking of innovation based on a methodology selecting the top 1,000 listed companies with the greatest R&D+I figures, places ACCIONA at number 447 of the ranking, up 14 positions compared to last year.

During 2014, the definition of the Strategic Plans has been finalized in the Energy, Water, Construction, Engineering and Industrial divisions, based on inputs from business leaders, R&D+I and the senior management, thus confirming the Company's and its leadership's backing for Innovation focusing on its Lines of Business.

Acciona's Innovation Policy continues to obtain international plaudits:

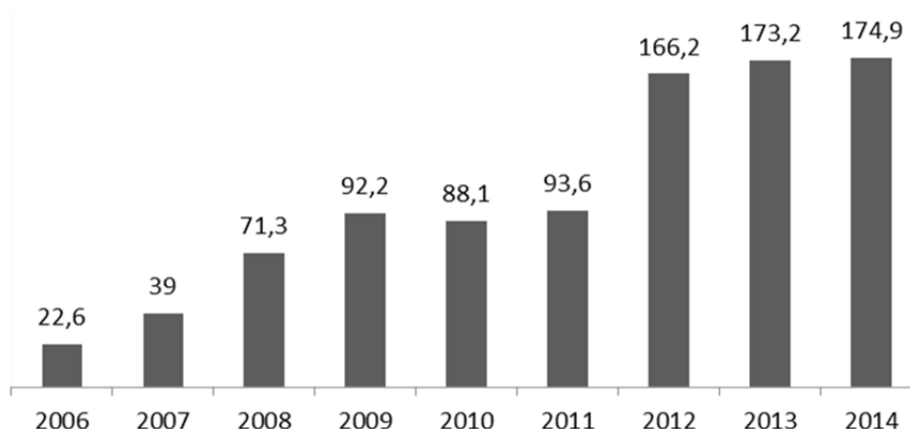
- Distinction as the "The year's best technological initiative for Water. SMARTWATER4EUROPE PROJECT" (Global Water Intelligence).
- Prize for the Young Water Professional of the Year Award given to Jesús Ortiz by the Australian Water Association (AWA).
- Prize for the best infrastructure and construction given to the Mundaring drinking water treatment plant at the WA ENGINEERING EXCELLENCE AWARDS 2014.
- Prize for the best technology for regional communities to the Mundaring drinking water treatment plant at the WA ENGINEERING EXCELLENCE AWARDS 2014.
- Prize for the best desalinization plant of the year to the Copiapó seawater desalinization plant, granted by the Latin-American Desalinization and Water Re-use Association (ALADyR).

- Prize for the best company of the year in water desalinization and re-use to ACCIONA Water granted by the Latin-American Desalinization and Water Re-use Association (ALADyR).
- Bronze medal in the over 3 MW category to the AW116/3000 turbine and the rest of the AW3000 product range awarded by the Windpower Monthly magazine.

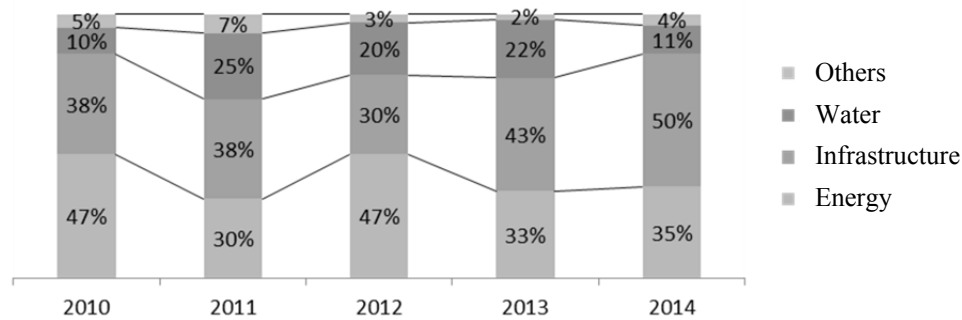
At national level, the Company obtained the following honours: European Environment Prize for Companies, in its Spanish section, within the category of “Product and/or service for sustainable development” for its construction system based on caissons of composite materials, the One Hundred Best Ideas Prize in the category of Sustainable Ideas for the APSE project, the Icarus Prize awarded by the Civil Engineering School in Corunna, and the Prize for the best practices in the water-energy binomial: “Water, the source of life. South-East Seawater Desalinization Plant and South-East Waste Water Treatment Plant”.

ACCIONA’s commitment to innovation is reflected in its R&D+I Management System, certified to comply with UNE 166002 standard. This standard was amended in May 2014, thus obliging ACCIONA to react and adapt to the changes necessary to comply with the requirements of the new version of the Standard. This process has been completed in record time and by November that same year it managed to pass the AENOR audit in accordance with the UNE 166002:2014 standard with flying colours, a year and a half before the conclusion of the adaptation period and the standard becomes compulsory.

**Variation in the innovation figure
(in millions of euros)**



Variation in the innovation figure by Line of Business (% of total)



Short-term Forecast

The world economic activity continued its weak recovery during 2014 and is expected to close the year with a growth rate of around 3.3% according to the IMF and other institutions, without achieving the initial expectations of a speedy rebound. This is largely due to the worse performance in the euro area and Japan, as well as in some of the larger emerging economies.

One of the fundamental characteristics of the recent economic panorama is that growth, apart from mediocre, is very heterogeneous, not just at the regional level, but at country level. Some countries like United States, United Kingdom and Canada can boast growth rate in excess of 2% and an employment boom, even going so far as to claim they have already emerged from the crisis. In the United States, the recovery is actually stronger than expected. On the other hand, within a weak euro area, there are some countries deeply affected by the crisis like Spain and Portugal but beginning to recover, while others like France and Italy remain stagnant.

Growth in the emerging economies is adjusting to lower than expected rates, far below the levels before the crisis and the early stages of the recovery, and behaviour is becoming more and more individualised for each country, with China and India standing out for their powerful activity in contrast with a strong slowdown in Russia and Brazil.

The IMF is warning of increased risks of a downturn during 2014 including a worsening of geopolitical tension, investment stagnation despite much more bullish financial markets, and the pace with which monetary stimuli are being removed in some of the advanced economies. The global economy continues to face the legacy of the financial crisis and other imbalances from prior to the crisis such as an ageing population, the slow increase in productivity and the potential for growth in developed economies, and a worsening of the growth potential in the emerging economies, in turn negatively impacting confidence, investment and demand, and therefore current growth.

A new factor taking centre stage is the strong correction seen recently in oil prices and the great uncertainty hovering over its future evolution. This fall in oil prices is partly the result of weaker demand in the advanced economies but the magnitude of the fall seems to reflect mainly supply-side factors.

The slump in the price of the barrel of oil is expected to result in a boost for economic activity over the next two years thanks to the increase in purchasing power and private demand, especially in the advanced economies with a high dependence on oil. This may help in part to offset the adjustment in the more mediocre growth rates of almost all the largest economies, except for the United States.

On the other hand, the price of oil also has a more negative side, by introducing vulnerability particularly in the emerging countries exporting oil and raw materials, with the inevitable increase in the volatility of interest rates and exchange rates.

In this context, the IMF once more trimmed its growth projections for the global economy in 2015 from 3.8% to 3.5% and continues to urge the determined implementation of policies to prevent growth and therefore employment levels from slipping back to mediocre levels. The expectations have been cut back somewhat for countries like China, Russia, the euro area and Japan, as well as for some large oil exporters.

Among the advanced economies, United States is backed to be the strongest in terms of growth and the only one of the large economies to improve its outlook for 2015, with growth rates of over 3.5%, well above the 2.4% from the close of 2014. The US economy is likely to see its recovery speed up on the basis of lower oil prices, still lax monetary policies, less fiscal adjustment, strengthening of the balance sheet position for households and the improvement in the property market. On the other hand, a stronger dollar will reduce exports, and the contraction in the sectors related to shale oil & gas poses another risk of a downturn.

In Europe, on the contrary, things are still complex although the signs seem to show a recovery, albeit weak, supported by the reduction in the adjustments to the fiscal policy, the strong squeeze on risk differentials in sovereign debt, a greater flow of credit and low interest rates, in a context of more forceful monetary stimuli recently announced by the ECB. The decline in oil prices and the depreciation of the euro are exogenous factors that might help to prop up the recovery, although inflation and the expectations on the general level of prices continue to decline. Growth is forecast to be around 1.2%, with the IMF cutting its expectations once again. Here the general tone will continue to be heterogeneity between countries and the downward risks include the low inflation already mentioned. The IMF recommends increasing the general level of prices, strengthening the balance sheets for the financial and private sectors, completing the banking union and forging ahead with structural reforms and an accommodating monetary policy. The increase in infrastructure investments recommended by the IMF seems to be resonating with the investment plan known as the Juncker Plan aimed at mobilising at least 315 billion euros between 2015 and 2017.

Among the countries most affected by the crisis, Spain is proving that its recovery is growing stronger and is expected to continue with an outstanding growth differential compared to the rest of the EU in 2015 as well, with a rate of around 2%, outdoing expectations. Employment reform, the clean-out of the banking sector, and the commitment to sustainability in public accounts, as well as the support of the ECB have all contributed to settle Spain on path to growth. The improvement in confidence is being confirmed in such indicators as economic sentiment indices, registration of vehicles and the establishment of housing mortgages. Six consecutive quarters of economic growth have already been achieved and the pattern is more balanced, with an initial drive in the foreign sector, followed by an internal demand that is following in the footsteps of the economy, both in terms of private consumption and also

business investment. The construction sector is expected to make a positive contribution to economic growth and employment over this year. Oil prices might be another positive factor.

On the other hand, Portugal is also expected to strengthen the pace of its recovery during the year, with positive growth rates for the second consecutive year at around 1.3%.

Italy, in contrast, is forecast to grow at less than 0.5%, although this is an improvement in the situation compared to the slightly negative rates of last year.

With respect to the euro area economies that have best withstood the crisis, such as Germany or France, growth rates have been revised downwards, reflecting a weaker than expected recovery in internal demand in the case of Germany and the slowdown experienced in French growth in part of 2014.

For its part, the United Kingdom, a country that surprised analysts for the good last year, is expected to go on generating powerful growth of 2.7% this year thanks to the strength of consumption and investment, in a setting of improvement in the financial and credit markets and the balanced position of the corporate sector. The downward risks include the continuing strong rise in house prices.

In Japan, the IMF has trimmed its 2015 forecasts because of a greater than expected contraction in the second half of last year, when the economy entered technical recession in the third quarter. The increase in consumer taxation harmed private demand. Expected growth is now 0.6%, supported by accommodating monetary policies, as well as the fall in oil prices and the yen's depreciation.

In China, the economy is expected to grow by less than 7%, a slowdown compared to the rates in previous years because of lower levels of investment and the effort made by the authorities to reduce the risks of the past rapid growth on credit and investment. Slower growth in China will have consequences for the region, which is discounting lower growth rates. With respect to India, growth is also expected to be close to 7%, supported by the lower oil prices and an improvement in the pace of its investment and industrial sectors following the recent reforms.

The Russian economy is expected to undergo a sudden slowdown (-3%) as a consequence of the fall in its oil revenues and geopolitical tensions, as well as the indirect impact on confidence generated as a result, with an impact on other economies in the area. With respect to Latin America, expectations have shrunk as a result of the fall in oil and the prices of other raw materials. In Brazil, the IMF's forecasts have fallen markedly: growth had been expected to speed up at average rates close to 1.5% and the latest revision indicates a mere 0.3%, with the new context of low prices for raw materials adding to the decline in investment and private consumption in a scenario of worsening financial conditions and confidence among entrepreneurs and consumers. In Mexico, the 2014 downturn came as a surprise with less demand abroad and in the construction sector, but growth is expected to speed up in 2015 thanks to the impact of structural reforms in the energy and telecommunications sectors driving greater investment, as well as the powerful spillover effect of the US economy. Chile and Peru have recently experienced weak growth in investment and in the consumption of durable goods and the new more volatile context might imply risks to the modest improvement forecast.

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.cnmv.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

I, Edward EWING, as Official Translator of Spanish and English duly appointed by the Spanish Ministry of Foreign Affairs and Co-operation, hereby certify that the foregoing text is a true and complete translation in English of its original in Spanish.

In Madrid on March 25th, 2015.

CERTIFICACIÓN

Don Edward EWING, Traductor Intérprete Jurado de inglés nombrado por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en lengua española.

En Madrid, a veinte y cinco de marzo de 2015.

For the purposes of Royal Decree 1,362 dated October 19th, 2007 (art. 8.1 b), the Directors of Acciona, S.A. now subscribe the following **declaration under 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 wealth, financial situation and results of the issuer and the companies included in the consolidation perimeter taken as a whole and the management report includes a faithful analysis of the business results and position of the issuer and the companies included in the consolidation perimeter taken as a whole, together with the description of the main risks and uncertainties faced.

Formal Note 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 2014 fiscal year for Acciona, S.A. and its dependent companies (Consolidated Group) submitted to the Board of Directors and duly formulated by the same at its session held on February 26th, 2015, printed on 203 pages, all with the paraph of the Secretary and the stamp of the Company and numbered as follows:

Cover Page	Page 1
Contents.....	Pages 2 and 3
Consolidated Balance Sheet	Page 4
Consolidated Profit and Loss Statement	Page 5
Consolidated Statement of Recognized Income and Expenditure	Page 6
Total Statement of Changes in Consolidated Net Worth	Pages 7 and 8
Consolidated Statement of Cash Flows.....	Page 9
Notes to the Consolidated Accounts	Page 10 to Page 167
Consolidated Management Report	Page 168 to Page 203

Therefore, in witness of their agreement herewith, the present note is now signed by all of the members of the Board of Directors:

Mr. José Manuel Entrecañales Domecq
President
[blank]

Mr. Juan Ignacio Entrecañales Franco
Vice-President
[blank]

Mr. Valentín Montoya Moya
Member
[blank]

Mr. Javier Entrecañales Franco
Member
[blank]

Mr. Juan Carlos Garay Ibargaray
Member
[blank]

Ms. María del Carmen Becerril Martínez
Member
[blank]

Mr. Carlos Espinosa de los Monteros y Bernaldo de Quirós
Member
[blank]

Ms. Sol Daurella Comadrán
Member
[blank]

Ms. Belén Villalonga Morenés
Member
[blank]

Mr. Daniel Entrecanales Domecq
Member
[blank]

Mr. Jaime Castellanos Borrego
Member
[blank]

Mr. Fernando Rodés Vilá
Member
[blank]

Mr. Jerónimo Marcos Gerard Rivero
Member
[blank]

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