

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 2015, 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 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 2015, 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 2015 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 2015. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Acciona, S.A. and Subsidiaries.

DELOITTE, S.L.

Registered in ROAC under no. S0692



Raquel Martínez Armendáriz

29 February 2016

[The text below is a certified translation into English of the 2015 consolidated annual accounts of the Spanish company Acciona, S.A.]

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

CONSOLIDATED
FINANCIAL STATEMENTS
AND
DIRECTORS' REPORT
2015

M.ª TERESA DE LA CUESTA BERNÁLDEZ
Traductora-Intérprete Jurada de INGLÉS
N.º 661

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DIRECTORS' REPORT



ACCIONA, S.A. Y SOCIEDADES DEPENDIENTES

CONSOLIDATED BALANCE SHEET FOR FINANCIAL YEARS 2015 and 2014 (Thousands of euros)

ASSETS	Note	31.12.2015	31.12.2014
Property, plant and equipment	4	7,664,187	8,012,540
Investment property	5	675,215	180,851
Goodwill	6	79,296	79,295
Other intangible assets	7	508,484	532,431
Non-current financial assets	10	160,045	155,734
Investments accounted for using the equity method	8	409,114	390,150
Biological assets	11	6,839	6,836
Deferred tax assets	22	926,764	976,874
Non-current receivables and other non-current assets	12	455,002	436,710
NON-CURRENT ASSETS		10,884,946	10,771,421
Biological assets		--	--
Inventories	13	740,102	1,042,644
Trade and other receivables	14	1,612,418	1,940,034
Other current financial assets	10	412,863	369,107
Current income tax assets		68,298	75,928
Other current assets		167,756	205,097
Cash and cash equivalents	15	1,460,173	1,326,812
Non-current assets classified as held for sale and discontinued operations	23	431,061	412,137
CURRENT ASSETS		4,892,671	5,371,759
TOTAL ASSETS		15,777,617	16,143,180
EQUITY AND LIABILITIES	Note	31.12.2015	31.12.2014
Share capital		57,260	57,260
Retained earnings and issue premium		3,544,231	3,376,948
Treasury shares		(20,238)	(28,895)
Translation differences		(87,968)	(25,264)
Interim dividend		--	--
Equity attributable to equity holders of the Parent	16	3,493,285	3,380,049
Non-controlling interests	16	260,860	233,438
EQUITY		3,754,145	3,613,487
Debt instruments and other marketable securities	18	802,078	758,773
Bank borrowings	18	5,092,945	5,159,159
Deferred tax liabilities	22	739,686	692,794
Provisions	17	420,245	453,588
Other non-current liabilities	21	848,247	854,292
NON-CURRENT LIABILITIES		7,903,201	7,918,606
Debt instruments and other marketable securities	18	373,801	440,436
Bank borrowings	18	763,340	631,381
Trade and other payables		2,024,533	2,558,228
Provisions		157,154	177,307
Current income tax liabilities		25,784	19,190
Other current liabilities	21	355,593	463,126
Liabilities classified as held for sale and discontinued operations	23	420,066	321,419
CURRENT LIABILITIES		4,120,271	4,611,087
TOTAL EQUITY AND LIABILITIES		15,777,617	16,143,180

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated balance sheet for 2015.

ACCIONA, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR 2015 and 2014
(Thousands of euros)

	Note	2015	2014
Revenue	25	6,543,524	6,498,501
Other income		247,425	363,979
Changes in inventories of finished goods and work in progress		(2,775)	(7,461)
Procurements	26	(1,830,221)	(1,853,678)
Staff costs	26	(1,254,250)	(1,275,310)
Other operating expenses	26	(2,529,621)	(2,638,992)
Depreciation and amortisation charge and change in provisions	4,5,7,26	(563,118)	(547,118)
Impairment and gains or losses on disposals of non-current assets	26	(11,436)	32,369
Other gains or losses		27,391	(326)
PROFIT/(LOSS) FROM OPERATIONS		626,919	571,964
Financial income	28	34,844	50,256
Finance costs	28	(424,425)	(418,557)
Translation differences		22,771	5,226
Profit/(loss) from changes in value of financial instruments at fair value	26	(1,580)	21,960
Profit/(loss) from changes in value of non-financial assets at fair value		-	-
Profit/(loss) of companies accounted for using the equity method	8	60,054	46,248
PROFIT/(LOSS) BEFORE TAX		318,583	277,097
Income tax expense	22	(82,824)	(69,905)
YEAR'S PROFIT/(LOSS) FROM CONTINUING OPERATIONS		235,759	207,192
Profit/(Loss) after tax from discontinued operations		-	-
YEAR'S PROFIT/(LOSS)		235,759	207,192
Non-controlling interests	16	(28,435)	(22,243)
PROFIT/(LOSS) ATTRIBUTABLE TO THE PARENT		207,324	184,949
BASIC EARNINGS per share from continuing operations (euros)	31	3.65	3.24
DILUTED EARNINGS per share from continuing operations (euros)	31	3.63	3.28
BASIC EARNINGS per share (euros)	31	3.65	3.24
DILUTED EARNINGS per share (euros)	31	3.63	3.28

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated income statement for 2015.

ACCIONA, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2015 and 2014
(Thousands of euros)

	Note	2015	2014
A) CONSOLIDATED PROFIT FOR THE YEAR		235,759	207,192
1. Profit attributable to the Parent		207,324	184,949
2. Non-controlling interests		28,435	22,243
B) ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		433	(1,193)
1. Revaluation/(Reversal of the revaluation) of property, plant and equipment and intangible assets		--	--
2. Actuarial gains and losses and other adjustments	17	462	(1,351)
3. Tax effect		(29)	158
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		11,689	(69,381)
Income and expense recognised directly in equity		(110,811)	(143,335)
1. Revaluation of financial instruments:		(40)	5,467
a) Available-for-sale financial assets	10	(40)	5,467
b) Other income / (expenses)		--	--
2. Cash flow hedges	20	(75,193)	(243,287)
3. Translation differences		(72,515)	74,234
4. Other income and expenses recognised directly in equity		--	--
5. Tax effect		36,937	20,251
Transfers to the income statement:		122,500	73,954
1. Revaluation of financial instruments:		--	(27,275)
a) Available-for-sale financial assets		--	(27,275)
b) Other income / (expenses)		--	--
2. Cash flow hedges	20	163,333	120,949
3. Translation differences		--	11,974
4. Other income and expenses recognised directly in equity		--	--
5. Tax effect		(40,833)	(31,694)
TOTAL RECOGNISED INCOME / (EXPENSE) (A+B+C)		247,881	136,618
a) Attributable to the Parent		207,532	100,728
b) Attributable to non-controlling interests		40,349	35,890

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated statement of comprehensive income for 2015.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DÉCEMBER 2015 (thousands of euros)

	Equity attributable to the Parent (thousands of euros)							Total equity
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent	Other equity instruments	Value adjustments	Non-controlling interests	
Opening balance at 01/01/15	57,260	3,620,894	(28,895)	184,949	--	(454,159)	233,438	3,613,487
Adjustments due to changes in accounting policies								--
Adjustments due to errors								--
Adjusted opening balance	57,260	3,620,894	(28,895)	184,949	--	(454,159)	233,438	3,613,487
Total recognised income/(expense)				207,324		208	40,349	247,881
Transactions with shareholders or owners		(103,423)	5,800				(3,706)	(101,329)
Capital increases/(reductions)							3,612	3,612
Conversion of financial liabilities into equity								--
Dividends paid		(114,483)					(11,851)	(126,334)
Treasury share transactions (net)		4,715	5,800					10,515
Increases/(Decreases) due to business combinations							4,533	4,533
Other transactions with shareholders or owners		6,345						6,345
Other changes in equity		185,419	2,857	(184,949)			(9,221)	(5,894)
Share-based payments		909	2,857					3,766
Transfers between equity items		184,949		(184,949)				--
Other changes		(439)					(9,221)	(9,660)
Closing balance at 31/12/15	57,260	3,702,890	(20,238)	207,324	--	(453,951)	260,860	3,754,145

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated statement of changes in total equity for 2015.

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)							Total equity
	Shareholders' equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent	Other equity instruments	Value adjustments	Non-controlling interests	
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

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated statement of changes in total equity for 2014.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2015 and 2014 (Thousands of euros)		
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES	682,953	809,993
Profit before tax from continuing operations	318,583	277,097
Adjustments for:	747,372	700,094
Depreciation and amortisation charge and provisions	586,920	526,907
Other adjustments to profit (net)	160,452	173,187
Changes in working capital	(35,845)	217,310
Other cash flows from operating activities:	(347,157)	(384,508)
Interest paid	(418,041)	(404,777)
Interest received	52,524	47,816
Dividend received	55,186	18,166
Income tax recovered/(paid)	(43,507)	(20,561)
Other amounts received/(paid) relating to operating activities	6,681	(25,152)
CASH FLOWS FROM INVESTING ACTIVITIES	(167,251)	(151,480)
Payments due to investment:	(234,658)	(444,231)
Group companies, associates and business units	(28,539)	(24,089)
Property, plant and equipment, intangible assets and investment property	(206,119)	(420,142)
Proceeds from disposal:	62,475	333,622
Group companies, associates and business units	3,370	217,170
Property, plant and equipment, intangible assets and investment property	59,105	116,452
Other cash flows from investing activities:	4,932	(40,871)
Other amounts received/(paid) relating to investing activities	4,932	(40,871)
CASH FLOWS FROM FINANCING ACTIVITIES	(358,424)	(507,088)
Proceeds and (payments) relating to equity instruments:	10,516	(25,774)
Purchases	(42,747)	(25,774)
Disposals	53,263	—
Proceeds and (payments) relating to financial liability instruments:	(171,546)	(812,314)
Proceeds from issues	614,305	1,446,569
Repayments and redemptions	(785,851)	(2,258,883)
Dividends and returns on other equity instruments paid	(126,334)	(12,275)
Other cash flows from financing activities	(71,060)	343,275
Provision of funds by non-controlling interests	—	397,318
Other amounts received/(paid) relating to financing activities	(71,060)	(54,043)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(23,917)	11,819
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	133,361	163,244
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,326,812	1,163,568
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,460,173	1,326,812
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	1,028,293	1,104,362
Other financial assets	431,880	222,450
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	1,460,173	1,326,812

Accompanying Notes 1 to 36 and the appendices are an integral part of the consolidated statement of cash flows for 2015.


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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015 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 (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 desalination 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 desalination, to its cleansing and return to the environment after use. It also operates concessions for services related to the ENTIRE 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 about 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 consolidation principles

2.1 Basis of presentation and significant regulatory frameworks

Basis of presentation

The consolidated financial statements for financial year 2015 of the Acciona Group were prepared by the Directors of Acciona, S.A. at the Board of Directors Meeting held on 29 February 2016, and disclose a true and fair view of the Group’s consolidated equity and consolidated financial position at 31 December 2015, 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 years then ended.

These 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 criteria applied, the alternative treatments permitted by the relevant legislation in this respect and the standards and interpretations issued but not yet in force at the date of formal preparation of these financial statements are summarised in Note 3.

These 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, through the proportional consolidation method, that is, through the inclusion, based on the percentage of participation, of the assets, liabilities and operations of these entities, after asset and liability balances are appropriately eliminated, as well as operations in the year.

The Acciona Group's consolidated financial statements for 2014 were approved by the shareholders at the Annual General Meeting on 11 June 2015. The consolidated financial statements for 2015 of the Acciona Group and the separate financial statements for 2015 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.

Unless otherwise indicated, these consolidated financial statements are presented in thousands of euros, 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 framework

The business of electricity production under the special regime in Spain was regulated until 2013 by Spanish Electricity Industry Act 54/1997, of 27 November, and by the subsequent implementing regulations.

In addition, 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, which regulated electricity production under the special regime.

Transitional Provision One of Royal Decree 661/2007 acknowledged 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 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 Act until the targets set in the Renewable Energy Plan for 2020 had been met. The facilities that, at the date of publication of the Royal Decree-Law, met the pre-assignment conditions established therein, 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


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energy technologies, with the aim of containing the deficit. This Royal Decree established 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 at a later date, and a 35% reduction in the premiums for wind technology subject to Royal Decree 661/2007 and for the period from the date of approval of the Royal Decree to 31 December 2012, while maintaining the amounts relating to the cap, floor and regulated tariff unchanged.

The reduction in the premiums established by the aforesaid Royal Decree hardly 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 had little impact on the Group's facilities, since the number of hours established in the Royal Decree exceeded the hours that the facilities actually operated.

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

In addition, 28 December 2012 saw the publication of Act 15/2012 on tax measures aimed at energy sustainability, which affected all electricity production facilities in Spain from 2013 onwards. All of Acciona's facilities became subject to the tax on the value of electricity output, which means 7% tax on income from electricity sales. On the other hand, the aforementioned Act also introduced a charge for the use of inland water for electricity production. This charge meant 22% tax on the economic value of electricity output, with a 90% reduction in the tax for facilities with a capacity lower than 50 MW and pumped storage power plants. Lastly, Act 15/2012 also established a dual tax on solar thermal plants: on the one hand, the Act 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., one of the Group companies. As will be seen below, from financial year 2013 on, the first transitional provision of Royal Decree 661/2007 is no longer applicable due to the remuneration changes that took place in said 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, with the option for tariff-based sales being maintained. 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 had to opt for selling the electricity under the regulated tariff option or selling it freely on the market without receiving any premium. Once an option is made, it is irrevocable.

For practical purposes, this RDL meant that the Acciona Group's wind farms and thermoelectric or biomass power stations had to choose 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, on 12 July Royal Decree-Law 9/2013 was published, whereby urgent measures to guarantee the financial stability of the electricity system were adopted. 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 paragraphs above, 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 means that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities could receive a specific remuneration comprising a term per unit of power installed, covering, where appropriate, the investment costs for a standard facility 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 facility's participation on the market.

To calculate this specific remuneration, the following items, for a standard facility, are considered, throughout its regulatory lifetime and 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 regulation, the aim of these parameters is not to exceed the minimum level necessary to cover the costs that enable the facilities to compete on a level footing with the rest of the technologies on the market and 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 Government Bonds on the secondary market after application of the appropriate differential. The First Additional Provision of Royal Decree-Law 9/2013 sets this appropriate differential at 300 basic 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 financial year 2013, with a draft Ministerial Order containing the parameters for remuneration. Pursuant to this document, at 31 December 2013 the Group estimated and re-appraised its revenue, impairment tests and other aggregate figures, posting the resulting impairments according to the new model.

Moreover, it should be noted that Act 24/2013 was enacted in December 2013 to replace Act 54/1997 on the Electricity Industry; it provides 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 Central Government Gazette 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, final Ministerial Order IET 1045/2014 was issued on 20 June 2014 and published in the Central Government Gazette 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 were not substantially different, in the specific case of the Group's facilities, from the draft versions circulated by the *CNMC* [Spanish National Securities Commission] for comments during the first quarter of 2014 and used by the Group for the estimation and re-appraisal of its revenue and impairment tests. As a result, the impairments covered by provisions are considered to be sufficient.

In financial year 2015 no impairment was estimated or significant losses were revealed that were not covered by the provisions in place at 31 December 2015.

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Biofuels

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

The situation of surplus in the capacity installed in Spain for the proposed targets, bearing in mind the Group's net volume of assets related to this activity, did not have any material impact on the Group's equity, with the impairment recognised in previous years being considered.

2.2 Consolidation principles

a. Consolidation methods

The companies over which, under IFRS 10, control is exercised were fully consolidated. These companies are considered subsidiaries and they are listed in Appendix I, and their consolidation method is explained in section d. of this same note.

Entities managed jointly with third parties as a joint venture are proportionately consolidated when it is concluded that the participating company has direct rights and obligations for its share percentage in the assets and liabilities under the agreement. This is explained in section e. in this note. The companies consolidated by applying the proportional method are listed in Appendix II.

Finally, the companies not included in the paragraphs above, where significant influence is held in their management, or if they are joint ventures, are associates, and they are measured by applying the equity method (see Appendix III). This consolidation method is explained in section f. in this note.

b. Eliminations on consolidation

All material balances and effects of the transactions performed between the subsidiaries and the associates and joint ventures, and intra-subsidiaries, were eliminated on consolidation.

The gains on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's share percentage in their capital. Exceptionally, the profit and loss 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 General Accounting Plan and foreign companies were consolidated in accordance with their 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 Company 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 said authority to influence the amount of these returns.

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

When a subsidiary is bought, its assets, liabilities and contingent liabilities are measured at their acquisition-date fair values, as provided for in IFRS 3, Business Combinations. Any excess in 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 in the equity of their investees is disclosed within the Group's equity under "Non-Controlling Interests" on the consolidated balance sheet. Similarly, their share in the profit or loss for the year is disclosed under "Non-Controlling Interests" on the consolidated income statement.

e. Joint operations

Joint arrangements 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.

Joint arrangements where the investing company is deemed to hold direct rights and obligations for its share percentage in the assets and liabilities under the arrangement are considered joint operations.


The financial statements of joint operations are proportionately consolidated with those of the Company and, therefore, the aggregation of balances and subsequent eliminations are only made in proportion to the Group's share in the capital of these entities.

The assets and liabilities relating to operations are recognised on the consolidated balance sheet classified according to their specific nature. Similarly, the income and expenses from joint operations are disclosed in the consolidated income statement on the basis of their nature.

f. Equity method

In the consolidated financial statements, investments in associates and joint ventures (joint arrangements giving a right to the net assets of the arrangement) are measured by applying the equity method, i.e., at the Group's share in net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations.

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


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When the Group's investments in associates are reduced to zero, any additional implicit obligations in the subsidiaries that are accounted for by the equity method are recognised under "Non-current provisions" on the consolidated balance sheet.

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

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 period, 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 investment is made or disposed of.

h. Changes in the scope of consolidation

Appendices I, II and III to the accompanying consolidated financial statements contain relevant information about the Acciona Group's subsidiaries, joint operations and associates and joint ventures, and Appendix IV shows the changes in consolidation scope in the year.

In financial year 2015 no significant additions to or removals from the scope of consolidation took place.

In financial year 2014, within the energy division, the main event was the sale, in January 2014, of the shareholdings 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). Similarly, although it was a transfer without loss of control, in June 2014, Acciona Energy, S.A., Acciona Group subsidiary, signed an agreement with the KKR Fund for the acquisition of a one-third shareholding in the Acciona Group subsidiary, Acciona Energy Internacional, S.A. by a vehicle in its global infrastructure fund, following a corporate restructuring that grouped together in the 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.

Within the infrastructure construction division, the most noteworthy event was the sale, in June 2014, of two associates: Tranvía Metropolitana, S.A. and Tranvía Metropolitana del Besòs, S.A. In addition, in the month of October 2014, Acciona Infraestructuras, S.A. sold the 50% it held in the Freyssinet, S.A. company. And in December 2014 a share percentage held by the Acciona Group in three Canadian concessions was sold.

Within the other activities division, an additional 47.47% over and above the 50% already owned in the Compañía Urbanizadora Coto, S.L. subgroup was bought.

3. Principal accounting policies

3.1 Adoption of new standards and interpretations issued

Standards and interpretations applicable in this financial year

In financial year 2015, new accounting standards, amendments and interpretations came into force, which, accordingly, were taken into account in the preparation of the accompanying consolidated financial statements.

<u>Standards, amendments and interpretations:</u>		<u>Mandatorily applicable in annual periods beginning on or after:</u>
Approved to be applied in the EU		
IFRIC 21 – Levies (published in May 2013)	Interpretation on when to recognise a liability for levies imposed by a government.	17 June 2014
IFRS improvements - 2011-2013 cycle (published in December 2013)	Small changes to a number of standards.	1 January 2015

For some of the Acciona Group divisions, application of IFRIC 21 meant a modification at the time of recognition of some levies, particularly *IBI* [property tax], which formerly was accrued throughout the year but now it is recognised as expense at 1 January. However, given the nature of this change in accounting, which is not really significant, there won't be an impact on the annual income statement for the year and, on the same grounds, no modification has been required retroactively.

The other standards were applied with no impact on the reported figures or on the presentation and disclosure of the information, either because they do not involve relevant changes or because they refer to economic events that do not affect the Acciona Group.

Standards and interpretations issued but not in force

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

<u>Standards, amendments and interpretations</u>		<u>Mandatorily applicable in annual reporting periods beginning on or after:</u>
Approved for use in the EU		
Amendment of IAS 19 – Contributions by employees to defined benefit plans (published in November 2013)	The amendment is issued to facilitate the possibility of deducting these contributions from the cost of the service in the same period in which they are paid if certain requirements are met.	1 February 2015
Improvements in the IFRS 2010-2012 (published in December 2013).	Minor amendments to a number of standards.	1 February 2015
Amendment to IAS 16 and IAS 38 - Acceptable depreciation and amortisation methods (published in May 2014).	Clarification of the acceptable depreciation and amortisation 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).	It specifies how to recognise the acquisition of a stakeholding in a joint venture where the activity is a business.	1 January 2016
Amendment to IAS 16 and IAS 41 – Production plants (published in June 2014)	Production plants will change to be carried at cost, instead of at fair value.	1 January 2016

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<u>Standards, amendments and interpretations</u>		Mandatorily applicable in annual reporting periods beginning on or after:
Improvements to the IFRS 2012-2014 cycle (published in September 2014).	Minor amendments to a number of standards.	1 January 2016
Amendment to IAS 27 – Equity method in separate financial statements (published in August 2014)	The equity method will be allowed in an investor’s separate financial statements	1 January 2016
Amendments to IAS 1: disclosure initiative (December 2014).	Clarification about disclosures (materiality, aggregation, order of notes,...)	1 January 2016
<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, measurement, recognition and derecognition in 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 2018
IFRS 16 – Leases (published in January 2016)	New standard on leases (it replaces IAS 17)	1 January 2019
Amendment to IFRS 10 and IAS 28 – Sales or contribution of assets between an investor and its associate/joint venture (published in September 2014)	Clarification about the gain or loss from these operations if it is about businesses or assets	Indefinitely postponed
Amendment to IFRS 10, IFRS 12 and IAS 28 – Investment entities (December 2014).	Clarification about the consolidation exception of investment entities	---
Amendments to IAS 12. Recognition of deferred tax assets for unrealised losses (published in January 2016)	Recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017
Amendments to IAS 7: disclosure initiative (published in January 2016)	It proposes disclosing opening and end balances on the financial statements for the items whose cash flow is classified as financing activity.	1 January 2017

- IFRS 9 - Financial Instruments.

IFRS 9 will replace IAS 39 in future. 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 economic management of risk.

At present, 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.

- IFRS 15 – Revenue recognition.

IFRS 15 – Revenue from contracts with clients is the new standard for recognising revenue with clients, and will replace, in financial years beginning on or after 1 January 2018, the following standards and interpretations currently in force: IAS 11 – Construction contracts, IAS 18 – Revenue, IFRIC 13 – Client loyalty programmes, IFRIC 15 – Agreements for the construction of Real Estate, IFRIC 18 – Transfers of assets from clients and SIC 31 – Revenue - Barter Transaction Involving Advertising Services.

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

- IFRS 16 – Leases will replace IFRS 17 – Leases in the financial years beginning on or after 1 January 2019. This new standard provides for the lessee a single accounting model where all the leases (leases of little value and those covering a period shorter than twelve months can be excluded) will be recognised on the balance sheet in a similar manner to current finance leases (recognising finance cost for the amortised cost of the liability and depreciation for the right of use). For the lessor a dual model based on current IAS 17 is maintained and leases will be finance or operating.

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

Except for the impacts of the standards indicated in the paragraphs above, the Group's Directors do not anticipate 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, amendments related to presentation and disclosure issues and/or matters that are not applicable to the Group's operations.

3.2 Measurement standards

The main measurement standards applied in the preparation of 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 on 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 finance costs relating to this funding used for the construction of these assets are entirely capitalised during their construction.

The acquisition cost of elements 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 plus 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.


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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 2015 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%
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 consolidated companies recognise in the books any loss that may have occurred in the registered value of these assets due to their impairment, and the caption “result due to impairment of assets” on the consolidated income statement is used as balancing entry. The criteria to recognise the impairment losses of these assets and, if appropriate, the loss recoveries that might occur subsequently are detailed in section E) in this note.

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” on 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 on their sale.

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 experts (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 acquisition cost excess 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 in 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 are higher (lower) than the carrying amounts at which they had been recognised on their balance sheets and whose accounting treatment is 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 on the consolidated balance sheet provided that the fair value at the date of acquisition can be reliably measured.
- 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 a consideration and represents, therefore, a payment made by the buyer in anticipation of future economic benefits from assets of the acquired company that are not individually and separately identifiable and recognisable.

Goodwill acquired on or after 1 January 2004 is measured at acquisition cost and that acquired earlier is recognised at the net 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, if applicable, any accumulated amortisation and any accumulated impairment losses.

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%

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The consolidated companies recognise any impairment loss in 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 of these assets and any subsequent recovery thereof are detailed in section E in this note).

Research and development

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 reliably measured. The Group’s development expenditure, basically related 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 reliably measured.

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 a 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 a public agency. Administrative concessions are amortised on a straight-line basis over the term of the concession. Appendix IV details the duration (and, therefore, amortisation) of the main concessions.

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 and water supply infrastructure that is operated by subsidiaries, jointly controlled entities or associates (concession operators), the main characteristics 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 criteria applied 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 subsequent to 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 their gross amount (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. No adjustment was necessary in 2015 for this reason.

Computer software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recognised at acquisition 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 the closing date of each balance sheet, 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 (or 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 (or cash-generating unit) in previous 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" on 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). The way they are measured is explained below. Similarly, due to its specificity, the following paragraphs explain how the recoverable value is estimated for the vessels from the Compañía Trasmediterránea, S.A. subgroup.


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Investment property (assets held to earn rentals)

The Group's investment property relates to properties earmarked for lease. The fair value at 31 December 2015 of the Group's investment property was calculated with the support of valuations conducted at that date by "Aguirre Newman Valoraciones y Tasaciones, S.A." (Its report was issued on 04/01/2016), y CBRE Valuation Advisory, S.A. (its report was issued on last 01/02/2016).

Assets of this type are measured by updating the rents at rates that vary on the basis of the type of building earmarked for lease and of the specific characteristics of the buildings. In proportion to their carrying amounts, the assets held to earn rentals may be classified as residential for rent (57.48%), offices (13.74%), land for development (13.41%) and other property (15.37%) (housing, car parks, etc.) The update rates used for each type of property lie in the following ranges: residential property for rent (4.75-8.0%), offices (8.5-10.5%) and other property (7.5-11.0%).

The method used to calculate the market value of investment goods consists in preparing ten-year forecasts for the income and expenses of each asset that will then be updated at the date of the statement of financial position, through a market discount rate. The residual amount at the end of the tenth year is calculated by applying a yield rate ("exit yield" or cap rate") from the forecasts for net income in the eleventh year. The market values thus obtained are analysed through calculation and analysis of the capitalisation of the yield implicit in these values. The forecasts are used to reflect the best estimate of income and expenses of property assets over the future. The yield rate and the discount rate are defined according to the domestic market and the conditions of the institutional market and the reasonability of the market value thus obtained is proved in terms of initial gain.

To calculate the fair value of land, the residual method was applied. This method consists in estimating the value of the final product on the basis of the comparison or cash flow discount method, and the development costs are taken off this value. Development costs include the cost of urbanisation, construction, fees, levies and all the costs needed to carry out the projected development. Revenue and costs are distributed over time according to the development and sale periods estimated by the appraiser. The update rate used is the rate representing the annual average yield of the project, and the external financing that would be required by an average developer for a development of the characteristics of the development analysed is not taken into account. This update rate is calculated by adding the risk premium (determined through the risk assessment of the development, with the type of property asset to build, its location, liquidity, term of construction and amount of required investment being taken into account) to the free-risk rate. Where in the determination of the cash flows external financing is taken into account, the risk premium mentioned above increases depending on the percentage of said financing (leverage level) attributed to the project and on the usual interest rates on the mortgage market.

Taking the valuations made as a benchmark, the corresponding impairment losses are booked and recognised as result due to impairment of assets on the income statement (see Note 5).

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 each market), 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.

At 31 December 2015 the impairment tests implemented did not show the need to register additional impairment (see note 6.)


Non-current assets in projects

This line item includes concession assets and projects with a limited duration and 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 of the project (basically property, plant and equipment from the energy division). They are registered in property, plant and equipment (mainly under electric power generation facilities) and in other intangible assets under intangible concessions (IFRIC 12).

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 or by historical data (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).


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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.

At 31 December 2015, the Acciona Group recognised the amount of 19 million euros in “Impairment and result on disposal of assets” on the 2015 accompanying consolidated income statement, for impairment in accordance with these tests carried out for a concession asset in Brazil, as mentioned in note 7.

Property, plant and equipment – Other plant: vessels

To calculate the recoverable amount of the ships from the Compañía Transmediterránea, S.A. subgroup, the specific characteristics of the market for seagoing vessels are taken into account; it's 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, etc., so the measurement of value habitually takes into account comparable market features through the international brokers the Group works with (see note 4).

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 disclose the cost of the leased assets on 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.

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 on 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, mainly from the Construction of Infrastructure division.

Since its adoption of IFRIC 12, the Acciona Group has recognised under “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 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 criteria 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.
- The Group recognises interest income earned on the financial asset, even during the construction phase, by applying the effective interest rate of the financial asset. This income 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 respect, the income and expenses corresponding to infrastructure construction or upgrade services are recognised at their gross amounts (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 on the balance sheet (and, therefore, not recognised as sales) and the component relating to services provided, which is recognised under “Revenue”.

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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 the year's profit or loss, for 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:
 - In the case of stakeholdings in unlisted companies, since the fair value cannot always be reliably determined, at acquisition cost, adjusted for any impairment losses disclosed. The main criterion applied by the Acciona Group to determine if there is objective evidence of impairment is to have incurred significant and permanent losses in the investee.
 - 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 2015 and 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 financial years 2015 and 2014, 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

Because of its activities, the group is mainly exposed 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 2015, 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,

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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 - Value 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 2015, 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 the year’s profit or loss.

If the cash flow hedge of a firm commitment or projected 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 closing date of every financial 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 2015, the technique applied was 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 (or potential loss) assigned to the Company and to each of the counterparties.

More specifically, the adjustment for credit risk was 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 has incurred 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 57% and 91% depending on the degree of progress in the project (construction or operation phase), for derivatives contracted under Project Finance structures.

The measurements at fair value made over 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


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

Trade payables include unpaid balances to suppliers which are handled through confirming contracts with financial entities and, in the same way, payments related thereto are classified as transaction flows, since these transactions do not include either special guarantees given as pledge for the payments to be made or modifications that change the commercial nature of the transactions.

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	
	2015	2014
Inventories	471,695	712,243
Trade receivables	--	--
Total current assets	471,695	712,243
Bank borrowings	28,352	82,552
Other current liabilities	6,869	16,752
Total current liabilities	35,221	99,304

Loans that mature in the short term but whose long-term refinancing is, at the Group's discretion, ensured 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 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, or at their estimated market value, whichever is the lower. 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 part thereof whose construction has not been completed at the closing date of the financial year 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.

There were no capitalised borrowing costs in financial year 2015. In 2014 capitalised borrowing costs amounted to 0.2 million euros (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.

As regards real estate inventories, the Group's Directors estimate their fair value at the end of every year on the basis of the valuations undertaken by independent experts "Savills Consultores Inmobiliarios, S.A.", whose report was issued on 31/12/2015, and "Instituto de Valoraciones, S.A.", whose report was issued on 14/01/2016, allocating if necessary provisions for impairment when the properties are found to be overvalued.

The valuations 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

At 31 December 2015, Acciona, S.A. and its subsidiary Finanzas Dos, S.A., held 320,460 treasury shares representing 0.5597% of the share capital at that date. The acquisition cost of these shares amounted to 20,238 thousand euros. The acquisition cost of the treasury shares and the gains or losses on transactions involving them were recognised directly in equity (see Note 16).

At 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 28,895 thousand euros. The acquisition cost of the treasury shares and the gains or losses on transactions involving them were recognised directly in equity (see Note 16).

L) Termination benefits

Under the legislation for the time being in force, the Spanish consolidated companies and certain foreign companies are required to pay termination benefits to employees dismissed on unfair grounds. The Acciona Group companies currently do not have any employee termination plans that have not been appropriately provisioned in accordance with the regulations in force.

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, 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 close of every accounting period, 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 close of financial years 2015 and 2014, certain litigation and claims arising from the ordinary course of operations were in process against the consolidated companies. The Group's Directors,

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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 client.

Provisions for pensions and similar obligations

Except for the two groups discussed below, 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 2015 and 2014 were 16 thousand euros and 20 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 2015 and 2014 relating to the amounts payable to the insurance company for the benefit obligations accrued in these two years amounted to 337 and 468 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 that 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 company of the Endesa Group they came from. These defined benefit obligations are basically formalised in pension plans, 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” on 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 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 attached 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 some 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 reliably measured; 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 reliably measured.

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

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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 client.

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

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

If, due either to a delay in collection or to the insolvency of the client, 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 client risk estimated.

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 under the various contracts for 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 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, regardless of whether the construction units under the contract have been completed or not.

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, if appropriate, the provisions 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 company, the amount of which can be reliably estimated and whose settlement will probably give rise to an outflow of resources for the 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 said 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 reliably estimated.

For every year the Group companies recognise as profit or loss on their services 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 client or in amendments or addenda thereto as approved by the client, or of the services not yet approved but 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 under the initial contract entered into with the client are recognised as revenue on an accrual, basis, regardless of whether they have been approved by the client 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 year's profit or loss as soon as they become known.

P) Income tax. Deferred tax assets and liabilities

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 financial statements and their tax bases. They are registered by applying the tax rates at which they are expected to be recovered or settled.

Corporate 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 on 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.

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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.

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.

In addition, 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 profit or loss in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

Provisions for probable or certain liability, litigation in process and outstanding environmental indemnity payments or obligations of unspecified 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 at reasonable prices has been started so as 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 otherwise disposed of 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 acquired commitments. Similarly, companies acquired exclusively with a view to resale are classified as “Discontinued Operations”.

These assets or disposal groups are measured at their carrying amount or their fair value less costs to sell, whichever is the lower, 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 value adjustments are made to ensure that the carrying amount is not higher than the fair value less costs to sell.

Non-current assets held for sale and the components of the disposal groups classified as held for sale are disclosed 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”.

Profit or loss after tax of discontinued operations is disclosed 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 the period’s net profit attributable to the Parent by the weighted average number of ordinary shares outstanding during said period, excluding the average number of shares of the Parent held by the Group companies.

Diluted earnings per share are calculated by dividing the period’s 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 period, adjusted by the weighted average number of ordinary shares that would have been outstanding if all the potential ordinary shares have been converted into ordinary shares of the company. For these purposes, it is considered that the shares are converted at the beginning of the accounting period or at the date of issue of the potential ordinary shares, if the latter had been issued during the accounting period.

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 main 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 of borrowings that are not operating activities.

3.3 Accounting estimates and judgements

The information contained in these financial statements is the responsibility of the Directors of the Parent Company.


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In the consolidated financial statements for 2015 and 2014 estimates were made by the Group's Directors in order to measure some of the assets, liabilities, income, expenses and obligations reported therein. These estimates relate basically to the following:

- The measurement of assets and goodwill so as to determine any impairment losses thereon.
- Distribution of the cost of business combinations.
- Recognition of revenue in the construction activity.
- The assumptions used in the actuarial estimate of pension liabilities and obligations.
- The useful life of property, plant and equipment, investment property and intangible assets.
- The assumptions used to measure the fair value of financial instruments.
- The probability of occurrence and the amount of liabilities of an undetermined amount or contingent liabilities.
- Future costs for shutting down facilities and the restoration of land.
- The results for tax purposes of the various Group companies that will be reported to the tax authorities in the future, which 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 2015 and 2014 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 prospectively, under the same income statement heading as that under which the expense or income measured using the previous estimate was recognised.
- Changes in accounting policies and correction of fundamental errors. The effects of changes and corrections of this kind are recognised as follows: if material, the cumulative effect at the beginning of the year is adjusted under "Reserves" and the effect for the current year is recognised in the income statement. In these cases, the financial data for the comparative year presented together with those for the current year are restated.

At 31 December 2015 there were no material changes in accounting estimates or accounting policies; nor any corrections of errors. In financial year 2014 the Acciona Group made a new estimate of the working lives of its wind farms, which changed from 20 to 25 years, and the impact was registered prospectively.

4. Property, plant and equipment

The changes in financial years 2015 and 2014 in cost and accumulated depreciation were as follows (in thousands of euros):

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Property, plant and equipment	Land and buildings	Electricity generating facilities	Other plant and machinery	Advances and property, plant and equipment in progress	Other property, plant and equipment	Depreciation	Impairment	Total
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
Variations due to changes in the scope of consolidation	–	(33,372)	76	–	(4)	8,186	23,000	(2,114)
Additions/charge for the year	7,581	37,771	46,310	118,384	9,481	(447,867)	(3,219)	(231,559)
Reductions	(1,100)	(2,404)	(148,238)	(5,115)	(9,972)	102,414	20,521	(43,894)
Transfers	(75,649)	56,890	(120,359)	(159,067)	(2,631)	107,314	(51)	(193,553)
Other changes	2,509	208,557	(7,357)	(24,331)	(4,097)	(40,938)	(11,576)	122,767
Balance at 31/12/2015	402,463	11,169,263	1,215,005	125,851	206,214	(4,581,540)	(873,069)	7,664,187

Breakdown of the net balances at the end of 2015 and 2014 was as follows:

Property, plant and equipment	2015				2014			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Land and buildings	402,463	(145,194)	(1,809)	255,460	469,122	(162,997)	–	306,125
Electricity generating facilities	11,169,264	(3,468,830)	(785,760)	6,914,674	10,901,821	(3,063,227)	(800,157)	7,038,437
Other plant machinery	806,536	(474,840)	(82,880)	248,816	992,626	(563,063)	(98,880)	330,683
Advances and property, plant and equipment in progress	125,851	–	–	125,851	195,980	–	–	195,980
Other property, plant and equipment	206,214	(158,151)	(136)	47,927	213,437	(160,094)	(223)	53,120
Total	13,118,797	(4,581,540)	(873,069)	7,664,188	13,224,933	(4,310,649)	(901,744)	8,012,540

The main additions in 2015 were recorded under the heading “Advances in progress” from the energy division for the electricity generation facilities in South Africa, Poland and the United States. The wind farm located in South Africa, which began to be built in 2014, has already been transferred to the heading for electricity generation facilities, since it was already operational at 31 December 2015.

As regards removals, the main amount is found under the heading “Other plant and machinery”, for the sale of a tunnel boring machine in the infrastructure division, and for the sale, by the subsidiary

Compañía Trasmediterránea, S.A., of two ships: Superfast Canarias and Superfast Andalucía, for 18,500 thousand euros; the operation did not involve any losses for the group. This fact, together with the references obtained of the fair values of the ships with market transactions, and the appraisal values as explained in note 3.2.E), permitted to conclude that the impairments registered in previous years, in the amount of 81 million euros, were sufficient.

The main movement in “Transfers” was the transfer to Concessions within other intangible assets of the farm in Chiripa (Costa Rica) for 102 million euros, as it is framed within standard IFRIC 12 after the analysis of all the contracts associated with the concession, which began to operate at the end of 2014. The Group estimated that the aforesaid classification was not significant over gross and net values under “plant, property and equipment” so as to have to restate the figures for 2014 according to IAS 8.

In addition, at 31 December 2015 there was a transfer on reclassification of property, plant and equipment to the heading “held for sale” of the Windpower subgroup for 90 million euros, gross amount and accumulated depreciation for 193 and 103 million euros, respectively (see note 23).

“Other changes” in 2015 included the effect of the translation differences in the period for a positive amount of 121 million euros (negative 216 million euros in 2014), fundamentally from the wind farms located in the United States and Mexico, where the financial statements are stated in dollars, a currency that appreciated almost 10% against the euro in the course of 2015.

In financial year 2014 the most significant additions were recorded in the heading for “Advances in progress” 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 to be built in 2013, were transferred to the heading for electricity generation facilities, as they were in operation.

The main removal in 2014 from “electricity generation facilities” was the non-renewal of the operation of a hydraulic plant; from “Other plant and machinery”, the sale of a ship and sundry machinery in the infrastructure construction division, which was also reflected in elements booked under the heading “Other property, plant and equipment”.

Another significant amount was found in the transfers of the “Other plant and machinery” heading, due to an increase caused by the reclassification, from the heading for assets held for sale, of two vessels included in that item at the close of financial year 2013.

At 31 December 2015 the amount registered in previous years under “impairments” amounted to 873 million euros, which related to the impairment of ships from the Compañía Trasmediterránea subgroup for 81 million euros as mentioned before and the remaining amount basically to impairment of assets from the energy division, both in the international area and in respect of Spanish assets. In the case of Spanish assets, due to the regulatory change that took place in 2012 and 2013 as explained in detail in note 2.1 relating to regulatory framework.

In financial year 2015 no impairment was estimated and no significant losses occurred that were not covered by the provisions in place.

In 2015, the companies capitalised finance costs amounting to 6 million euros as the higher value of property, plant and equipment and 17.1 million euros at 31 December 2014 (see Note 28).

Fully depreciated property, plant and equipment in use at 31 December 2015 and 2014 amounted to 487 and 512 million euros, respectively; most of these assets are currently in use.

At 31 December 2015, the Group companies had property, plant and equipment purchase commitments amounting to 421 million euros, mainly in the energy division, for new wind and

photovoltaic projects awarded in the United States and Chile. The amount committed at 31 December 2014 came to 87 million euros.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are exposed, and the claims that might be filed against it in the development of 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 significant amount in 2015 or 2014 in respect of assets acquired under finance lease arrangements.

The Group has mortgaged land and buildings totalling 24 million euros (24 million euros in 2014) to secure credit facilities granted to the Group by banks. In addition, at 31 December 2015, certain vessels with a carrying amount of 105 million euros (152 million euros in 2014) had been mortgaged to secure repayment of the loans received for their acquisition.

5. Investment property

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

The changes in 2015 and 2014 in the Group's investment property were as follows:

Investment property	Thousands of euros		
	Cost	Accumulated depreciation and impairment losses	Total
Balance at 31/12/13	178,399	(61,158)	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
Additions	3,230	(11,179)	(7,949)
Disposals	(198)	322	124
Transfers	748,127	(245,867)	502,260
Other changes	(340)	269	(71)
Balance at 31/12/15	1,019,432	(344,217)	675,215

In 2015 the main changes under this heading related to a transfer from "held for sale" from the Coto subgroup (property for rent), due to a strategic change in the real estate division, as well as to the reclassification of land and housing from Inventories to Property investments, due to the change of use of same because of the revision of the end use of residential housing based on the trend followed by the property market; all this meant revaluation of the use of certain developments now intended for rent (see note 23).

The main movement in 2014 related to the transfer, from "non-current assets held for sale", of two real properties since their selling processes were slowed down in the course of the year.

At 31 December 2015 and 2014, the fair market value of the property investments recorded under this line item on those dates and estimated on the basis of the valuations made by independent appraisers (see note 3.2. E) amounted to 705,833 million euros (201.46 million euros at 31 December 2014). The increase in value in 2015 if compared to 2014 was mainly due to the reclassifications indicated on the table above, from "held for sale" (with an appraised value of 425,160 thousand euros at 31 December

2014) and from Inventories (with an appraised value of 211, 860 thousand euros at 31 December 2014). If these two impacts are considered, the appraised value in 2014 if compared to 2015 would amount to 838,478 thousand euros.

The rental income earned by the Group from investment property listed under this heading at 31 December 2015 and 2014, all of which was leased out under operating leases, amounted to 29 million euros (19 million euros in 2014). For the interpretation of the rental income obtained it must be taken into consideration that the heading property investments includes assets that are not currently in operation since there is land in the process of development for future lease. Direct operating expenses arising from investment property in the period amounted to 10 million euros (6 million euros in 2014), recognised under "Other Operating Expenses" in the accompanying consolidated income statement.

At 31 December 2015 and 2014 and 2013, the Group had mortgaged a portion of its investment property included under this heading, for 468 and 90 million euros net, respectively, to secure bank credit facilities granted to the Group. The increase was mainly due to the reclassifications indicated on the table above from held for sale and from Inventories to this heading for 313 and 46 million euros, respectively.

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 2015 and 2014 is as follows:

Location	2015		2014	
	Cost	Depreciation and provisions	Cost	Depreciation and provisions
Madrid	598,401	(152,962)	98,493	(29,724)
The Levant Region	52,533	(23,560)	11,401	(3,687)
Andalusia	90,260	(37,410)	59,244	(24,849)
Catalonia	161,279	(66,218)	67,439	(19,785)
Other	114,783	(63,492)	29,591	(8,901)
Total	1,017,256	(343,642)	266,168	(86,946)

6. Goodwill

The movements 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
Other	367			(10)	357
Total	79,305	--	--	(10)	79,295

The movements in "Goodwill" on the accompanying consolidated balance sheet in 2015 were as follows (in thousands of euros):

	Balance at 31/12/14	Additions	Impairment	Other changes	Balance at 31/12/15
Acciona Facility Services subgroup	50,962				50,962
Acciona Water subgroup	27,976				27,976
Other	357			1	358
Total	79,295	--	--	1	79,296

At present the main goodwill registered by the Group comes from the subgroup Acciona Facility Services and Acciona Agua (Acciona Water) for 51 and 28 million euros, respectively. In 2015 the

update of the impairment test, according to the method described in note 3.2E) did not show the need to record additional impairment.

The growth rate employed by both subgroups to extrapolate the cash flow projections beyond the five-year period covered by the forecasts was 1.75%.

The WACC rates after tax that were applied were: 5.68% for Acciona Facility Services and 5.83% for the Acciona Water subgroup.

A sensitivity test was carried out, particularly in relation to the operating margin, the discount rate and the perpetuity growth rate, in order to ensure than possible changes in the estimation did not have an impact on the possible recovery of the goodwill registered. The outcome of these sensitivity tests indicated that, decreases of 75 basic points in the growth rate applied, increases in the discount rate of up to 40 basic points and 10% reductions in the net operating margin, these assumptions being considered jointly, do not change the outcome of the impairment test, that is, no goodwill impairment is shown.

The Acciona Group applies the acquisition method to account for any and all additions to the Group that involve the acquisition of a controlling interest.

There were no additions to the group in 2015; the main ones in 2014 are summarised below.

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/DNC
2014					
Compañía Urbanizada Del Coto, S.L.	15,018	47,47%	57,659	(12,353)	

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

7. Other intangible assets

The changes in 2015 and 2014 were as follows (in thousands of euros):



TRANSLATION

Other intangible assets	Development	Concessions	Transfer rights	Computer software	Advances	Accumulated amortisation	Impairment losses	Total
Balance at 31/12/13	94,122	801,591	1,063	62,509	21,958	(283,983)	(63,381)	633,879
Changes due to changes in 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)
Removals	(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
Changes due to changes in scope of consolidation	--	1	--	(29)	--	28	--	--
Additions / charge for the year	3,610	25,645	--	3,607	2,072	(47,883)	(18,630)	(31,579)
Removals	(286)	(64,894)	--	(434)	(112)	14,398	1,080	(50,248)
Transfers	(42,765)	89,202	(292)	(4,573)	(1,957)	51,931	--	91,546
Other changes	(21)	(24,003)	(27)	(259)	(491)	5,918	(14,783)	(33,666)
Balance at 31/12/15	58,040	789,846	1,341	57,823	4,982	(308,040)	(95,508)	508,484

The net balances by headings at the close of the financial years 2015 and 2014 were as follows:

Intangible assets	2015				2014			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Development	58,040	(52,129)	(1,608)	4,303	97,502	(79,772)	(1,608)	16,122
Concessions	789,846	(205,199)	(93,865)	490,782	763,895	(202,044)	(61,532)	500,319
Transfer rights	1,341	(537)	(35)	769	1,660	(404)	(35)	1,221
Computer software	57,823	(50,175)	--	7,648	59,511	(50,212)	--	9,299
Advances	4,982	--	--	4,982	5,470	--	--	5,470
Total	912,032	(308,040)	(95,508)	508,484	928,038	(332,432)	(63,173)	532,431

The "Concessions" line 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, relating to raft of expectant right and intangible assets, for the development of future wind projects acquired from third parties through the acquisition of stakeholdings in the companies holding these rights and the levies paid by Acciona Agua for concessions related to the integral water cycle.

Breakdown of the concessions line at 31 December 2015 and 2014 was as follows:

Concessions	2015				2014			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Administrative Concessions	331,284	(114,452)	(32,210)	184,622	375,658	(125,789)	(18,508)	231,361
Intangible Concessions (IFRIC 12)	458,562	(90,747)	(61,655)	306,160	388,237	(76,255)	(43,024)	268,958
Total	789,846	(205,199)	(93,865)	490,782	763,895	(202,044)	(61,532)	500,317

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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 (IFRIC 12) at 31 December 2015 and 2014 is as follows:

Concessions	2015				2014			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Rodovia do Aço, S.A.	123,322	(16,622)	(58,550)	48,150	158,080	(18,718)	(39,920)	99,442
S.C. A2 Tramo 2, S.A.	148,523	(38,936)	(3,104)	106,483	148,426	(29,264)	(3,104)	116,058
Consorcio Eólico Chiripa, S.A.	114,345	(8,887)	--	105,458	--	--	--	--

At 31 December 2015 and 2014, the main additions related to the development of certain concession operations of the group in the area of road transport infrastructures.

“Removals” reflects mainly the completion of a concession contract in the Water division, which did not have an impact on equity, the assets and liabilities registered in the concession whose contract ended being considered.

“Transfers” relates mainly to classification of the wind farm in Costa Rica under this heading for 102 million euros as discussed in note 4.

“Other Changes” includes the effect of translation differences in the period in the negative amount of 34 million euros, mainly from the construction of an infrastructure in Brazil (positive amount of 3 million euros in 2014).

At 31 December 2015 the amount of 8,322 thousand euros of intangible assets from the Windpower subgroup was classified under the heading “non-current assets held for sale” (see note 23).

In 2015 the concessionaire of a Brazilian motorway, Rodovia do Aço, S.A. showed additional signs of a drop in its value, mainly due to the worsening of the country’s macroeconomic conditions.

As a result, an impairment test was implemented, as indicated in note 3.2 E) on the basis of the projection of cash flows estimated after covering the debt service. The discount rate used includes the country-risk (Brazilian 10-year bond plus market premium) and the average leverage during the life of the concession, the cost of own capital standing at 13.44%. The impairment calculated amounted to 19 million euros, which was recorded under the heading “impairment of assets” on the accompanying income statement (see note 26).

As regards the other intangible assets, in 2015 no impairment was estimated and no significant losses appeared that were not covered with the provisions in place at 31 December 2015.

At 31 December 2015, Group companies had commitments to acquire intangible assets in the amount of 121 million euros for concession projects in the infrastructure construction division (motorways) and in the water division. At 31 December 2014, the amount committed came to 103 million euros.

Fully amortised intangible assets in use at 31 December 2015 and 2014 amounted to 90 and 105 million euros, respectively.

8. Investments in associates

The movement in 2014 in this heading on the accompanying consolidated balance sheet was as follows (in thousands of euros):

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	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
Direct investments of the Parent						
Direct investments of the Parent						
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						
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	473,167	44,892	(17,125)	(34,062)	(76,722)	390,150

The movement in 2015 in this heading on the accompanying consolidated balance sheet was as follows (in thousands of euros):

	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
Direct investments of the Parent						
Direct investments of the Parent						
Consorcio Traza, S.A.	5,504	(516)	--	614	--	5,602
Gran Hospital Can Misses, S.A.	832	96	--	1,036	--	1,964
S.C. Novo Hospital De Vigo S.A.	11,358	68	--	549	--	11,975
Total direct investment	17,694	(352)	--	2,199	--	19,541
Indirect investments of the Acciona Energy Subgroup	158,902	19,189	(36,908)	(758)	2,440	142,865
Indirect investments of the Ceatesalas Subgroup	83,650	7,406	(1,984)	(994)	(3,139)	84,939
Indirect investments of the Acciona Infrastructures Subgroup	14,073	4,652	--	198	3,891	22,814
Indirect investments of the Acciona Concessions Subgroup	3,509	4,397	(577)	(2,439)	7,814	12,704
Indirect investments of the Acciona Water Subgroup (*)	103,411	15,679	(9,928)	(4,743)	3,128	107,547
Indirect investments of the Acciona Property Subgroup	6,887	8,886	(5,385)	(3,027)	10,439	17,800
Indirect investments of the Acciona Trasmediterránea Subgroup	165	61	(4)	(112)	--	110
Other indirect investments	1,859	136	(115)	(1,081)	(5)	794
Total indirect investments	372,456	60,406	(54,901)	(12,956)	24,568	389,573
Total	390,150	60,054	(54,901)	(10,757)	24,568	409,114

(*) Indirect Investments of the Acciona Water Subgroup includes the concessionaire ATLL, which contributes a value on application of the equity method of 52,123 thousand euros and whose key figures are detailed in this note.

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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, which are consolidated by application of the equity method, are reduced to zero, and where there could be implicit obligations exceeding the contributions made, the losses or equity decreases are recognised under "Non-Current Liabilities - Provisions" on the consolidated balance sheet (see Note 17). In these cases, the loss is recognised under "Other Gains or Losses" instead of "Profit/(Loss) of Companies Accounted for Using the Equity Method".

The heading "Tax effect and other changes" reflects, in addition to the year's tax effect, the changes due to derivatives, translation differences and the effect of transfers to non-current liabilities of values than become negative after application of the equity method.

In 2015, the main movements in "changes in the year" stemmed from the incorporation of the companies Nuevo Hospital de Toledo, S.A. and Nexus Infrastructure Holding Unit Trust (both of the Acciona Concessions Subgroup). In the Acciona Inmobiliaria Subgroup (Acciona Properties), the amount under the heading "changes in the year" relates to the change in the consolidation method for the companies Torre Lugano, S.A. and Parque Reforma Santa Fe, S.A. de C.V, which are now consolidated by applying global consolidation and the equity method, respectively, because of the present conditions of the shareholders' agreements, and the impact of the change to the consolidation method is not significant.

10 million from "Tax effect and other changes" relate to the change due to derivatives and -3 million to the change due to translation differences.

The table below shows, in proportion to the share percentage in the capital of each of the associates included under this heading, the assets, liabilities, revenue and profit or loss for 2015 (the figures related 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 2015
Asset						
Non-current assets	595,688	339,416	529,126	2,040	12,034	1,478,304
Current assets	75,129	92,122	135,583	5,701	29,173	337,708
Total assets	670,817	431,538	664,709	7,741	41,207	1,816,012
Liabilities						
Equity	227,806	55,581	107,549	268	17,910	409,114
Non-current liabilities	380,594	345,228	415,355	4,971	4,603	1,150,751
Current liabilities	62,417	30,729	141,805	2,502	18,694	256,147
Total liabilities and equity	670,817	431,538	664,709	7,741	41,207	1,816,012
Profit or loss						
Net revenue	123,968	64,034	144,249	5,960	29,366	367,577
Profit before tax from continuing activities	26,740	9,118	15,679	(431)	8,948	60,054
Profit before tax	26,740	9,118	15,679	(431)	8,948	60,054

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 key figures at 39%, the percentage held by the Acciona Group:

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Assets	2015	2014
Non-current assets	388,396	393,105
Current assets	22,286	30,001
Cash and cash equivalents	36,410	23,252
Total assets	447,092	446,358
Liabilities		
Equity	52,123	56,554
Non-current financial liabilities	--	34,214
Non-current liabilities	308,944	319,576
Current financial liabilities	35,092	2,971
Current liabilities	50,933	33,043
Total equity and liabilities	447,092	446,358
Profit/(loss)		
Revenue	58,686	56,211
Profit before tax from continuing activities	3,948	3,870
Profit before tax	3,948	3,870

9. Interests in joint ventures

The Acciona Group's interests in joint ventures are explained 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 2015 are summarised as follows:

	Companies	JVs
Revenue	107,554	840,161
Gross profit/(loss) from operations	(6,930)	86,358
Profit/(loss) from operations	(10,365)	69,506
Non-current assets	60,836	72,694
Current assets	65,783	792,135
Non-current liabilities	4,483	85,033
Current liabilities	83,863	782,260

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

10. Current and non-current financial assets

Detail of the balance for this chapter on the consolidated balance sheet is as follows:

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	2015		2014	
	Non-current	Current	Non-current	Current
Available-for-sale financial assets	26,280	20	26,087	20
Impairment of available-for-sale financial assets	(10,192)	0	(8,137)	--
Financial derivatives at fair value (Note 20)	780	0	14	--
Held-to-maturity investments	--	376,435	--	349,636
Deposits and guarantees	13,769	14,593	10,999	8,250
Other loans	133,501	22,053	130,692	11,620
Impairment of other loans	(4,093)	(238)	(3,921)	(419)
Net Total	160,045	412,863	155,734	369,107

Available-for-sale financial assets:

The changes in "Available-for-Sale Financial Assets" in the years ended 31 December 2015 and 2014 were as follows:

	Non-current
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)
Closing balance at 31/12/14	26,087
Additions	125
Sales	(109)
Changes in fair value	(47)
Transfers	0
Other changes	235
Changes in the scope of consolidation	(11)
Balance at 31/12/15	26,280
Impairment losses	
Balance at 31/12/13	(28,361)
Additions	(209)
Sales	20,433
Transfers	--
Other changes	--
Closing balance at 31/12/14	(8,137)
Additions	(2,055)
Sales	1
Transfers	--
Other changes	--
Changes in the scope of consolidation	--
Balance at 31/12/15	(10,192)
Net Total	16,088

No significant changes took place in 2015. The only thing worth mentioning is the impairment in the amount of 2 million euros sustained by an investee of the Acciona Infrastructures subgroup (see note 26).

The main changes in 2014 related to the lines "Changes 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 and a capital gain of 27 million euros was generated. After this sale, at 31 December 2015, the Group kept only a stakeholding under

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“available-for-sale financial assets” with changes in value in reserves, with a balance of 1.4 million euros at the closing date.

Furthermore, within the Acciona Infrastructures subgroup, practically the entire stakeholding in Gtceisu Construction, 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 was recorded under the heading “Profit/(loss) from changes in value of financial instruments at fair value” (see Note 26).

Held-to-maturity investments:

This heading 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. The main changes in financial year 2015 related to the setting-up of this reserve fund after the start-up of the last electricity generation facilities.

Other loans

This related mainly to loans granted to companies consolidated by applying the equity method.

11. Biological assets

Breakdown of current and non-current biological assets at 31 December 2015 and 2014 was as follows (in thousands of euros):

	31.12.2015	31.12.2014
Non-current	6,839	6,836
Current	--	--
Total biological assets	6,839	6,836

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

Breakdown of “Non-Current Receivables and Other Non-Current Assets” at 31 December 2015 and 2014 was as follows:

	31.12.2015	31.12.2014
Non-current operating receivables	70,594	76,636
Non-current prepayments and accrued income	26,560	5,092
Concessions under the non-current financial asset model	357,848	354,982
Total non-current receivables and other non-current assets	455,002	436,710

“Non-Current Operating Receivables” included mainly client 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.

“Non-current prepayments and accrued income” includes the amount of 16,977 thousand euros related to the initial value of an energy contract entered into, in December 2015, by a subsidiary in the United States, to supply a specific amount of energy for a term of 13 years.

“Concessions under the Non-Current Financial Asset Model” included the balance receivable to 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 to 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 2015 and 2014, the balance reclassified to short term in the “Concessions under the Current Financial Asset Model” under the heading “Trade and Other Receivables” for the amount expected to be collected by the granting entities in the next twelve months came to 16,203 and 17,175 thousand euros, respectively (see Note 14).

Breakdown, by division, of “Concessions under the Non-Current Financial Asset Model” was as follows:

	31.12.2015	31.12.2014
Construction of Infrastructure division	347,222	342,462
Water division	10,626	12,520
Total	357,848	354,982

The main concession projects included in the Infrastructure division relate to hospitals and motorways, and those in the Water division relate to the integral water cycle and are detailed in Appendix VI. Breakdown of the balance of the main concessions the financial model at 31 December 2015 and 2014 was as follows:

	31.12.2015	31.12.2014
S.C. Acciona Concesiones Ruta 160	218,878	209,060
S.C. Hospital del Norte, S.A.	86,592	89,939

The change in financial year 2015 related, on the one hand, to the increase in investment based on the stage of completion of the concession works under construction, mainly in Chile, within the infrastructure construction division, for 5 million euros, and to recognition of income on interest for 17 million euros (see note 25), as well as to the reclassification of 16 million euros to short-term accounts as discussed above.

At 31 December 2015, the Group companies had commitments to acquire concession assets under the financial asset model in the amount of 1 million euros, most of which related to concession arrangements awarded to the infrastructure division (3 million euros at 31 December 2014).

13. Inventories

The detail of the Group’s inventories at 31 December 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Raw materials, other procurements and goods held for resale	185,165	298,091
Work in progress and half-finished goods	39,702	30,178
Finished goods	2,573	2,895
Assets received in payment of loans	16,704	24,993
Land	635,255	841,518
Property developments in progress	17,421	45,887
Completed property developments	42,637	141,865
Advances paid	115,048	153,729
Impairment	(314,403)	(496,512)
Total inventories	740,102	1,042,644

The main movement in 2015 related to the reclassification of land and housing from inventories to property investments, in the gross amount of 282 million euros (133 million euros net in impairment), due to the change in use thereof because of the revision of the final use intended for residential housing according to the trend followed by the real estate market; this meant revaluation of the use of certain developments now to be used for rent (see note 5). In addition, another significant portion of the decrease in inventories was due to the reclassification to “held for sale” of the Windpower subgroup (see note 23).

The Group’s Directors, on the basis of the valuations and appraisals performed by Savills Consultores Inmobiliarios, S.A. and Instituto de Valoraciones, S.A., independent property appraisers not related to the Group, estimated that the fair value of the Group’s property inventories at 31 December 2015 and 2014, including inventories related to the companies consolidated using the equity method, amounted to 535,995 million euros. In this respect, the impairments endowed in the consolidation process were sufficient to absorb the current trend of the fair values of these assets, incorporating the distortions and uncertainties currently persisting in the real estate market.

At 31 December 2015 and 2014 the carrying amounts of mortgaged inventories were 30,600 and 97,520 thousand euros, respectively, and related mostly to property developments completed in 2015 and 2014. The balance at 31 December 2014 included 46 and 21 million euros related to the reclassification to property investments because of the change in use discussed above and because of the change in the consolidation method of the subsidiary Parque Reforma Sante Fe, respectively (see notes 5 and 8), which must be taken into account to explain the trend of the balance of mortgaged inventories.

At 31 December 2015 and 2014, there were no firm land purchase commitments.

Property development sales commitments to clients at 31 December 2015 and 2014 amounted to 16,502 and 87,048 thousand euros, respectively. The balance at 31 December 2014 included 76 million euros related to the aforementioned subsidiary that passed on to be consolidated under the equity method. From the balance at 31 December 2015, the amount of 13,427 thousand euros had been collected or was instrumented in notes and bills receivable, the balancing entry of which was recorded under “Current Trade and Other Payables” on the liability side of the accompanying consolidated balance sheet until the date of delivery (35,859 thousand euros at 31 December 2014).

14. Trade and other receivables

The detail of “Trade and Other Receivables” at 31 December 2015 and 2014 is as follows:

	2015	2014
Trade receivables	1,153,343	1,449,185
Doubtful trade receivables	68,451	62,546
Amounts to be billed for work performed	504,802	515,544
Total trade receivables for sales and services	1,726,596	2,027,275
Receivable from associates	67,953	81,939
Sundry accounts receivable	154,135	168,677
Current concessions under the financial asset model (Note 12)	16,203	17,175
Provisions	(352,469)	(355,032)
Total trade and other receivables	1,612,418	1,940,034
Advances from clients	(573,319)	(852,608)
Total net balance at 31 December	1,039,099	1,087,426

In 2015, the balance of “advances from clients” was considerably reduced as a result, mainly, of the reclassification to “Assets held for sale” under assets on the balance sheet of the wind turbine

manufacture business in the Energy division, as indicated in note 23. In addition, the balance of receivables from clients in the Construction division dropped significantly, which is explained by the dynamics typical of its activity.

Breakdown, by business activity, of the balance of trade receivables for sales and services, net of client advances, was as follows:

	2015	2014
Energy	779,186	592,246
Construction of Infrastructure	425,319	666,917
Water	137,474	147,751
Services	177,185	186,551
Other Activities	164,212	166,120
Intra-Group transactions	(644,277)	(672,159)
Total net balance at 31 December	1,039,099	1,087,426

Breakdown relating to the construction business was as follows:

	2015	2014
Progress billings receivable	492,798	674,903
Amounts to be billed for work performed	454,040	481,978
Sundry accounts receivable	207,607	236,690
Provisions	(265,925)	(263,570)
Total construction trade receivables	888,520	1,130,001
Advances from clients	(469,151)	(458,658)
Total net balance at 31 December	419,369	671,343

Breakdown, by type of client, of the net balance of construction trade receivables was as follows:

	2015	2014
Central Government	12,148	44,109
Regional Governments	12,093	19,201
Local Governments	8,170	5,774
Other	4,749	44,278
Public-sector subtotal	37,160	113,362
Private-sector subtotal	131,066	253,764
Total Spanish clients	168,246	367,126
Total foreign clients	251,124	304,217

Breakdown, by age, of receivables from clients was as follows:

	2015	2014
Age up to 3 months by date of invoice	787,599	1,085,263
Age between 3 and 6 months by date of invoice	34,721	102,356
Age over 6 months by date of invoice	329,023	261,566
Total	1,153,343	1,449,185
Invoices past due by more than 3 months and not provisioned	156,916	172,069

The movement in provisions for losses due to impairment in the value of receivables at 31 December 2015 and 2014 was as follows:

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	2015	2014
Opening balance	(355,032)	(354,650)
Increase in provision for impairment of accounts receivable	(21,879)	(40,495)
Accounts receivable de-registered as impossible to collect	5,680	14,931
Reversal of amounts not used	5,695	25,815
Transfer to Non-current assets held for sale (note 23)	11,548	--
Reclassifications and other minor adjustments	1,519	(633)
Closing balance	(352,469)	(355,032)

15. Cash and cash equivalents

Detail of “Cash and Cash Equivalents” at 31 December 2015 and 2014 was as follows:

	2015	2014
Cash	1,028,293	1,104,362
Deposits and other	431,880	222,450
Total cash and cash equivalents	1,460,173	1,326,812

“Cash and Cash Equivalents” included mainly the Group’s cash, bank deposits and risk-free deposits with initial maturity of three months or less. None of the balances under this heading was unavailable.

In 2015 and 2014 the cash and cash equivalent balances earned interest at market rates.

16. Equity

a) Subscribed and registered share capital

The Parent’s share capital is represented by 57,259,550 fully paid-up 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 restrictions as to their transferability under the Articles of Association.

The table below shows, based on the notices received by the company, the owners of significant direct and indirect equity interests at 31 December 2015 and 2014.

	31.12.2015	31.12.2014
Tussen de Grachten, B.V.	27.69%	27.17%
Wit Europese Investerings, B.V. (*)	28.04%	26.75%
Fil Limited (**)	--	1.044%
Capital Research and Management Company (**)	4.07%	--

(*) Formerly called Entrezca, BV.

(**) Indirect holder of the equity interest.

Wit Europese Investerings, B.V. and Tussen de Grachten, B.V. signed a securities loan granted to HSBC of up to 3 million shares as a whole, divided equally between them, so that securities loans can be furnished to investors within the framework of the convertible bond issue made by Acciona, S.A. in 2014 and reported to *CNMV* as a Material Event under registration number 198,666.

b) Share premium and reserves

The balance of the “Share Premium” account, which at 31 December 2015 and 2014 amounted to 170.11 million euros, arose as a result of the capital increases with share premiums carried out on

different dates. The rewritten text of the [Spanish] Capital Companies Act expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to the use of said balance.

Detail of the share premium, reserves and value adjustments as appearing on the consolidated statement of changes in equity was as follows:

	2014	2013
Issue premium	170,110	170,110
Legal reserve	11,452	11,452
Reserve for retired capital	10,454	10,453
Voluntary reserves	2,682,763	2,620,074
Consolidated reserves (Note 16.d)	462,128	379,910
Subtotal reserves	3,166,797	3,021,889
Translation differences (Note 16 d)	(87,968)	(25,264)
Total reserves	3,248,939	3,166,735

The legal reserve, to which transfers must be made until 20% of the share capital is reached, 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 does not reach 20% of share capital, it can only be used to offset losses, provided that there are no other reserves available in a sufficient amount for this purpose.

c) Treasury shares

The changes in treasury shares in financial years 2015 and 2014 were as follows:

	2015		2014	
	Number of shares	Cost	Number of shares	Cost
Opening balance	534,499	28,895	140,440	6,461
Additions	3,428,656	247,091	--	--
Removals	(3,391,297)	(244,121)	--	--
Liquidity contract	37,359	2,970		
Additions	615,935	42,747	466,283	25,774
Removals	(867,333)	(54,374)	(72,224)	(3,340)
Other movements	(251,398)	(11,627)		
End balance	320,460	28,238	534,499	28,895

Last 3 July 2015 Acciona, S.A. reported subscription of a liquidity contract with Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. The company's stock operations carried out by Bestinver within the framework of this contract will take place on the Spanish stock exchanges and the purpose will be to promote the liquidity of transactions as well as a regular quotation.

The term of the liquidity contract will be twelve months, which can be tacitly extended for an equal period. The number of shares earmarked for the securities account associated with this contract amounts to 48,000 shares and the amount earmarked for the cash account is 3,300,000 euros. At 31 December 2015 the profit obtained was 652 thousand euros, recognised in reserves.

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As regards other movements, in 2015 48,000 shares were used for the liquidity contract, as discussed in the paragraph above, and 819,333 shares were retired, with a profit of 4,972 thousand euros, recognised in reserves. Part of the retired shares related to the delivery of 51,149 shares mainly to the Group's Management, under the Share Delivery Plan and the variable remuneration Substitution Plan, with a profit of 909 thousand euros (see note 34).

In 2014 a total of 466,283 shares were acquired for 25,774 thousand euros. In addition, 72,224 shares were retired, with a 1,136 thousand euros gain, recognised in the year's reserves, due to the delivery of shares, mainly to Senior Management under the Share Delivery Plan approved by the General Meeting.

d) Reserves of consolidated companies and translation differences

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 2015 and 2014 was as follows (in thousands of euros):

Line of business	2015		2014	
	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Energy	(645,335)	21,086	(836,990)	3,714
Infrastructure	202,279	(89,777)	206,788	(15,859)
Water	91,719	(4,885)	77,401	(2,857)
Services	(71,104)	(314)	(56,577)	929
Other Activities	924,626	(14,078)	1,034,992	(11,191)
Consolidation adjustments	(40,057)	--	(45,704)	--
Total	462,128	(87,968)	379,910	(25,264)

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 2015 and 2014 is provided in Appendix V.

In addition to the Parent, at 31 December 2015, the Group company Mostostal Warszawa, S.A. was a listed company. The average market price of this company in the last quarter was PLN 13.85 and the market price at year-end was PLN 13.00.

e) Value 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 "Value Adjustments" in 2015 and 2014 were as follows:

TRANSLATION

	2015	2014
Balance at 1 January	179	15,432
Increases in value in the year	--	3,838
Decreases in value in the year	(30)	--
Transfer to results in the year	--	(19,091)
Changes in the scope of consolidation	--	--
Balance at 31 December	149	179

In 2014 the Group divested itself of all the securities it held in the company Bolsas y Mercados Españoles, transferring the increases in value accumulated to date to the income statement in the amount of 19 million euros, net of the tax impact.

▪ 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 2015 and 2014 were as follows:

	2015	2014
Balance at 1 January	(427,377)	(321,237)
• Changes in value in the year	(51,496)	(187,209)
<i>Gross</i>	(68,661)	(226,259)
<i>Tax effect</i>	17,165	39,050
• Transfer to income for the year	114,005	81,069
<i>Gross</i>	152,006	115,813
<i>Tax effect</i>	(38,001)	(34,744)
Balance at 31 December	(364,868)	(427,377)

f) Non-controlling interests

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

The movement in 2014 was as follows (in thousands of euros):

Company	Balance at 31/12/13	Changes in scope & capital contrib./ returned	Dividends	Value adjustments and other	Year's Profit/ (Loss)	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 Energy subgroup ⁽¹⁾	(6,246)	--	(180)	(4,896)	4,672	(6,650)
Acciona Energy Internacional subgroup	138,487	37,132	(11,799)	27,358	12,918	204,096
Incaropa 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
Inasa 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 Energy Internacional subgroup

The movement in 2015 was as follows (in thousands of euros):

Company	Balance at 31/12/14	Changes in scope & capital contrib./ returned	Dividends	Value adjustments and other	Year's Profit/ (Loss)	Balance at 31/12/15
Hospital del Norte	756	--	--	51	118	925
Mostostal Warszawa subgroup	4,145	--	(552)	(2)	3,985	7,576
Parque Reforma	6,132	(6,132)	--	--	--	--
Acciona Energy subgroup (1)	(6,650)	4,533	(133)	2,812	2,884	3,446
Acciona Energy Internacional subgroup	204,096	4,154	(11,154)	9,603	17,792	224,491
Ineuropa de Cogeneracion subgroup	8	--	--	--	--	8
Alabe subgroup	1	--	--	--	(1)	--
Acciona Infraestructures subgroup	4,630	--	--	(3,543)	2,647	3,734
Acciona Service subgroup	386	145	--	(1)	212	742
Trasmediterránea subgroup	13,147	--	--	51	1,191	14,389
Ceatesalas subgroup	5,505	(649)	(12)	131	354	5,329
Inosa subgroup	1,282	--	--	(315)	(747)	220
Total non-controlling interests	233,438	2,051	(11,851)	8,787	28,435	260,860

(1) Excluding the Acciona Energy Internacional subgroup

In 2015 “Value adjustments and other” included changes in the non-controlling interest due to exchange rate fluctuations in the amount of 8 million euros, mainly as a result of the appreciation of the US dollar against the euro (22 million in 2014). Any other changes were not significant.

On 3 October 2014 the Group formalized an agreement for the transfer, without loss of control, of a one-third stakeholding in the capital of the Acciona Energy Internacional subgroup, included in the Acciona Energy subgroup, to a vehicle in the KKR global infrastructure fund. The impact on the balance item “Non-controlling interests” of the aforesaid transaction, which came to 23 million euros, is shown in the column “Changes in scope of consolidation” on the table about movements above (see Note 2.2 h).

In addition, in financial year 2014, also within the Acciona Energy Internacional subgroup, increases 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.

Summarised financial information for those subgroups or subsidiaries representing a material portion of the Group’s assets, liabilities and transactions and for which no dominant stakeholdings are held is shown below.

31.12.2015	Acciona Energy Internacional Subgroup	Acciona Thermosolar Subgroup	Mostostal Warszawa, S.A.	Cfa. Trasmediterránea Subgroup
% Non-controlling interests	33.33%	15.00%	49.91%	7.29%
ASSETS				
Non-current assets	3,156,997	845,815	56,909	294,093
Current assets	450,166	270,248	270,108	124,558
Total Assets	3,607,163	1,116,063	327,017	418,651
LIABILITIES				

TRANSLATION

Equity	341,475	(35,094)	3,868	197,566
Attributed Equity	143,826	(35,094)	(1,678)	197,579
Non-controlling interests	197,649	—	5,546	(13)
Non-current liabilities	3,086,841	801,908	94,274	22,983
Current liabilities	178,847	349,249	228,875	198,102
Total Liabilities	3,607,163	1,116,063	327,017	418,651

PROFIT/(LOSS)				
Revenue	444,195	118,933	304,085	424,170
Operating profit	188,892	53,651	11,726	31,158
Profit/(loss) before tax	49,213	4,062	9,652	25,317
Profit/(loss) after tax	28,478	5,424	7,647	31,364
Profit/(loss) attributed to Non-controlling interests	(15,082)	—	(157)	2
Profit/(loss) attributed to the parent	13,396	5,424	7,491	31,366

31.12.2014	Acciona Energy 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	831,569	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	60,096	736	3,196	(11,001)
Profit or (loss) after tax	46,648	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	38,688	27,995	(1,828)	(10,177)


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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 2015 and 2014 is shown below.

	Leverage	
	Millions of euros	
	2015	2014
Net financial debt:	5,159	5,294
Non-current bank borrowings	5,895	5,918
Current bank borrowings	1,137	1,072
Current financial assets and cash and cash equivalents	(1,873)	(1,696)
Equity:	3,754	3,613
Of the Parent	3,493	3,380
Of non-controlling interests	261	233
Leverage	137%	147%

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 for profit to be distributed to the shareholders. Specifically, the clauses stipulate the maintenance of a senior debt coverage ratio in financing contracts.

17. Provisions and litigation

The movement in the long-term provisions on the liability side of the consolidated balance sheets at 31 December 2015 and 2014 was as follows:

	31.12.2015	31.12.2014
Opening balance	453,588	533,121
Additions and provisions	47,023	31,124
Removals	(55,453)	(18,112)
Transfers	(18,431)	(62,008)
Other changes	(6,482)	(30,537)
Closing balance	420,245	453,588

The Acciona Group operates in different businesses and in a great number of 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 related to defects in construction projects performed and claims related to differences regarding services rendered. Part 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 nature and amount of the main provisions are detailed below.

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 2015, the provision in this connection amounted to 69 million euros (76 million euros at 31 December 2014). The table below shows detail, by division and in proportion to the Group's share percentage in the capital of each, of the assets, liabilities, revenue and profit/(loss) for 2015 of the associates for which a provision was recognised.

	Energy	Construction	Water	Services	Total 2015
Assets					
Non-current assets	44,670	472,486	53,639	1,506	572,301
Current assets	11,974	33,742	3,296	5,005	54,017
Total assets	56,644	506,228	56,935	6,511	626,318
Liabilities					
Equity	(5,535)	(59,391)	(3,669)	(610)	(69,205)
Non-current liabilities	35,347	409,166	57,080	1,136	502,729
Current liabilities	26,832	156,453	3,524	5,985	192,794
Total equity and liabilities	56,644	506,228	56,935	6,511	626,318
Profit/(Loss)					
Revenue	6,220	18,179	6,551	15,063	46,013
Profit before tax from continuing operations	(788)	(1,821)	952	61	(1,596)
Profit/(Loss) before tax	(788)	(1,821)	952	61	(1,596)

This section includes, in the infrastructure construction division, a provision in the amount of 29 million euros for the companies Infraestructuras y Radiales, S.A. and Henarsa, S.A., companies undergoing voluntary creditors' meeting proceedings as declared on 5 September 2013 by Business Court no. 10 in Madrid on. Similarly, there is a provision in the amount of 5 million euros for Sociedad Concesionaria Puente del Ebro, S.A., a company undergoing voluntary creditors' meeting proceedings as declared on 4 November 2014 by Business Court no. 2 in Zaragoza.

b) Levies, taxes and local charges: these relate 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 2015, the provision in this connection amounted to 41 million euros (59 million euros at 31 December 2014). In the financial year payments in the amount of 18 million euros were made, mainly in connection with the inspections performed in relation to VAT and Corporate Tax as described in Note 22.

c) Guarantees: these relate to provisions from the Corporación Acciona Windpower subgroup for the amounts estimated in relation to warranty and maintenance obligations undertaken for facilities and machinery sold, mainly wind turbines. As mentioned in note 23 the assets and liabilities of this subgroup were classified under the headings "assets and liabilities held for sale", 18 million euros of the provision for guarantees being reclassified to these headings. After this reclassification, the provision in this connection at 31 December 2015 amounted to 4 million euros (22 million at 31 December 2014).

d) Repairs: these relate to provisions in connection to repairs agreed with the awarding entity in concessions from the infrastructure division. Each year they are systematically endowed by a charge

against the operating profit/(loss). The provision in this connection, at 31 December 2015, amounted to 17 million euros (13 million euros at 31 December 2014).

e) Pensions and similar: these relate 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 11 million euros (12 million euros at 31 December 2014)

f) Burdensome contracts: these relate to contracts for works and 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 in this connection at 31 December 2015 amounted to 65 million euros (68 million euros at 31 December 2014).

g) Dismantling: these relate mainly to provisions stemming from the electricity generation facilities recently commissioned in the Energy division international area, after the Group concluded, upon analysis of the particularities of these contracts, that there is an obligation to dismantle said facilities although this has no impact on the income statement. The provision in this connection at 31 December 2015 amounted to 33 million euros.

h) Litigation: these related to provisions for lawsuits under way as a number of claims have been brought against the Group for various reasons. At 31 December 2015, the Group had a provision in place in the amount of 180 million euros (203 million euros at 31 December 2014). The main lawsuits in progress are the following:

- Construction defects: these relate to provisions for construction defects and lawsuits relating to work performed and claims over differences about the provision of services, mainly in the construction and property divisions. The provision in this connection at 31 December 2015 amounted to 61 million euros.
- CNC Penalties: related to certain liabilities connected to the Logistics division, mainly arising from three penalties imposed by the Spanish National Competition Commission (CNC) in previous years and under appeal. In 2015, at the Supreme Court, two of the penalties were solved favourably for the Group, with reversion of part of the provision recognised for 30 million euros (see note 26). The provision in this connection at 31 December 2015 amounted to 16 million euros and it related to the third of the aforesaid penalties, which as yet had not been solved.
- At 31 December 2015 the Group had provisions related to certain liabilities connected mainly to the energy division in relation to lawsuits brought for payment commitments linked to future wind project developments. The provision in this connection at 31 December 2015 amounted to 24 million euros.
- In addition, there are provisions related mainly to three lawsuits under way in connection with proceedings related to disputed land linked to property development in Spain, breaches of contract in the United States and a case involving trademarks and image. The provision in this connection at 31 December 2015 amounted to 79 million euros.

As regards these cases, it is hard 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 these provisions. In this respect, 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 fair view of the financial statements.

As for the movements in the financial year, the line "Transfers" relates mainly to the transfer of the provisions from the Corporación Acciona Windpower subgroup to "liabilities held for sale". The "Removals" line reflects mainly the applications of the tax provision for payments upon tax inspection conclusions following tax audits (see Note 22), as well as the reversion of the provision for CNC penalties.

The Group's Management considers that no significant additional liabilities will occur that are not provisioned in the consolidated financial statements at 31 December 2015 and 2014.

In addition to the litigation under way indicated above, information is given below about the current status of the court proceedings related to ATLL Concesionaria de la Generalitat de Catalunya, S.A. (see Note 8).

Last 22 June 2015 the High Court of Justice of Catalonia issued judgment allowing in part the appeal for judicial review of administrative decision lodged by the concession company ATLL Concesionaria de la Generalitat de Catalunya, S.A. and Acciona Agua, S.A., overruling the resolution dated 2 January 2013 from the Contractual Resources Administrative Body of Catalonia in relation to exclusion of the bid made by the consortium headed by Acciona. The Court, however, considers that there are defects in the tender procedure that are not attributable to the bidders, which lead to render void the contracting procedure as a whole because the bidders did not have full knowledge of the exact scope of the requirements related to the works schedule.

The fact that the High Court of Justice of Catalonia says that the possible defects in the tender procedure phase are not attributable to the bidders does not have adverse effects on the compensation the concession company would be entitled to if the tender procedure became null and void under a firm judgment and, accordingly, the award and the contract subscribed, and all of it would go to a settlement process without prejudice to appropriate claim for damages.

The judgment issued is not firm and has been appeal against by the concession company and the Generalitat de Catalunya [Catalan Government] for quashing at the Supreme Court.

In the event that the Supreme Court confirms the judgment referred to above and the award is rendered definitively void, the contract will be void and will go into the settlement stage, with the effects established in the Government Procurement Act. The contract includes a contractual clause, 9.12, which refers to early termination of the concession contract. This clause establishes that if the concession contract is terminated before 50 years elapse, regardless of the grounds for termination, the Administration shall pay the concession company compensation that will cover:

- (a) the unamortised portion of the total concession fee. This amortisation is calculated according to what is established in this clause 9.12 on the contract in conformity with clause 22 of the Administrative Specifications Document;
- (b) the unamortised portion of the works, installations and other investments, in tangible and intangible assets, as made by the concessionaire to date; and,
- (c) related additional costs.

In any event, as indicated in this contractual clause 9.12, all calculations needed to determine what is established in the paragraphs above must refer to amounts actually included in the tariffs, following the principle of recovery of all previous items through the tariffs and with the time where contract

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termination occurs and the months elapsed in which the concessionaire applied the annual tariff in question being taken into account, if appropriate.

The compensation referred to in clause 9.12 is applicable even if the Administration must enforce court resolutions that involve termination or cancellation of the concession contract according to reply by the Generalitat de Catalunya of 5 July 2013 to the enquiry made by the concessionaire ATLL.

In any event, the principle of ongoing service guarantees that the concessionaire will remain in the concession operation until, as the case may be, the Catalan Government or another possible awardee from another award tender procedure can formally replace the concessionaire

In short, ATLL must continue fulfilling the obligations derived from the water supply public service management contract in force according to the terms thereunder as long as there is no definitive judgment that renders the award void, and at such time, if the judgment is confirmed, the contract would be rendered void and go into the settlement stage, and the relevant compensation would have to be paid. The compensation would include, *inter alia*, returning the portion of the unamortised fee, without prejudice to the claim for damages as might be appropriate.

Therefore, the Directors are of the opinion that the final resolution of the proceedings described above will not involve an outflow of resources, for which reason no provision for risks and expenses in connection with this lawsuit was recorded at 31 December 2015.

Provisions for pensions and similar obligations

“Non-current provisions” on the accompanying consolidated balance sheet includes mainly provisions for pensions and similar obligations due to the acquisition of assets and/or companies from the Endesa Group in 2009.

The group of employees considered in 2015 and 2014 for measurement was 102 employees (105 at the close of 2014), 25 of whom have already taken early retirement (23 at the close of 2014). Not all of them are in the same situation and under the same commitment. The main characteristics of the plans assumed are the following:

- 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 2015 and 2014 were as follows:

	2015	2014
Interest rate	2.72%	2.26%
Mortality tables	PERPM/F2000	PERPM/F2000
Expected rate of return on plan assets	2.60%	2.16%
Salary review	2.0%	2.3%

Information is provided below on the changes in the actuarial liabilities for the defined benefit obligations at 31 December 2015 and 2014:

	2015	2014
Initial actuarial liability	3,775	2,800
Cost incurred in the year	112	85
Finance costs	84	108
Benefits paid in the year	--	--
Actuarial gains and losses	24	782
Final actuarial liability	3,995	3,775

Information is provided below on the changes in the actuarial assets for the defined benefit obligations at 31 December 2015 and 2014:

	2015	2014
Initial actuarial asset	2,484	2,298
Rate of return in the year	54	86
Contributions made in the year	160	31
Actuarial gains and losses	59	69
Final actuarial asset	2,757	2,484

At 31 December 2015 and 2014, the total amount of the final actuarial assets and liabilities related in full to defined benefit obligations in Spain.

At 2015 year-end, the amount recognised in the consolidated income statement for defined benefit pension obligations amounted to 142 thousand euros (107 thousand euros in 2014) 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 2,778 thousand euros (3,175 thousand euros at 31 December 2014).

The actuarial changes recognised, arising in this connection, amounted to a profit of 427 thousand euros in 2015 (638 thousand euros in 2014).

- iii) Commitment undertaken by the company 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 movement in the provision for these obligations, recognised under "Provisions" on the accompanying consolidated balance sheet in 2015 and 2014, was as follows:

	Provision for other long-term employee benefit obligations
Balance at 31/12/13	3,373
Additions and provisions	(197)
Removals	(586)
Balance at 31/12/14	2,590
Additions and period provisions	(607)
Removals	(1,022)
Balance at 31/12/15	961

These liabilities related 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 were entitled to adhere to a pre-retirement plan at the age of 60, of which they could avail themselves between the ages of 50 and 60, upon the mutual 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 under 50 years of age affected by the voluntary redundancy plan consisted in 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

At 31 December 2015 and 2014, detail of recourse and non-recourse borrowings, it being understood that non-recourse is the debt with no corporate guarantees, whose recourse is limited to the debtor's flows and assets, was as follows (in thousands of euros):

	2015		2014	
	Current	Non-current	Current	Non-current
Non-recourse bank borrowing	336,649	4,039,637	419,515	4,304,743
Mortgage loans for non-current asset financing	32,635	217,871	75,929	85,900
Mortgage loans for property developments	29,196	0	88,344	--
Project finance	269,978	3,813,229	247,720	4,151,345
Obligations under finance leases	3,324	6,312	4,624	4,781
Other limited recourse debt	1,516	2,225	2,898	62,626
Recourse bank borrowing	426,691	1,053,308	211,866	854,416
Discounted notes and bills not yet due	3,163	0	5,162	--
Other bank loans and credit facilities	423,528	1,053,308	206,704	854,416
Total bank borrowings	763,340	5,092,945	631,381	5,159,159

In 2015 and 2014, the Group's 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 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 main indices for the Group outside the euro zone. 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 (see Note 20).

Through subsidiaries or associates, the 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 and funded through "Project finance".

These finance structures are applied to projects capable of providing by themselves sufficient support for the participating financial entities as to the repayment of 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 to be generated in future by the project itself, as well as by *in rem* guarantees over the project's assets and credit rights.

Within this heading, mention must be made of the increase of approximately 21 and 11 million euros in the international energy division due to the last drawdowns implemented, prior to their commissioning in the first half of the year, in the financing of a wind farm in Chile and a photovoltaic plant in South Africa, respectively, as well as the increase of 28 million euros for the wind farm project also in South Africa, which began to operate at the end of August. The effect of translation differences in the period was also included, which increased the debt by 45 million euros and related mainly to the net effect arising from the translation differences of projects whose currency is the US dollar (+85 million euros) and the South African rand (-30 million euros).

In addition, the two main reasons that explain the reduction in this heading must be mentioned: the scheduled amortisations according to the calendar for each project, and the reduction in debt by 89 million euros due to the effect of payment of the derivatives settlements reflected in the income statement, net of the worsening of the negative value in the period in relation to the financial derivatives engaged by the infrastructure and energy divisions mainly.

As indicated in Note 3.2 I), the adoption of IFRS 13 requires an adjustment in the measurement 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 2015, the adjustment of credit risk represented a lower valuation of liability derivatives in the amount of 16,772 thousand euros, recognised on the one hand as a smaller debt with credit entities in the amount of 12,944 thousand euros by subsidiaries and, on the other hand, as a higher value of the investment using the equity method in the amount of 3,827 thousand euros, without considering the tax effect, by the companies consolidated in accordance with this method. The external and after-tax effects that this modification had on the heading "Adjustments in equity for valuation of cash flow hedges" were positive in the amount of 12,128 thousand euros.

In 2015 there was an increase in "other loans and borrowings" due to subscription last March of a syndicated bank loan by the subsidiary Acciona Financiación Filiales, S.A., for 1,800 million euros, and used in part as explained below. The credit is divided into two tranches (tranche A for the maximum amount of 360 million euros and tranche B for the maximum of 1,440 million euros) with due date on 25 March 2010. The two tranches will be used to refinance part of the Group's debt and to finance general corporate and investment needs and to strengthen the group's liquidity. On 24 June 2015 tranche A was used in full. At 31 December 2015 the whole tranche B remained unused.

At 31 December 2015 the Group companies had been granted additional financing not drawn down in the amount of 1,900,665 thousand euros, of which 1,880,707 thousands related to credit lines for the financing of working capital and the remaining amount, 19,958 thousand euros, to lines to finance fees to enter infrastructure projects.

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 2015 and 2014, neither Acciona, S.A. nor any of its significant subsidiaries were in breach of any of their financial obligations or any other obligations in such a way as might lead to early maturity of their financial obligations. Also, no breaches are foreseen for 2016.

Furthermore, in 2015 and 2014 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.

Detail, by maturity, of bank borrowings for the years following the closing date of the balance sheet was as follows:

2016	2017	2018	2019	2020	2021	Subsequent years	Total
763,340	528,322	412,227	692,704	721,477	324,379	2,413,836	5,856,285


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Obligations under finance leases

Detail of the Group's finance leases at 31 December 2015 and 2014 was as follows:

Amounts to pay under finance leases	Minimum lease payments	
	2015	2014
Within one year	4,191	4,870
Between one and two years	2,746	3,264
Between two and five years	3,713	1,677
After five years	--	338
Total lease payments payable	10,650	10,149
Less: future finance charges	1,014	744
Present value of lease obligations	9,636	9,405
Less: amount due for settlement within twelve months (current liability)	3,324	4,624
Amount due for settlement after twelve months	6,312	4,781

It is the Group's policy to lease certain of its facilities and equipment under finance leases. The average lease term is three to five years. In the year ended 31 December 2015, the average effective interest rate was the market rate. Interest rates are set at the lease contract date. All leases have fixed payments and no arrangements have been entered into for contingent rental payments.

The decrease in 2015 if compared to 2014 was due mainly to the payments made as established on the lease contracts.

b) Debentures, bonds and negotiable securities

Breakdown at 31 December 2015 and 2014 of debentures, recourse and non-recourse bonds and negotiable securities, it being understood that non-recourse is the debt with no corporate guarantees, whose recourse is limited to the debtor's flows and assets, was as follows (in thousands of euros):

	Thousands of euros	
	2015	2014
Debentures, bonds and negotiable securities without recourse	253,016	229,488
Debentures, bonds and negotiable securities with recourse	922,863	969,721
Total debentures, bonds and negotiable securities	1,175,879	1,199,209

The movement in these accounts on the current and non-current liabilities side of the balance sheet for financial years 2015 and 2014 was as follows:

	Thousands of euros	
	2015	2014
Opening balance	1,199,209	363,349
Net incorporation of companies into the Group	--	--
Issues	370,961	1,118,528
Interest accrued pending payment	11,292	9,336
Amortisations	(440,362)	(327,302)
Other changes	34,779	35,298
Closing balance	1,175,879	1,199,209

The main variation in this heading in 2015, on the "Issues" line, related to the issue of EMTN y ECP (promissory notes) for a total of 77 and 294 million euros, respectively, under the Euro Medium Term Note (EMTN) and Euro Commercial Paper (ECP) programmes, all described further below. As for the line "Amortisations", mention must be made of the amortisation on maturity of the previous ECP programme (promissory notes) for 437 million euros. The line "Other changes" related mainly to translation differences in the two issues of bonds in currency other than the euro.

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The distribution of the maturity of these debentures for 2016 and for the next and subsequent years is as follows:

2016	2017	2018	2019	2020	2020	Subsequent years	Total
373,801	38,781	20,531	456,147	11,030	12,978	262,611	1,175,879

At 31 December 2015, detail of the issues making up the balance for this heading was 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 two wind power projects (102 MW each) 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 repayment on 31 December 2031. At 31 December 2015, the balances recorded for this issue on the non-current and current bonds and debentures account amounted to 248 and 4.7 million euros, respectively.

- Euro Commercial Paper (ECP) Programme formalised on 17 January 2013 by Acciona, S.A. and renewed most recently on 27 October 2015 by the Group's subsidiary Acciona Financiación de Filiales, S.A., with the guarantee of Acciona, S.A., 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. In 2015, promissory notes were issued and amortised for 294 and 437 million euros, respectively, and the outstanding balance stood at 293.7 million euros at 31 December 2015.

- 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 benchmark 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 if 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. Following the distribution of dividends carried out by Acciona, S.A. effective 2 July 2015, the conversion price was adjusted, from 63.021 to 61.208 euros and the number of shares to surrender would be 5.587 million shares if all the convertible bonds were converted (approx. 9.75% of the share capital of Acciona, S.A.).

The issue pays a coupon of 3% per annum every six months (6.04% of effective cost over the debt component of this instrument). At 31 December 2015, the balances recorded for 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 314 and 4 million euros, respectively, which related to the debt component of the issue. In addition, in 2014, the amount of 37 million euros was recognised in equity as corresponding, net of the transaction costs, to the equity component (conversion option) included in the convertible bond. To determine the value of the financial debt and equity component, the valuation model used, based on the Black-Scholes method, concluded, 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 2015, the balances recorded for these simple debentures on the accounts for non-current and current bonds and

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debentures, net of the transaction costs and considering the interest accrued, amounted to 61.4 and 2.3 million euros, respectively.

- Last 19 June 2015 Acciona Financiación Filiales, S.A. renewed, with the guarantee of Acciona, S.A., under the same terms and conditions as the previous one issued by Acciona, S.A., a fixed-interest securities issue programme - Euro Medium Term Note Programme (EMNT) for a maximum amount of up to 1,000 million euros. In relation to this programme, the Group prepared a base leaflet that was approved by the Central Bank of Ireland. These issues accrue annual interest ranging from 3% to 4.625% and 3.60%, payable on an annual basis. The securities issued under this programme may: accrue fixed or variable interest, be issued in euros or in another currency and at par, below par and premium and have different maturity dates. At 31 December 2015 the balances registered against this EMNT programme in the non-current and current debentures and bonds accounts, net of transactions costs and considering interest accrued, amounted to 178.4 and 68.6 million euros, respectively.

At 31 December 2015, there were no issues convertible into shares other than the issue discussed in this note, or issues granting rights or privileges that might, in the event of a contingency, make them convertible into shares of the Parent or of any of the Group companies.

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

- Issue by Autovía de los Viñedos, S.A. This issue took place on 28 October 2004 in the 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 by the Canadian company Chinook Roads Partnership in the amount of 108,882 thousand 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.
- Issue on 27 May 2015 by Sociedad Concesionaria Autovía de la Plata, S.A. in the amount of 184,500 thousand euros. The issue accrues a 3.169% annual coupon payable every six months. The bond principal must be amortised every six months and the total term is 26.6 years, with final maturity on 31 December 2041. The issue credit rating is BBB by the Standard & Poors rating agency.

c) Other debt-related information

At 31 December 2015, the average interest rate of the debt, considering bank borrowings and the debt associated with debentures and other negotiable securities, stood at 5.49%.

In financial year 2015, the debt percentage (net of cash) not subject to interest rate volatility stood at 76.21%, in line with 75.81% in 2014.

The composition of debt in currencies other than the euro at 31 December 2015, classified by the main currencies in which the Acciona Group operates, was the following:

Currency	Financial debt
Australian dollar	203,324

Currency	Financial debt
Brazilian real	57,606
Canadian dollar	38,604
Chilean peso	144,553
Mexican peso	22,207
Polish zloty	47,370
US dollar	962,911
South African rand	219,588
Other	73,675
Total	1,769,838

19. Risk management policy

Due to its geographical and business diversification, the Acciona Group is exposed 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 of occurrence and impact of these events 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 into ACCIONA's strategy and to establish the framework and principles of the Risk Management System.

This policy covers all the risks associated with 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 of 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 benchmark 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 since the cash flows generated by the asset are also in the same currency.

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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 2015.

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 6.1 million euros at 31 December 2015.

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 2015 on the basis of share percentage, meant a decrease in debt for financial derivatives vis-à-vis 0.5% increases in the interest rate curve of 92,777 thousand euros. Similarly, 0.1% decrease in the interest rate curve would lead to an increase of 19,363 thousand euros in liabilities for financial derivatives.

Foreign currency risk

The Group has developed a process of growing internationalisation, which means it is exposed 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 engaged 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, within 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 equity at 31 December 2015 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 (AUD)	411,024	204,942	309,270	192,758	113,938	11,394
Brazilian real (BRL)	85,079	232,854	72,065	165,705	80,163	8,016
Canadian dollar (CAD)	125,853	94,106	49,969	42,876	127,114	12,711
Chilean Peso (CLP)	265,427	191,091	158,710	247,855	49,953	4,995
Mexican Peso (MXN)	112,189	295,368	52,677	213,724	141,156	14,116

TRANSLATION

Zloty (PLN)	242,175	307,911	228,046	321,266	774	77
US dollar (USD)	1,947,880	327,987	1,730,424	267,994	277,449	27,745
Rand (ZAR)	267,662	60,677	243,940	24,490	59,909	5,991

The last column on the table above shows estimate of the negative impact on the Group's equity of 10% revaluation in the quotation of the euro in respect of these eight main currencies in which the Group operates and holds investments. As can be seen, the Group keeps positions in different currencies, some of which (BRL, CAD, MXN, ZAR) underwent strong devaluation vis-à-vis the euro in 2015.

Procurement price risk

The ACCIONA Group is exposed to fluctuations in the price of procurements, mainly fuel for its sea transportation business when such fluctuations cannot be passed on to clients.

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.

In the short and middle term fluctuations in procurement prices are managed 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 5% change in prices would have an effect of approximately 1.4 million euros on the profits in 2016.

Credit risk

Credit risk is the risk that the 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-performance. The Group only trades with entities rated at the same investment level as the Group, or higher, 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 relations with clients.

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

As regards the default risk, basically in the infrastructure business, an assessment process is implemented before entering into contracts with public and private clients. 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 clients or groups of clients 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 in 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 negotiable securities and by arranging committed credit facilities for amounts sufficient to cater for its projected requirements. As indicated in note 18, at 31 December 2015 the Group companies had been granted additional financing not drawn down in the amount of 1,900,665 thousand euros, of which 1,880,707 thousand related to credit lines for the financing of working capital, and the remaining amount, 19,958 thousand euros, to lines to finance fees to enter infrastructure projects. The average term of these limits amounts to 3.9 years.

Ultimate responsibility for liquidity risk management lies with the Economic and Financial Department, which prepares the appropriate framework to control the Group's liquidity requirements in the short, middle and long term. The Group manages liquidity risk by holding adequate reserves, 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 relation to this risk, 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 bonds convertible into shares for 342 million euros, a private placement of simple bearer bonds for 62.7 million euros and a Euro Medium Term Notes programme for a maximum of 1,000 million euros (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 regards to the price risk on the Spanish electricity market, Royal Decree-Law 9/2013, whereby urgent measures were adopted 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, whereby the activities for electricity generation from renewable energy sources, co-generation and waste were regulated, was enacted on 6 June 2014 and published in the Central Government Gazette on 10 June 2014. In the development of this decree, final Ministerial

Order IET 1045/2014 was signed on 20 June 2014 and published in the Central Government Gazette on 29 June 2014. The Order sets 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 onwards, as a consequence of RD-L 9/2013.

This new regulation provides 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 the participation of that standard facility in 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 said Ministerial Order will be incorporated into the calculation of the specific remuneration.

According to the regulation, 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 regards 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 Government Bonds by applying the appropriate differential. The first additional provision of Royal Decree-Law 9/2013 sets this appropriate differential at 300 basic 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, as regards 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, 13% under a regulatory feed-in tariff and the remainder through 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.

Detail of the derivative financial instruments arranged and outstanding at 31 December 2015 and 2014, which are recognised at market value on the accompanying consolidated balance sheet, in assets or liabilities, depending on the market value of the derivative and the method of inclusion in the Acciona Group, was as follows:


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(thousands of euros)	2014					2013				
	Notional amount arranged	Financial liabilities	Held-for-sale liabilities	Financial assets (note 10)	Investment in associates (*)	Notional amount arranged	Financial liabilities	Held-for-sale liabilities	Financial assets (note 10)	Investment in associates (*)
<i>Cash flow hedges</i>										
Interest rate swaps	2,889,516	370,090	–	780	(82,679)	3,046,355	446,635	17,711	14	(93,399)
Total	2,889,516	370,090	–	780	(82,679)	3,046,355	446,635	17,711	14	(93,399)

(*) 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 2015 and 2014, the fixed interest rates on the Euribor benchmarked financial derivative instruments ranged from 5.085% to 1.51%.

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 the fair value thereof is deferred and recognised in equity.

The terms in which these cash flow hedges are expected to impact the income statement, in proportion to the share percentage, are shown below.

	Future settlements				
	< 1 month	1 - 3 months	3 months - 1 year	1 year - 5 years	+ 5 years
Group companies or jointly controlled companies	13	1,758	89,123	220,278	58,138
Associates (*)	565	1,568	15,285	48,823	49,732

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

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 93,063 thousand euros at 31 December 2015 and negative 112,816 thousand euros at 31 December 2014; 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:

	2015	2014
Group companies or jointly controlled entities	2,302,841	2,402,181
Associates	586,675	514,712
Companies classified as held for sale	–	129,462
Total notional amount arranged	2,889,516	3,046,355

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 share percentage, are as follows:

	Change in notional amounts					
	2016	2017	2018	2019	2020	2021
Group companies or jointly controlled companies	2,497,076	2,315,651	2,032,965	1,703,723	1,426,388	1,019,637
Associates	430,696	383,804	367,554	350,391	333,735	307,357

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 2015, 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 the tonne of these fuels for a total of 208,451 tonnes. The settlements of these derivatives in 2015 were unfavourable to the Group and a cost of 11,454 thousand 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.

In addition, the company has hedged the risk of fluctuations in the prices of fuel oil and gas oil for financial year 2016 by engaging two derivatives that ensure a fixed purchase price per tonne of fuel oil and gas oil for a total of 363,847 tonnes (approximately 50% of the expected consumption in 2016). The amount directly recognised at 31 December 2015 in equity as the effective part of the cash-flow hedging relations amounted to a loss of 3,881 thousand euros net of external and deferred tax. The company had designated the appropriate hedging relations at 31 December 2015 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 2015 and 2014 the Group hedged a portion of purchases and payments to suppliers in US dollars through exchange rate insurance.

Detail of the transactions outstanding at 31 December 2015 and 2014 was as follows (in thousands of euros):

	Currency	Expiry date	2015		2014	
			Amount arranged	Effect of measurement at market value	Amount arranged	Effect of measurement at market value
Foreign currency purchase	USD	30.04.2016	5,872	1,538	135,592	17,442
Foreign currency purchase	AUD	03.04.2017	4,046	126	--	--
Foreign currency purchase	NOK	05.12.2016	46,800	1,719	--	--
Foreign currency purchase	USD	31.12.2016	10,528	226	--	--
Total			67,246	3,609	135,592	17,442

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At 31 December 2015, the market values of foreign currency hedges were recognised under “Bank borrowings” in the amount of 3,609 thousand euros, which related mainly to the last instalments of the exchange rate insurance engaged for the construction of a wind farm in Mexico as well as to exchange rate insurance engaged in 2015 for the construction in 2016 of a tunnel in Norway and for the payment in US dollars of the fuel insured by the subsidiary Compañía Transmediterránea.

The amounts recognised by the Group were 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 the fair value thereof is deferred and recognised in equity.

The settlement of the hedges meant recognition of a higher expense in “Procurements” for 30,773 thousand euros in financial year 2015.

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 value adjustments in equity until the time hedge accounting was discontinued, and which amounted to 12.114 thousand 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 2015, the balance yet to be transferred to profit or loss amounted to 1,785 thousand euros.

Lastly, it should be mentioned that the three Australian energy subsidiaries have contracts in place 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 value adjustments. At 31 December 2015, there was a balance payable in “Reserves” and in “Non-controlling interests”, net of the tax effect, amounting to 5,060 and 2,530 thousand euros, with balancing entries in accounts receivable and payable in the amount of 1,919 and 12,764 thousand euros, respectively.

The impacts on equity of the measurement of derivative financial instruments at 31 December 2015 can be summarised as follows:

(Thousands of euros)	31.12.2015
Financial liability due to interest rate hedge	370,090
Held-for-sale liability due to interest rate hedge	--
Financial asset due to interest rate hedge	(780)
Negative impact on equity due to interest rate hedge by associates, net of tax	82,679
Net deferred tax payable due to interest rate hedge	(93,063)
Net deferred tax payable due to interest rate hedge from held-for sale liabilities	0
Ineffectiveness of hedging derivatives	0
Other, mainly due to non-controlling interests in interest rate hedging transactions	(7,411)
Balance adjusted due to changes in value of interest rate hedging transactions	351,515
Balance adjusted due to changes in value of fuel hedging transactions (net of non-controlling interests and tax)	3,881
Balance adjusted due to changes in value of foreign currency hedging transactions (net of non-controlling interests and tax)	2,618
Balance adjusted due to changes in value of energy contract (net of non-controlling interests and tax)	5,060
Balance adjusted due to changes in value of transactions with discontinued hedging (net of tax)	1,785
Other, mainly due to translation differences on derivatives	9
Total asset balance receivable for value adjustments at 31 December (Note 16)	364,868

21. Other non-current and current liabilities

Detail of “Other Non-Current Liabilities” and “Other Current Liabilities” on the consolidated balance sheet was as follows (in thousands of euros):

Other liabilities	No Corrientes		Corrientes	
	2015	2014	2015	2014
Obligations under finance leases	17,457	17,658	527	520
Grants	148,174	152,733	--	--
Other deferred income	70,388	77,311	--	--
Remuneration payable	--	--	96,453	92,478
Debt with non-controlling interests	410,451	410,930	4,481	4,531
Other payables	201,777	195,660	254,131	365,597
Closing balance	848,247	854,292	355,593	463,126

“Other Deferred Income” related 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.

“Debt with non-controlling interests” included mainly the assumption by the infrastructure fund KKR, which, as described in note 2.2 h) became shareholder in the Acciona Group’s subsidiary Acciona Energy Internacional, S.A. in June 2014, of one third of the subordinated debt of Acciona Energy Internacional, S.A. dated 25 February 2012 and with a balance of 369 million euros at 31 December 2015 (375 million euros in 2014). This debt matures in 2017 and accrues 12-month Euribor interest rate +3.7%. As for the rest, mention must be made of the debt with members in the wind farm and photovoltaic plant in South Africa, which amounted to 22 million euros (25 million euros in 2014).

Liabilities were recorded under “Other Non-Current Payables”, for long-term business transactions relating to the construction business for 58 million euros as well as a loan from the Administration for 61 million euros as part of the finance for Sociedad Concesionaria A-2 Tramo 2, S.A.U. 7%. [sic]

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

Amounts payable under leases	Minimum lease payments	
	2015	2014
Within one year	2,394	2,125
Between one and two years	2,576	2,086
Between two and five years	5,682	6,229
After five years	27,948	29,997
Total lease payments payable	38,600	40,437
Less: future finance charges	20,616	22,259
Present value of lease obligations	17,984	18,178
Less: amount due for settlement within twelve months (current liability)	527	520
Amount due for settlement after twelve months	17,457	17,658

The main change in the financial year related to the payments made and to the appreciation of the Australian dollar against the euro during the period.

“Grants” related mostly to amounts awarded for the construction of wind farms in United States. The changes in “Grants” in 2015 and 2014 were as follows:

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	Grants
Balance at 31/12/2013	151,012
Additions	4,380
Taken to profit/(loss) "Other Income"	(15,081)
Other	12,422
Balance at 31/12/2014	152,733
Additions	1,941
Taken to profit/(loss) "Other Income"	(13,319)
Others	6,819
Balance at 31/12/2015	148,174

In 2015 there were no significant additions. The line "Other" reflects mainly a positive variation due to the exchange rate, as a result of the appreciation of the US dollar against the euro, and a negative variation due to transfer to "held for sale" of companies from the Windpower group.

In 2014 the main additions related to grants from the Government of Navarre to Acciona Blades, S.A., a subsidiary of the Acciona Wind Power subgroup, as part of a scheme of aid to industrial investment for 2.8 million euros. The line "Other" reflects mainly the variation due to the exchange rate, as a result of the appreciation of the US dollar against the euro.

22. Tax matters

Tax Consolidation System

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. In addition to the Spanish tax group, the Group pays tax under the tax consolidation system in Australia (including all the Group's divisions operating in said country) and for the companies comprising the energy division in the US, Portugal and Italy.

The other Acciona Group companies 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 Group companies availed themselves of the special system for Company Groups for VAT purposes, envisaged in Chapter IX of Title IX of Value Added Tax Act 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 the Tax Group's Corporate Tax for 2003 to 2005 were completed, when the tax assessments issued for 2003 and 2004 were signed on an uncontested basis. As for 2005, the tax assessment was signed on a partially contested basis, for the amount of 5,737 thousand euros (tax due, interest payable and fine). The Company filed an economic-administrative appeal with the Central Economic and Administrative Court on 20 August 2009. On 19 May 2011, this Court notified the Group of its decision, dismissing the claims filed, upholding the tax assessment and the fine that appealed against. On 15 July 2011, the Company filed an appeal for judicial review at the National Appellate Court against the decision handed down by the Central Economic and Administrative Court. 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 issued a judgment partly in favour of the appeal filed and cancelling the fine imposed, albeit dismissing all the other claims.

On 1 September 2015 the Supreme Court notified ruling of 11 June 2015 dismissing the appeal for review filed on 11 December 2014, confirming the settlement by the National Appellate Court, with the debt and delay interest accrued on suspension being settled.

As regards the fine (1,475 thousand euros), the Supreme Court accepted the appeal for review filed by the Counsel for the State against the favourable ruling from the National Appellate Court that proceeded to cancel it, so this fine proceedings are still pending a decision.

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

On 10 March 2012, tax audits were initiated in relation to Corporate Tax for 2007-2009 by the inspection services from the Central Office for High-Income Taxpayers, against both the parent, Acciona, S.A., and other subsidiaries. In addition to the review of the Tax Group's corporate tax for those years, the Company Group for VAT was under review for 2008 and 2009 and for other taxes for 2008 and 2009 of the Group companies subject to the tax 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 financial years 2010, 2011 and 2012 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 system 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 non-resident shareholders, in particular, the requirements of holding the status of effective beneficiary, and this led to the signing of the contested tax assessments. On 3 and 17 July 2014, the Company lodged economic and administrative appeals at the Central Economic Administrative Court. On 29 May 2015 the Company reached an agreement with the shareholder that received the dividends so as to proceed to pay said amount, with settlement of the tax debt upon the shareholder's payment.

The other inspection actions concluded on 12 June 2014 with the signing of uncontested assessments for Corporate 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 fine), with application of part of the provisions allocated in Acciona, S.A., as well as contested assessments for Personal Income Tax withholdings relating to compensation for dismissal. The Group companies lodged economic and administrative appeals at the Central Economic Administrative Court. On 19 October 2015 this Court notified dismissal of the claims filed by Acciona Infraestructuras, confirming settlement of the assessments for withholdings for the 2008 to 2011 periods, as well as the relevant fine proceedings. On 3 September 2015 the company filed appeal for judicial review at the National Appellate Court. The economic and administrative claims filed by the other companies about this matter are still pending a decision by the Central Economic Administrative Court. It is estimated that the risk that the proposed fines will be approved is remote.

With regards to Value Added Tax, the company heading the VAT company group (Acciona, S.A.) agreed to and signed the tax assessment dated 29 April 2014 for financial years-periods 2008 to January 2010, regularizing the input VAT deductible due to the "mixed holding" condition of the company.

On 21 May 2015 the Central Office of High-Income Taxpayers notified the start of inspection actions in relation to Corporate Tax for financial years 2010-2012, targeting Acciona, S.A., as the parent of the Group, and several subsidiaries. In addition to review of Corporate Tax of the Tax Group for said years, the VAT Company Group was included, years 2011, 2012 and 2013, and any other taxes for the years/periods from 04/2011 to 12/2012 of the Group companies under tax review.

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The actions related to the VAT Group for financial year 2013 are partial and limited only to review of the deductible input VAT so as to regularise this VAT on the same terms as those agreed in previous tax audits that ended with assessments signed in agreement and with no fines. On 29 September 2015 the tax assessments were signed in agreement to regularise all the outstanding years (periods 01/2010 to 12/2013)

Following the development of all these inspection actions the Group applied in 2015 the provisions allocated in previous years for this purpose (see note 17).

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

In the month of December 2014, the Mexican project companies Eurus SAPI de CV, CE Oaxaca III and CE Oaxaca IV received notice of tax settlements from Juchitán Town Council for municipal levies related to the 2011 to 2014 financial years. These companies lodged complaints or appeals (petitions for legal protection) before the District Court of Oaxaca and obtained the suspension of enforcement of the settlements. The external advisors engaged to carry out the process concluded that the likelihood that the appeals lodged would be upheld is high (75%), since there are solid arguments for the defence, constitutional principles had been breached and the issues in question are administrative acts contrary to law. All this is supported by the fact that a Mexican court, at the first instance, allowed cancellation of the municipal regulations on these contributions for 2015. In addition, on 28 January 2016 the Seventh District Court of Oaxaca issued ruling favourable to the company Oaxaca IV, allowing the appeal filed against the settlement of municipal contributions of the Juchitán Town Council, although this ruling is not final and can be appealed against by the Town Council through appeal for review. Therefore, the risk that material liabilities will materialise from this process is remote.

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

At 31 December 2015, the years that have not lapsed and that have not been reviewed were subject to review by the tax authorities, for Corporate 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 thereto. In view of the varying interpretations that can be made of the applicable tax legislation, the outcome of the tax audits that could be conducted by the tax authorities in the future for the years subject to verification 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 Public Administrations

Breakdown of receivables and payables with Public Administrations at 31 December 2015 and 2014 was as follows:

TRANSLATION

	2015		2014	
	Non-current	Current	Non-current	Current
Tax receivables				
VAT and other indirect taxation	--	143,822	--	163,468
Corporate Tax	--	68,298	--	75,928
Deferred tax	926,764	--	976,874	--
Other	--	17,401	--	35,107
Total	926,764	229,521	976,874	274,503
Tax payables				
Income tax	--	25,784	--	19,190
Personal income tax withholdmgs	--	16,346	--	17,990
VAT and other indirect taxation	--	85,488	--	84,208
Deferred tax	739,686	--	692,794	--
Accrued social security charges	--	19,743	--	25,643
Other local taxes	--	37,246	--	52,640
Other	--	16,760	--	15,517
Total	739,686	201,367	692,794	215,188

In financial year 2015, the main variation in the outstanding balance for VAT and other indirect taxes came from the net decrease in indirect taxation to be recouped for the performance of international projects (mainly in Mexico, Costa Rica and Poland), and these sums will be recovered for the most part on the completion of the projects or through compensation with the tax accrued at the start of the activity, as well as on reclassification of the Windpower subgroup to "held for sale" (see note 23).

As for balances payable, it should be noted that, since financial year 2013, the line "Other local taxes" included the Tax on the Value of Electricity Generation and the fee for the use of continental waters for generating electricity. These charges were introduced by Act 15/2012 of 27 December and came into effect on 1 January 2013. In 2015 the main change related to settlement of the hydraulic fee for the 2013-2014 years.

The VAT refundable and VAT payable balances include the balances relating to the special VAT Company Groups system.

Reconciliation of accounting profit/(loss) and the tax result

Reconciliation between the accounting result and the income tax expense, at 31 December 2015 and 2014, was as follows:

	2015	2014
Consolidated profit/(loss) before tax	318,583	277,097
Profit/(loss) before tax from discontinued operations	--	--
Permanent differences	(148,100)	(88,843)
Adjusted accounting profit/(loss)	170,483	188,254
Tax expense adjusted by tax rate	58,872	54,403
Tax credits	(11,436)	(18,261)
Offset of taxable amounts not posted to the accounts	(14,668)	(8,692)
Unrecognised tax credits	31,986	32,233
Year's tax expense	64,754	59,683
Tax rate change	805	(22,522)
Effect of tax adjustments from previous years	17,265	32,744
Tax expense per the income statement	82,824	69,905
Tax expense from 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

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Tax Group. The most significant concept included in 2015 related to 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 disclosed on the basis of financial statements translated into the local currency. The remainder refers mainly to the cancellation of the sanctioning proceedings of Compañía Transmediterránea, S.A. (see note 17), the expense of which was adjusted at source as non-deductible.

The “Tax expense adjusted by tax rate” is the result of applying the different tax rates applicable to the adjusted accounting result for each of the different jurisdictions where the Group operates.

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

As a result of the reduction in the tax rate to 28% and to the final rate to 25% applied in Spain for tax periods starting in or after 2015 and 2016, respectively, as approved by the new Corporate Tax Act, Act 27/2014, of 27 November, the Group updated the deferred tax assets and liabilities generated in connection with transactions and operations performed in the domestic arena, where the rate changed from 30% to 28% or 25%, depending on the estimated calendar for application/reversal. The impact of this update in 2015 was not significant, but in 2014 it meant income for 21 million euros, which was reflected in the line “Tax rate change” on the reconciliation table shown above.

The reconciliation of the pre-tax accounting profit/(loss) and the tax result is shown below:

	2015	2014
Consolidated profit/(loss) before tax	318,583	277,097
Permanent differences	(148,100)	(88,843)
Temporary differences	(138,039)	(270,615)
Offsetting of tax loss carryforwards	(140,126)	(76,344)
Taxable amount	(107,682)	(158,705)

The Group’s taxable amount for financial year 2015 included as temporary differences the movement in provision and non-deductible impairment and related reversions on application thereof, together with the adjustments for the freedom of amortisation and the accelerated tax amortisation; they are detailed further below in the section about deferred taxes. In addition, this same caption also included as decrease in the taxable amount the reversion, as from 2015, of the limitation to deductibility of the amortisation endowment adjusted in 2013 and 2014.

As for 2014, the Group’s taxable amount 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 were disclosed as a negative adjustment in an amount close to 300 million euros in “Temporary differences”.

Tax recognised in equity

Independently from the tax on profit recognised in the consolidated income statement, in 2015 and 2014 the Group recognised the following amounts in consolidated equity:

	2015	2014
Translation differences	18,129	(22,270)
Fair value of financial instruments	(22,035)	44,150
Financial assets with changes in equity	10	(1,629)
Actuarial losses and gains on pension plans	(29)	158
Total	(3,925)	20,409

Deferred tax

In accordance with the tax legislation in force in the countries in which the consolidated companies are located, in 2015 and 2014 certain temporary differences arose that must be taken into account when quantifying the related income tax expense.

The deferred taxes arose in 2015 and 2014 as a result of the following:

Deferred tax receivable with origin in:	2015	2014
Deferred tax assets originating in:		
Deferred tax assets originating in:	195,111	214,568
Tax loss carryforwards	194,268	204,387
Tax credit carryforwards	99,355	119,216
Derivative financial instruments	68,783	33,226
Translation differences	12,909	15,994
Prov. over assets	30,757	32,223
Relating to taxation under the pass-through regime (UTES)	325,581	357,260
Other	926,764	976,874
Total deferred tax assets		
Deferred tax liabilities originating in:		
Remeasurement of financial assets	58	77
Reversal of merger goodwill	184	184
Translation differences	40,011	23,398
Allocation of first-time consolidation differences to assets	138,408	145,693
Remeasurement of property, plant and equipment and investment property	43,880	588
Derivative financial instruments	218	5,471
Relating to taxation under the pass-through regime (UTES)	10,524	19,042
Other	506,403	498,341
Total deferred tax liabilities	739,686	692,794

At 31 December 2015, 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 152 million euros. Of this amount, a total of 48.6 million euros related 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 because the tax regulations establish limits and requirements for them to be offset.

The subsidiaries of the Compañía Trasmediterránea Subgroup, included in the Tax Group in 2010, contributed most of this balance. In 2015 Compañía Trasmediterránea offset 28.7 million euros and the company Compañía Urbanizadora el Coto, included in the tax group in this financial year, contributed 28 million euros as previous tax loss carryforwards.

For its part, as regards the interim settlement of Corporate Tax of the Tax Group for 2015, the Tax Group has a negative taxable base pending application and generated in 2014 for 149 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 credits for negative taxable bases pending offsetting.

At 2015 year-end, the deadlines for the tax credits recognised for negative taxable bases pending application were (in thousands of euros):

	Amount	Lapse period
Acciona, S.A. tax group	37,253	No lapsing date
Acciona S A tax group – previous capitalised	866	No lapsing date
Spanish companies outside the Tax Group	1,900	No lapsing date
International - limited	3,064	2017
International - limited	4,394	2018
International - limited	1,853	2020
International - limited	24,997	2023
International - limited	33,479	2024
International - limited	44,080	2025
International - limited	822	2026
International - limited	392	2027
International - limited	1,905	2028
International - limited	1,626	2029
International - limited	2,623	2030
International - limited	1,572	2031
International -unlimited	34,285	No lapsing date
Total	195,111	

The Corporate Tax Act (Act 27/2014, of 27 November) eliminated the deadline for offsetting negative taxable bases, which was set at 18 years, so this is now unlimited.

The unused tax credits, totalling 196.268 thousand euros, relate mainly to those earned by the tax Group of which Acciona, S.A. is the parent. At 31 December 2015, the most significant unused tax credits were: R&D+I tax credits amounting to 106,322 thousand euros; tax credits for the reinvestment of extraordinary income amounting to 55,817 thousand euros; and environmental tax credits amounting to 14.356 thousand euros

At 2015 year-end, the deadlines for deduction of the unused tax credits recognised on the consolidated balance sheet of the Acciona Group were as follows (in thousands of euros):

	Amount	Lapse period
Spanish companies outside tax group	52	2025
Grupo Fiscal Acciona, S A	10,268	2023
Grupo Fiscal Acciona, S.A.	20,805	2024
Grupo Fiscal Acciona, S.A.	21,396	2025
Grupo Fiscal Acciona, S.A.	32,850	2026
Acciona, S A tax group	15,530	2027
Acciona, S.A. tax group	13,539	2028
Acciona, S A tax group	23,058	2029
Acciona, S.A. tax group	18,180	2030
Acciona, S A tax group	14,699	2031
Acciona, S.A. tax group	10,837	2032
Acciona, S A tax group	8,085	2033
Non-resident companies	4,969	No lapsing date
Total	194,268	

Act 27/2014, of 27 November, on Corporate Tax, eliminated, effective 1 January 2015, the deadline for offsetting double-taxation deductions pending application from previous financial years, so the period is unlimited, as provided for in section 39 of Act 27/2014, and extended from 15 to 18 years the period to offset other deductions.

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 in the books, through the companies' ordinary activities and without any equity risk of losses.

Most of the deferred tax assets included in the line "Other" related to non-deductible provisions for liabilities and portfolio mainly in connection to Acciona, S.A., in the amount of 29,807 thousand euros in tax, impairment recognised mostly in FY 2013 for both resident companies and foreign subsidiaries, mainly in the United States, and part of which was not deductible. In addition, the "Other" balance reflects the adjustment for the 30% cap on non-deductible accounting depreciation for Spanish companies, introduced temporarily for financial years 2013 and 2014, for taxable amounts of 105,723 and 80,296 thousand euros, respectively, and which began to reverse in FY 2015, and the unification adjustments made as part of the consolidation process, such as eliminations of internal margins (in the amount of 74,116 thousand euros at 31 December 2015), which will gradually be reversed with the asset amortisation process. Finally, this line included 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 applied for deductibility, as is the case in Mexico, Australia and the United States, or because a billing-based criterion is applied instead of accounting accrual by stage of progress, as happens in Chile.

The line "Other" under the deferred tax liability heading includes the tax adjustments under the freedom to amortise established in the Eleventh Additional Provision included in RDL 4/2004 (rewritten text of the Corporate Tax Act) by Act 4/2008, whose application is currently limited depending on the taxable base. In financial year 2014, no adjustment was applied because there was a tax loss carryforward and in 2015 the taxable base was adjusted in 107,340 thousand euros in this respect. Said account reflects the reversion of the adjustment from previous years in the amount of the accounting amortisation recognised. The accumulated amount of this adjustment at 31 December 2015 for the companies from the Spanish tax group amounted to 183 million euros for tax liability. It also included the amortisation effect for tax purposes of Mexico, the US and Australia, for approximately 127, 63 and 11 million euros for tax liability, respectively, as well as adjustments for application of the specific regulations of countries where accounting income is not recognised for tax purposes until the bill is issued or collected, instead of the principle of accounting accrual or stage of progress, mainly in Chile and Mexico.

"Revaluation of property, plant and equipment and real property" reflects the difference between the carrying amount and the tax amount for the assets of the company Compañía Urbanizadora el Coto, which were in "held for sale" accounts in the previous financial year.

Reporting obligations

Current Corporate 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 financial years 2010, 2011, 2012, 2013 and 2014, 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 (rewritten text of the Corporate Tax Act)¹. The income

¹ Regulated in the Twenty-Fourth Temporary Provision of Act 27/2014.

qualifying for this tax credit in these years amounted to 86,550, 160,251, 8,640, 9,598 and 34,516 thousand 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 2014. The assets in which the income was reinvested were as listed in Article 42 of Royal Decree-Law 4/2004, i.e. property, plant and equipment, intangible assets, investment property and securities representing stakeholdings of no less than 5% in the share capital or equity of all manner of companies. The income was reinvested by the companies belonging to Tax Group 30/96.

Pursuant to Article 42.10 of the rewritten text of the Corporate Tax Act, this information must be disclosed in the notes to the consolidated financial statements as long as the period for which the assets must be held, as stipulated in Article 42.8 of the Regulation, is not complied with.

In accordance with the provisions contained in section 86 of Act 27/2014 on Corporate Tax, certain Group companies engaged in 2015 in the transactions listed below, to which the Special System for mergers, spin-offs, contribution of assets and securities swaps was applied.

- Split-off of the Company Acciona Inmobiliaria, S.L. by segregating the part of its corporate equity that represents a branch of activity, under the terms set in section 71 of Act 3/2009, of 3 April, on Structural Changes to Mercantile Companies, with the economic unit being transferred to the beneficiary, the company Acciona Real Estate, S.A.U., documented under deed dated 30 September 2015.

- Merger of the company Global de Energías Eólicas Al Andalus, S.A. (merged Company) and Ceólica Hispania, S.L. (merging Company), documented under deed dated 11 September 2015 and backdated to 1 January 2015.

In accordance with the provisions contained in section 86.3 of Act 27/2014 of the rewritten text of the Corporate Tax Act, the information required for transactions carried out in previous financial years is detailed in the relevant separate annual reports approved after completion of the operations.

In 2008, 2009, 2010, 2011 and 2012, several companies in the tax group deducted the tax credit for impairment losses on ownership interests in Group companies, jointly controlled entities and associates, as provided for in Article 12.3 of Royal Decree-Law 4/2004 (rewritten text of the Corporate Tax Act), regulated in Temporary Provision Sixteen of Act 27/2014

Act 16/2013, of 29 October, repealed, with effect from 1 January 2013, section 12.3 of the rewritten text of the Corporate Tax Act in relation to deduction of impairment losses on such equity interests and established a transitional system for the inclusion of losses pending incorporation at 31 December 2012 in the taxable base.

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

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

Detail of "Non-Current Assets Classified as Held for Sale" on the accompanying consolidated balance sheet at 31 December 2015 and 2014 was as follows:

	Balance at 31/12/2015	Balance at 31/12/2014
Energy division assets (wind farms)	429,425	--
Assets from the other activities division (property assets)	1,636	412,137

Total non-current assets classified as held for sale 431,061 412,137

At 31 December 2015, detail, by division, of the main asset headings prior to their classification as “Assets Held for Sale” was as follows:

	Energy division	Other Activities division
Property, plant and equipment	90,019	
Investment property		1,636
Other intangible assets	8,322	
Deferred tax assets	41,336	
Other non-current assets	497	
Inventories	172,291	
Trade and other accounts receivable	62,345	
Cash and cash equivalents	9,616	
Other assets	44,999	
Assets classified as held for sale	429,425	1,636

Also, detail at 31 December 2015 and 2014 of “Non-current liabilities Classified as Held for Sale” on the accompanying consolidated balance sheet was as follows:

	Balance at 31/12/15	Balance at 31/12/14
Energy division liabilities (manufacture of wind turbines)	418,406	--
Other Activities division liabilities (investment property)	1,660	321,419
Total non-current liabilities classified as held for sale	420,066	321,419

At 31 December 2015, detail of the main liability items prior to their classification as held for sale was as follows:

	Energy division	Other activities division
Non-current liabilities	68,117	
Trade and other accounts payable	302,933	
Other current liabilities	47,356	1,660
Liabilities held for sale	418,406	1,660

Accumulated income and expenses recognised directly in equity at 31 December 2015 in relation to assets classified as held for sale were as follows:

	Translation differences
Energy division (manufacture of wind turbines)	6,804
Total recognised income/(expense)	6,804

In 2015 the main changes in “Non-current assets and liabilities held for sale” related to the classification in the year under this caption of the Corporación Acciona Windpower subgroup after signature of agreement with Nordex, S.E., which is detailed below; and to the transfer of the Compañía Urbanizadora Coto, S.L. subgroup to the related captions for assets and liabilities, because of what is explained at the end of this note.

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As regards the Corporación Acciona Windpower subgroup, last 4 October 2015 Acciona, S.A. signed an agreement with the German company Nordex S.E., whereby Nordex S.E. would buy the whole share capital of Corporación Acciona Windpower, S.L. As consideration, Acciona, S.A. would receive 16,100,000 newly issued shares representing 16.6% of the share capital of Nordex, measured at 26 euros per share, which would account for a total of 418.6 million euros and a cash payment of 366.4 million euros, resulting in a total value of 785 million euros, which would be adjusted on the basis of the existing debt at 31 December 2015.

The first estimated future gains amounted to approximately 675 million euros, to be adjusted on the basis of the consolidated financial statements at 31 December 2015 of the Corporación Acciona Windpower subgroup.

At 31 December 2015 the operation was subject to fulfilment of certain conditions precedent, in particular the lack of opposition of the competent Competition authorities. It is estimated that the operation could be concluded in the first quarter of 2016.

In addition, Acciona, S.A. subscribed an agreement with Momentum-Capital Vermögensverwaltungsgesellschaft GmbH and Ventus Venture Fund GmbH & Co. Beteiligungs KG (current shareholders of Nordex S.E.), for acquisition of 12,897,752 Nordex, S.E. shares currently in circulation and representing 13.3% in the share capital in the amount of 335.34 million euros equivalent to 26 euros per share. The acquisition is subject to the condition precedent that the acquisition of AWP as described in the paragraphs above is formalised and executed in full by Nordex.

For accounting purposes, the signature of the agreement meant that since 30 September 2015 the Acciona Group has classified all the assets and liabilities contributed by the Acciona Windpower subgroup to the captions “assets and liabilities held for sale”.

It must be noted too that at 31 December 2015 the caption “Assets and liabilities held for sale” related mainly to the Compañía Urbanizadora El Coto subgroup, which in 2015 were reclassified by their nature (basically to Property Investments-Property for Rentals and to Financial Debt) as a result of the redesign of the strategy to follow with the Coto subgroup and with part of the real estate division where revaluations of use of certain inventories were considered (see notes 5 and 13) according to the trend of the property market, through the creation of a new company, Acciona Real Estate, S.A., to which the assets and companies (including Coto) that, following the new Group’s strategy, would create value through operation via leasing, were contributed. In this new context, Coto must be considered, within the Acciona Group’s strategy, jointly with the other Property for Rentals assets that make up the Acciona Real Estate activity.

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

The companies had provided third-party bonds before clients, public agencies and financial institutions, for 2,868,774 thousand euros and 2,516,731 thousand euros at 31 December 2015 and 2014, respectively.

The purpose of most of the bonds provided was to guarantee good performance in the development of the works engaged by the infrastructure division.

Also, provided collateral was included to cover future capital and reserves contributions. Within the infrastructure division, those given to the subsidiaries S.C. Novo Hospital de Vigo S.A., Altrac Light Rail Holdings 1 Pty Limited, S.C. and Autovía Gerediaga Elorrio S.A. must be noted, in the amounts of 1.5, 14 and 3 million euros, respectively. The Water division granted a bank bond to cover future capital and reserves contributions, for 4 million euros.

The companies estimate that any liabilities as could arise from the guarantees provided would not be significant.

25. - Income

Breakdown of the Group's revenue is as follows:

	2015	2014
Energy	2,718,721	2,199,800
Construction	2,169,666	2,625,940
Water	450,534	409,412
Services	715,845	691,346
Other Activities	613,458	692,451
Consolidation adjustments	(124,700)	(120,448)
Total revenue	6,543,524	6,498,501

Breakdown, by geographical area, of the Group companies' total production was as follows (in thousands of euros):

	Spain	European Union	OECD countries	Other countries	Total
2015					
Energy	1,172,974	101,491	1,141,685	302,571	2,718,721
Construction	843,087	315,041	665,086	346,452	2,169,666
Water	178,012	45,059	16,309	211,154	450,534
Services	509,939	113,495	55,340	37,071	715,845
Other Activities	595,643	4,213	6,565	7,037	613,458
Intra-Group transactions	(86,616)	(4)	(37,774)	(306)	(124,700)
Total 2015 production	3,213,039	579,295	1,847,211	903,979	6,543,524
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	1,314,836	988,485	6,498,501

Revenue from the concession activity

At 31 December 2015, the Acciona Group maintained its most significant service concession contracts in force at the infrastructure and water divisions. The net amount of revenue at the close of the financial year for each category of concession agreement, including those within the scope of IFRIC 12, came to 106 and 21 million euros, respectively. Appendix VI details the main concessions.

As indicated in Note 3.2 g), following the 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.

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In relation to these concession assets, even during the construction phase the Group recognises income earned on interest, based on the effective interest rate of the financial asset. This interest income is recognised under “Revenue”, which at 31 December 2015 and 2014 amounted to 16,756 and 17,938 thousand euros, respectively.

Construction revenue

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

Detail of infrastructure construction revenue by type of project was as follows:

	2015	2014
Civil engineering	1,458,144	1,771,209
Residential building construction	45,546	54,713
Non-residential building construction	379,247	489,732
Other business activities	181,779	205,507
Total construction revenue	2,064,716	2,521,161

Detail of infrastructure construction revenue by type of client was as follows:

	2015	2014
Central Government	189,218	203,506
Regional Governments	88,598	83,831
Local councils	24,956	25,509
Regional Agencies and Government-owned corporations	190,259	309,499
Public sector	493,031	622,345
Private sector	302,227	406,965
Total Spanish clients	795,258	1,029,310
Total clients abroad	1,269,458	1,491,851
Total construction revenue	2,064,716	2,521,161

The accumulated data on the contracts in progress in the construction activity at the close of financial years 2015 and 2014 were as follows:

	2015	2014
Accumulated revenue from contracts in progress	7,942,406	6,896,231
Accumulated amount of costs incurred	7,537,611	6,602,682
Total accumulated earnings	404,794	293,549
Advances from clients (Note 14)	469,151	458,658
Withholdings	43,915	48,321

The geographical distribution of the infrastructure construction backlog at the close of 2015 and 2014 was as follows:

2015	Spain	Abroad
Civil engineering	1,326,540	4,244,678
Residential building construction	12,581	54,823
Non-residential building construction	240,365	174,423
Other business activities	203,528	465,137
Total construction backlog	1,783,014	4,939,061

2014	Spain	Abroad
Civil engineering	1,521,235	3,152,472
Residential building construction	26,670	53,003
Non-residential building construction	311,661	264,911
Other business activities	202,750	160,348
Total construction backlog	2,062,316	3,630,734

26. Expenses

Breakdown of the Group's expenses was as follows:

	2015	2014
Procurements	1,830,221	1,853,678
Staff costs	1,254,250	1,275,310
Wages, salaries and similar	1,006,614	1,027,419
Social security costs	222,863	228,643
Other staff costs	24,773	19,248
Other external expenses	2,321,467	2,401,541
Taxes other than income tax	190,307	197,764
Other current operating expenses	17,847	39,687
Subtotal	5,614,092	5,767,980
Change in provisions and allowances	53,156	53,102
Depreciation and amortisation charge	509,962	494,016
Total	6,177,210	6,315,098

Employees:

The average number of employees in 2015 and 2014, by professional category, was as follows:

	2015	2014	Change
Management and supervisors	1,835	2,521	(686)
Qualified line personnel	5,483	5,040	443
Clerical and support staff	2,492	2,423	69
Other employees	22,337	23,575	(1,238)
Total average number of employees	32,147	33,559	(1,412)

The classification above broken down by gender in 2015 and 2014 was as follows:

	2015			2014		
	Men	Women	Total	Men	Women	Total
Management and supervisors	1,505	330	1,835	2,098	423	2,521
Qualified line personnel	3,745	1,738	5,483	3,350	1,690	5,040
Clerical and support staff	720	1,772	2,492	884	1,539	2,423
Other employees	16,815	5,522	22,337	18,281	5,294	23,575
Total average number of employees	22,785	9,362	32,147	24,613	8,946	33,559

Breakdown of the Group's employees by line of business was as follows:

	2015	2014	Change
Energy	2,694	2,375	319
Construction of Infrastructure	9,412	12,268	(2,856)
Water	2,333	2,410	(77)
Services	15,660	14,321	1,339
Other Activities	2,048	2,185	(137)
Total average number of employees	32,147	33,559	(1,412)

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The classification above broken down by gender in 2015 and 2014 was as follows:

	2015			2014		
	Men	Women	Total	Men	Women	Total
Energy	2,057	637	2,694	1,796	579	2,375
Construction of Infrastructure	7,667	1,745	9,412	10,355	1,913	12,268
Water	1,946	387	2,333	2,024	386	2,410
Services	9,754	5,906	15,660	8,935	5,386	14,321
Other Activities	1,362	686	2,048	1,503	682	2,185
Total average number of employees	22,786	9,361	32,147	24,613	8,946	33,559

In 2015 and 2014, respectively, 271 and 247 employees of the total headcount were employees of the Parent and the remainder were employed by the Group subsidiaries.

At 31 December 2015, the average number of employees with a disability level of 33% or over employed by the consolidated companies amounted to 676 (direct and indirect employment). The percentage of compliance with Act 13/1982, of 7 April, on Social Integration of Persons with Disabilities, which establishes a minimum quota of 2% for the recruitment of disabled persons in companies with more than 50 employees, was 3.55%.

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 million euros in 2015 and 2014.

At 31 December 2015 and 2014, the lease terms and conditions and minimum payments (without taking into account inflation or possible updates) under the main vessel charter contracts entered into by the Compañía Trasmediterránea Subgroup were as follows:

2015 (miles de euros)					
Vessel	Arrangement date	Expiry date	Type	2016	2017-2018
Wisteria/Vronskiy	29/02/2012	15/11/2016	Time Charter	4,602	-
Tenacia	07/12/2011	30/01/2017	Time Charter	6,548	540
Scandolla	21/02/2013	29/02/2016	Time Charter	25	-
Volcán de Teneguía	04/02/2013	30/06/2016	Time Charter	1,656	-
Snav Adriático	07/05/2015	07/05/2016	Time Charter	2,713	-

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	-

Change in provisions and allowances:

Breakdown of the balance of “Change in Provisions and Allowances” in the consolidated income statement was as follows (in thousands of euros):

	2015	2014
Change in allowance for uncollectible receivables	33,860	35,190
Change in inventory write-downs	3,646	5,000
Other provisions	15,650	12,912
Total	53,156	53,102

At 31 December 2015 there were no changes in provisions for inventories in any significant amount.

“Other provisions” related mainly to additions made for burdensome contracts and provision for litigation and provision for future replacement or large repairs in concessions recognised under the intangible model.

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

Breakdown for this heading on the income statement for financial years 2015 and 2014 was as follows:

Impairment and profit/(loss) from the disposal of plant, property and equipment	2015	2014
Profit/(loss) from plant, property and equipment	8,756	50,349
Impairment of companies held by the equity method	—	(12,078)
Impairment of other assets (Notes 4 and 7)	(22,049)	(3,846)
Other	1,857	(2,056)
Total	(11,436)	32,369

At 31 December 2015 the line “Profit/(loss) from property, plant and equipment” reflected mainly the sale of the company Biodiesel Bilbao, with capital gains of 4 million euros. In addition, the company Acciona Solar Power sold rights over land that the company held for construction of a wind farm, and it obtained capital gains of 3.3 million euros.

The line “Impairment of other assets” reflects mainly the impairment recognised in 2015, for 19 million euros, in the company holding a motorway concession in Brazil, Rodovia do Aço, S.A.

At 31 December 2014, the line “Profit/(loss) from plant, property and equipment” mainly reflected 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 Metropolitana, S.A. and Tramvia Metropolitana 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; and 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).

Other gains or losses

At 31 December 2015, two fines imposed on Compañía Trasmediterránea, S.A. in 2010 by the Spanish National Competition Commission were settled favourable for the Group, with the ensuing reversion of the provision recognised for 30 million euros (see note 17).

Profit/(loss) from changes in the value of financial instruments at fair value

In 2015 impairment was applied to the stakeholding in the company “Agrupación Logística de Palencia, S.L.”, classified as financial asset available for sale; this had an impact of 2000 thousand euros on the consolidated income statement (see note 10).

At 31 December 2014, this heading included mainly the profit/(loss) from the sale of the stakeholding that the Acciona Group held in the company Bolsas y Mercados Españoles, S.A., with a capital gain of 27 million euros, and from the sale practically all its stakeholding in Gtceisu Construction, S.A., with a capital loss of 5 million euros (see Note 10).

27. Segment reporting

Basis of segmentation:

Segment reporting 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 internally used by Acciona Group Management to assess the performance of the segments and to allocate resources among them.

The business lines described below are 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 disclosed 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 that facilitate a better understanding of the ordinary course of business are presented as an additional segment. Nonetheless, where these effects are material in respect of the Group's results, details are given as to how they affect each segment.

Segment information about these activities for 2015 and 2014 is shown below.

Balances at 31/12/15	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Total Group
ASSETS								
Property, plant and equipment, intangible assets and investment property	7,357,808	315,371	161,842	45,527	1,002,140	(34,802)	--	8,847,886
Goodwill	--	358	27,976	50,962	--	--	--	79,296
Non-current financial assets	37,858	16,901	11,498	11,955	73,382	8,451	--	160,045
Investments accounted for using the equity method	227,806	55,581	107,549	268	18,845	(935)	--	409,114
Other assets	461,749	579,076	39,798	2,603	304,152	1,227	--	1,388,605
Non-current assets	8,085,221	967,287	348,663	111,315	1,398,519	(26,655)	--	10,884,946
Inventories	102,383	180,221	14,546	1,064	457,905	(16,017)	--	740,102
Trade and other receivables	780,549	894,468	220,044	179,198	182,436	(644,277)	--	1,612,418
Other current financial assets	364,508	32,885	6,052	1,890	5,028	2,500	--	412,863
Other assets	64,672	145,714	12,937	20,868	3,991	(2,625)	(9,503)	236,054
Cash and cash equivalents	(1,018,266)	926,527	97,858	(31,419)	1,496,424	(10,951)	--	1,460,173
Non-current assets classified as held for sale	429,425	--	--	--	1,636	--	--	431,061
Current assets	723,271	2,179,815	351,437	171,601	2,147,420	(671,370)	(9,503)	4,892,671
Total assets	8,808,492	3,147,102	700,100	282,916	3,545,939	(697,429)	(9,503)	13,777,616
EQUITY AND LIABILITIES								
Consolidated equity	1,599,396	477,214	240,483	127,018	1,360,977	(41,440)	(9,503)	3,754,145

TRANSLATION

Balances at 31/12/15	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Total Group
Bank borrowings and other financial liabilities	3,718,160	345,201	118,171	5,701	1,707,790	--	--	5,895,023
Other liabilities	1,347,202	347,867	38,786	5,191	280,844	(11,712)	--	2,008,178
Non-current liabilities	5,065,362	693,068	156,957	10,892	1,988,634	(11,712)	--	7,963,201
Bank borrowings and other financial liabilities	1,327,416	382,650	2,765	25,541	(601,231)	--	--	1,137,141
Trade and other payables	285,093	1,335,159	245,529	99,700	214,508	(155,456)	--	2,024,533
Other liabilities	112,819	259,011	54,366	19,765	581,391	(488,821)	--	538,531
Liabilities directly associated with non-current assets classified as held for sale	418,406	--	--	--	1,660	--	--	420,066
Current liabilities	2,143,734	1,976,820	302,660	145,006	196,328	(644,277)	--	4,128,270
Total equity and liabilities	8,808,492	3,147,102	700,100	282,916	3,545,939	(697,429)	(9,503)	15,777,616

Balances at 31.12.15	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Group Total
Total revenue	2,718,721	2,169,666	450,534	715,845	613,457	(124,699)	--	6,543,524
Revenue	2,695,316	2,165,703	448,827	624,545	609,133	--	--	6,543,524
Revenue to other segments	23,405	3,963	1,707	91,300	4,324	(124,699)	--	--
Other revenue and operating expenses	(1,821,729)	(2,067,853)	(415,906)	(685,105)	(500,733)	121,884	--	(5,369,442)
Gross operating result	896,992	101,813	34,628	30,740	112,724	(2,815)	--	1,174,082
Endowments	(418,145)	(59,739)	(6,296)	(13,189)	(44,905)	1,656	(22,300)	(563,118)
Impairment and profit/(loss) from disposal of plant, property and equipment	6,727	345	--	190	(68)	--	(18,630)	(11,436)
Other gains and losses	(1,688)	(1,808)	959	(439)	240	--	30,127	27,391
Profit/(loss) from operations	483,886	40,611	29,291	17,302	67,991	(1,159)	(11,003)	626,919
Financial profit/(loss)	(312,594)	(14,572)	(3,930)	(1,291)	(34,423)	--	--	(366,810)
Profit/(loss) due to changes in value	176	(2,000)	--	--	244	--	--	(1,580)
Profit/(loss) from entities accounted for by the equity method	26,595	9,119	15,679	(431)	9,092	--	--	60,054
Profit/(loss) before tax	198,063	33,158	41,040	15,580	42,904	(1,159)	(11,003)	318,583
Expense for Corporate Tax	(58,187)	(22,567)	(11,556)	(5,196)	12,894	288	1,500	(82,824)
Consolidated profit/(loss) in the year	139,876	10,591	29,484	10,384	55,798	(871)	(9,503)	235,759
Profit/(loss) after tax from discontinued activities	--	--	--	--	--	--	--	--
Profit/(loss) in the year	139,876	10,591	29,484	10,384	55,798	(871)	(9,503)	235,759
Non-controlling interests	(21,030)	(6,727)	--	(212)	(444)	(22)	--	(28,435)
Profit/(loss) attributable to the Parent	118,846	3,864	29,484	10,172	55,354	(893)	(9,503)	207,324

Balances at 31/12/14	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary 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

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Balances at 31/12/14	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary Items	Total Group
Investments accounted for using the equity method	242,554	36,517	103,412	616	2,162	(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	(17,901)	--	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	1,253	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
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	37,907	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								
Balances at 31.12.14	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extraordinary 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	405,262	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 profit/(loss)	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 profit/(loss) from disposal of plant, property and equipment	6,766	416	(75)	(89)	2,429	--	22,922	32,369
Other profit/(loss)	(1,692)	(1,838)	52	(191)	3,343	--	--	(326)
Profit/(loss) from operations	398,229	35,845	16,451	9,331	87,209	1,977	22,922	571,964
Financial profit/(loss)	(324,889)	1,825	(8,851)	(1,951)	(28,365)	153	(997)	(363,075)
Profit/(loss) due to changes in value	(231)	--	--	--	6	--	22,185	21,960
Profit/(loss) from entities accounted for by the equity method	13,209	17,158	20,253	(201)	(4,174)	--	--	46,248
Profit/(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)

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Balances at 31.12.14	Energy	Construction	Water	Services	Other activities	Intra-group Operations	Extra-ordinary Items	Group Total
Consolidated profit/(loss) in the year	144,891	29,346	15,197	4,250	(19,073)	(1,237)	33,818	207,192
Profit/(loss) after tax from discontinued activities	--	--	--	--	--	--	--	--
Profit/(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/(loss) attributable to the Parent	127,108	25,554	15,197	4,165	(19,649)	(1,244)	33,818	184,949

In financial year 2015, the “Extraordinary items” segment reflected the economic effects of the following unusual events:

- Reversion of provision for liability, for 30 million euros, in relation to two proceedings involving Compañía Transmediterránea and instituted by the Spanish National Competition Commission; the proceedings were cancelled when ruling was issued allowing the appeals that the company had filed before the Supreme Court (see note 17).
- Allocation for impairment in the value of an infrastructure concession located in Brazil and recognised in intangible asset on the balance sheet, in the amount of 19 million euros (see note 7).
- Finally, losses were recognised for 22 million euros, on anticipated losses from certain contracts, as well as some receivables in respect of which the process for collection in the year led to doubts about their recoverability.

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

- Sales of the renewable energy activities in Germany with a capital gain of 28 million euros.
- Sale of the stakeholdings in 5 concessions (2 Spanish and 3 Canadian), as well as the sale of the stakeholding in a construction subsidiary, with losses of 1 million euros.
- Sale of the shares the Group owned in Bolsas y Mercados Españoles (BME), with a capital gain of 27 million euros.

The table below shows disclosure of certain of the Group’s consolidated balances based on the geographical location of the companies that gave rise to them.

	Income		Total assets		Non-current assets		Current assets	
	2015	2014	2015	2014	2015	2014	2015	2014
Spain	3,213,039	3,523,950	10,141,662	10,498,043	6,844,830	6,821,367	3,296,832	3,676,676
European Union	579,295	613,898	1,194,614	1,181,441	751,826	749,748	442,788	431,693
OECD countries	1,847,211	1,314,036	3,597,214	3,446,245	2,718,400	2,534,830	878,814	911,415
Other countries	903,979	1,046,617	844,127	1,017,451	569,890	665,476	274,237	351,975
Total	6,543,524	6,498,501	15,777,617	16,143,180	10,884,946	10,771,421	4,892,671	5,371,759

28. Finance income and costs and other profit/(loss) for the year

Detail of the Group’s finance income and costs was as follows:

	2015	2014
Finance income	34,844	50,256
From equity investments	285	805
From other financial instruments in Associates	3,528	4,714
Other finance income	31,032	44,737
Finance costs	(424,425)	(418,557)
On payables to third parties	(428,223)	(434,502)
On ineffectiveness of derivatives (see Note 20)	—	—
Capitalisation of borrowing costs	6,025	17,346
Change in financial provisions	(2,227)	(1,401)

Other finance income and costs:

The Group had capitalised borrowing costs amounting to 6 million euros at 31 December 2015 and 17.3 million euros at 31 December 2014, of which 6 and 17.1 million euros, respectively, were capitalised to property, plant and equipment (see note 4) and 0.2 million euros in 2014 were capitalised to inventories (see Note 3.2 j).

Finance costs:

In 2015 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 97,759 thousand euros (96,306 thousand euros in 2014). In addition, 23,347 thousand euros (22,806 thousand euros in 2014) relating to these periodic settlements were recognised as a decrease in the results of companies accounted for using the equity method, since it related to associates.

29. Proposed application of profit/(loss)

Proposed application of the profit in financial years 2015 and 2014 of Acciona, S.A., as approved by the Annual General Shareholders’ Meeting, in the case of 2014, and that the Board of Directors will submit to approval by the Annual General Shareholders’ Meeting, in the case of 2015, is as follows (in euros):

	2015	2014
Distribution basis:		
Acciona, S.A. profit or loss	180,549,874.53	137,464,549.02
Distribution:		
To legal reserve	—	—
To statutory reserve	18,054,987.45	13,746,454.90
To voluntary reserves	19,346,012.08	9,198,994.12
To losses from previous years		
Dividends	143,148,875.00	114,519,100.00
Total	180,549,874.53	137,464,549.02

Under its Articles of Association, Acciona, S.A. must in any event allocate 10% of net profit to legal and statutory reserves in such a manner that, when the former is covered (20% of the share capital), any remaining portion of the 10% of net profit must be transferred to the statutory 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 2015, 49% of the Group's global sales and 79% of the EBITDA were based on businesses included in what the United Nations Environment Programme (UNEP) defines as the Green Economy (<http://www.pnuma.org/eficienciarecursos/economia.php>).

In 2015 environmental expenses represented 266 million euros and environmental investments 116 million euros, which placed the company's global environmental activity at 382 million euros.

This economic figure for environment-related activities can be broken down as follows:

Category	Amount (Million €)	
Measures to minimise environmental impact	53.6	
Environmental research, development & innovation	29.4	
Environmental prevention	105.4	This includes investments in new renewable energy facilities because of the savings in primary energy implied by generation with these technologies and consequently lower emissions.
Personnel involved in the environmental activity	9.1	
Investments in plant, property and equipment to prevent environmental impacts and protect the environment	5.2	
Environmental consultancy and advisory services	0.8	
Waste water treatment and drinking water treatment	176.4	
Other	2.3	This category includes other environmental expenses, of which the most significant are insurance and charges, training, environmental management system and environmental awareness and communication
TOTAL	382.2	

Finally, in 2015 ACCIONA obtained bonuses for port rates and for energy production from Compañía Trasmediterránea, S.A. and the Acciona Agua, S.A. subgroup, for carrying out actions encouraging respect for the environment and its protection. These bonuses totalled 840,000 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 at 31 December 2015 and 2014 are given below:

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	2015	2014
Net profit for the year (thousands of euros)	207,324	184,949
Weighted average number of shares outstanding	56,794,911	57,051,313
Basic earnings per share (euros)	3.65	3.24

- 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 attached 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 2015 was 18,326 thousand euros (16.402 thousand euros in 2014).

The amount for the period closed on 31 December 2015 is given below:

	2015	2014
Net profit for the year (thousands of euros)	225,650	201,351
Diluted weighted average number of shares outstanding	62,221,760	61,422,516
Diluted earnings per share (euros)	3.63	3.28

32. Events after the reporting period

Last 21 January 2016, upon fulfilment of the conditions precedent, shares representing an additional 37.05% of ATLL Concessionaria de la Generalitat de Catalunya, S.A., owned by the shareholder Aigües de Catalunya, S.A., were sold to the shareholder Gestio Catalana D'Aigües, S.A., a subsidiary of the Acciona Group. According to the provisions of the sale operation described above, both parties agreed to assign to Gestio Catalana D'Aigües, S.A. 95% of the rights and obligations included in the loan that the selling shareholder, namely, Aigües de Catalunya, S.A. as lender, held vis-à-vis ATLL Concessionaria de la Generalitat de Catalunya, S.A., as loanee, and that had been subscribed on 21 December 2012. The price to buy the shares amounted to 19 million euros and the amount of the loan assigned to Gestio Catalana D'Aigües, S.A. amounts to 55 million euros.

At 31 December 2015, the stakeholding of the Acciona Group in ATLL Concessionaria de la Generalitat de Catalunya, S.A. amounted to 39%, with the stakeholding being consolidated under the equity method. Note 8 details the key figures of the balance sheet of this company. The stakeholding of the Acciona Group after the purchase and sale operation referred to in the paragraph above stands at 76.05% of the share capital.

When these annual accounts were prepared, given that the purchase and sale operation is very recent, the fair values of the Company at the time of acquisition had not been analysed. This analysis will take place in the next few months as per IFRS 3.

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

At 31 December 2015 and 2014, detail of the balances receivable from and payable to associates was as follows (in thousands of euros):

	Receivables / Expenses		Payables / Income	
	2015	2014	2015	2014
Trade and other receivables	67,953	89,739	--	--
Trade and other payables	--	--	30,899	51,057
Loans to associates	120,376	119,356	--	--
Income and expenses	4,616	6,662	235,977	287,804

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

The balances payable related to the line "Loans to associates" are mainly made up of loans made by Acciona, S.A. and Acciona Energy, S.A. 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 shareholding structure of the Acciona Group subsidiary, Acciona Energy Internacional, S.A., this fund became a "related party" for the Group as the term is defined in IAS 24. The only transaction of note with the KKR Fund in financial year 2015 was the subordinated debt described in Note 21.

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

Transactions with shareholders

In 2015 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, the 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 2015 and 2014 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 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 the ordinary course of trade of these entities. These transactions consisted basically of:

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Expenses and income	Thousands of euros					Total
	31/12/2014	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	
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)	--	--	--	--	--	--
Value 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	--	--	--	--	--	--

Other transactions	Thousands of euros					Total
	31/12/14	Significant shareholders	Directors and executives	Group employees, companies or entities	Other related parties	
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	--	--	--	--	--	--

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34. Remuneration and other benefits

A. Board of Directors

In 2015 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.

According to article 31 of Articles of Association, 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, and the Board of Directors may reduce the amount in the financial years where this is considered appropriate.

The Board of Directors determines the exact amount to be paid within that limit and its distribution among the different Directors, with consideration being given to the functions and responsibilities of each member, sitting on the Board's committees and any other unbiased circumstances considered relevant by the Board.

Regardless of the provisions contained in section above, the remuneration deriving from membership of the Board of Directors shall be compatible with any other remuneration (fixed salary; variable bonuses depending on the attainment of business, corporate and/or performance goals; compensation for removal of the Director for reasons other than the failure to perform his or her duties; welfare systems; deferred remuneration items) that, following a proposal by the Appointments and Remuneration Committee and by resolution passed by the Board of Directors, could correspond to the Director for the performance of other functions in the Company, be they senior management executive functions or otherwise, apart from those of joint supervision and decision-taking carried out as mere members of the Board.

Following a resolution adopted by the General Shareholders' Meeting 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 establishes that the Board determines the system for distributing the remuneration for Directors within the framework established in the Articles of Association.

The decision must take into account the report drafted for the purpose by the Appointments and Remuneration Committee.

The Board of Directors shall strive to ensure that the Directors' remuneration is moderate and in line with that paid on the market in companies of a similar size and business activity, with preference for those formats relating a significant portion of the remuneration to their dedication to Acciona.

The system for remuneration of independent directors will strive to serve as a sufficient incentive for their dedication without compromising their independence.

The remuneration of 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.

As regards remuneration of executive directors, article 55 A of the Regulations establishes that the Board of Directors must try and ensure that the remuneration policies in force at each time include for

variable remuneration necessary technical safeguards to make sure that such remuneration is in line with the professional performance of its beneficiaries and does not arise simply from the general trend of markets or of the company's business sector or from other similar circumstances. The remuneration system must establish similar remuneration for comparable functions and dedication.

For Executive Directors, the remuneration deriving from their membership of the Board of Directors shall be compatible with any other professional or employment-related earnings received for their executive or consultative functions rendered to Acciona, S.A. or to its Group.

Remuneration for directors shall be transparent.

At its meeting on 28 February 2013, the Board of Directors resolved, at the proposal of the Appointments and Remuneration Committee, to reduce the amounts for membership of the Board of Directors and its Committees by 10%, and these were therefore set as follows:

- 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.

At the meeting held by the Board of Directors on 11 June 2015 additional remuneration was established: 10,000 euros for the directors holding the chair on the Committees, except in the case of the executive committee.

Executive directors who are members of the Executive Committee do not receive any remuneration specifically for belonging to that committee.

After a detailed analysis of the remuneration received at international companies and those included on the IBEX 35 index, the Appointments and Remuneration Committee considered the remuneration to be in line with what was paid on the market in companies of a similar size in the same business area, that analogous remuneration was paid for comparable functions and dedication and, without compromising independence, remuneration is an adequate incentive to achieve, if possible, a greater engagement by directors in the different committees.

Furthermore, the General Shareholders' Meeting held on 6 June 2013 resolved to set, for the purposes established in new section 2 of article 31 of the Articles of Association, the amount of remuneration that may be paid by the Company to its Directors as a whole, for their membership of the Board of Directors and its Committees, at 1,503,000 euros. This amount shall remain in force until such time as the General Shareholders's Meeting decides to change it, but it may be reduced by the Board of Directors on the terms contained in the aforesaid section.

The total remuneration paid to the members of the Board for discharging their duties as Company directors in 2015 amounted to 1,365 thousand euros. This amount is broken down, by director, in the following way:

	Fixed remuneration	Remuneration for membership of Board Committees	Total 2015	Total 2014
MR. Daniel Entrecanales Domecq	67.5	59	126.5	104
(*) Ms. Sol Daurella Comadrán	33.75	22.5	56.2	113
MR. Jerónimo Marcos Gerard Rivero	67.5		67.5	34
(*) MR. Carlos Espinosa de los Monteros	33.75	22.5	56.2	113
MR. Jaime Castellanos Borrego	67.5	131	198.5	194

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	Fixed remuneration	Remuneration for membership of Board Committees	Total 2015	Total 2014
MR. Fernando Rodés Vila	67.5	72	139.5	140
MR. José Manuel Entrecanales Domecq	67.5		67.5	68
MR. Juan Ignacio Entrecanales Franco	67.5		67.5	68
(***) Ms. Miriam Gonzalez Durántez			0	57
MR. Juan Carlos Garay Ibargaray	67.5	86	153.5	104
(*) MR. Valentín Montoya Moya	33.75	63	96.8	194
Ms. Belén Villalonga Morenes	67.5		67.5	68
(***) Ms. Consuelo Crespo Bofill			0	52
MR. Javier Entrecanales Franco	67.5	58.5	126	104
Ms. María del Carmen Becerril Martínez	67.5	18	85.5	34
(**) Ms. Ana Sainz de Vicuña Bernberg	33.75	22.5	56.3	
TOTAL	810	555	1,365	1,447

(*) Directors leaving the Board in 2015

(**) Directors joining the Board in 2015

(***) Directors leaving the Board in 2014

The remuneration paid to Directors for the performance of senior management executive functions and for their membership of the Board was 5,101 and 4,816 thousand euros in 2015 and 2014, respectively.

In addition, a non-executive director has a professional services contract signed with the Acciona Group for which she received 150 thousand euros in 2015.

In 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 established 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 2015 in favour of the Executive Directors came to 1,125 thousand euros. The global remuneration related to rights accumulated by the Directors in this respect amounts to 2,311 thousand 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.

The remuneration of the board of directors of ACCIONA, S.A. in the year was, in thousands of euros, 6,481 and 6,199 in financial years 2015 and 2014, respectively.

The Board of Directors of Acciona, S.A. approved on 26 February 2015, upon proposal by the Appointments and Remuneration Committee, amendment to the “Plan for Delivery of Shares and options to Senior Management of Acciona and its group” Regulations, preparing new regulations that affect the executive directors and the Group’s executives. The main characteristics are described below.

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 2015 and 2014 and 2013 is summarised as follows:

Type of remuneration	2015	2014
Number of persons	36	37
Remuneration (thousands of euros)	21,120	17,159

Plan for delivery of shares and performance shares

The General Shareholders’ Meeting held on 24 June 2014 approved the following agreement:

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

B) To authorise the Board of Directors of the Company so that it may, to all the extend required by law and upon proposal by the Appointments and Remuneration Committee, amend the Plan Regulations under the terms and conditions that the Board considers convenient, establishing delivery conditions and times, accrual periods, allocation criteria and limits and any other aspect that the Board considers relevant, in order to align further the long-term interests of the Company’s Executive Directors and other executives of the Acciona Group with those of the shareholders of Acciona, S.A., and thus boost their motivation in the attainment of higher value and long-term stability for the group, and consolidate their loyalty and permanence in the Group.

Pursuant to that authority, on 26 February 2015 the Board of Directors approved, upon proposal by the Appointments and Remuneration Committee, to amend the Plan Regulations, drawing up a new one whose term of validity covers the six-year period from 2014 to 2019, both inclusive; its main characteristics are the following:

A) Purpose of the Plan:

The purpose of the 2014 Plan for Delivery of Shares and “Performance Shares” to Acciona and its group’s management (the Plan for Delivery of Shares/Performance Shares) is to remunerate management, including the Executive Directors of Acciona, S.A. (“Acciona”) and of the business and company group whose parent is Acciona, S.A. or where Acciona, S.A. holds a significant interest in management (“Acciona Group” or “Acciona and its group”) in such a manner as to boost the attainment of strategic business objectives of Acciona and its group to the benefit of Acciona’s shareholders, and the loyalty and permanence of executives.

B) Strategic indicators and objectives to achieve

Achievement of objectives will be based on business strategic indicators, which have been defined by the Board of Directors for financial years ranging from 2014 to 2019.

C) Plan beneficiaries

C.1. – Executive Directors

For Executive Directors, it is contemplated for the first time that they may have “performance shares” annually allocated by the Board of Directors. This does not give them the right to acquire the related shares (except where so provided by the Regulations) but it is an indication by the Board of Directors of the number of shares that the Board forecasts that can be allocated to these Executive Directors at a later date if two conditions are fulfilled: their permanence and the attainment of Acciona Group’s long-term strategic goals as established by the Board as a requisite for the Executive Directors to receive shares.

Reference period: The reference period of the business strategic indicators will be the 2014-2019 six-year period, although, for allocation of “performance shares”, the whole period from the start of the 2014 Plan application period to the end of the previous financial year will be considered.

“Performance shares” allocation: Upon completion of each financial year, the Board of Directors may assess the extent to which the long-term strategic objectives have been achieved up to that point.

The final allocation of treasury shares to Executive Directors will take place (a) at the end of the whole 2014 Plan period (in 2020) upon consideration of the assessment made for the whole 2014-2019 period and (b) at a midpoint milestone, in 2017, upon completion of the first three 2014-2016 financial years, upon consideration of the assessment made on the first 2014-2016 three-year period.

Based on the interest of the company and if circumstances so advise for Acciona and its group in the opinion of the Board of Directors, upon consideration of the recommendation from the Appointments and Remuneration Committee, the Board of Directors may put off to 2020 the delivery to the Executive Directors of the final shares allocated in 2017 (in relation to financial years 2014, 2015 and 2016), making the delivery of these shares coincide with the delivery of the shares that, if appropriate, should be delivered to the executive Directors at the end of the whole 2014 Plan period (in 2020).

Permanence condition: Delivery of the shares finally allocated to Executive Directors is dependent on the fact that, up to 31 March of the year when the shares are to be delivered, the Executive Director has not ceased to perform his/her senior management duties in Acciona or its Group for reasons attributable to the Director in question.

In no event may the number of allocated shares thus quantified exceed, together with those allocated under the 2014 Plan, the maximum number available approved by the GM.

Shares delivered in 2017 are subject to an option for Acciona to buy them back: Treasury shares transferred to Executive Directors in 2017 (in relation to financial years 2014, 2015 and 2016) will be subject to Acciona's right to buy them back, a right that can be exercised if the Executive Director acquiring the shares ceases to perform his/her senior management duties in Acciona or its group before 31 March 2020 for breach of his/her contractual obligations or resignation of his/her own free will.

C.2. – Group's Executives

For the other beneficiaries that are not executive directors, the Board of Directors will approve, upon considering proposal by the Appointments and Remuneration Committee, the amount for separate variable remuneration to be paid through delivery of the Acciona's treasury shares allocated for each financial year to each executive that benefits from the 2014 Plan other than Executive Directors.

The allocation may be implemented through a number of treasury shares or in a cash amount. In the latter case, the equivalent number of shares will be based on the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation. In no event will the number of allocated shares thus quantified exceed, together with the other shares allocated under the 2014 Plan, the maximum number approved by the GM.

Treasury shares transferred to these Beneficiaries are subject to Acciona's right to buy them back, a right that can be exercised if the beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary. The Board of Directors may extend to a reduced group of executives the "performance share" and/or shares allocation system established for executive directors, with the changes as can be proposed by the Appointments and Remuneration Committee regarding interim allocation, tax system, objectives, midpoint milestones and delivery times, with the purpose of increasing their motivation in the attainment of higher value and long-term stability for the group, as well as consolidating their loyalty and permanence in the Group.

D) Number of shares available for the Plan

Initially, the maximum number of shares that can be allocated to the Beneficiaries in application of the 2014 Plan will equal 258,035.

The maximum number of shares that can be allocated by the Board of Directors to the Beneficiaries in application of the 2014 Plan can be increased by agreement of the General Shareholders' Meeting. In this respect, the General Shareholders' Meeting held on 11 June 2015 agreed to increase the maximum number of shares available for the "2014-2019 Plan for Delivery of Shares and Performance Shares" by 100,000, without affecting later increases if so proposed by the Board of Directors and approved by the General Shareholders' Meeting.

The General Shareholders' Meeting held on 11 June 2015 increased the number of shares available to 100,000 so that at the close of 2015 the maximum number of shares that can be allocated to implement the Plan, after 29,651 have been used for delivery to executives included in the Plan other than executive Directors, was 328,824 for the whole period.

E) Recipients

The annual number of Recipients shall not exceed 100.

Plan to replace variable remuneration for shares

Upon proposal by the Appointments and Remuneration Committee, given the limited number of Beneficiaries of the former Plan, with the purpose of furthering and extending the objectives for

building loyalty and retaining executives to the Group's executives, on 26 March 2015 the Board of Directors approved the "Plan to Replace Variable Remuneration for Acciona shares, aimed to Acciona and its group's management" (the Replacement Plan), excluding executive directors; the main characteristics of the plan are the following:

Aim: To retain and motivate the management team effectively and achieve higher alignment of their interests with those of the Company and its Group.

Initial duration: Six years (2014 to 2019).

Purpose: To offer discretionally the option of replacing or swapping, in whole or in part, variable remuneration in cash for Company shares to certain Acciona and its group's executives, according to a swap equation to be determined each year. In 2015, the swap equation approved carries an incentive of 25% over the variable remuneration replaced.

Beneficiaries: The executives that the Board of Directors determines of its own free will. Executive Directors are excluded from this Plan.

Restrictions on the shares delivered: In general terms, the shares delivered cannot be (a) disposed of, encumbered or used under any title (except for mortis causa), and (b) no option right can be set up over them, or any other right limiting ownership or as security, until after 31 March of the third year following the year in which the shares in question were delivered to the Beneficiary.

Treasury shares transferred to these Beneficiaries are subject to Acciona's right to buy them back, a right that can be exercised if the Beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary.

The Acciona share price to be taken as benchmark to determine the swap equation will be the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation of the replacement option.

Finally, the number of shares delivered to Beneficiaries other than executive directors (46 Beneficiaries), under the **Plan for Delivery of Shares /Performance Shares**, in consideration of their dedication and performance in financial year 2015, was 29,651 shares at the fair value of 2,186 thousand euros.

Given that this plan accrues on a three-year basis, one third of the fair values mentioned above is reflected in "Staff costs" on the accompanying income statement at 31 December. The other two thirds will be recognised on the income statements for financial years 2016 and 2017.

As regards executive Directors, no firm allocation of performance shares or shares took place in 2015.

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

The "Plan for delivery to Senior management" replaced by the plan described in the paragraphs above established the replacement of shares with stock option rights (for Acciona, S.A. ordinary shares). The options granted one year as part of the Plan could be exercised, in whole or in part, in one go or more, within the three-year period from (a) 31 March of the third calendar year following the year when they were allocated and (b) 31 March of the third year following the start of the period (the "exercising period"). The movement in 2015 in the number of options and weighted average of the prices to exercise the stock options are the following:

2015	N° of options	Strike Price - Weighted Average (in euros)
Existing at the start of the financial year	134,573	70.03
Awarded during the period	--	--
Cancelled during the period	--	--
Exercised during the period	(4,874)	53.00
Lapsed during the period	(10,986)	89.00
Existing at the end of the period	118,713	68.97
Susceptible of being exercised at the end of the period	93,128	71.85

As regards the options existing at the end of the financial year, it should be indicated that the strike price ranged between 53 and 91.1 euros and that the weighted average of the remaining life of the contract was 1.7 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.

Detail of the individuals who held senior management positions (taking the Parent and subsidiaries into account as Senior Management) in 2015 was as follows:

Name or registered name	Position(s) held
Alcázar Viela, Jesús	General Manager – Acciona Infrastructure - Latin America
Ancín Viguiristi, Joaquín	General Manager – Acciona Energy - Engineering, Construction and Innovation
Antúñez Cid, Isabel	General Manager – Acciona Property
Arilla de Juana, Carlos	General Manager - Economic and Financial Area
Beltrán Núñez, Raúl	Director of Internal Audit
Bianco Diéguez, José Luis	General Manager - Acciona Windpower
Cabanillas Alonso, Pío	General Manager - Corporate Image and Global Marketing
Callejo Martínez, Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	General Manager - Office of the Chairman
Castilla Cámara, Luis	CEO - Acciona Infrastructure
Claudio Vázquez, Adalberto	General Manager Civil Works - Acciona Infrastructure
Corella Hurtado, Olga	General Manager - Acciona Infrastructure - Economic Control Area
Cruz Palacios, Juan Manuel	General Manager - Acciona Infrastructure - Labour Relations, Environment Quality Plan and Sustainability
Díaz-Caneja Rodríguez, José Luis	Area General Manager - Acciona Water
Ezpeleta Puras, Arantza	General Manager - International Area - Office of the Chairman
Fajardo Gerez, Fernando	Area General Manager - Acciona Infrastructure – Australia and the South-East Asia

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Name or registered name	Position(s) held
Farto Paz, José María	Area General Manager - Acciona Infrastructure - Galicia
Fernández López, Roberto	Area General Manager - Acciona Infrastructure - Corporate Resources
Figueroa Gómez de Salazar, José Julio	Area General Manager – Legal Services
Jiménez Serrano, Ramón	Area General Manager – Acciona Industrial, Acciona Engineering and Acciona service
López Fernández, Carlos	Area General Manager – Acciona Industrial Engineering
Luna Butz, Walter	CEO - Acciona Property
Mateo Alcalá, Rafael	CEO - Acciona Energy
Medina Sánchez, Eduardo	Area General Manager - Acciona Energy - Business Development
Molina Oltra, Ricardo Luis	Area General Manager - Acciona Service
Mollinedo Chocano, Joaquín	General Manager - Institutional Relations
Muro-Lara Girod, Juan Antonio	General Manager - Corporate Development and Relations with Investors
Navas García, Carlos	Area General Manager - Acciona Airport Services
Rivas Anoro, Félix	Area General Manager - Procurement, Innovation, Quality and the Environment
Santamaría-Paredes Castillo, Vicente	Area General Manager - Compliance
Silva Ferrada, Juan Ramón	Area General Manager - Sustainability
Soto Conde, Antonio	Area General Manager – Hijos de Antonio Barceló
Tejero Santos, José Ángel	Area General Manager - Economic Oversight and Finance
Terceiro Mateos, José Manuel	Area General Manager - Acciona Infrastructure - Economics and Finance
Vega-Penichet Lopez, Jorge	General Secretary
Vicente Pelegrini, Justo	Area General Manager - Acciona Infrastructure Spain and Construction Africa, Sweden and Emirates

Detail of the individuals who held senior management positions (taking the Parent and subsidiaries into account as Senior Management) in 2014 was as follows:

Name or registered name	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

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Name or registered name	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

C. Auditor

In 2015, 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	
	2015	2014	2015	2014
Audit services	3,485	2,933	1,806	1,688
Other assurance services	451	674	379	273
Total audit and related services	3,936	3,607	2,185	1,961
Tax advisory services	608	713	914	828
Other services	1,659	2,539	4,541	3,641
Total professional services	2,267	3,252	5,455	4,469

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35. Other disclosures concerning the Board of Directors

Pursuant to Article 229 of Royal Legislative Decree 1/2010, of 2 July, whereby the rewritten text of the Capital Companies Act is approved, at 31 December 2015, according to the information available to the Company and notified by Directors and their related parties, they were not affected by any situations of conflict, whether direct or indirect, with the Company's interests.

36. Average period for payment to suppliers

The table below details the information required by Final Provision Two of Act 31/2014, of 3 December, as prepared following application of Resolution dated 29 January 2016 by the Spanish Accounting and Audit Institute. This information refers only to Spain, where this regulation is applicable.

Average payment period and payments made and payments outstanding at the balance sheet date in Spain	2015
	Days
Average period for payment to suppliers	41
Paid operations ratio	38
Operations outstanding ratio	54
	Amount (thousands of euros)
Total payments made	2,182,726
Total payments outstanding	502,125

As permitted by the Single Additional Provision of the aforesaid Resolution by the Spanish Accounting and Audit Institute, for this first year of application of the Resolution, no comparative information is disclosed, with these annual accounts being rated as opening accounts in relation to the uniformity principle and comparability requirement.

“Average period for payment to suppliers” refers to the time that elapses from delivery of goods or provision of services by a supplier to payment of the operation.

The “average period for payment to suppliers” is calculated as the quotient whose numerator is the result of adding the paid operations ratio by the total amount of payments made to suppliers plus the operations outstanding ratio by the total amount of payments outstanding and whose denominator is the total amount of payments made and payments outstanding.

The paid operations ratio is calculated as the quotient whose numerator is the sum of the products related to the amounts paid, by the number of payment days (calendar days elapsed as from the time when the period begins to run up to actual payment of the operation) and whose denominator is the total amount of payments made.

And the operations outstanding ratio refers to the quotient whose numerator is the sum of the products related to the amounts outstanding, by the number of payment outstanding days (calendar days elapsed as from the time when the period begins to run up to the closing of annual accounts) and whose denominator is the total amount of payments outstanding.

APPENDIX I

GROUP COMPANIES

The subsidiaries of ACCIONA, S.A. considered to be Group companies were treated as such in accordance with IFRS. The companies fully consolidated in 2015, and the information thereon at 31 December 2015, are the following (amounts in thousands of euros):

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
3240934 Nova Scotia Company	--	Canada	Energy	100.00%	Subgroup Acciona Renewable Canada	4,382
Acciona - Vjetroelektrane D.O.O.	--	Croatia	Energy	100.00%	Subgroup Acciona Windpower Internacional	3
Acciona Wind Energy Canada Inc.	--	Canada	Energy	66.67%	Subgroup Acciona Energy Internacional	41,005
Acciona & Sogex Facility Services LLC	--	Oman	Urban Services	70.00%	Subgroup Acciona Facility Services	248
Acciona Agua Adelaide Pty Ltd	A	Australia	Water Treatment	100.00%	Subgroup Acciona Agua Australia	7
Acciona Agua Australia Proprietary, Ltd	A	Australia	Water Treatment	100.00%	Subgroup Acciona Agua	5
Acciona Agua Brazil - Tratamento De Agua Ltd	--	Brazil	Water Treatment	100.00%	Subgroup Acciona Agua	1,799
Acciona Agua India Private Limited	A	India	Water Treatment	100.00%	Subgroup Acciona Agua	1,010
Acciona Agua Internacional Australia Pty, Ltd	A	Australia	Water Treatment	100.00%	Subgroup Acciona Agua Internacional	--
Acciona Agua Internacional, S.L.	--	Madrid	Water Treatment	100.00%	Subgroup Acciona Agua	4
Acciona Agua Mexico, S.R.L. De C.V.	B	Mexico	Water Treatment	100.00%	Subgroup Acciona Agua	3,929
Acciona Agua Servicios S.L.	A	Madrid	Water Treatment	100.00%	Subgroup Acciona Agua	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%	Subgroup Acciona Airport Services	3
Acciona Airport Services Berlin, S.A.	E	Germany	Logistics Services	100.00%	Acciona	14,970
Acciona Airport Services Canarias, S.L.	--	Madrid	Logistics Services	100.00%	Subgroup Acciona Airport Services	3
Acciona Airport Services Este, S.L.	--	Madrid	Logistics Services	100.00%	Subgroup Acciona Airport Services	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%	Subgroup Acciona Airport Services	3
Acciona Airport Services Norte, S.L.	--	Madrid	Logistics Services	100.00%	Subgroup Acciona Urban Services y Medio Ambiente	2
Acciona Airport Services Sur, S.L.	--	Madrid	Logistics Services	100.00%	Subgroup Acciona Airport Services	3
Acciona Airport Services, S.A.	A	Madrid	Logistics Services	100.00%	Acciona	3,065
Acciona Biocombustibles, S.A.	--	Navarra	Energy	100.00%	Subgroup Acciona Energy	12,871
Acciona Biomasa	--	Navarra	Energy	100.00%	Subgroup Acciona Energy	3
Acciona Blades, S.A.	C	Navarra	Energy	100.00%	Subgroup Acciona Windpower	26,374
Acciona Cerro Negro, S.A.	--	Chile	Water Treat / Construction	100.00%	Subgroup Acciona Infraestructuras	4
Acciona Concesiones Chile, S.A.	B	Chile	Holding Company	100.00%	Subgroup Acciona Infraestructuras	57,731
Acciona Concesiones, S.L.	A	Madrid	Holding Company	100.00%	Acciona	4,988

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Acciona Concessions Management Inc.	A	Canada	Holding Company	100.00%	Subgroup Acciona Concesiones	4,142
Acciona Copiapó, S.A.	--	Chile	Water Treat / Construction	100.00%	Subgroup Acciona Infraestructuras	4
Acciona Corporación, S.A.	--	Madrid	Instrumental	100.00%	Subgroup Finanzas y Cartera 2	60
Acciona Desarrollo Corporativo, S.A.	--	Madrid	Instrumental	100.00%	Subgroup Finanzas y Cartera 2	60
Acciona Do Brazil, Ltda.	E	Brazil	Holding Company	100.00%	Subgroup Acciona Infraestructuras	13,740
Acciona Energy Atlanta I, S.L.	--	Madrid	Energy	66.67%	Subgroup Acciona Energy internacional	2
Acciona Energy Atlanta II, S.L.	--	Madrid	Energy	66.67%	Subgroup Acciona Energy Internacional	2
Acciona Energy Atlanta III, S.L.	--	Madrid	Energy	66.67%	Subgroup Acciona Energy Internacional	2
Acciona Energy Chile	B	Chile	Energy	100.00%	Subgroup Acciona Energy Global	37
Acciona Energy Chile Holdings, S.A.	--	Chile	Energy	100.00%	Subgroup Acciona Energy Global	130
Acciona Energy Costa Rica, S.A.	--	Costa Rica	Energy	100.00%	Subgroup Acciona Energy Global	479
Acciona Energy Global Italy, S.R.L.	A	Italy	Energy	100.00%	Subgroup Acciona Energy Global	3,347
Acciona Energy Global, S.L.	--	Navarra	Energy	100.00%	Subgroup Acciona Energy	12,307
Acciona Energy Internacional, S.A.	A	Navarra	Energy	66.67%	Subgroup Acciona Energy	324,000
Acciona Energy Mexico Global LLC	A	Mexico	Energy	100.00%	Subgroup Acciona Energy Global	10,680
Acciona Energy Mexico, S de RL de CV.	A	Mexico	Energy	66.67%	Subgroup Acciona Energy internacional	3,300
Acciona Energy Servicios Mexico S de RL de C.V.	A	Mexico	Energy	100.00%	Subgroup Acciona Energia Mexico Global	4,898
Acciona Energy Solar, S.L.	--	Navarra	Energy	100.00%	Subgroup Acciona Energy	1,797
Acciona Energy Solare Italy, S.R.L.	--	Italy	Energy	100.00%	Subgroup Acciona Energy Global Italy	--
Acciona Energy, S.A.	C	Navarra	Energy	100.00%	Subgroup Corp Acciona Energys Renovables	1,146,380
Acciona Energiaki, S.A.	A	Greece	Energy	80.00%	Subgroup Acciona Eólica Cesa	15,342
Acciona Energija D.O.O.	--	Croatia	Energy	100.00%	Subgroup Acciona Energy Global	--
Acciona Energy North America Corp.	A	US	Energy	66.67%	Subgroup Acciona Energy Internacional	153,924
Acciona Energy Australia Global, Pty Ltd	C	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	1,137
Acciona Energy Global Poland Sp. Z.O.O.	C	Poland	Energy	100.00%	Subgroup Acciona Energy Global	716
Acciona Energy India Private Limited	C	India	Energy	100.00%	Subgroup Acciona Energy Global	6,032
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	1,120
Acciona Energy Oceania Financial Services Pty, Ltd	C	Australia	Energy	100.00%	Subgroup Acciona Energy Global	35

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
					Australia	
Acciona Energy Oceania Pty Ltd	C	Australia	Energy	66.67%	Subgroup Acciona Energy Internacional	102,736
Acciona Energy Poland Maintenance Services Sp. Z O.O	C	Poland	Energy	100.00%	Subgroup Acciona Energy Global Poland	24
Acciona Energy Poland Sp. Z.O.O	C	Poland	Energy	66.67%	Subgroup Acciona Energy Internacional	46,968
Acciona Energy South Africa (Proprietary) Limited	A	South Africa	Energy	66.67%	Subgroup Acciona Energy Internacional	34,852
Acciona Energy South Africa Global (Pty) Ltd	A	South Africa	Energy	100.00%	Subgroup Acciona Energy Global	10,823
Acciona Energy USA Global LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global	33,862
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 Italy, S.R.L.	A	Italy	Energy	66.67%	Subgroup Acciona Energy Internacional	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 Energys Renovables	40,716
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 Internacional	24,457
Acciona EPC North America LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global USA	9
Acciona Facility Services Automoción Aragon, S.L.	--	Madrid	Urban Services	100.00%	Subgroup Acciona Facility Services	3
Acciona Facility Services Automoción Catalunya, S.L.	--	Madrid	Urban Services	100.00%	Subgroup Acciona Facility Services	3
Acciona Facility Services Automoción Centro, S.L.	--	Madrid	Urban Services	100.00%	Subgroup Acciona Facility Services	3
Acciona Facility Services Automoción 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	5,044
Acciona Facility Services Holland B.V.	--	Holland	Urban Services	100.00%	Subgroup Acciona Facility Services	18
Acciona Facility Services Italy, 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 Multiservicios Acciona Facility Services	262
Acciona Facility Services, S.A.	A	Barcelona	Urban Services	100.00%	Subgroup Acciona Urban Services y Medio Ambiente	191,518

MC TERESA DE LA CUESTA BERNALDEZ
 Tredici Impresores de Comercio Exterior S.L.

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Acciona Financiación Filiales	A	Madrid	Other Businesses	100.00%	Acciona	60
Acciona Forwarding Argentina, S.A	--	Argentina	Logistics Services	100.00%	Subgroup Acciona Forwarding	673
Acciona Forwarding Brazil	E	Brazil	Logistics Services	98.71%	Subgroup Acciona Forwarding	3,305
Acciona Forwarding Canarias, S.L.	E	The Canary Islands	Logistics Services	100.00%	Subgroup Acciona Forwarding	392
Acciona Forwarding, S.A.	A	Madrid	Logistics Services	100.00%	Subgroup Acciona Logística	14,649
Acciona Global Renewables, S.A.	--	Madrid	Energy	66.67%	Subgroup Acciona Energy	40
Acciona Green Energy Developments, S.L.	C	Navarra	Energy	100.00%	Subgroup Acciona Energy	1,000
Acciona Ground Services, S.L.	--	Madrid	Logistics Services	100.00%	Subgroup Acciona Urban Services y Medio Ambiente	2
Acciona Handling Services, S.L.	--	Valencia	Logistics Services	100.00%	Subgroup Acciona Urban Services y Medio Ambiente	--
Acciona Industrial, S.A.	B	Seville	Construction	100.00%	Subgroup Acciona Infraestructuras	30,560
Acciona Infraestructuras Colombia SAS	--	Colombia	Construction	100.00%	Subgroup Acciona Infraestructuras	6
Acciona Infraestructuras Residenciales Mexico S.A	B	Mexico	Construction	100.00%	Subgroup Acciona Infraestructuras	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 Infraestructuras	6
Acciona Infrastructure Asia Pacific Pty Limited	--	Australia	Construction	100.00%	Subgroup Acciona Infraestructuras	--
Acciona Infraestructures Australia Pty Ltd	B	Australia	Construction	100.00%	Subgroup Acciona Infraestructuras	16,531
Acciona Engineering Industrial S.A. De C.V.	B	Mexico	Engineering	100.00%	Subgroup Acciona Engineering	3
Acciona Engineering, S.A.	B	Madrid	Engineering	100.00%	Subgroup Acciona Infraestructuras	6,909
Acciona Inmobiliaria, S.L.	A	Madrid	Real Estate	100.00%	Acciona	123,848
Acciona Instalaciones Mexico, S A De C V	B	Mexico	Construction	100.00%	Subgroup Acciona Industrial	3
Acciona Inversiones Corea, S.L.	--	Navarra	Energy	100.00%	Subgroup Acciona Energy Global	--
Acciona Las Tablas, S.L.	--	Madrid	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	10,000
Acciona Logística, S.A.	--	Madrid	Holding Company	100.00%	Acciona	51,963
Acciona Mantenimiento De Infraestructuras, S.A	B	Madrid	Construction	100.00%	Subgroup Acciona Infraestructuras	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	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	7,705
Acciona Operación y Mantenimiento, S R L De C V	A	Mexico	Urban Services	100.00%	Subgroup Acciona Facility Services	783
Acciona Portugal II - Energy 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 Infraestructuras	1,268
Acciona Rail Services, S.A.	--	Madrid	Logistics Services	100.00%	Subgroup Acciona Urban Services y Medio Ambiente	256
Acciona Inmobiliaria S.A.U	A	Madrid	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	415,362
Acciona Renewable Energy Canada Gp	--	Canada	Energy	100.00%	Subgroup Nova	13,820

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
					Windpower Internacional	
Acciona Windpower Oceania, Pty, Ltd	C	Australia	Energy	100.00%	Subgroup Acciona Windpower Internacional	--
Acciona Windpower Rüzgar Enerjisi Sistemleri	E	Turkey	Energy	100.00%	Subgroup Acciona Windpower Internacional	4
Acciona Windpower South Africa (Pty) Ltd.	A	South Africa	Energy	100.00%	Subgroup Acciona Windpower Internacional	--
Acciona Windpower, S.A.	C	Navarra	Energy	100.00%	Subgroup Corporación Acciona Windpower	97,069
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
Aerosite Energy Private Limited	--	India	Energy	100.00%	Subgroup Acciona Energy Global	1,701
AFS Efficient Energy Uk Limited	--	United Kingdom	Urban Services	100.00%	Subgroup Acciona Facility Services	--
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 Marítima Transhispánica, S.A.	--	Madrid	Logistics Services	92.71%	Subgroup Acciona Transmediterránea	664
Agencia Schembri, S.A.	A	Madrid	Logistics Services	92.71%	Subgroup Agencia Schembri	14,808
Aguas Pilar De La Horadada S.L.	--	Madrid	Water Treatment	100.00%	Subgroup Acciona Agua Servicios	3
AIE Trafalgar	--	Cádiz	Energy	86.20%	Subgroup Acciona Energy	1,693
Alabe Mengibar, A I E	--	Madrid	Energy	96.25%	Subgroup Ineuropa de cogeneración	59
Alabe Sociedad De Cogeneración, S.A.	A	Madrid	Energy	100.00%	Subgroup Corp Acciona Energias Renovables	9,448
Amherst Wind Construction Gp Inc	--	Canada	Energy	100.00%	Subgroup Acciona Energy Global Canada	1,031
Anchor Wind, LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global USA	3,818
Andrax Obres I Sanejament, S.L.	--	Mallorca	Water Treatment	100.00%	Subgroup Acciona Agua	4
Antigua Bodega De Don Cosme Palacio, S.L.	--	Álava	Wineries	100.00%	Subgroup Palacio	744
Apoderada Corporativa General, S.A.	--	Madrid	Other Businesses	100.00%	Acciona	60
Arsogaz 2005, S.L.	--	Madrid	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	5
Asesores Turísticos Del Estrecho, S.A.	--	Málaga	Logistics Services	92.71%	Subgroup Acciona Transmediterránea	186
Asimetra, S.A. C.V.	E	Mexico	Urban Services	100.00%	Subgroup Acciona Facility Services	1,347
Aulac Wind Power Lp	--	Canada	Energy	100.00%	Subgroup Acciona Energy Global Canada	--
Avenir El Romero Spa	--	Chile	Energy	100.00%	Subgroup Acciona Energy Global	8,151
Bear Creek	--	US	Energy	100.00%	Subgroup GWI Acciona Energy	1,538
Bestinver Gestión 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

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
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 Caparros, S.L.	--	Navarra	Energy	100.00%	Subgroup Acciona Energy	54,707
Biodiesel Del Esla Campos	--	Navarra	Energy	100.00%	Subgroup Biocombustibles	60
Biodiesel Sagunt, S.L.	--	Navarra	Energy	100.00%	Subgroup Biocombustibles	2,186
Biomasa Alcazar, S.L.	--	Madrid	Energy	100.00%	Subgroup Biomasa Nacional	303
Biomasa Briviesca, S.L.	C	Burgos	Energy	85.00%	Subgroup Biomasa Nacional	4,191
Biomasa Miajadas, S.L.	C	Madrid	Energy	100.00%	Subgroup Biomasa Nacional	3
Biomasa Sangüesa, S.L.	C	Navarra	Energy	100.00%	Subgroup Acciona Energy	100
Bodegas Palacio, S.A.	A	Álava	Wineries	100.00%	Subgroup Sileno	1,526
Capev Venezuela	E	Venezuela	Construction	100.00%	Subgroup Acciona Infraestructuras	3,883
Ce Oaxaca Cuatro, S. De R.L. De C.V.	A	Mexico	Energy	66.67%	Subgroup Acciona Energy Mexico	307
Ce Oaxaca Dos, S. De R.L. De C.V.	A	Mexico	Energy	66.67%	Subgroup Acciona Energy Mexico	369
Ce Oaxaca Tres, S. De R.L. De C.V.	A	Mexico	Energy	66.67%	Subgroup Acciona Energy Mexico	--
Ceatesalas S.L.	A	Madrid	Energy	100.00%	Subgroup Corp Acciona Energys Renovables	983,583
Cenargo España, S.L.	A	Madrid	Logistics Services	92.71%	Subgroup Agencia Schembi	7,080
Centro De Servicios Compartidos De Acciona S.L.	--	Madrid	Instrumental	100.00%	Acciona	3
Ceólica Hispania S.L.	A	Madrid	Energy	100.00%	Subgroup Acciona Eólica Cesa	49,404
Cesa Eolo Sicilia Srl	A	Italy	Energy	66.67%	Subgroup Cesa Italy	10,581
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 Olloquegui	506
Compañía De Aguas Paguera, S.L.	--	Mallorca	Water Treatment	100.00%	Subgroup Gesba	1,803
Compañía Eólica Granadina S.L.	A	Granada	Energy	50.00%	Subgroup Ceólica	2,930
Compañía Internacional De Construcciones	--	Panama	Finance	100.00%	Acciona	1,353
Compañía Trasmediterranea, S.A.	A	Madrid	Logistics Services	92.71%	Subgroup Acciona Logistica	260,540
Compañía Urbanizada Del Coto, S.L.	A	Madrid	Real Estate	97.47%	Subgroup Acciona Real Estate	21,399
Consorcio Acciona Ossa, S.A.	--	Chile	Construction	65.00%	Subgroup Acciona Infraestructuras	5
Consorcio Acciona_Ossa Andina S.A.	--	Chile	Construction	65.00%	Subgroup Acciona Infraestructuras	4
Consorcio Constructor Araucaria Ltd.	--	Chile	Construction	60.00%	Subgroup Acciona Infraestructuras	3
Consorcio Eólico Chiripa, S.A.	A	Costa Rica	Energy	65.00%	Subgroup Acciona Energy	--
Construcciones Residenciales Mexico, C.B.	B	Mexico	Construction	100.00%	Subgroup Acciona Infraestructuras	3,220
Constructora El Pase S P A	--	Chile	Construction	100.00%	Subgroup Acciona Infraestructuras	8
Constructora La Farfana, Spa	--	Chile	Construction	100.00%	Subgroup Acciona Infraestructuras	8

M^{ra} TRACIA DE LA CUESTA BERNALDEZ
 Traductora de Idiomas
 Traducción y Transcripción
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	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Constructora Ruta 160, S.A	B	Chile	Construction	100.00%	Subgroup Acciona Concesiones Chile	83,251
Copane Valores, S.L.	--	Madrid	Instrumental	100.00%	Acciona	55,779
Corporación Acciona Energys Renovables, S.L.	A	Madrid	Energy	100.00%	Acciona	1,773,906
Corporación Acciona Eólica, S.A.	A	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energys Renovables	98,503
Corporación Acciona Hidráulica, S.A	A	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energys Renovables	65,003
Corporación Acciona Infraestructuras S.L.	--	Madrid	Instrumental	100.00%	Acciona	3
Corporación Acciona Windpower, S.L.	--	Madrid	Energy	100.00%	Acciona	97,620
Corporación De Explotaciones y Servicios, S.A	--	Madrid	Holding Company	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente	3,829
Corporación Eólica Catalana S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica	12
Corporación Eólica De Valdivia, S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica	12,405
Corporación Eólica De Zamora S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica	2,717
Corporación Eólica La Cañada, S.L.	--	Madrid	Energy	100.00%	Subgroup Ceatesalas	1,368
Corporación Eólica Sora S.A	--	Zaragoza	Energy	60.00%	Subgroup Ceólica	835
Demsey Ridge Wind Farm, LLC	A	US	Energy	66.67%	Subgroup Acciona Wind Energy USA	54,965
Depurar 7B, S.A	E	Aragon	Water Treatment	100.00%	Subgroup Acciona Agua	4,892
Depurar 8B, S.A	E	Aragón	Water Treatment	100.00%	Subgroup Acciona Agua	5,939
Desarrolladora De Infraestructura Hispano-Peninsular, S.A. De C.V.	B	Mexico	Construction	60.00%	Subgroup Acciona Infraestructuras	2
Desarrolladora De Infraestructuras Hispano-Mexicanas, S.A. De C.V.	B	Mexico	Construction	100.00%	Subgroup Acciona Infraestructuras	5
Desarrollos Revolt Del Llobregat, S.L.	--	Madrid	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	32,461
Desarrollos y Construcciones, S.A. De C.V.	B	Mexico	Construction	100.00%	Subgroup Acciona Infraestructuras	7,828
Dren, S.A	--	Madrid	Holding Company	100.00%	Acciona	1,115
Ecogrove	A	US	Energy	66.67%	Subgroup Acciona Wind Energy USA	106,334
Ecovista Wind, LLC	--	US	Energy	100.00%	Subgroup Ecoenergy	--
EHN Slovenia	--	Slovenia	Energy	100.00%	Subgroup Acciona Energy Global	--
Emp Diseño Constr Cons Jardines y Zonas Verdes, S.A.	--	Málaga	Construction	100.00%	Subgroup Acciona Infraestructuras	546
Empordavent S.L.U.	C	Barcelona	Energy	100.00%	Subgroup Acciona Energy	14,206
Emprendimientos Eólicos Do Verde Horizonte, S.A	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	5,248
Emprendimientos Eólicos Ribadelide, S.A.	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	3,662
Empresa Operadora ATLL, S.A	A	Barcelona	Water Treatment	100.00%	Subgroup Acciona Agua	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
Energy Renovable De Teruel ,S.L.	--	Teruel	Energy	51.00%	Subgroup Energys Alternativas de Teruel	33
Energy Renovables De Barazú, S.L.	--	Madrid	Energy	100.00%	Subgroup Ceatesalas	47,836
Energys Alternativas De Teruel, S.A.	--	Teruel	Energy	51.00%	Subgroup Acciona Energy	82

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Energys Eólicas De Catalunya, S.A	C	Barcelona	Energy	100.00%	Subgroup Acciona Energy	6,000
Energys Renovables De Ricobayo, S.A	--	Madrid	Energy	50.00%	Subgroup Ceólica	294
Energys Renovables El Abra, S.L	--	Vizcaya	Energy	100.00%	Subgroup Ceólica	5,798
Energys Renovables Operación y Mantenimiento, S.L	A	Barcelona	Urban Services	100.00%	Subgroup Multiservicios Acciona Facility Services	3
Energys Renovables Peña Nebina, S.L	A	Madrid	Energy	100.00%	Subgroup Ceólica	2,625
Entidad Efinen, S.A.	--	Madrid	Instrumental	100.00%	Acciona	4,508
Entorno Urbano y Medio Ambiente, S.L	--	Murcia	Urban Services	50.00%	Subgroup Acciona Servicios Urbanos	2
Entrecanales y Tavora Gibraltar, Ltd	--	Gibraltar	Construction	100.00%	Subgroup Acciona Infraestructuras	37,645
Eólica De Rubió, S.A.	C	Barcelona	Energy	100.00%	Subgroup Acciona Energy	6,000
Eólica De Sanabria, S.L	A	Madrid	Energy	100.00%	Subgroup Ceolica	6,403
Eólica De Zorraquin, S.L	C	Madrid	Energy	66.00%	Subgroup Acciona Energy	603
Eólica Villanueva, S.L	C	Navarra	Energy	66.66%	Subgroup Acciona Energy	867
Eólicas Del Monecayo, S.L	--	Soria	Energy	100.00%	Subgroup Ceólica	846
Eólicos 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.	--	Navarra	Energy	100.00%	Subgroup Biocombustibles	8,424
Estibadora Puerto Bahia, S.A	--	Cádiz	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	--
Estudios y Construcciones De Obras, S.A. De C.V.	--	Mexico	Construction	50.00%	Subgroup Acciona Infraestructuras	--
Europa Ferrys, S.A.	A	Cádiz	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	18,644
Eurus S,A,P I De C.V.	A	Mexico	Energy	62.67%	Subgroup Acciona Energy Mexico	2
Finanzas Dos, S.A	--	Madrid	Instrumental	100.00%	Acciona	3,471
Finanzas Nec, S.A.	--	Madrid	Finance	100.00%	Subgroup Acciona Inmobiliaria	61
Finanzas y Cartera Dos, S.A	--	Madrid	Holding Company	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%	Subgroup Acciona Airport Services	28
Frigoriferi Di Tavazzano, S.P.A.	--	Italy	Logistics Services	100.00%	Subgroup Acciona Logistica	2,558
Frigoríficos Caravaca, S.L	--	Murcia	Logistics Services	100.00%	Subgroup Olloquiegu	3,893
Fujin Power Private Limited	--	India	Energy	100.00%	Subgroup Acciona Energy Global	1,701
Generación De Energia Renovable, S.A	--	Álava	Energy	100.00%	Subgroup Ceólica	4,438
Generica De Construcc Y Mto Industrial, S.A	--	Zaragoza	Construction	100.00%	Acciona	30
Gestio Catalana D'Argues, S.A.	--	Barcelona	Water Treatment	100.00%	Subgroup Acciona Agua	60
Gestion De Recursos Corporativos, S.L.	--	Navarra	Energy	100.00%	Acciona	3
Gestion De Servicios Urbanos Baleares, S.A	--	Mallorca	Water Treatment	100.00%	Subgroup Acciona Agua Servicios	7,234

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 INTERPRETE JURÍDICO EN INGLÉS
 ACCIONA-INTERPRETE JURÍDICO EN INGLÉS

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Gouda Wind Facility (Proprietary) Limited	A	South Africa	Energy	34.00%	Subgroup Acciona Energy Sudáfrica	4,912
Grupo Transportes Frigoríficos Murcianos, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquegui	934
Gsd Flughafen GmbH	--	Germany	Logistics Services	100.00%	Subgroup Acciona Airport Services	25
Guadalquivir Consorcio Eólico Alabe Enerfin, S.A.	--	Madrid	Energy	100.00%	Subgroup Guadalquivir	250
Gunning Wind Energy Developments Pty Ltd	C	Australia	Energy	66.67%	Subgroup Gunning Wind Energy	1,790
Gunning Wind Energy Holdings Pty Ltd	C	Australia	Energy	66.67%	Subgroup Acciona Energy Oceania	1,790
Gwh-Acciona Energy LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global USA	--
Heartland Windpower, LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global USA	--
Hermes Logística, S.A.	A	Barcelona	Logistics Services	92.36%	Subgroup Acciona Trasmediterránea	3,855
Hidroeléctrica Del Serradó, S.L.	A	Barcelona	Energy	100.00%	Subgroup Acciona Saltos de Agua	2,134
Hijos De Antonio Barceló, S.A.	A	Madrid	Wineries	100.00%	Acciona	31,710
Hospital De Leon Bajío, S.A. De C.V.	E	Mexico	Concession	100.00%	Acciona	2,960
Hsd Flughafen GmbH	--	Germany	Logistics Services	100.00%	Subgroup Acciona Airport Services	152
Iber Rail France, S.L.	--	France	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	170
Iberica Arabian Co Ltd	--	Saudi Arabia	Engineering	100.00%	Subgroup Acciona Engineering	120
Iberinsa Do Brazil Engenharia Ltda	--	Brazil	Engineering	100.00%	Subgroup Acciona Engineering	528
Inantic, S.A.	--	Madrid	Instrumental	100.00%	Subgroup Acciona Infraestructuras	560
Industria Toledana De Energys Renovables, S.L.	--	Toledo	Energy	100.00%	Subgroup Acciona Windpower	5,650
Inetime, S.A.	--	Madrid	Urban Services	100.00%	Acciona	19
Ineuropa De Cogeneracion, S.A.	--	Madrid	Energy	100.00%	Subgroup Corp Acciona Energys Renovables	18,462
Infraestructuras Ayora, S.L.	--	Madrid	Energy	84.72%	Subgroup Alabe	3
Inmobiliaria Parque Reforma, S.A. De CV	A	Mexico	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	34,357
INR Eólica, S.A.	--	Sevilla	Energy	100.00%	Subgroup Acciona Energy	613
Interlogística Del Frio, S.A.	A	Barcelona	Logistics Services	100.00%	Subgroup Acciona Logística	16,819
Interurbano De Prensa, S.A.	A	Madrid	Logistics Services	100.00%	Subgroup Acciona Logística	2,676
Kw Tarifa, S.A.	--	Madrid	Energy	100.00%	Subgroup Corp Acciona Energys Renovables	8,134
Lambarene Necso Gabon	D	Gabon	Construction	100.00%	Subgroup Acciona Infraestructuras	152
Lameque Wind Power Lp	A	Canada	Energy	66.67%	Subgroup Acciona Wind Energy Canada	14,649
Logística Del Transporte Sib, S.A.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquegui	1,050
Lusoneco	--	Portugal	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	6,573
Maritime Global Operator, Ltd	--	Malta	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	99,858
MDC Airport Consult GmbH	--	Germany	Logistics Services	100.00%	Acciona	5,976
Meltemi South Sp. Z.O.O.	--	Poland	Energy	66.67%	Subgroup Acciona Energy Poland	5,366

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Meltemi Sp. Z.O.O.	C	Poland	Energy	66.67%	Subgroup Acciona Energy Poland	37,510
Metrologia y Comunicaciones, S.A.	-	Madrid	Construction	100.00%	Subgroup Acciona Infraestructuras	150
Millatres 2003, S.L.	-	Tenerife	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	3
Mostostal Warszawa, S.A.	B	Poland	Construction	50.09%	Acciona	40,671
Moura Fabrica Solar, Lda	B	Portugal	Energy	100.00%	Subgroup Acciona Energy Global	13,571
Mt Gellibrand Wind Farm Pty, Ltd	-	Australia	Energy	100.00%	Subgroup Acciona Energy Global Australia	389
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 Olloquegui	233
Necso Canada, Inc	B	Canada	Construction	100.00%	Subgroup Acciona Infraestructuras	143,071
Necso Entrecanales Cubiertas Mexico, S.A. De CV	B	Mexico	Construction	100.00%	Subgroup Acciona Infraestructuras	553
Necso Hong Kong, Ltd	-	Hong Kong	Construction	100.00%	Subgroup Acciona Infraestructuras	1,936
Necso Triunfo Construcoes Ltda	-	Brazil	Construction	50.00%	Subgroup Acciona Infraestructuras	155
Nevada Solar One, LLC	A	US	Energy	66.67%	Subgroup NVS1 Investment Group	12,733
Notos Producao De Energy Lda	B	Portugal	Energy	46.67%	Subgroup Sayago	200
Nvs1 Investment Group LLC	-	US	Energy	66.67%	Subgroup Acciona Solar Energy	12,733
Operadora De Servicios Hospitalarios, S.A. De C.V.	B	Mexico	Concession Operation	100.00%	Subgroup Acciona Servicios Hospitalarios	3
P & S Logistica Integral Peru	E	Peru	Logistics Services	89.54%	Subgroup Acciona Forwarding	694
Pacific Renewable Energy Generation LLC	-	US	Energy	100.00%	Subgroup Acciona Energy Global USA	-
Packivity, S.A.	-	Madrid	Logistics Services	100.00%	Acciona	2,474
Parco Eólico Cocullo S.P.A.	A	Italy	Energy	66.67%	Subgroup Cesa Italy	9,064
Paris Aquitaine Transports, S.A.	-	France	Logistics Services	100.00%	Subgroup Olloquegui	1,236
Parque Eólico Da Costa Vicentina, S.A.	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	5,403
Parque Eólico Da Raia, S.A.	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	1,843
Parque Eólico De Manrique, S.A.	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	1,314
Parque Eólico De Pracana, S.A.	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	1,139
Parque Eólico Do Marao, S.A.	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	2,551
Parque Eólico Do Outeiro, S.A.	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	14,483
Parque Eólico Dos Fiéis, S.A.	A	Portugal	Energy	66.67%	Subgroup Acciona Eólica Portugal	882
Parque Eólico El Chaparro	-	Navarra	Energy	100.00%	Subgroup Alabe	5
Parque Eólico Escepar, S.A.	A	Toledo	Energy	100.00%	Subgroup Ceólica	1,539
Parque Eólico La Esperanza, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	2,644
Parque Eólico Peralejo, S.A.	A	Toledo	Energy	100.00%	Subgroup Ceólica	1,020
Parque Eólico Tortosa, S.L.	A	Barcelona	Energy	100.00%	Subgroup Ceólica	2,194
Parque Eólico Villamayor, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	6,127
Parques Eólicos Celadas, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica	4,599

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TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Parques Eólicos De Ciudad Real, S.L.	A	Ciudad Real	Energy	100.00%	Subgroup Ceolica	7,844
Parques Eólicos Del Cerrato S.L.	A	Madrid	Energy	100.00%	Subgroup Ceolica	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 Agua	10
Pitagora Srl.	A	Italy	Energy	66.67%	Subgroup Cesa Italy	5,854
Press Cargo Colombia, S.A.	E	Colombia	Logistics Services	99.34%	Subgroup Acciona Forwarding Perú	354
Pridagua Tratamiento De Aguas y Residuos, Lda.	--	Portugal	Water Treatment	100.00%	Subgroup Acciona Agua	--
Pridesa America Corporation	--	US	Water Treatment	100.00%	Subgroup Acciona Agua	--
Punta Palmeras, S.A.	B	Chile	Energy	66.67%	Subgroup Acciona Energy Internacional	2,568
Pyrenees Wind Energy Developments Pty Ltd	C	Australia	Energy	66.67%	Subgroup Acciona Energy Oceania	8,320
Pyrenees Wind Energy Holdings Pty Ltd	C	Australia	Energy	66.67%	Subgroup Pyrenees Wind Energy	5,561
Ramwork, S.A.	--	Barcelona	Urban Services	99.98%	Subgroup Acciona Facility Services	500
Ravi Urja Energy India Pvt Ltd	C	India	Energy	100.00%	Subgroup Acciona Energy Global	3,115
Red Hills Finance, LLC	A	US	Energy	66.67%	Subgroup Acciona Wind Energy USA	8,581
Red Hills Holding, LLC	--	US	Energy	66.67%	Subgroup Red Hills Finance	15,777
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	Real Estate	100.00%	Subgroup Acciona Imobiliaria	3,900
Rio Paraiba Do Sul Serviços Ltda	--	Brazil	Concession Operation	100.00%	Subgroup Acciona do Brazil	439
Rodovia Do Aço, S.A.	E	Brazil	Concession	100.00%	Subgroup Acciona Infraestructuras	63,467
Rústicas Vegas Altas, S.L.	C	Badajoz	Energy	100.00%	Subgroup Acciona Energy	7,000
S C A2 Tramo 2, S.A.	A	Guadalajara	Concession	100.00%	Acciona	14,876
S.C. Acciona Concesiones Ruta 160	B	Chile	Concession	100.00%	Subgroup Acciona Concesiones Chile	30,821
S C DLP, S.A.	--	Madrid	Construction	60.00%	Subgroup Acciona Infraestructuras	571
S.C. Hospital Del Norte, S.A.	A	Madrid	Concession	95.00%	Acciona	9,103
Salto Del Nansa, S.A.U.	A	Santander	Energy	100.00%	Subgroup Acciona Saltos de Agua	83,038
Salto y Centrales De Catalunya S.A.	A	Barcelona	Energy	100.00%	Subgroup Acciona Saltos de Agua	42,016
San Roman Wind I, LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global USA	12,334
San Solar Energy Facility (Proprietary) Limited	A	South Africa	Energy	100.00%	Subgroup Acciona Energy Global Sudáfrica	356
Sc Acciona Facility Services Automotive Srl	--	Romania	Urban Services	100.00%	Subgroup Acciona Facility Services	--
Sociedad Empresarial De Financiacion y Comercio, S.L.	--	Madrid	Finance	100.00%	Acciona	138
Servicios Corporativos Iberoamerica, S.A. De C.V.	--	Mexico	Real Estate	100.00%	Subgroup Acciona Facility Services	733
Shanghai Acciona Windpower Technical Service Co.,Ltd	E	China	Energy	100.00%	Subgroup Acciona Windpower Internacional	178

TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Sierra De Selva, S.L.	C	Navarra	Energy	100.00%	Subgroup Acciona Energy	17,126
Sileno, S.A.	--	Álava	Bodegas	100.00%	Subgroup Hijos de Antonio Barceló	7,615
Sishen Solar Facility (Proprietary) Limited	A	South Africa	Energy	34.00%	Subgroup Acciona Energy Sudafrica	301
Sistemas Energéticos El Granado S.A.	--	Seville	Energy	100.00%	Subgroup Ceólica	2,104
Sistemas Energéticos Sayago S.L.	--	Madrid	Energy	66.67%	Subgroup Acciona Energy Internacional	213
Sistemas Energéticos 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 Eólica Portugal	4,818
Sociedad Istmeña Desarrollo Eólico, SRL De C.V.	--	Mexico	Energy	100.00%	Subgroup Acciona Energia Mexico Global	64
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 Finanzas y Cartera 2	60
Solar Fields Energy Photo Voltaic India Pvt Ltd	C	India	Energy	100.00%	Subgroup Acciona Energy Global	13
Solomon Forks Wind Farm, LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global USA	59
Starke Wind Golice Sp. Z.O.O.	C	Poland	Energy	66.67%	Subgroup Acciona Energy Poland	6,241
Sun Photo Voltaic Energy India Pvt Ltd	C	India	Energy	100.00%	Subgroup Acciona Energy Global	8,386
Surya Energy Photo Voltaic India Pvt Ltd	C	India	Energy	100.00%	Subgroup Acciona Energy Global	12
Table Mountain Wind LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global USA	6
Tajro, Sp. Z.O.O.	A	Poland	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	33,458
Tatanka Finance LLC	--	US	Energy	66.67%	Subgroup Acciona Wind Energy USA	751
Tatanka Holding, LLC	--	US	Energy	26.00% (100% acciones clase B)	Subgroup Tatanka	2,555
Tecnomua Española, S.L.	--	Barcelona	Urban Services	100.00%	Subgroup Acciona Facility Services	30
Terminal De Carga Rodada, S.A.	A	Madrid	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	2,941
Terminal Ferry Barcelona, S.R.L.	A	Barcelona	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	16,244
Termosolar Alvarado Dos, S.L.	--	Badajoz	Energy	100.00%	Subgroup Acciona Energy	193
Termosolar Alvarado, S.L.	C	Badajoz	Energy	85.00%	Subgroup Termosolar Nacional	9,775
Termosolar Majadas, S.L.	C	Madrid	Energy	85.00%	Subgroup Termosolar Nacional	20,450
Termosolar Palma Saetilla, S.L.	C	Madrid	Energy	85.00%	Subgroup Termosolar Nacional	41,790
Ternua Holdings. B.V.	--	Holland	Energy	100.00%	Subgroup Tecusa	953
Terranova Energy Corporation	--	US	Energy	100.00%	Subgroup Acciona Eolica 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
Torre Lugano S.L.	--	Valencia	Real Estate	100.00%	Subgroup Acciona Real Estate	6,097

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TRANSLATION

	Audit	Location	Main activity	Effect. Share %	Holder of interest	Carrying amount
Tours And Incentives, S.A.U.	--	Madrid	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	464
Towarowa Park Spolka Z O O	A	Poland	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	15,338
Transportes Frigoríficos Murcianos, S.L.	--	Murcia	Logistics Services	100.00%	Subgroup Olloquegui	1,257
Transportes Olloquegui, S A	--	Navarra	Logistics Services	100.00%	Subgroup Acciona Logística	44,063
Transurme, S.A.	--	Barcelona	Logistics Services	100.00%	Subgroup Acciona Logística	1,451
Trasmediterránea Cargo, S A	A	Madrid	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	18,187
Trasmediterránea Shipping Maroc, S.A.R.L.	--	Tangiers	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	9
Tratamiento De Residuos De La Rad, S L	--	La Rioja	Servicios Urbanos	100.00%	Acciona	3,003
Ttanka Wind Power LLC	A	US	Energy	26.00% (100% class B shares)	Subgroup Tatanka	149,674
Tucana, Sp Z O O	A	Poland	Real Estate	100.00%	Subgroup Acciona Inmobiliaria	23,300
Tuppadahalli Energy India Private Limited	C	India	Energy	66.67%	Subgroup Acciona Energy Internacional	10,891
Turismo y Aventuras, S.A.U	--	Madrid	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	464
Valgrand 6, S.A.	--	Madrid	Real Estate	100.00%	Subgroup Acciona Real Estate	8,832
Vector-Cesa Hellas Likosterna Epe	--	Greece	Energy	72.00%	Subgroup Cesa Hellas	283
Velva Windfarm, LLC	--	US	Energy	66.67%	Subgroup Acciona Wind Energy USA	7,860
Viajes Eurotras, S.A	--	Cádiz	Logistics Services	92.71%	Subgroup Acciona Trasmediterránea	927
Vinedos Viña Mayor, S.L.	--	Madrid	Wineries	100.00%	Subgroup Hijos de Antonio Barceló	4
Vjetroelektrana Čemernica D O O	--	Croatia	Energy	100.00%	Subgroup Acciona Energy Global	--
Vjetroelektrana Jelinak Doo	C	Croatia	Energy	66.67%	Subgroup Acciona Energy Internacional	8,002
Vjetroelektrana Opor D O O	--	Croatia	Energy	100.00%	Subgroup Acciona Energy Global	--
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	US	Energy	66.67%	Subgroup Acciona Wind Energy USA	74,761
Wind Farm 66, LLC	--	US	Energy	100.00%	Subgroup Acciona Energy Global USA	891
Yeong Yang Windpower Corporation II	C	South Korea	Energy	100.00%	Subgroup Acciona Energy Global	179
Zurich Wind Power Lp Inc	--	Canada	Energy	100.00%	Subgroup Acciona Renewable Canada	851

(*) 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 2015, in accordance with IFRS, and the information related thereto are as follows (amounts in thousands of euros):

Group company	Audit	Location	Main line of business	Effect. Share %	Holder of interest	Carrying amount
Bokpoort Epc Consortium (Pty) Ltd	–	South Africa	Engineering	30.00%	Subgroup Acciona Engineering	–
Chin Chute Windfarm Jv	B	Canada	Energy	22.22%	Subgroup Acciona Wind Energy Canada	3,810
Consortio Acciona Brotec Icafal S.A.	–	Chile	Construction	60.00%	Subgroup Acciona Infrastructures	4
Consortio Hospital Egc, S.A.	A	Chile	Construction	80.00%	Subgroup Acciona Infrastructures	5
Iniciativas Energeticas Renovables, S.L.	–	Pamplona	Energy	50.00%	Subgroup Acciona Energy	15
Magrath Windfarm Jv	B	Canada	Energy	22.22%	Subgroup Acciona Wind Energy Canada	968
Ouarzazate Solar 1, Sari	–	Morocco	Engineering	37.50%	Subgroup Acciona Engineering	–
Ripley Windfarm Jv	B	Canada	Energy	33.34%	Subgroup Acciona Wind Energy Canada	8,154
Sistema Electrico De Evacuacion Eolica En Subestac	–	Madrid	Energy	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

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APPENDIX III

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The associates accounted for using the equity method in the year ended 31 December 2015, in accordance with IFRS, and the information related thereto are as follows (amounts in thousands of euros):

Group companies	Audit	Location	Main line of business	Effect. Share %	Holder of interest	Carrying amount
ACCI Holdco	--	Canada	Holding Company	10.00%	Subgroup Acciona Concesiones	2,451
Acciona & Ghanim Bin Saad Alsaad And Sons Group Ho	--	Qatar	Urban Services	49.00%	Subgroup Acciona Facility Services	21
Acciona Waste Water Treatment Plant Limited	--	Trinidad & Tobago	Water Treatment	70.00%	Subgroup Acciona Agua	--
Acciona Wep Holdings Inc	A	Canada	Concession	33.33%	Subgroup Acciona Concesiones	7,611
Acciones Urbanas, Servicios y Medio Ambiente, S.L.	--	Murcia	Urban Services	50.00%	Subgroup Acciona Servicios Urbanos	2
Adelaideagua Pty Ltd	A	Australia	Water Treatment	50.00%	Subgroup Acciona Agua Adelaide	--
Aguas Tratadas Del Valle De Mexico S.A. De C.V.	A	Mexico	Water Treatment	24.26%	Subgroup Acciona Agua	15,927
Aleph Solar I SA PI De CV	--	Mexico	Energy	33.32%	Subgroup Acciona Energia Mexico Global	659
Aleph Solarfield I SA PI De CV	--	Mexico	Energy	33.31%	Subgroup Acciona Energia Mexico Global	395
Aleph Solarfield II SA PI De CV	--	Mexico	Energy	33.31%	Subgroup Acciona Energia Mexico Global	395
Aleph Solarfield SA PI De CV	--	Mexico	Energy	33.31%	Subgroup Acciona Energia Mexico Global	395
Aleph Solarfields Mexico SA PI De CV	--	Mexico	Energy	33.31%	Subgroup Acciona Energia Mexico Global	527
Algerian Water Investment, S.L.	--	Madrid	Water Treatment	50.00%	Subgroup Acciona Agua	6,825
Altrac Light Rail Holdings 1 Pty Limited	C	Australia	Concession	5.00%	Subgroup Acciona Concesiones	--
Amper Central Solar Moura	B	Portugal	Energy	43.74%	Subgroup Acciona Energía Internacional	12,740
Ampliaci3n Facultad Dret, S.A	B	Barcelona	Construction	50.00%	Subgroup Acciona Infraestructuras	259
Aprofitament D'Energies Renovables De L'Ebre S.L.	--	Barcelona	Energy	9.76%	Subgroup Acciona Energía	378
Arturo Soria Plaza, A I E.	A	Madrid	Real Estate	48.74%	Subgroup INOSA	12
ATLL Concesionaria De La Generalitat De Catalunya, S.A.	A	Barcelona	Water Treatment	39.00%	Subgroup Acciona Agua	58,500
Autovia De Los Vifados	A	Toledo	Concession	50.00%	Acciona	24,846
Autovia Del Almanzora S.A.	D	Seville	Concession	23.75%	Subgroup Acciona Infraestructuras	1,635
Beja California Power, S.A. De C.V.	B	Mexico	Engineering	65.00%	Subgroup Acciona Ingenieria	2
Bana H2 Szeleromu Megujulo Energia Hasznosito Kft	E	Hungary	Energy	49.25%	Subgroup Energy Corp Hungary	5
Bioetanol Energético	--	Madrid	Energy	50.00%	Subgroup Biocombustibles	804
Bioetanol Energético La Mancha	--	Madrid	Energy	50.00%	Subgroup Biocombustibles	931
Camarate Golf, S.A.	A	Madrid	Real Estate	22.00%	Subgroup Acciona Inmobiliaria	2,455
Carnotavento, S.A.	--	Corunna	Energy	24.50%	Subgroup Eurovento	1
Cathedral Rocks Construcc. And Management, Pty Ltd	--	Australia	Energy	50.00%	Subgroup Acciona Energia Global Australia	--

TRANSLATION

Group companies	Audit	Location	Main line of business	Effect. Share %	Holder of interest	Carrying amount
Cathedral Rocks Holdings 2, Pty Ltd	--	Australia	Energy	33.34%	Subgroup Cathedral Rocks Holdings	8,505
Cathedral Rocks Holdings, Pty Ltd	--	Australia	Energy	33.34%	Subgroup Acciona Energia Oceania	9,398
Cathedral Rocks Wind Farm, Pty Ltd	B	Australia	Energy	33.34%	Subgroup Cathedral Rocks Holdings 2	8,505
Chinook Highway Operations Inc	A	Canada	Concession Operation	50.00%	Subgroup Acciona Concesiones	1,057
Cogeneración Arrudas Ltda	--	Brazil	Water Treatment	50.00%	Subgroup Acciona Agua	55
Concesionaria De Desalacion De Ibiza, S.A.	E	Ibiza	Water Treatment	50.00%	Subgroup Acciona Agua	1,082
Concesionaria La Chira, S.A.	B	Peru	Water Treatment	50.00%	Subgroup Acciona Agua	6,364
Consortero Triaza, S.A.	A	Zaragoza	Concession	16.60%	Acciona	12,074
Constructora De Obras Civiles y Electromecanicas	--	Mexico	Water Treatment	24.50%	Subgroup Aguas Hispano Mexicana	1
Constructora Neeso Sacyr Chile	--	Chile	Construction	50.00%	Subgroup Acciona Concesiones Chile	6
Constructora Sacyr Necso Chile, S.A.	--	Chile	Construction	50.00%	Subgroup Acciona Concesiones Chile	6
Depurar PI, S.A.	--	Zaragoza	Water Treatment	50.00%	Subgroup Acciona Agua	1,035
Desarrollo De Energías Renovables De Navarra, S.A.	B	Pamplona	Energy	50.00%	Subgroup Acciona Energia	4,936
East West Connect Holding 3 Pty Limited	--	Australia	Concession	5.00%	Subgroup Acciona Concesiones	--
EMSERVA, S.A.	A	Málaga	Water Treatment	49.00%	Subgroup Acciona Agua Servicios	50
Energías Renovables Mediterraneas, S.A.	A	Valencia	Energy	50.00%	Subgroup Acciona Energia	79,500
Energy Corp Hungary Kft	E	Hungary	Energy	50.00%	Subgroup Acciona Eolica Cesa	2,588
Eólicas Mare Nostrum S.L.	--	Valencia	Energy	50.00%	Subgroup Acciona Energia	2,452
Eólico Alijar, S.A.	A	Cádiz	Energy	50.00%	Subgroup Acciona Energia	2,791
Eurovento, S.L.	--	Corunna	Energy	50.00%	Subgroup Tripower	31
Evacuacion Villanueva Del Rey, S.L.	--	Seville	Energy	38.04%	Subgroup Termosolar Palma Saetilla	1
Explotaciones Eólicas Sierra De Utrera, S.L.	B	Madrid	Energy	25.00%	Subgroup Eólica	817
Ferriaroc Agencias, S.L.	--	Almería	Logistics Services	46.36%	Subgroup Cenargo España	14
Ferriaroc, S.A.	--	Morocco	Logistics Services	46.36%	Subgroup Cenargo España	20
Firefly Investments 238 (Proprietary) Limited	A	South Africa	Energy	45.00%	Subgroup Acciona Energia Global Sudáfrica	--
Gestión De Edificios Comerciales, S.A.	--	Madrid	Real Estate	48.74%	Subgroup INOSA	117
Gran Hospital Can Misses, S.A.	A	Ibiza	Concession	40.00%	Acciona	9,641
Helena Water Finance Pty Ltd	A	Australia	Water Treatment	25.05%	Subgroup Acciona Agua Internacional Australia	8,236
Infraestructuras Radiales, S.A.	A	Madrid	Concession	25.00%	Acciona	28,773
Infraestructuras Villanueva, S.L.	--	Madrid	Energy	40.53%	Subgroup Guadalquivir	1
Interboya Press, S.A.	E	Madrid	Logistics Services	50.00%	Subgroup Acciona Logistica	30
Líneas Eléctricas Asturianas, S.L.	--	Asturias	Energy	50.00%	Subgroup Eurovento	2
Líneas Eléctricas Gallegas II, S.L.	--	Galicia	Energy	50.00%	Subgroup Eurovento	2
Líneas Eléctricas Gallegas III, S.L.	--	Galicia	Energy	50.00%	Subgroup Eurovento	2
Líneas Eléctricas Gallegas, S.L.	--	Galicia	Energy	35.00%	Subgroup Eurovento	1

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TRANSLATION

Group companies	Audit	Location	Main line of business	Effect. Share %	Holder of interest	Carrying amount
Locubsa	E	Andorra	Construction	48.89%	Subgroup Acciona Infraestructuras	26
Mov-R H1 Szeleromu Megujulo Energia Hasznosito Kft	E	Hungary	Energy	49.25%	Subgroup Energy Corp Hungary	1,762
Myah Typaza Spa	E	Algeria	Water Treatment	25.50%	Subgroup Algerian Water Investment	6,858
Necsorgaz, S.L.	--	Madrid	Real Estate	50.00%	Subgroup Acciona Inmobiliaria	14
Nexus Infrastructure Holdings Unit Trust	A	Australia	Concession	20.00%	Subgroup Acciona Concesiones	5,830
Nova Darsena Deportiva De Bara, S.A.	E	Madrid	Concession	50.00%	Acciona	1,866
Nuevo Hospital De Toledo, S.A.	D	Toledo	Concession	33.33%	Subgroup Acciona Concesiones	1,984
Oakleaf Investment Holdings 86 (Proprietary) Limit	A	South Africa	Energy	50.00%	Subgroup Acciona Energia Global Sudáfrica	--
Operador Del Mercado Ibérico - Polo Español, S.A.	--	Madrid	Energy	5.00%	Subgroup Acciona Energia	1,583
Operadora Can Misses S.L.	--	Ibiza	Concession Operation	40.00%	Subgroup Acciona Servicios Hospitalarios	1
Pátamo De Los Angostillos, S.L.	C	Palencia	Energy	50.00%	Subgroup Acciona Energia	1,920
Parque Eólico A Runa, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	7,068
Parque Eólico Aduano, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	7,429
Parque Eólico Ameixenda Filgueira, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	6,648
Parque Eólico Cinseiro, S.L.	A	Zamora	Energy	50.00%	Subgroup Ceólica	505
Parque Eólico Curras, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	1,885
Parque Eólico De Abara, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	1,663
Parque Eólico De Barbanza, S.L.	D	Corunna	Energy	12.50%	Subgroup Eurovento	450
Parque Eólico De Bobia y San Isidro, S.L.	A	Asturias	Energy	50.00%	Subgroup Ceólica	548
Parque Eólico De Deva, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	3,505
Parque Eólico De Tea, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	6,393
Parque Eólico Vicedo, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	553
Parque Eólico Virxe Do Monte, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	5,147
Parque Reforma Santa Fe, S.A. De C.V.	A	Mexico	Real Estate	70.00%	Subgroup Parque Reforma	10,006
Parques Eólicos De Buio, S.L.	A	Corunna	Energy	50.00%	Subgroup Ceólica	4,305
Polígono Romica, S.A.	--	Albacete	Real Estate	50.00%	Subgroup Acciona Inmobiliaria	937
S.C. Autovía De La Plata S.A.	A	Madrid	Concession	25.00%	Subgroup Acciona Infraestructuras	11,531
S.C. Autovía Gerediaga Elorrio S.A.	B	Bilbao	Concession	22.80%	Subgroup Acciona Infraestructuras	4,979
S.C. Del Canal De Navarra, S.A.	D	Pamplona	Concession	40.00%	Acciona	5,400
S.C. Novo Hospital De Vigo S.A.	D	Pontevedra	Concession	43.33%	Acciona	13,075
S.C. Puente Del Ebro, S.A.	A	Aragon	Concession	50.00%	Acciona	6,693
Secomsa Gestió, S.L.	--	Tarragona	Urban Services	50.00%	Subgroup CESSA	3,033
Servicio De Tratamiento De Aguas Par Caracol, S.A.	D	Mexico	Water Treatment	48.98%	Subgroup Acciona Agua	328
Servicios Comunitarios De Molina De Segura, S.A.	E	Murcia	Water Treatment	48.27%	Subgroup Acciona Agua Servicios	10,267
Sistemas Electricos Esplugas, S.A.	--	Barcelona	Energy	50.00%	Subgroup Acciona Energia	31
Sociedad De Aguas Hispano Mexicana S.A De C.V.	A	Mexico	Water Treatment	50.00%	Subgroup Acciona Agua	1
Sociedad Mixta Del Agua- Jaen, S.A.	A	Jaén	Water Treatment	60.00%	Subgroup Acciona Agua Servicios	1,368

TRANSLATION

Group companies	Audit	Location	Main line of business	Effect. Share %	Holder of interest	Carrying amount
Sociedad Operadora Novo Hospital De Vigo S.A.	D	Pontevedra	Concession Operation	43.33%	Subgroup Acciona Servicios Hospitalarios	26
Solena Group	--	US	Urban Services	25.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente	3,995
Tranvias Urbanos De Zaragoza S.L.	A	Zaragoza	Concession Operation	15.00%	Subgroup Acciona Concesiones	9
Tripower Wind B.V.	--	Holland	Energy	50.00%	Subgroup Acciona	11,561
Valdivia Energía Eólica, S.A.	A	Seville	Energy	50.00%	Subgroup Acciona Energia	3,145
Vento Mareno 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 Tripower	90
Vertex Residencial Cuajimalpa, S.A. De C.V.	A	Mexico	Real Estate	10.00%	Subgroup Parque Reforma	1,166

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

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APPENDIX IV

CHANGES IN THE SCOPE OF CONSOLIDATION

Changes in the consolidation scope in 2015 were as follows:

Company	Location	Main line of business	Change	2015 consolidation method
Acciona & Sogex Facility Services LLC	Oman	Urban Services	Addition	Group
Acciona Energia Chile Holdings, Sa	Chile	Energy	Addition	Group
Acciona Global Renewables, S.A.	Madrid	Energy	Addition	Group
Acciona Infraestructuras Colombia SAS	Colombia	Construction	Addition	Group
Acciona Infrastructure Asia Pacific Pty Limited	Australia	Construction	Addition	Group
Acciona Real Estate, S A U	Madrid	Real Estate	Addition	Group
Acciona Waste Water Treatment Plant Limited	Trinidad & Tobago	Water Treatment	Addition	Associates
Acciona Water Supplies Technology Beijing Co Ltd	China	Water Treatment	Addition	Group
Acciona Windpower Deutschland Gmbh	Germany	Energy	Addition	Group
Acciona Windpower India Private Limited	India	Energy	Addition	Group
Aerosite Energy Private Limited	India	Energy	Addition	Group
Aleph Solar I SA PI De CV	Mexico	Energy	Addition	Associates
Aleph Solarfield I SA PI De CV	Mexico	Energy	Addition	Associates
Aleph Solarfield II SA PI De CV	Mexico	Energy	Addition	Associates
Aleph Solarfield SA PI De CV	Mexico	Energy	Addition	Associates
Aleph Solarfields Mexico SA PI De CV	Mexico	Energy	Addition	Associates
Altrac Light Rail Holdings I Pty Limited	Australia	Concession	Addition	Associates
Ampliaci3n Facultad Dret, S A	Barcelona	Construction	Addition	Associates
Avenir El Romero Spa	Chile	Energy	Addition	Group
Corporaci3n Acciona Infraestructuras S L	Madrid	Instrumental	Addition	Group
Fujin Power Private Limited	India	Energy	Addition	Group
Gsd Flughafen Gmbh	Germany	Logistics Services	Addition	Group
Nexus Infrastructure Holdings Unit Trust	Australia	Concession	Addition	Associates
Nuevo Hospital De Toledo, S A	Toledo	Concession	Addition	Associates
San Roman Wind I, LLC	US	Energy	Addition	Group
Sociedad Operadora Novo Hospital De Vigo S A	Pontevedra	Concession Operation	Addition	Associates
Autopista Del Mar Atl3ntica, S.L.	Madrid	Logistics Services	Removal	Group
Biodiesel Bilbao	Vizcaya	Energy	Removal	Group
Deep River Wind Facility (Propietary) Limited	South Africa	Energy	Removal	Group
Eurovento Renovables, S L	Corunna	Energy	Removal	Associates
Kimberly Solar Facility (Propietary) Limited	South Africa	Energy	Removal	Group
Natural Climate Systems, S A	Pamplona	Energy	Removal	Associates
Terminal De Contenedores Algeciras, S.A.	Algeciras	Logistics Services	Removal	Group
Transcarga Grupajes, S A	Madrid	Logistics Services	Removal	Group
Transcarga Magreb, S.A.	Madrid	Logistics Services	Removal	Group
Global De Energias E3licas Al-Andalus, S A	Zamora	Energy	Removal on merger	Group
Toyonova, S.L.	Corunna	Energy	Removal on merger	Associates
Entorno Urbano y Medio Ambiente, S L	Murcia	Urban Services	Change in	Group

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Company	Location	Main line of business	Change	2015 consolidation method
			method	
Parque Reforma Santa Fe, S.A. De C.V.	Mexico	Real Estate	Change in method	Associates
Torre Lugano S.L.	Valencia	Real Estate	Change in method	Group

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	Addition	Global
Acciona Airport Services Barcelona, S.L.	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Canarias, S.L.	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Este, S.I.	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Madrid, S.L.	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Norte, S.L.	Madrid	Logistics Services	Addition	Global
Acciona Airport Services Sur, S.L.	Madrid	Logistics Services	Addition	Global
Acciona Concessions Management Inc	Canada	Concession Operation	Addition	Global
ACCI Holdeo	Canada	Concession Operation	Addition	Equity method
Acciona Energy Australia Global, Pty. Ltd	Australia	Energy	Addition	Global
Acciona Energy Canada Global Corp	Canada	Energy	Addition	Global
Acciona Energia Global Italy, S.R.L.	Italy	Energy	Addition	Global
Acciona Energia Mexico Global Lic	Mexico	Energy	Addition	Global
Acciona Energy Global Poland Sp. Z O O	Poland	Energy	Addition	Global
Acciona Portugal Ii – Energia Global, Lda	Portugal	Energy	Addition	Global
Acciona Energy South Africa Global (Pty) Ltd	South Africa	Energy	Addition	Global
Acciona Energy Usa Global Llc	USA	Energy	Addition	Global
Acciona Financiación Filiales	Madrid	Other Businesses	Addition	Global
Afs Efficient Energy Uk Limited	United Kingdom	Energy	Addition	Global
Consorcio Acciona_Ossa Andina S.A	Chile	Construction	Addition	Global
Acciona Energia Atlanta I, S.L.	Madrid	Energy	Addition	Global
Acciona Energia Atlanta II, S.L.	Madrid	Energy	Addition	Global
Acciona Energia Atlanta III, S.L.	Madrid	Energy	Addition	Global
Acciones Urbanas, Servicios Y Medio Ambiente, S.L.	Madrid	Services	Addition	Equity method
Acciona Windpower Ruzgat Enerjisi Sistemleri Anonim	Canada	Energy	Addition	Global
Consorcio Acciona Bioce Icafa S.A.	Chile	Construction	Addition	Proportional method
Centro De Servicios Compartidos De Acciona SI	Madrid	Logistics Services	Addition	Global
Entorno Urbano Y Medio Ambiente, S.L.	Madrid	Urban Services	Addition	Equity method
East West Connect Holding 3 Pty Limited	Australia	Concession Operation	Addition	Equity method
Desarrolladora De Infraestructura Hispano-Pennsul	Mexico	Construction	Addition	Global
Hsd Flughafen GmbH	Germany	Logistics Services	Addition	Global
Meltemi South Sp. Z O O	South Africa	Energy	Addition	Global
Tecniomnía Española, S.L.	Madrid	Services	Addition	Global
Vertex Residencial Cuajimalpa, Sa De Cv	Mexico	Property	Addition	Equity method

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

APPENDIX V

DETAIL OF CONSOLIDATED RESERVES AND TRANSLATION DIFFERENCES

(Amounts in thousands of euros)

Company	2015		2014	
	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Acciona Airport Services Berlin GMBH	(11,622)	--	(11,003)	--
Acciona Airport Services Frankfurt GMBH	507	--	4,173	--
Acciona Financiación Filiales	42	--	--	--
Acciona Servicios Concesionales, S.L.	32	--	(791)	--
Apoderada Corporativa General, S.A.	(420)	--	(404)	--
Autovía de los Viñedos, S.A.	(30,612)	--	(29,113)	--
Cirtover, S.L.	92	--	93	--
Coefisa, S.A.	645	40	681	30
Compañía Internacional de Construcciones, S.A.	4,970	618	4,940	437
Consorcio Traza, S.A.	(6,052)	--	(5,840)	--
Copane Valores, S.L.	477	--	12,608	--
Dren, S.A.	(633)	--	(633)	--
Entidad Efinen, S.A.	(4,347)	--	(4,347)	--
Finanzas Dos, S.A.	(5,797)	--	(1,979)	--
Finanzas y Cartera Uno	(11)	--	(10)	--
Genérica de Construcciones y Mantenimiento Industrial, S.A.	77	--	77	--
Gestión de Recursos Corporativos, S.L.	(6)	--	(5)	--
Gran Hospital Can Misses, S.A.	(7,778)	--	(8,502)	--
Hospital De Leon Bajo, S.A. De C.V.	18,063	(1,823)	14,160	(825)
Inetume, S.A.	(1,067)	--	(988)	--
Infraestructuras Radiales, S.A.	(58,223)	--	(58,186)	--
Nova Dársena Deportiva de Bara, S.A.	(7,588)	--	(7,094)	--
Packivity, S.A.	(2,408)	--	(2,407)	--
Rendos, S.A.	(18,492)	--	(18,312)	--
Sdad. Concesionaria Hospital del Norte, S.A.	6,227	--	2,998	--
Sefinco, S.L.	90	--	152	--
Sociedad Concesionaria A2 Tramo 2, S.A.	(25,722)	--	(26,086)	--
Sociedad Concesionaria del Canal de Navarra, S.A.	(12,526)	--	(12,642)	--
Sociedad Concesionaria Novo Hospital de Vigo	(1,149)	--	(2,248)	--
Sociedad Concesionaria Puente del Ebro, S.A.	(12,140)	--	(14,138)	--
Sociedad Levantina de Obras y Servicios, S.A.	1,644	--	1,657	--
Terminal de Contenedores Algeciras, S.A.	(100)	--	(9,823)	--
Tibest Cuatro, S.A.	1,435	--	1,289	--
Tranvia Metropolitana, S.A.	--	--	1,964	--
Tratamiento de Residuos de la Rad, S.L.	(31,089)	--	(30,968)	--
Subgroup Acciona Agua	91,719	(4,885)	77,401	(2,857)
Subgroup Acciona Airport Services	18,150	--	21,193	--
Subgroup Acciona Concesiones	(19,241)	(887)	(18,341)	253

Company	2015		2014	
	Consolidated reserves	Translation differences	Consolidated reserves	Translation differences
Subgroup Acciona Infraestructuras	414,394	(83,466)	412,491	(11,817)
Subgroup Acciona Inmobiliaria	(376,606)	(12,871)	(292,542)	(10,961)
Subgroup Acciona Logística	(237,850)	213	(211,620)	635
Subgroup Acciona Servicios Urbanos y M.A.	(36,550)	(956)	(28,335)	(94)
Subgroup Bestinver	39,451	--	71,527	--
Subgroup Corporación Acciona Energías Renovables	(502,109)	14,282	(599,806)	2,071
Subgroup Corporación Acciona Windpower	(100,278)	6,804	(99,262)	1,642
Subgroup Finanzas y Cartera Dos	(25)	--	(20)	--
Subgroup Hijos de Antonio Barceló	42,213	(1,314)	40,926	(347)
Subgroup MDC Airport Consult GMBH	(5,420)	--	(5,309)	--
Subgroup Mostostal Warszawa	(50,677)	(3,239)	(36,689)	(3,164)
Subgroup Tictres	(17,113)	--	(16,740)	--
Reserves for consolidation adjustments in the Parent	1,488,557	(484)	1,428,279	(267)
Consolidation adjustments	(83,006)	--	(83,628)	--
Total	462,128	(87,968)	358,798	(25,264)

APPENDIX VI

DISCLOSURE OF THE MAIN CONCESSIONS

Water Division:

Name	Description	Period	Country	ACCIONA	Status	Consolidation method	Type of asset
EDAR 8B	Construction, operation and maintenance of waste water treatment facilities in "Area 08B" of the Aragonese Sewage Plan	2008-2031	Spain	100.0%	Operational	Global consolidation	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 consolidation	Intangible asset
IDAM Alicante	Construction, operation and maintenance of seawater desalination facilities in Alicante	2000-2018	Spain	50.0%	Operational	Global consolidation	Financial asset
IDAM Javea	Construction, operation and maintenance of seawater desalination facilities in Javea	2001-2023	Spain	100.0%	Operational	Proportional method	Financial asset
IDAM Cartagena	Construction, operation and maintenance of seawater desalination facilities in Cartagena	2001-2020	Spain	62.5%	Operational	Proportional method	Financial asset
IDAM Ciutadella	Construction, operation and maintenance of seawater desalination facilities in Ciutadella	2007-2026	Spain	100.0%	Operational	Global consolidation	Financial asset
IDAM Fouka	Construction, operation and maintenance of seawater desalination facilities in Tipaza	2008-2036	Algeria	25.5%	Operational	Equity method	Financial asset
IDAM Ibiza -Portmany	Refurbishment, operation and maintenance of seawater desalination facilities in San Antonio, Portmany and Ibiza	2010-2024	Spain	50.0%	Operational	Equity method	Financial asset
PCAR 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
PCAR La Chira	Construction, operation and maintenance of waste water treatment facilities in La Chira	2011-2037	Peru	50.0%	Construction	Equity method	Financial asset
IDAM Arucas Moya	Enlargement, operation and maintenance of seawater desalination facilities Arucas	2008-2024	Spain	100.0%	Operational	Global consolidation	Intangible asset
Sanitation network in Andratx	Construction, operation and maintenance of sanitation network in Andratx	2009-2044	Spain	100.0%	Operational	Global consolidation	Intangible asset
PPP Divinópolis	Construction, operation and maintenance of sanitation network in Divinópolis	2015-2041	Brazil	15%	Construction	Equity method	Tangible/intangible asset

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Infrastructure Division:

Roads

Name	Description	Period	Country	ACCIONA	Status	Accounting method	Type of asset
Chinook roads (SEST)	Toll highway included in the Calgary ring road (25 km)	2010 - 2043	Canada	5%	Operational	Equity method	Financial asset
Autovía de los Vifedos	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 consolidation	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 Aço	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 consolidation	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 consolidation	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 Eslea, Santovenia del Eslea to Fontamillas de Castro, Fontamillas de Castro to Zamora. Availability payment	2012 - 2042	Spain	25%	Construction	Equity method	Financial asset
Toowoomba Second Range Crossing (Nexus)	Design, construction and operation of 41 km motorway for north bypass of Toowoomba (Queensland), from Helidon Spa to Athol via Charlton. Availability payment. (25 years operation since end of construction)	2015-2043	Australia	20%	Construction	Equity method	Financial asset

Railway

Consortio Iruza (Tranvía Zaragoza)	Construction and operation of the tramway crossing the city of Zaragoza from north to south (12.80 km)	2009 - 2044	Spain	17%	Operational	Equity method	Branched
Sydney Light Rail	Design, construction, operation and maintenance of a 12 km tramline, from Circular Quay via George Street to Central Station and crossing Surry Hills to Moore Park, Kensington, Kingsford and Randwick. It includes operation of the existing line Inner West	2014-2034	Australia	5%	Construction	Equity method	Financial asset

Canal

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
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Harbour

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
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Hospital

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 consolidation	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
Centro Hospitalario Universitario de Toledo	Construction, maintenance and operation of the University Hospital in Toledo, with 760 beds	2015-2045	Spain	33%	Construction	Equity method	Financial asset

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ACCIONA, S.A. AND SUBSIDIARIES
(CONSOLIDATED GROUP)
DIRECTORS' REPORT FOR FINANCIAL YEAR 2015

Executive Summary

Income Statement Data

<i>(Million euro)</i>	Jan-Dec 14	Jan-Dec 15	Chg.(%)
Revenues	6,499	6,544	0.7%
EBITDA	1,087	1,174	8.0%
EBIT	572	627	9.5%
Ordinary EBIT	233	330	41.5%
EBT	277	319	15.0%
Net attributable profit	185	207	12.1%

Balance Sheet Data and Capital Expenditure

<i>(Million euro)</i>	31-Dec-14	31-Dec-15	Chg. %
Equity	3,613	3,754	3.9%
Net debt	5,294	5,159	(2.5%)
Ordinary capital expenditure	340	223	(34.5%)

Operating Data

	31-Dec-14	31-Dec-15	Chg. %
Construction backlog (Million euro)	5,693	6,722	18.1%
Water backlog (Million euro)	9,358	9,630	2.9%
Total wind installed capacity (MW)	7,087	7,212	1.8%
Total installed capacity (MW)	8,502	8,619	1.4%
Total production (GWh) (Jan-Dec)	21,450	20,875	(2.7%)
Average workforce	33,559	32,147	(4.2%)

CONSOLIDATED INCOME STATEMENT

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Revenues	6,499	6,544	45	0.7%
Other revenues	363	247	-117	(32.0%)
Changes in inventories of finished goods and work in progress	-7	-3	5	(62.5%)
Total Production Value	6,855	6,788	-67	(1.0%)
Procurement	-1,854	-1,830	23	(1.3%)
Personnel expenses	-1,275	-1,254	21	(1.7%)
Other expenses	-2,639	-2,530	109	(4.1%)
EBITDA	1,087	1,174	86	8.0%
Depreciation and amortization	-494	-510	-16	3.2%
Provisions	-53	-53	0	0.1%
Impairment of assets value	-18	-20	-3	16.7%
Results on non-current assets	50	9	-42	(82.6%)
Other gains or losses	0	27	28	n/a
EBIT	572	627	54	9.5%
Net financial result	-367	-389	-23	6.1%
Exchange differences (net)	5	23	18	335.7%
Var. provisions financial investments	-1	-2	0	n/a
Share in results of associates accounted for by the equity method	46	60	14	29.9%
Variation in fair value of financial instruments	22	0	-21	(97.8%)
EBT	277	319	41	15.8%
Tax on profit	-70	-83	-13	18.5%
Profit(loss) from Continuing Activities	207	236	28	13.8%
Non-controlling interests	-22	-28	-6	27.8%
Attributable Net Profit	185	207	22	12.1%

Revenues

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Energy	2,200	2,719	519	23.6%
Infrastructure	3,727	3,337	(391)	(10.5%)
Construction	2,627	2,170	(456)	(17.4%)
Water	400	431	31	7.8%
Services	691	716	24	3.5%
Other activities	692	613	(79)	(11.4%)
Consolidation Adjustment	(120)	(125)	(4)	3.5%
TOTAL Revenues	6,499	6,543	45	0.7%

Consolidated revenues increased by 0.7% to €6,544 million, mainly due to the combined effect of the following factors:

- Growth in the Energy revenues (+23.6%) mainly as a result of:

- The strong contribution from AWP which increased its business turnover by 34.7% with reference to FY 2014.
- The good performance of the generation activity mainly due to new capacity additions in international markets carried out during the last twelve months.
- Decrease in the Construction revenues (-17.4%) due to less domestic and international activity.
- Increase in the Water (+10.0%) and Services (+3.5%) revenues.
- Decrease in the Other Activities revenues (-11.4%) due to the revenue decline of Bestinvest and Real Estate.

EBITDA

(Millions of euros)	Jan-Dec 14	% EBITDA	Jan-Dec 15	% EBITDA	Chg. (€m)	Chg. (%)
Energy	788	72.5%	897	76.2%	109	13.8%
Infrastructure	174	15.9%	168	14.2%	(6)	(3.5%)
Construction	118	10.9%	102	8.7%	(16)	(13.6%)
Water	55	5.0%	61	5.2%	6	10.2%
Services	21	1.9%	22	2.6%	1	49.3%
Other activities	126	11.5%	113	9.6%	(13)	(10.2%)
Consolidation adjustments	(0)	n/a	(3)	n/a	(3)	n/a
TOTAL EBITDA	1,087	100.0%	1,174	100.0%	87	8.0%
<i>Margin (%)</i>	<i>16.7%</i>		<i>17.9%</i>			<i>+1.2pp</i>

Note: EBITDA contributions calculated before consolidation adjustments.

EBITDA increased by 8.0% to €1,174 million mainly due to the strong growth of the Energy business (+13.8%) driven by both the strong contribution from AWP and the growth registered by the generation business in international markets.

EBITDA margin stood at 17.9%, 1.2 percentage points higher than in FY 2014.

With respect to the relative EBITDA contribution of the divisions: Energy contributed the most (76%), followed by Construction (14%). The rest of the businesses contributed 10% of EBITDA.

EBIT

EBIT reached €627 million, a 9.6% higher than in FY 2014.

EBT

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Energy	86	198	112	129.5%
Infrastructure	90	90	1	(0.1%)
Construction	55	33	(22)	(39.5%)
Water	28	31	3	17.3%
Services	7	16	8	117.0%
Other activities	55	43	(12)	(21.5%)
Consolidation adjustments	2	(1)	(3)	(134.6%)
Ordinary EBT	233	330	97	41.6%

TRANSLATION

Extraordinaries	44	(11)	(55)	n/a
TOTAL EBT	277	319	42	15.1%
Margin (%)	4.3%	4.9%		+0.6pp

Ordinary EBT increased by 41.5% to €330 million vs. €233 million in FY 2014 mainly due to the EBT increase of Energy business which improved by €112 million.

Total EBT grew by 15.0%. This lower growth rate was due to the fact that extraordinary results registered in 2015 were €55 million lower than those of 2014.

Attributable Net Profit

Attributable net profit amounted to €207 million, a 12.1% higher than FY 2014.

Consolidated Balance Sheet

(Millions of euros)	31-Dec-14	31-Dec-15	Chg. (€m)	Chg. (%)
Property, Plant & Equipment and Intangible assets	8,733	8,855	122	1.4%
Financial assets	546	569	23	4.3%
Goodwill	79	79	0	0.0%
Other non-current assets	1,413	1,382	-32	(2.3%)
NON-CURRENT ASSETS	10,771	10,885	113	1.1%
Inventories	1,043	740	-303	(29.0%)
Accounts receivable	1,940	1,612	-328	(16.9%)
Other current assets	281	236	-45	(16.0%)
Current financial assets	369	413	43	11.8%
Cash and Cash equivalents	1,327	1,460	133	10.1%
Assets held for sale	412	431	19	4.6%
CURRENT ASSETS	5,372	4,892	-481	(8.9%)
TOTAL ASSETS	16,143	15,777	-366	(2.3%)
Capital	57	57	0	0.0%
Reserves	3,167	3,249	82	2.6%
Profit attributable to equity holders of the parent	185	207	22	12.1%
Own Securities	-29	-20	9	(30.0%)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	3,380	3,493	113	3.4%
MINORITY INTERESTS	233	261	27	11.7%
EQUITY	3,613	3,754	141	3.9%
Interest-bearing borrowings	5,918	5,895	-23	(0.4%)
Other non-current liabilities	2,001	2,008	8	0.4%
NON-CURRENT LIABILITIES	7,919	7,903	-15	(0.2%)
Interest-bearing borrowings	1,072	1,137	65	6.1%
Trade payables	2,558	2,025	-534	(20.9%)
Other current liabilities	660	538	-122	(18.4%)
Liabilities associated to assets held for sale	321	420	99	30.7%
CURRENT LIABILITIES	4,611	4,120	-492	(10.7%)



TOTAL LIABILITIES AND EQUITY	16,143	15,777	-365	(2.3%)
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Attributable Equity

ACCIONA's attributable equity at 31 December 2015 amounted to €3,493 million, a 3.4% higher than in December 2014.

Net Financial Debt

<i>(Millions of euros)</i>	31-Dec-14		31-Dec-15		Chg. (€m)	Chg. (%)
	(€m)	% Total	(€m)	% Total		
Interest-bearing borrowings without recourse	4,954	70.9%	4,629	66%	(324)	(6.5%)
Interest-bearing borrowings with recourse	2,036	29.1%	2,403	34%	367	18.0%
Total interest-bearing debt	6,990	100.0%	7,032	100%	42	0.6%
Cash + Cash equivalents	(1,696)		(1,873)		(177)	10.4%
Net financial debt	5,294		5,159		(134)	(2.5%)

Net financial debt amounted to €5,159 million 2.5% lower than at 31 December 2014 and the debt ratio DFN/EBITDA fell from 4.87x as of December 2014 to 4.39x in December 2015. Such decrease was mainly due to the cash generation during the year.

Additionally, it is worth highlighting the good performance of working capital (-€36 million) during the year, despite the -€109 million one-off adjustment derived from RD-L9/2013 (in force since 14 July 2013) which implies the reimbursement of premiums received during the period prior to the publication of the final remuneration parameters applicable to renewable installations (published on 10 June 2014).

Excluding this effect, financial debt would have decreased by €254 million vs. December 2014.

Financial gearing has evolved as follows:

<i>(Millions of euros)</i>	31-Dec-14	31-Dec-15
Net debt	5,294	5,159
Gearing (Net Debt/Equity) (%)	147%	137%

Capital Expenditure

<i>(Millions of euros)</i>	Jan-Dec 14	Jan-Dec 15
Energy	282	130
Infrastructure	70	80
Construction	39	39
Water	9	19
Services	22	12
Other activities	(12)	13
Ordinary Net Investments	340	223

Extraordinary divestment	(629)	(51)
Total Net Investments	(289)	172

Net ordinary capital expenditure across ACCIONA's divisions amounted to €233 million, 34.5% less than in FY 2014. Energy represents the biggest share of the investment effort with €130 million.

Assets and liabilities associated to assets held for sale

At 31 December 2015 the only assets and liabilities held for sale correspond to ACCIONA Windpower which, as stated in Relevant Information filed on 4 October, will be transferred to Nordex once conditions precedent are met.

Results by Division

Energy

(Millions of euros)	Jan-Dec 13	Jan-Dec 14	Chg. (€m)	Chg. (%)
Generation	1,240	1,329	89	7.2%
Industrial, development and other	960	1,390	430	44.8%
Revenues	2,200	2,719	519	23.6%
Generation	824	848	25	2.8%
Industrial, development and other	(36)	49	85	n/a
EBITDA	788	897	109	13.8%
Margin (%)	35.8%	33%		
BAI	86	198	112	129.5%
Margin (%)	3.9%	7.3%		

ACCIONA Energy revenues increased by 23.6% to €2,719 million. EBITDA increased by 13.8% to €897 million. EBT amounted to €198 million vs. €86 million last year.

The results are mainly driven by the following factors:

- The increase shown in AWP that reached €84 million EBITDA vs. €39 million in FY 2014.
- Good performance of the generation EBITDA, which grew by 2.8% to €848 million, mainly boosted by a higher international generation EBITDA, which offset the decrease in the domestic generation EBITDA. The increase in international generation EBITDA was due to:
 - A production increase based on the new capacity added in the last twelve months.
 - The positive effect derived from the foreign exchange rates variations mainly related to the appreciation of the USD.
- The net increase of the consolidated installed capacity by 119MW in the last twelve months due to the combined effect of:
 - The installation of 128MW of new wind capacity (30MW in Poland and 93MW in South Africa and 5MW in Spain).
 - The reduction of 9MW cogeneration in Q1 2015.

At an operational level, consolidated production amounted to 17,202GWh, 2.1% lower than in FY 2014. This decrease was due to the fact that contribution at new international capacity installed in 2015 was not able to fully compensate the lower hydro factor and, to a lesser extent, the low wind resource in Spain during the months of November and December.

It is worth highlighting the significant improvement of the AWP and others EBITDA (+€85 million relative to the same period last year), boosted by the good performance of the turbine business which installed 931MW vs. 762MW in FY 2014.

EBITDA from industrial activity and development

<i>(Millions of euros)</i>	Jan-Dec 14	Jan-Dec 15	Var. (€m)
Windpower	39	84	46
Development and construction	(28)	9	36
Total EBITDA Industrial & development	9	93	84

Breakdown of Installed Capacity and Production by Technology

31-Dec-15	Total		Consolidated		Net	
	Installed MW	Produced GWh	Installed MW	Produced GWh	Installed MW	Produced GWh
Wind Spain	4,747	10,153	3,470	7,219	4,079	8,614
Wind International	2,465	7,268	2,225	6,622	1,462	4,418
USA	638	1,923	553	1,686	374	1,138
Mexico	557	2,255	557	2,255	361	1,465
Australia	303	639	239	792	130	584
Canada	181	477	103	283	69	189
Italy	156	214	156	214	104	146
Portugal	138	116	138	116	47	39
India	120	286	120	286	75	176
Poland	101	185	101	185	67	123
Costa Rica	86	209	86	209	57	139
Greece	50	303	50	303	32	197
Chile	48	104	48	104	35	78
South Africa	45	111	45	111	30	74
Croatia	30	74	30	74	20	49
Hungary	24	48	0	0	12	24
Total Wind	7,212	17,421	5,695	13,841	5,541	13,032
Hydro special regime	888	2,197	888	2,197	888	2,197
Biomass	61	408	61	408	59	391
Solar PV	143	307	97	214	55	116
Solar Thermoelectric	314	542	314	542	262	455
Total other technologies	1,407	3,454	1,361	3,361	1,265	3,160
Total Energy	8,619	20,875	7,055	17,202	6,806	16,192
Total Spain	5,950	13,195	4,673	10,262	5,248	11,589
Total International	2,669	7,680	2,383	6,941	1,557	4,603

Annex 2 shows greater detail on MWs and productions.

Infrastructure

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Construction	2,627	2,170	(456)	(17.4%)
Water	409	451	41	10.0%
Services	691	716	24	3.5%
Revenues	3,727	3,337	(391)	(10.5%)
Construction	117	102	(16)	(13.8%)
Water	35	35	0	0.2%
Services	21	31	10	49.9%
EBITDA	173	168	(6)	(3.5%)
Margin (%)	4.6%	5.0%		
EBT	90	90	0	(0.1%)
Margin (%)	2.4%	2.7%		

ACCIONA Infrastructure division includes the operations of Construction, Water and Services under a single division. This 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

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Construction & Engineering	2,517	2,064	(452)	(18.0%)
Concessions	110	106	(4)	(3.5%)
Revenues	2,627	2,170	(456)	(17.4%)
Construction & Engineering	77	52	(25)	(32.7%)
Concessions	40	49	9	22.3%
EBITDA	117	101	-16	(13.8%)
Margin (%)	4.5%	4.7%		
EBT	55	33	(22)	(39.5%)
Margin (%)	2.1%	1.5%		

Revenues amounted to €2,170 million, 17.4% lower than in FY 2014 mainly due to a drop in the levels of the construction and engineering activities in Spain and in the international markets.

EBITDA decreased by 13.8% to €102 million with a margin of 4.7% (vs. 4.5% in FY 2014).

The concession business EBITDA grew by 22.3%.

Construction Backlog

At 31 December 2015 the construction backlog amounted to €6,722 million, an 18.1% higher than in December 2014. The international backlog reached an overall weight of 73% out of the total backlog vs. 64% a year ago.

Aggregated new works awarded during 2015 amounted to €3.565 million, which in net terms at 31 December amounted to €3,094 million¹ (83% international). It is worth mentioning the awards of:

- Construction of one of the biggest dams in Canada located in British Columbia.
- The design and construction of a 117Km electricity transmission network in Mexico.
- The second phase of Line 1 of the Quito Metro. The contract includes the construction of a 22Km long tunnel and thirteen new stations.
- The design, construction and operation of the 41Km ring motorway in the city of Toowoomba, (Australia).
- A twin railway tunnel in Norway which will join the cities of Oslo and Ski.

The construction of the Kathu Solar complex (100MW of Solar Thermoelectric) in South Africa.

<i>(Millions of euros)</i>	31-Dec-14	31-Dec-15	Chg. (%)	Weight (%)
Civil Works Spain	1,521	1,327	(13%)	20%
Civil Works International	3,153	4,245	35%	63%
Total Civil Works	4,674	5,571	19%	83%
Non Residential Spain	312	240	(23%)	4%
Non Residential International	265	174	(34%)	3%
Total Non-Residential	577	415	(28%)	6%
Residential Spain	26	12	(54%)	0%
Residential International	34	49	46%	1%
Total Residential	60	62	2%	1%
ANA Development Spain	0	0	0%	0%
ANA Development International	19	5	(72%)	0%
Total ANA Development	19	6	(70%)	0%
Other*	363	669	84%	10%
TOTAL	5,693	6,722	18%	100%
Total Spain	2,062	1,783	(14%)	27%
Total International	3,631	4,939	36%	73%

* "Other" includes: Auxiliary construction, Engineering and Other.

Concessions

At 31 December ACCIONA held a portfolio of 23 concessions with a book value of €1,332 million (€444 million "equity" and €888² million net debt).

Annex 3 contains the details on the concessions portfolio at 31 December 2015.

B. Water

² It includes the share percentage of debt of concessions accounted for using the equity method (€570 million)


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<i>(Millions of euros)</i>	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Revenues	409	451	41	10.0%
EBITDA	35	35	0	0.2%
Margin (%)	8.40%	7.7%		
EBT	28	41	13	47.3%
Margin (%)	6.8%	9.1%		

The Water division increased its turnover by 10.0% mainly due to the improvement of the design and construction activities and the operation and maintenance at an international level.

The Water division registered EBITDA of €35 million in line with FY2014 results and EBT increased by 47.3% reaching €41 million.

Water Backlog

Aggregated new works awarded during 2015 amounted to €814 million, which in net terms at 31 December amounted to €723 million¹ (94% international). It is worth mentioning the awards of:

- The design, construction and later operation and maintenance of a purification plant in Bucaramanga (Colombia).
- The design, construction and later operation and maintenance of two desalination plants in Qatar.

Annex 4 shows detail of water concessions under the SIC 29 at 31 December 2015.

<i>(Millions of euros)</i>	31-Dec-14	31-Dec-15	Chg. (%)
D&C	336	573	71%
O&M	9,022	9,057	0%
TOTAL	9,358	9,630	3%
<i>(Millions of euros)</i>	31-Dec-14	31-Dec-15	Weight (%)
Spain	8,377	8,241	86%
International	981	1,389	14%
TOTAL	9,358	9,630	100%

Annex 4 details the water concessions portfolio subject to IFRIC 12 at 31 December 2015.

C. Services

<i>(Millions of euros)</i>	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Revenues	691	716	24	3.5%
EBITDA	21	31	10	49.9%
Margin (%)	3.0%	4.3%		
EBT	7	16	8	117.0%
Margin (%)	1.0%	2.2%		

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

TRANSLATION

The division reported an increase in revenues of 3.5% reaching €716 million. EBITDA amounted to €31 million, 49.9% higher than in FY 2014 as a result of a considerable improvement in the facility services activity margin.

It is to be stressed that subsequent to year-end, ACCIONA Airport Services was granted a 7 year handling licence at Düsseldorf Airport as from 1 April 2016.

Other Activities

(Millions of euros)	Jan-Dec 14	Jan-Dec 15	Chg. (€m)	Chg. (%)
Trasmediterránea	417	424	7	1.7%
Real estate	94	51	(42)	(45.2%)
Bestinver	135	91	(45)	(33.0%)
Winery	40	40	0	1.2%
Corp. & other	6	7	0	6.4%
Revenues	692	613	(79)	(11.4%)
Trasmediterránea	30	41	11	37.6%
Real estate	3	6	4	144.9%
Bestinver	96	67	(29)	(30.2%)
Winery	5	5	0	4.2%
Corp. & other	(8)	-6	1	(13.0%)
EBITDA	126	113	(13)	(10.2%)
Margin (%)	18.1%	18.4%		
EBT	55	43	(12)	(21.5%)
Margin (%)	7.9%	7.0%		

In FY 2015 this division - which includes Trasmediterránea, Real Estate, Bestinver, Wineries and others - reported revenues of €613 million, 11.4% lower than in FY 2014.

The EBITDA decreased to €113 million, 10.2% less than in FY 2014 levels due to the decrease in Bestinver.

Trasmediterránea:

Trasmediterránea improved its EBITDA in €11 million due to higher revenues, the improvement of its operations' efficiency and lower costs for fuel and staff

During this period, the number of passengers, vehicles and lane metres increased by 3.7%, 0.4% and 3.4% respectively.

	Jan-Dec 14	Jan-Dec 15	Chg. (%)
Passengers served	2,363,924	2,451,323	3.7%
Cargo handled (lane metres)	5,466,305	5,651,087	3.4%
Vehicles	542,597	544,999	0.4%

Real Estate:

The decrease in revenues is mainly due to the change of the consolidation method of a subsidiary which is now accounted using the equity method.

EBITDA increased by €4 million to €6 million. Such improvement derives from the change of strategy towards rental activity which generates lesser revenues with a higher margin than the development of homes for sale.

	31-Dec-14	31-Dec-15	Chg. (%)
Housing stock	535	316	(53.9%)

Out of the 316 units, 104 are international units.

Bestinver:

Bestinver's assets under management stood at €5,106 million at 31 December 2015. It reported an EBITDA of €67 million.

MATERIAL INFORMATION, DIVIDEND AND SHARE DATA

Significant communications to the stock market

- **26 February 2015: Annual Report on Directors' Remuneration for the Year 2014**
 - On 26 February 2015 the company notified the Spanish National Securities Commission of (*CNMV*) the annual report on directors' remuneration for the year 2014 containing the Shares Delivery Plan and Performance Shares.
- **25 March 2015: ACCIONA signs a syndicated loan with banks worth €1,800 million.**
 - ACCIONA Financiación Filiales, S.A., signed with a syndicate of banks, integrated by 19 financial institutions (10 Spanish 9 Foreign), a financing agreement totaling €1,800 million.
 - The financing was divided in two tranches (Tranche A for a maximum of €360 million and Tranche B for a maximum of €1,440 million) maturing 25 March 2020. The two tranches will be used to refinance part of the group's debt, general corporate and investment expenses as well as the group's liquidity needs.
 - The finance contract signed was guaranteed by ACCIONA S.A.
- **20 April 2015: Substitution plan of variable remuneration for ACCIONA shares**
 - ACCIONA informs on the approval of a substitution plan to replace variable remuneration for ACCIONA shares, aimed to ACCIONA's management and its group.
- **7 May 2015: Official announcement and submission of proposal of the Annual General Meeting**
 - On 7 May 2015, the company informed to the *CNMV*, of the Annual General Meeting announcement for 10 June 2015 for its first call, or 11 June 2015 for its second one and submitted the proposal of agreements.
- **11 June 2015: Annual General Meeting – Approval of Agreements**

On 11 June 2015, the Annual General Meeting approved, among others, the following agreements:

- To approve a €2 dividend per share (or greater amount fixed by the board and its members with delegated powers in case of treasury shares existence) to be paid as per 2 July 2015.
- To appoint Ms. Ana Sainz de Vicuña Bemberg as independent non-executive Director.
- To consider assessed and reported the Shares Delivery Plan and Performance Shares 2014-2019 and substitution plan according to the report of the Board of Directors, as well as increase the maximum number of available shares for the Shares Delivery Plan and Performance Shares 2014-2019 in 100,000 shares, without prejudice to subsequent increases, if proposed by the Board and approved by the General Meeting.
- To amend the articles of association and regulations of the General Shareholders Meeting and the Board to adapt them to the amendments of the Corporate Enterprises Act relating to corporate governance.
- To approve, for information purposes, the Directors Remuneration Report for the year 2014.
- To approve the 2014 Sustainability Report.
- **23 June 2015: ACCIONA informs on the Resolution of Catalonia Superior Court of Justice (TSJC) relative to the ATLL Contract**
 - The TSJC has partially ratified the administrative appeal proceedings filed by the concessionaire ATLL concessionaire of the Generalitat de Catalunya and ACCIONA Agua, annulling the ruling of the Catalan Contractual Administrative Agency on 2 January, 2013 regarding the exclusion of the bid made by the consortium led by ACCIONA.

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- In addition, the Court considers the existence of flaws in the tender procedure not attributable to tenderers, which will lead to its nullity.
- The resolution can be appealed before the Supreme Court.
- **24 June 2015: ACCIONA informs on the sale of 1.34% of ACCIONA S.A.**
- On behalf of ACCIONA, S.A., Fidentiis conducted a placement, between national and international qualified investors of a package of 768,184 treasury shares, representing 1.34% of its capital at a price of €69.19 per share.
- **3 July 2015: The Company announces the signing of a liquidity contract**
- ACCIONA signed on 2 July 2015 a liquidity agreement with Bestinver Sociedad de Valores, S.A., to manage its treasury shares. The stock trades performed by Bestinver on ACCIONA's shares under this contract will be in the Spanish stock exchange and the intended purpose will be:
 - i. Increase the liquidity of transactions.
 - ii. The regularity in the stock market price.
- The liquidity contract will have duration of twelve months, extendable tacitly for an equal period. The number of shares intended for the account associated to the contract is 48,000 and the amount allocated to the cash account is €3,300,000.
- **28 July 2015: ACCIONA informs that it has commissioned Morgan Stanley the analysis of strategic alternatives of the real estate business**
- ACCIONA commissioned Morgan Stanley the analysis of strategic alternatives for part of the real estate business. Currently the company is still considering alternatives which could conclude on the possible IPO or private placement of a minority stake.
- **4 October 2015: ACCIONA informs about the agreement reached for the transfer of ACCIONA Windpower to Nordex and for ACCIONA's acquisition of 29.9% of Nordex's shares**
- ACCIONA entered into an agreement with Nordex by virtue of which Nordex shall acquire the totality of the corporate capital of ACCIONA Windpower. ACCIONA shall in turn receive as compensation:
 - (i) 16,100,000 new issued shares of Nordex representing 16.6% of its corporate capital for a per share value of €26 totalling €418.6 million;
 - (ii) a cash payment of €366.4 million, resulting in an Enterprise Value of €785 million.
- Additionally, ACCIONA S.A. has entered into an agreement with Momentum-Capital Vermögensverwaltungsgesellschaft mbH and Ventus Venture Fund Gmbh & Co. Beteiligungs KG for the acquisition of 12,897,752 existing Nordex's shares representing 13.3% of its corporate capital for a total price of €335.34 million which represent €26 per share. Once both transactions have been completed ACCIONA shall hold a 29.9% shareholding in Nordex's corporate capital and become the strategic anchor shareholder of the new company.
- The transaction is subject to certain conditions precedent. The first estimation of the future capital gains would amount to €675m. It is expected that the transaction will be closed in the first four months of 2016.

Dividend

On 11 June 2015 ACCIONA's AGM approved the payment of a dividend of €2 per share against 2014 results.

Share data and share price performance

ACCIONA Share Price Evolution (€/share)

[There follows a diagram that shows the share price evolution from January 2015 to December 2015.]

Key Share Data

	31-Dec-15
Price at 31 December 2015 (€/share)	63.30
Price at 1 January 2015 (€/share)	56.20
Low in FY 2015 (02/01/2015)	54.24
High in FY 2015 (03/07/2015)	80.19
Average daily trading (shares)	246,695
Average daily trading (€)	17,294.957
Number of shares	57,259,550
Market capitalisation at 31 December 2015 (€ millions)	4,528

Share capital information

At 31 December 2015 the share capital of ACCIONA amounted to €57,259,550 divided into 57,259,550 shares of €1 of nominal value each.

At 31 December 2015, Acciona, S.A. and its subsidiary Finanzas Dos, S.A. held 320,460 treasury shares, equivalent to 0.5595% of the share capital at that date. The acquisition cost of said shares came to 20,238 thousand euros.

Movement in treasury shares in FY 2015 was as follows:

	2015	
	Number of shares	Cost
Opening balance	534,499	28,895
Additions	3,428,656	247,091
Retired	(3,391,297)	(244,121)
Liquidity contract	37,359	2,970
Additions	615,935	42,747
Retired	(867,333)	(54,374)
Other movements	(251,398)	(11,627)
End balance	320,460	20,238

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Subsequent events

Last 21 January 2016, upon fulfilment of the conditions precedent, shares representing an additional 37.05% of ATLL Concessionaria de la Generalitat de Catalunya, S.A., owned by the shareholder Aigües de Catalunya, S.A., were sold to the shareholder Gestio Catalana D'Aigües, S.A., a subsidiary of the Acciona Group. According to the provisions of the sale operation described above, both parties agreed to assign to Gestio Catalana D'Aigües, S.A. 95% of the rights and obligations included in the loan that the selling shareholder, namely, Aigües de Catalunya, S.A, as lender, held vis-à-vis ATLL Concessionaria de la Generalitat de Catalunya, S.A., as loanee, and that had been subscribed on 21 December 2012. The price to buy the shares amounted to 19 million euros and the amount of the loan assigned to Gestio Catalana D'Aigües, S.A. amounts to 55 million euros.

At 31 December 2015, the stakeholding of the Acciona Group in ATLL Concessionaria de la Generalitat de Catalunya, S.A. amounted to 39%, with the stakeholding being consolidated under the equity method. The stakeholding of the Acciona Group after the purchase and sale operation referred to in the paragraph above stands at 76.05% of the share capital

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 higher 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 clients.

In order to mitigate the exchange rate risk, ACCIONA engages 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.

As regards 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 control.

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

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accounting, control 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.

ACCIONA consolidated its initiatives regarding environment risk management, focusing its efforts on identifying and implementing measures to mitigate the most relevant risks. In 2015 ACCIONA prepared a document to deal specifically with those risks for all the group divisions.

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 under OHSAS 18001 standard.

Sustainability

ACCIONA deploys its sustainability strategy through the 2015 Sustainability Master Plan (*PDS*). *PDS* 2010-2015 encompasses initiatives and goals in the areas of Innovation, Context, Society, People, Value Circle and Good Governance, as well as commitments about Stakeholders, Dissemination and Leadership, and Accountability.

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

- To achieve a total of 500 million euros in R&D+I for the 2010-2015 period.
- To improve the ratio of CO₂ emissions avoided by 15% in respect of the CO₂ emissions generated (base 2009).
- To reduce the work-accident frequency rate by 20% in respect of 2011.
- To implement the social impact management method for all the classified projects in the 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 *PDS* framework. Another route to drive the implementation of the Company's sustainability strategy and the achievement of its targets was, once again, to link part of the executives' and managers' bonuses to the achievement of sustainability targets.

In the course of 2015 ACCIONA gradually defined a new sustainability strategy to cover the period up to 2020. For this, the Company assessed the achievements and challenges experienced in the five years of implementation of the previous PDS; it implemented thorough benchmarking on the most advanced practices affecting the areas thereof; and consulted with a number of external experts in sustainability, energy, infrastructures and water. As a result, the new Plan up to 2020 is structured around strategic and operational targets, applicable to the entire organization, with specifications for the various lines of business.

In the financial year ACCIONA had an active presence in different initiatives and international organizations, mainly working for the launch of the 2030 Agenda, with the definition of Sustainable Development Objectives by the United Nations, and the Climate Change Summit held in Paris (COP21). The Company is part, inter alia, of initiatives and organisations such as The Prince of Wales's Corporate Leaders Group, the UN Global Compact LEAD, the World Business Council for Sustainable Development, Sustainable Energy for All (SE4ALL), the World Economic Forum and CEO Climate Leadership Group.


Furthermore, the Company consolidated the implementation of its social impact management methodology in 2015 by increasing the risk study phases and the social impact surveys throughout the course of its projects, as well as the scope in relation to the number of projects subject to this management model. In this way, over 45 projects in different countries (Australia, Brazil, Cape Verde, Chile, Colombia, Ecuador, Egypt, Spain, Gabon, Italy, Mexico, Norway, Peru, Poland, Qatar, South Africa and Trinidad & Tobago) are now at different stages in the implementation of this methodology. These projects are very diverse, such as, for example, the construction of roads, bridges, dams, water treatment stations, sewers and wind farms, operation of desalination facilities, and construction and maintenance of hospitals.

It must be noted too that in 2015 ACCIONA completed a diagnostic process regarding human rights, following the UN Guiding Principles on Business and Human Rights, with the purpose of learning about the main risks in this matters by business and country. In addition, corporate regulations and procedures were analysed, with different international standards being taken for reference, to assess the controls in place in the organisation in this respect.

The advances seen in the fulfilment of these sustainability targets and actions carried out during 2015, together with the challenges faced by the Company, are described in detail in the Sustainability Annual Report and on the corporate website (<http://www.acciona.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.


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In 2014, the analysis of materiality identified and prioritised relevant matters for each of ACCIONA's main lines of business (Energy, Construction, Water, Services and Industry) and their impact throughout the value chain. In addition, a geographical criterion was applied by evaluating the risk involved in each matter identified in the countries where ACCIONA operates.

In 2015 the analysis of materiality was updated on the basis of the study from the previous financial year, and the issues identified as relevant were studied in depth and expanded with current topics according to various sources: international institutions, entities from different sectors and press news. In addition, as a novelty, in 2015 the relevant issues were identified, updated and prioritised on the basis of the macro-trends analysed in the course of the design of the new Master Plan for Sustainability for each of ACCIONA's line of business. To design this Plan, expert advice was sought and significant documents at global and sector levels were analysed, for each line of business. The analysis process made it possible to create a matrix with the material issues by business on the basis of the relevance of each issue for the Company and its stakeholders.

As regards the key issues identified by ACCIONA's lines of business, the most relevant issue for Energy, Water, Construction and Industry was "Social impact and dialogue with the local communities". "Mitigation and adaptation to climate change" appears as highly relevant for Energy and Services. As for the "Ethics and compliance" issue, it is highly relevant in the Construction, Industrial, water and Services businesses.

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.

In 2015 the Company consolidated its position as a leading company in the fight against climate change, opting for renewable technologies, reducing and compensating its emissions and seeking innovating solutions that will place the Company at the avant-garde of the most advanced environmental standards.

These efforts were acknowledged by the main international benchmarks for transparency and environmental behaviour in 2015:

CDP (formerly Carbon Disclosure project):

International organisation representing 822 major institutional investors with assets worth \$95 billion and that require environmental data about the companies they rank:

- CDP gave ACCIONA the highest possible score at world level, both for Transparency and Leadership in the action against climate change³. The Company was awarded the Record Score of 100A rating.
- CDP also granted ACCIONA, for the third year running, the highest rating as Sustainable Supplier, with the Company now listed on the exclusive list that recognises globally only 2% of the assessed companies as suppliers of sustainable products and services.

³ For the fifth year running ACCIONA achieved the highest rating for performance vis-à-vis climate change, thus joining *The Climate "A"* list. For environmental transparency, it achieved a score of 100 out of 100, heading the *Carbon Disclosure Leadership Index (CDLI)*

As regards water management, in 2015 ACCIONA was recognised by CDP as a world leader, it being the only Spanish utility and one of the only two in the world that achieved the highest rating under the CDP programme related to water management. This programme, in which ACCIONA participated voluntarily, assesses the responsible use of water in terms of consumption reduction, transparency, improvement targets, governance, strategy, extension of commitment to suppliers and other stakeholders, as well as management of the risks and opportunities associated with water resources.

Dow Jones Sustainability Index World:

- ACCIONA obtained the highest score in *Biodiversity and Electricity generation based on renewable energies policies*, achieving an overall environmental score higher than 98% of all the electricity companies assessed.

The Company's **main figures** in environmental matters in 2015 were:

- 17.2 million tonnes of CO₂ avoided.
- 0.6 million tonnes of CO₂ generated. ACCIONA has reduced by 45.7% the emissions generated in its production activities since 2009 (the Company's 2015 Master Plan for Sustainability base year).
- ACCIONA has reduced its energy intensity (energy consumed versus sales ratio) by 27% since 2009 (the Company's 2015 Master Plan for Sustainability base year). For fossil-based energy intensity, the drop is 55.3%.
- As for water, the Company's balance sheet is clearly favourable for the environment, with a positive global water footprint of over 491 million cubic metres, a figure equivalent to the annual domestic consumption of 6 million inhabitants.
- 21% of the Company's total water consumption comes from reused or recycled water.
- Greenhouse Gas (GHG) emissions were calculated for the second year running for 100% of the supply chain, i.e., 28,000 suppliers. With this pioneering action, ACCIONA shares its commitment to fight climate change, developing *SCO2PE by ACCIONA*, a programme for collaboration with suppliers to promote emission reductions on the supply chain.
- ACCIONA has also pioneered the measurement of water consumption of all its suppliers. ACCIONA has measured total water consumption associated with the activity of all its suppliers in 75 countries and has identified the 500 suppliers that induced 70% of total consumption on the supply chain. Thanks to this initiative, the Company has become the first major Spanish Company and one of the first companies in the world to analyse water consumption on 100% of its supply chain. The study carried out has made it possible for ACCIONA to learn, amongst other variables, the percentage of water consumption on the chain of suppliers related to direct suppliers; to identify those that consume water more intensively; to verify what supply activities are being more intensive in terms of water consumption in water-risk countries; or to identify the ACCIONA's activities with more consumption relevance within the supply chain.
- Strengthening of environmental risk management. Design of two documents about analysis of risks associated with water and climate change, in order to study in depth these aspects, which are highly relevant to the Company and at world level. These analyses were extended to the entire supply chain of ACCIONA. In addition, design of the corporate regulations on environmental risk management and three related procedures (environmental responsibility, climate change and water).



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- Promotion of initiatives within the framework of the Biodiversity Compensation and Improvement Programme.
- Promotion of environmental offsetting services, with the organisation of carbon footprint neutral events for both its clients and for its own events, such as, for example, ACCIONA's General Shareholders' Meeting.

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 continuous improvement in the qualification of its professionals and their active participation in an environment-focused culture. ACCIONA's employees received 34,618 hours in environmental training in 2015.

In addition, 2015 saw the launch of *CACCIONA – Advanced Environmental Course*, taken by over 4,359 people, with 3,064 qualifying as supported by *Fundación General de la Universidad de Alcalá*. The participating groups were employees, suppliers, education centres and different Foundations that support groups with disabilities or that risk social exclusion, such as ONCE, PRODIS o EXIT.

As regards impact management, ACCIONA has a basic management tool for the main environment-related problems, under the name of PLAN 10⁺, which in 2015 meant implementation of 111 improvement measures aimed to prevent and minimise the impacts associated with each problem recorded.

Progress has also been made in the implementation and certification of quality management systems and environment management systems in all ACCIONA divisions, with in-depth analysis of the new requirements under ISO 9001:2005 and ISO 14001:2005 standards (quality and environment, respectively), as published in September, to make the transition thereto quickly and efficiently.

ACCIONA Energy implemented and certified for the first time its quality management systems and environment management systems under ISO 9001 and ISO 14001 standards in Chile, Costa Rica and South Africa. ACCIONA Construction certified its activity in Panama under both standards.

These systems permit process-level management, considering all environmental aspects related to our activities in all the development phases, with an approach based on continuous improvement. Also, the new ISO 9001 and ISO 14001 versions (published in September 2015) reinforce, amongst other aspects, the risk-based approach, the approach based on the life cycle of products/services, the control of the supply chain, the strategic environmental management, and communication with stakeholders, aspects on which ACCIONA is already at work.

The scope of the energy management system (ISO 50001) has increased in ACCIONA Water, with new centres and activities being certified in 2015, so the group's commitment to energy efficiency has continued.

Mention must be made of the first implementation of the EMAS regulations (Environmental Management and Audit Community System) in ACCIONA, specifically in ACCIONA Environment, at its Madrid offices and for the park and garden maintenance Service in the city of León.

The percentages of ACCIONA's revenue certified under ISO 9001 and ISO 14001 amounted to 92% and 90%, respectively (3% more than in 2014).

Environment-related figures for 2015:

The environmental investments and expenditure made by the ACCIONA Group in 2015 covered the following items:

- 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
- Other

In 2015, environmental expenditure amounted to 266 million euros, and investments, to 116 million euros, which placed the company's global environmental activity at 382 million euros.

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

Innovation

Every year Acciona challenges its innovative capacity so as to create value in products and services through technology differentiation, anticipating the clients' needs and requirements. Acciona relies on Innovation as the main tool that guarantees sustainability, competitive advantages and improved efficiency in all the lines of business.

In 2015, Acciona increased the Group's effort in Innovation, having reached the highest figure in its history, putting this Innovation figure up to 180.4M euros, developed in 141 projects. 45.8% of the Group's total for Innovation is already obtained outside Spain.

Acciona continues to opt for other state-of-the-art technologies, as it understands the advances that are gradually taking place in the field of IoT – Internet of things, mobility, Big Data, Advanced Analytics or digitisation. Business initiatives have developed that place ACCIONA at the avant-garde of Innovation. In addition, strategic agreements have been renewed and extended with various universities and technological centres of international repute.

The European Investment Bank (EIB) approved ACCIONA's Innovation programme for the four-year period 2013-2016, through the funding of 50% of the programme, with the granting of a loan for 120 million euros. In 2015 the first two annual amounts were justified, for 206.4 million euros, which largely exceeds the 50% of the bi-annual amount to justify.

ACCIONA's position remains steady in the most important innovation rankings. The "2015 EU Industrial R&D Investment Scoreboard" published by the European Commission's IRI (Economics of Industrial Research and Innovation) ranks ACCIONA *at the 5th place among Spanish firms and at no. 144 in Europe in terms of the effort made in R&D+I.*


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On the international context, Strategy &, strategic consultancy firm of PwC, in its worldwide innovation ranking, based on a methodology selecting the top 1000 companies with the highest R&D+I figures (only 8 Spanish companies appear on the list), ranks ACCIONA at number 468 on the world ranking; ACCIONA is the 5th Spanish company.

Compliance with the Strategic Innovation Plan defined in 2014 fulfilled a milestone in ACCIONA's R&D&I strategic management, the outcome of which is an increased capacity for innovation focused on its businesses and activities.

Acciona's Innovation Policy continues to obtain international recognition:

- ✓ OBRA CEMEX award to the Development of Industrial Works and Special Prize for Innovation in Construction Processes and techniques for the construction of the wind farms Ventika and Ventika II, located in the municipal district of General Bravo, Nuevo León.
- ✓ Infrastructure 360° Prize, awarded by the Inter-American development Bank to recognise sustainability in infrastructure projects implemented in Latin America and the Caribbean region. The Project awarded the prize was the Eurus wind farm, a facility with 250.5 megawatts (MW) located in the state of Oaxaca, Mexico.

In Spain, Acciona received the *Fundación Torres Quevedo* 14th Award (Cantabria University) to Entrepreneurial Collaboration, for the Group's trajectory of collaboration in Innovation and support of the Research Groups at Cantabria University.

ACCIONA collaborates with entrepreneurs, start-ups and suppliers, helping their innovations to reach the market thanks to the group's procurement policy. In 2015 this initiative carried out in the last few years was awarded the "*Premio Comprendedor*" by *Fundación Empresa y Sociedad*.

ACCIONA's commitment to innovation is reflected in its R&D&I management System, certified under UNE 166.002: 2014 standard, which was amended in 2014 and made Acciona respond and adapt in record time. In 2015 the Company underwent successfully the audit for maintenance of the certification issued by AENOR.

[Diagram: It shows the trend of the figure for innovation from 2006 to 2015.]

Short-term Forecast

The world economic activity continued to slow down in the course of 2015. According to the IMF, 2015 is expected to close at a year-on-year growth rate of 3.1%. The brake on growth emerges basically from the gradual slowdown and rebalancing of activity in China, which is getting further and further way from investment and industry to focus on consumption and services, the fall in energy prices and other raw materials, in particular oil, and the gradual hardening of the monetary policy in the United States, which contrasts with the policies of the other advanced economies, which opt for following much more flexible lines.

Oil prices played a significant role in 2015, with a huge impact on the global economy, due mainly to the dramatic falls in the last few months of the year. The main reason for the non-stop fall in oil prices is based on an excess in offer on the market after production was increased by OPEP, which means that the global production of oil is higher than consumption. First, the fall in oil prices has come along with significant financial tensions directly affecting internal demand in the exporting economies. On the other hand, the drop in prices has reduced extraction investments, which no doubt has had an

adverse effect on aggregate demand. Finally, consumption by oil importers has not improved in the way that it was expected to, possibly due to the deleveraging process in which those economies are involved.

Based on the current situation, the IMF has reduced its projections for global growth for 2016 and 2017 to rates of about 3.4% and 3.6%, respectively, which means a fall of 0.2% in the estimates. The review emerges from a weaker growth of the emerging economies and the strong trend downwards of oil prices. The stagnation of the growth levels of the American economy and the brake on world trade growth because of the Chinese situation are factors that also contribute to reduce expectations.

It is expected that the growth of the advanced economies will practically remain constant, going up only 0.2% in 2016 till it reaches 2.1%, according to IMF sources, and that it will remain constant in 2017.

In the United States growth continues to be robust, with rates above the average of the other developed countries, due to the strong employment and housing markets, as well as good financial conditions. However, the strength of the dollar is a risk to take into consideration, together with the fall in the oil price, which is holding back investment in natural resources and could give rise to financial tensions at odd times. The American economy is expected to grow 2.6% in 2016 and 2017, it being, among the developed economies, the one with the highest sustained growth rates. The US will continue to be the main driver of growth among the advanced economies, provided that the accommodating monetary policies of the country are upheld.

The euro zone will continue the path of economic recovery, albeit more slowly than initially anticipated. The boom of private consumption strengthened by the fall in the oil Price and the good conditions of financial markets is being opposed by weak exports. The growth rates projected for 2016 and 2017 are 1.7%, in an environment where Europe will have to face major challenges in the next few months. The challenges include the management of the migratory crisis of Syrian refugees and their inclusion in the European employment market, and the political uncertainty generated by the re-emergence of extremist and anti-system political forces in the peripheral countries.

Spain stands out among European countries as the country with higher prospects of growth in future. According to the IMF projections, the Spanish economy will grow 2.7% in 2016 and 2.3% in 2017, well above the average for Europe (1.7%) for both years. However, the political arena looks somewhat uncertain in 2016 and this might affect the economy, since both foreign and Spanish investments could be put on hold. Another important challenge will be the new government's capacity to maintain a stable fiscal balance that makes it possible to comply with the European Union's deficit requirements, and improved productivity.

As for Portugal, the country is expected to grow in 2016 at 1.5% rate, with the growth estimated for 2015 being less – according to the IMF it would stand at 1.6%. Even so, the country is expected to continue on the path of recovery in the next few years.

The IMF has also reviewed downwards the growth projected for France in 2016, which is not expected to exceed 1.3% in 2016. And Germany is expected to grow about 1.7% in 2016, according to IMF sources.

Average period of payment to suppliers and Corporate Social Responsibility

To the effects of the provisions in article 262.1 of Royal Legislative Decree 1/2010, of 2 July, whereby the rewritten text of the Capital Companies Act is approved, the information on the average period for payment to suppliers is contained in note 36 to the financial statements. In addition, and in conformity with recommendation 55 of the Code of Good Governance of Listed Companies, it is hereby indicated that the aspects related to Corporate Social Responsibility are discussed in the Sustainability Report.



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: Ms. M. Teresa de la Cuesta Bernaldez, Sworn English Interpreter, certifies that the foregoing is a truthful and complete translation into English of a document written in Spanish. Madrid, 16 March 2016.

CERTIFICACION: Dña. M. Teresa de la Cuesta Bernaldez, intérprete jurado de inglés, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español. En Madrid, a 16 de marzo, 2016.

TRANSLATION

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 equity, financial situation and results of the issuer and the companies included in the scope of consolidation taken as a whole and the directors' report includes a faithful analysis of the business results and position of the issuer and the companies included in the scope of consolidation 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 Directors' Report corresponding to the 2015 financial year of Acciona, S.A. and its subsidiaries (Consolidated Group) submitted to the Board of Directors and duly prepared by the Board at meeting held on February 29th, 2016, printed on 204 sheets, all of them signed by the Secretary and with the corporate Seal affixed and numbered as follows:

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Contents	Pages 2 and 3
Consolidated Balance Sheet	Page 4
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Therefore, in witness of their agreement herewith, this note is signed by all of the members of the Board of Directors:

Mr. José Manuel Entrecañales Domecq
Chairman
[blank]

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

Mr. Javier Entrecañales Franco
Member
[blank]

Mr. Juan Carlos Garay Ibargaray
Member
[blank]

Mr. Daniel Entrecañales Domecq
Member
[blank]

Ms. María del Carmen Becerril Martínez
Member
[blank]

Mr. Jaime Castellanos Borrego
Member
[blank]

Ms. Belén Villalonga Morenés
Member
[blank]

TRANSLATION

Mr. Fernando Rodés Vilá
Member
[blank]

Ms. Ana Sainz de Vicuña Bemberg
Member
[blank]

Mr. Jerónimo Marcos Gerard Rivero
Member
[blank]

CERTIFICATION: Ms. M. Teresa de la Cuesta Bernaldez, Sworn English Interpreter, certifies that the foregoing is a truthful and complete translation into English of a document written in Spanish. Madrid, 16 March 2016.

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