

ACCIONA and its context

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Growing means
surpassing yourself.
ACCIONA believes in
economic growth, social
commitment and respect
for the environment,
because the Company
is concerned about the
world today, and the
people who will live here
in the future

ACCIONA is commitment

ACCIONA is one of the leading Spanish companies, a global leader in the development and management of renewable energies, infrastructures, water and services.

The Company is included in the select Ibex 35 stock market index, and is a benchmark reference in the market.

With a history stretching back over 100 years, ACCIONA currently has over 30,000 employees and is active in more than 30 countries on five continents. The Company's strong presence in domestic and international markets enables it to develop projects that generate value but are rooted in the future: international expansion, promotion of comprehensive solutions and an integrated service offering, all based on a sustainable approach.

ACCIONA is committed to economic growth, environmental balance and social progress as the cornerstones of its business model, as it seeks to expand its portfolio, improve operating efficiency and ensure that its business is robust and profitable in the long term.

Together with its commitment to profitability, ACCIONA is aiming to reduce gradually its climate footprint and lead the transition to a low-carbon economy. The Company is involved in environmentally and socially responsible projects: it is involved in 100% renewable energy projects and assets on five continents; it is developing its water business to counter the scarcity of this resource, serving millions of people; and it is constructing efficient infrastructure, always using the latest technology.

ACCIONA is convinced that innovation is the main driver of development, and this is one of the other keys to its growth. ACCIONA's business model is based on reinforcing the competitive advantages of its strategic divisions.

Vision, mission and values...



VISION

To meet the challenge of achieving sustainable development in all our business areas, so that the generations of today and the future will have a better life.



MISSION

ACCIONA's mission is to be a leader in the creation, development and management of infrastructure, energy, water and services; actively contributing to social wellbeing, sustainable development and the creation of value for our stakeholder groups.



VALUES

- Honesty
- Leadership
- Excellence
- Concern for the environment
- Social responsibility
- Long-term approach
- Financial strength
- Customer focus
- Innovation

... values that are a reality

HONESTY	The 2 nd best company for the transparency of its information, according to the <i>Reporta 2013</i> report on the Madrid Stock Exchange index produced by the DEVA consultancy.
LEADERSHIP	Flagship projects: Legacy Way (Australia), Copiapó desalination plant (Chile), Mundaring DWTP (Australia), Atotonilco water treatment plant (Mexico), Adelaide desalination plant (Australia) and Fouka desalination plant (Algeria); Historic Parks of Madrid (Spain), Frankfurt Airport (Germany); Oaxacas wind farm (Mexico); Amareleja photovoltaic plant (Portugal), and the Renewable Energy Control Center, Spain.
EXCELLENCE	ACCIONA is the only Spanish company on the annual list of the <i>Global 100 Most Sustainable Corporations in the World 2014</i> .
CONCERN FOR THE ENVIRONMENT	518.5 million euros of environmental expenditure and investment.
SOCIAL RESPONSIBILITY	Recognized yet again in the main sustainability indexes: Dow Jones Sustainability World Index, FTSE4Good, CDP Climate Performance Leaders and CDP Climate Disclosure Leaders, CDP Supplier Climate Performance Leadership Index, MSCI World ESG Index, MSCI Europe ESG and STOXX ESG Leaders indexes.
LONG-TERM APPROACH	The remaining average lifespan of ACCIONA's international renewable energy portfolio is over 20 years. Its concessions currently have an average duration of 31 years.
FINANCIAL STRENGTH	Stock market capitalization of 2,391 million euros (as of 31 December 2013).
CUSTOMER FOCUS	86.4% customer satisfaction index in 2013.
INNOVATION	R&D and innovation in 2013: 173.2 million euros, 14.1% of EBITDA.
CARING FOR PEOPLE	Accidents: zero fatal accidents among our employees in 2013.

...made real in our activities

Renewable energies

ACCIONA is a global renewable energies operator with a unique presence throughout the entire value chain. It is involved in wind, solar, hydro and biomass energy projects, focusing on wind technology. It is one of the largest developers and operators in the world, also designing wind turbines using its own technology. (<http://www.acciona-energia.com>)

Infrastructure

ACCIONA is involved in all aspects of construction and provides its customers with its experience in design, engineering and execution of all manner of projects and their management and subsequent maintenance. (<http://www.acciona-infrastructure.com>)

Water

ACCIONA is the leader in the water treatment sector with the ability to design, construct and operate drinking water treatment plants, residual water purification plants, tertiary treatment plants for re-use and reverse-osmosis desalination plants. ACCIONA also offers management of drinking water supply (capture, drinking water treatment, distribution and subscriber management) and sewage services. (<http://www.acciona-agua.com>)

Services

ACCIONA is a flagship service provider, offering comprehensive personalized services to public and private customers, designing, managing and operating a wide range of services. (<http://www.acciona-service.com>)

Logistics and transport

ACCIONA owns the largest Spanish passenger and freight shipping line, ACCIONA Trasmediterranea, and is the only logistics operator to provide an integrated loading, refrigeration and storage service, through ACCIONA Logistics. (<http://www.trasmediterranea.es/en>)

Real estate

ACCIONA Real Estate is at the forefront of residential housing construction, working in two main business areas: residential real estate and properties. (<http://www.acciona-inmobiliaria.com>)

Financial

ACCIONA provides financial services, such as asset management using mutual funds, pension funds and SICAVs via Bestinver. In addition, it also offers stock market brokerage services. (<http://www.bestinver.com/>)

Wine

ACCIONA is also involved in wine production, owning one of Spain's traditional wineries, Hijos de Antonio Barceló, which is active in five of the most prestigious wine-growing areas of Spain. (<http://www.habarcelo.com>)

2013 was a difficult year, with relentless efforts that, on occasions, did not produce the expected results. Nevertheless, ACCIONA remains convinced of the future of its sustainable vision because of its business model

2013 in figures



Financial capital

- 381 million euros of ordinary net investment.
- 6,607 million euros in sales.
- 198% financial leverage.
- 1,228 million euros in EBITDA.
- -2,174 million euros* in pre-tax profit.
- -1,972 million euros* in net profit.



Intellectual capital

- 23.6% of the workforce is highly qualified.
- A total of 111 patents awarded or applied for.
- Innovation figure 4.2% up on the previous year.



* Excluding regulatory impact, the Group's EBITDA would have grown by 4% with ordinary pre-tax profit up 17%.



Manufactured capital

- **Three technology centers** in Madrid, Pamplona and Barcelona for innovation in the infrastructure, renewable energy and water sectors.
- 314 MW of solar thermal technology with **six operating plants**.
- **49 MWp in photovoltaic plants**
- 912 MW installed capacity at **80 hydro plants**.
- 57 MW installed capacity at **three biomass plants**.
- ACCIONA Windpower has **three nacelle assembly plants** in Spain and the USA, a **blade manufacturing plant** in Spain and a manufacturing plant for other components in Brazil.
- **90 earth-moving machines**.
- **14 tunnel boring machines** of various diameters working on international road, civil engineering and subway projects.
- More than **20 water treatment plants**.
- More than **220 water purifiers**.
- More than **25 desalination plants**.



Human capital

- **18.03%** of women in management posts.
- **100%** of the workforce in Spain covered by equality plans.
- **Average 13.16 hours** of training per employee.
- **Accident frequency index of 4.2**.
- **3.65%** employee rotation.
- **0 fatal accidents** involving employees.



Social and relational capital

- **982 suppliers** registered for ACCIONA's four training initiatives.
- Audits and verification of the CR and sustainability questionnaire for more than **300 suppliers** of all divisions.
- **99.57%** of orders include a Global Compact clause.
- **547 volunteers** in corporate volunteering initiatives.
- **1,700** home photovoltaic systems installed in Peru by the ACCIONA Microenergy Foundation.
- **180** small home photovoltaic systems supplied in Mexico by the ACCIONA Microenergy Foundation.
- **More than 16,000** direct client surveys.



Natural capital

- **21%** reduction in CO₂ emissions compared to 2012.
- **15%** reduction in energy consumption compared to 2012.
- Water footprint: Net positive contribution of **562 hm³**.
- **30%** of total water consumption is reused and recycled water.
- **87%** of activity certified under ISO 14001.

7,139

MW INSTALLED CAPACITY AT 232 WIND FARMS

34,108

AVERAGE WORKFORCE

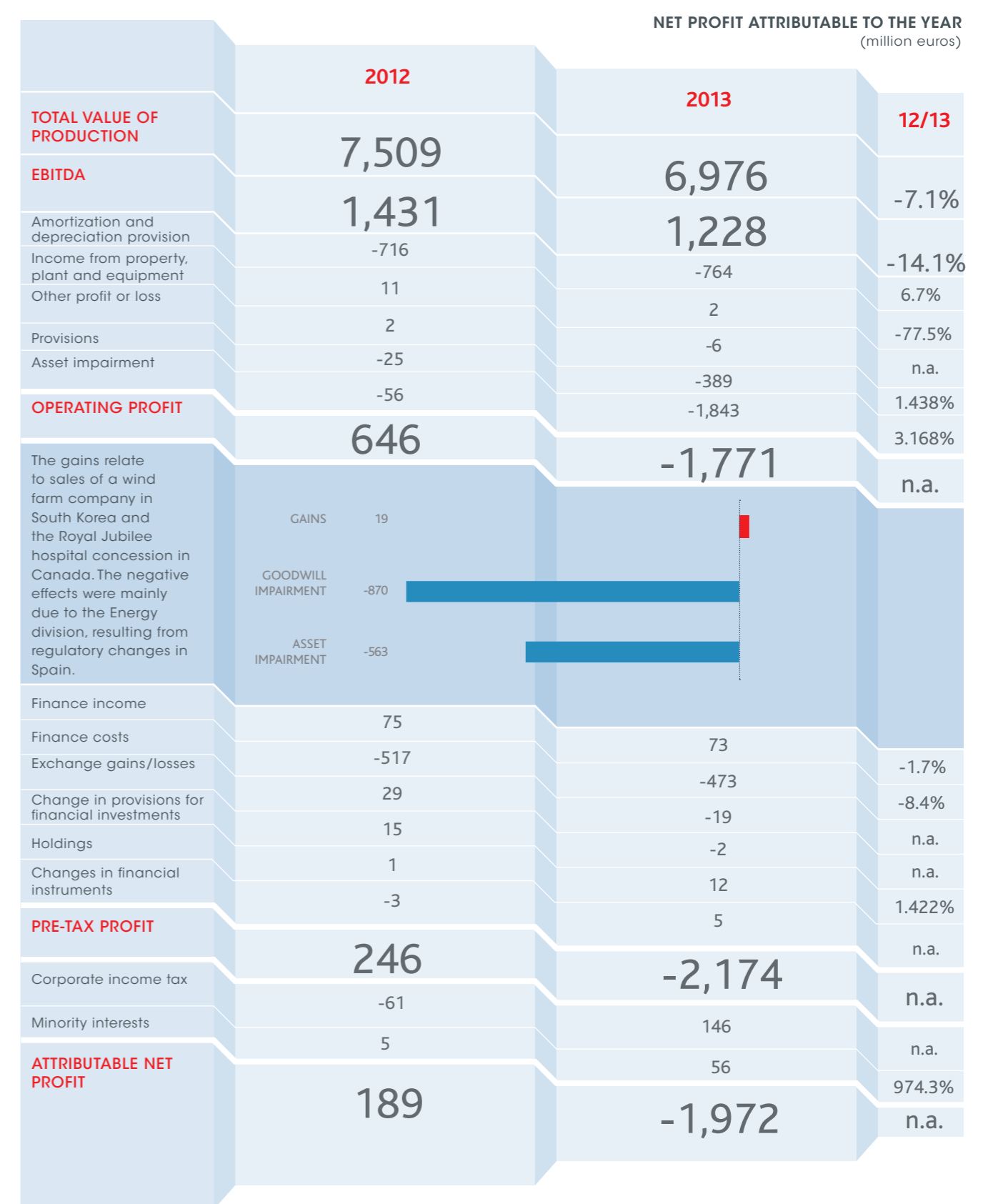
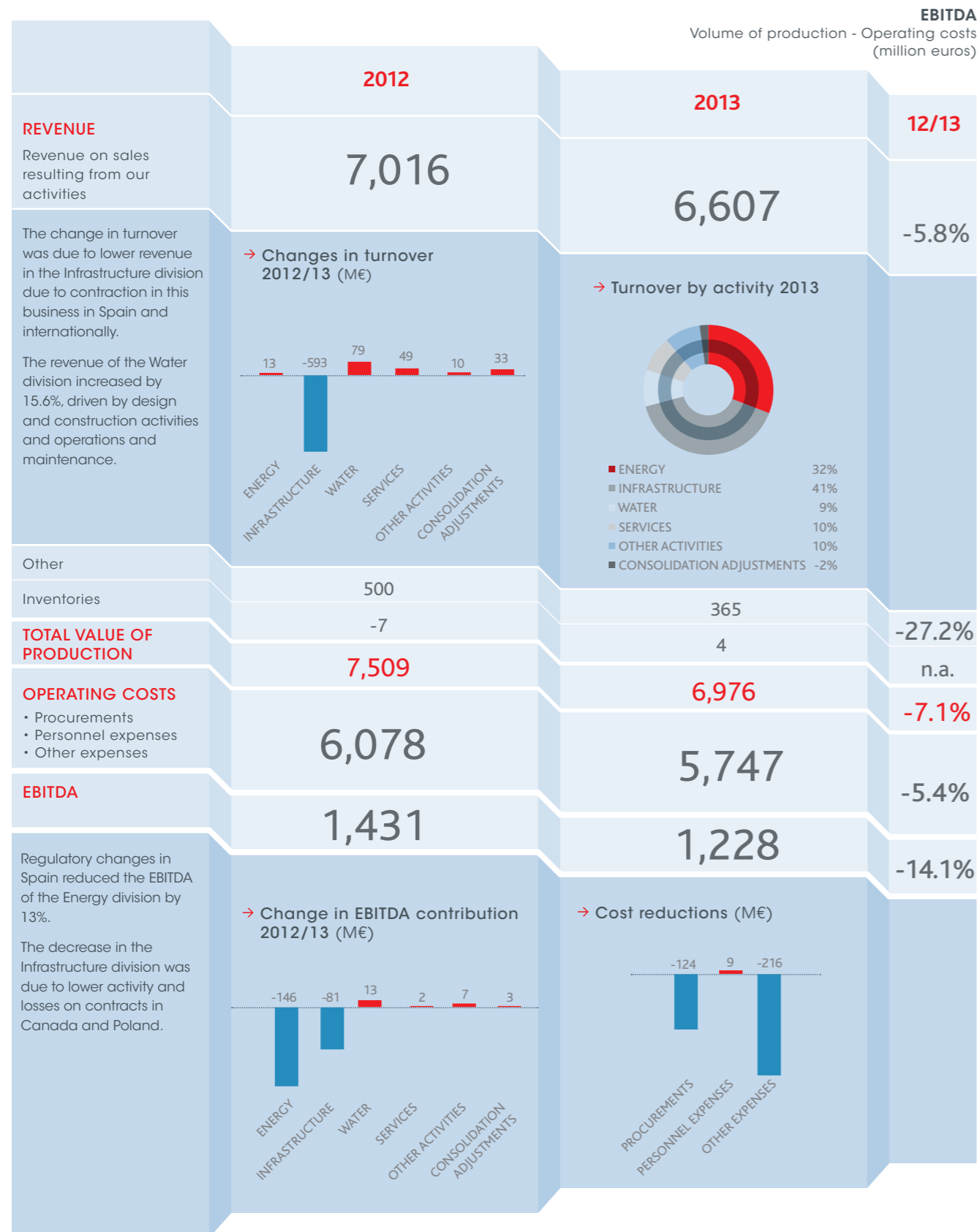
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MILLION EUROS IN SOCIAL CONTRIBUTIONS

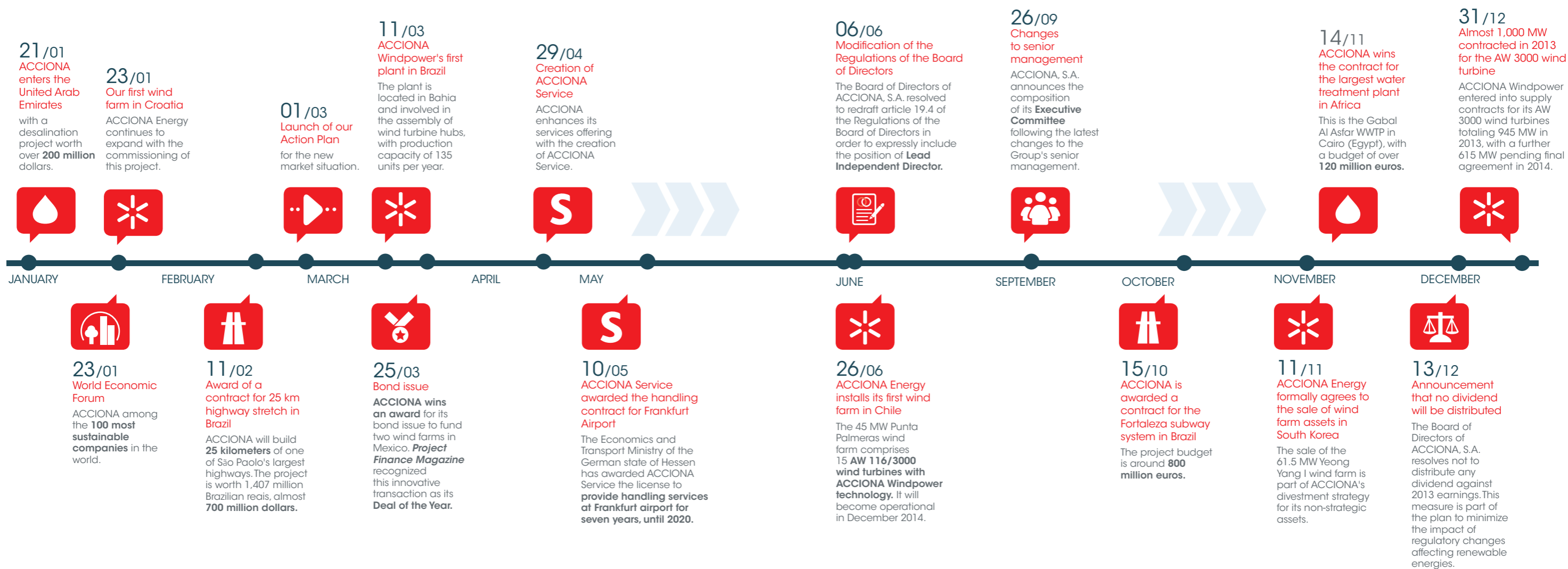
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MILLION TONNES OF CO₂ AVOIDED, 8% MORE THAN THE PREVIOUS YEAR

2013 results in detail



2013 milestones ACCIONA's year in summary



Internationally recognized

CORPORATE RECOGNITION

- ACCIONA in the **100 Most Sustainable Corporations in the World 2013**.
- ACCIONA in the **FTSE4Good sustainability index**.
- ACCIONA included in the **STOXX Global ESG Leaders index**.
- ACCIONA in the **Dow Jones Sustainability Index (DJSI World)** for the **Electric Utilities sector**.
- ACCIONA in the global **top 25** of the **SMI-Wizness Social Media Sustainability Index**.
- ACCIONA recognized by the CDP for its performance in the **Iberia 125 Climate Performance Leadership index**.
- ACCIONA in second place in the global **ranking of most sustainable utilities**, produced by the publishing group **Corporate Knights**.
- ACCIONA has the best reputation of any infrastructure company in Spain, according to the **Merco ranking**.
- ACCIONA is the second best Spanish company in terms of quality of accountability information, according to the **Reporta 2013 report**.
- ACCIONA had the largest increase in R&D and innovation of any Spanish company, and is the 3rd largest Spanish investor in R&D, according to **The Global Innovation 1000** index prepared by the **Booz&Company consultancy**.
- ACCIONA receives an award for its commitment to sustainability from the magazine **Capital**.
- ACCIONA receives **ESR® 2013** recognition in Mexico for the third consecutive year for its voluntary public commitment to socially responsible management.

RECOGNITION FOR OUR BUSINESS LINES

- ACCIONA Energy receives the **Deal of the Year** award from **Project Finance Magazine** for its bond issue to fund two wind farms in Mexico.
- ACCIONA Agua was ranked as the **best water company of the year worldwide**, according to **Global Water Intelligence**.
- Two events designed by ACCIONA Producciones y Diseño receive **Eventoplus awards**.
- **World Finance magazine 2013 award of the year for the Atotonilco waste water treatment plant**.
- ACCIONA receives the **Safety and the Environment award from Arval Maroc** for the Ouarzazate project in Morocco.
- ACCIONA receives an award from the **Vancouver Regional Construction Association (VRCA)** for the Fort St. John Hospital.
- **Tunneling Project of the Year, International Tunneling Awards 2013**.
- ACCIONA Producciones y Diseño receives the **Golden Elephant award** for the best sustainable event in the **European Best Event Awards**, for design and management of the Day of Music Festival.
- Various awards for the Adelaide desalination plant: **the Water Industry Alliance Smart Water Awards, the Australian Project of the Year, Awards for Excellence – Technological Innovation, the IMPA Project Excellence Award and the 2013 GPM Global Sustainability Project of the Year award**.
- ACCIONA Infrastructure receives the **Infrastructure and distinction award from Association Québécoise du Transport (AQTR)** in collaboration with the **Société de l'Assurance Automobile du Québec (SAAQ)**.

A strategy for the future

The company always has its eye on tomorrow, which conditions everything that it does today

Anticipating the future

A robust business responsive to long-term trends.

ACCIONA has been anticipating global trends for years, developing solutions to help society transition to sustainable development. Based on its extensive experience and global presence, the Company has created a business model that has enabled it to position itself as a pioneer in the sectors in which it operates.

Its long-term vision has put ACCIONA in a position to respond to the challenges that arise, with robust assets, innovation, talent and the most suitable solutions for key areas such as energy, infrastructure, water and services.

Changing the economic balance towards emerging economies: the infrastructure gap



The world's population is set to continue growing until the mid-21st century, particularly in developing countries. Global economic growth will lead to an increase in the purchasing power and standard of living of the populations of emerging economies. And as economic growth continues, urbanization will also continue apace.

Today, 1,600 million people have no electricity; 884 million do not have safe drinking water; and 2,500 million lack adequate sanitation. Infrastructure construction and supply currently accounts for 3.8% of global GDP, worth 2.7 trillion dollars. And infrastructure demand has been calculated at 3.7 trillion dollars per year, 5.2% of global GDP, according to *Strategic Infrastructure. Steps to Prepare and Accelerate Public-Private Partnerships, World Economic Forum, 2013*.

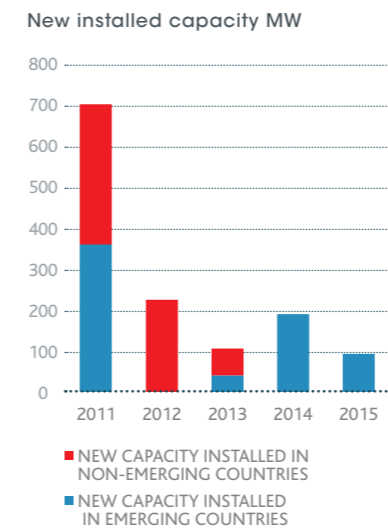
The OECD has stated that over 50 trillion dollars of infrastructure investment is required to 2030, including investment in water, telecommunications, roads and electricity.



Infrastructure demand accounts for 5.2% of global GDP

ACCIONA's response today

→ ACCIONA Energy



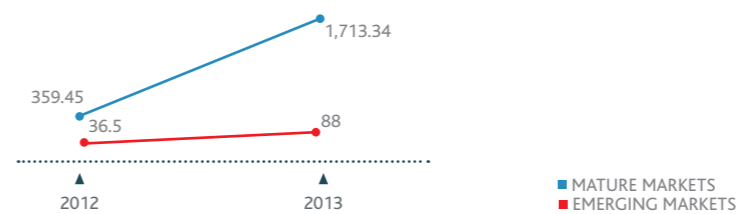
52% of the new installed capacity of ACCIONA Energy from 2011 to 2015 will be in emerging countries. Furthermore, based on projected growth in demand in these countries, 100% of the Company's projects under development that will come on stream in 2014-2015 are in emerging countries, where we are opening up new markets.

We are building 232 MW in South Africa, with 94 MWp at the Sishen photovoltaic plant and 138 MW at the Gouda wind farm. In Chile, work has started on construction of the 45 MW Palmeras wind farm, which will become operational in late 2014; in Costa Rica the 49.5 MW Chiripa wind farm will also come on stream in 2014.

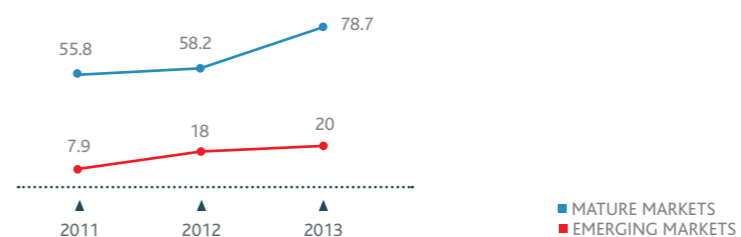
ACCIONA Windpower is also increasing its activity in Brazil, Mexico, South Africa, Turkey and Chile, with 543 MW contracted in 2013 and 615 MW pending formal agreement in 2014.

→ ACCIONA Infrastructure, Agua and Services

Construction of roads and rail lines, etc. in mature vs. emerging markets (km)



Drinking water production (desalinated) (hm³)





The scientific consensus is that climate change is one of the major challenges facing humanity. Mitigating this threat requires, among other things, a new energy model that is less reliant on fossil fuels, and the development of technologies that can reduce CO₂ emissions.

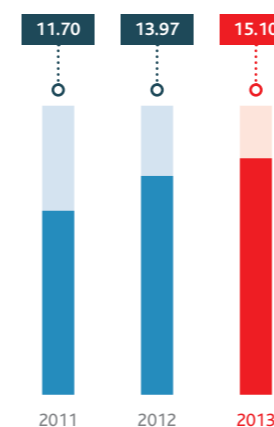
According to the United Nations Environment Program (UNEP), a green economy offers the best chance of improving human welfare and social equality, while significantly reducing environmental risks and ecological scarcity. UNEP estimates that the sustainable transformation of the global economy will require 2% of global GDP over the next 40 years. In the medium to longer term, the green economy could overtake the traditional economy in terms of jobs and growth, producing significantly more environmental and social benefits, and reducing the risks of global climate change through trade in environmental goods and services.



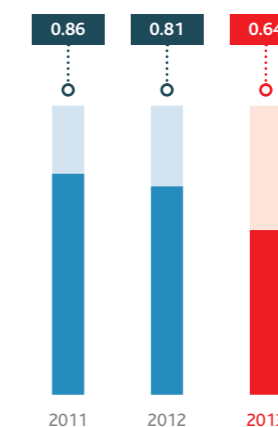
The green economy generates economic and social wellbeing, and reduces environmental risks

ACCIONA's response today

→ Emissions avoided (million tonnes of CO₂)



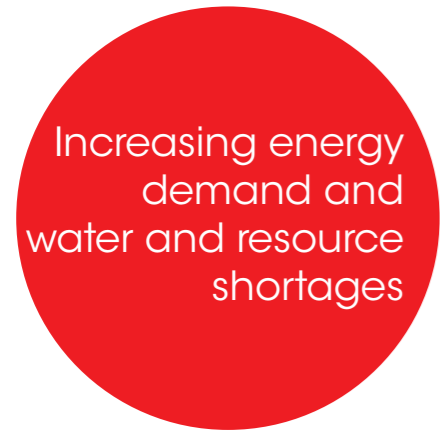
→ Emissions generated - scope 1 and 2 (million tonnes of CO₂)



The fight against climate change is a strategic priority for ACCIONA; its business model is based on developing activities that are less carbon intensive, and promoting energy efficiency. In developing its improvement systems and plans in relation to cutting greenhouse gas emissions and optimizing energy efficiency, the Company carries out detailed monitoring of the various sources of emissions in its business activities.

In 2013, ACCIONA avoided the atmospheric emission of 15.1 million tonnes of CO₂, mainly as a result of its renewable energy activities. The Company's other businesses in turn indirectly contribute to avoiding emissions. This is the case for wind turbines manufactured for third parties, biofuels, eco-efficient buildings and employees commutes to work.

In 2013, ACCIONA avoided 24 times the CO₂ that it generates in its production activities.



Projections for the coming decades point to rising pressure on water resources in a large part of the world, with the attendant impact on economic and industrial activities. This offers opportunities to companies that market innovative approaches for managing the water cycle and are committed to innovation in water efficiency.

Meanwhile, increased production and consumption will also increase pressure on the planet's resources. Efficient solutions, recycling and reuse will be key factors in the sustainability of many industries.

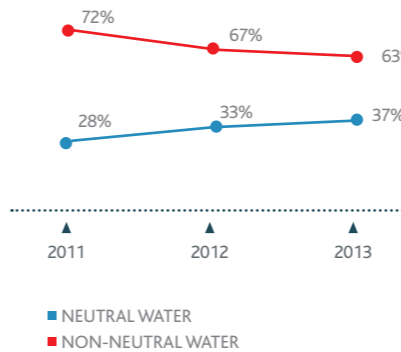
Finally, forecasts of economic and population growth also point to increased energy demand globally, which must be met by considering: economic growth and development, environmental sustainability and security of supply.



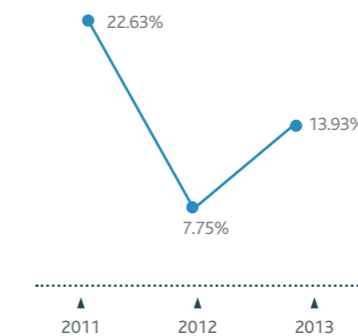
→ ACCIONA Infrastructure, Agua and Services

Infrastructure

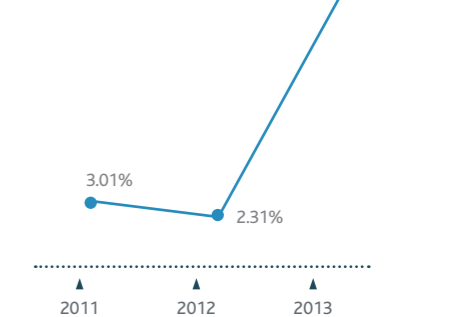
Water footprint



% of consumption of FSC wood compared to total wood



Consumption of recycled aggregates compared to consumption of natural aggregates



In assessing the water footprint of ACCIONA Infrastructure, it is important to focus on the increased use of neutral water (water from tertiary treatment plants, recycled and reused water, and collected rainwater) rather than non-neutral water (municipal, underground and surface water).

There has been a positive trend in consumption of wood with *Forest Stewardship Council* certification (wood from sustainably managed sources) as a proportion of total wood consumption. ACCIONA Infrastructure proposes the use

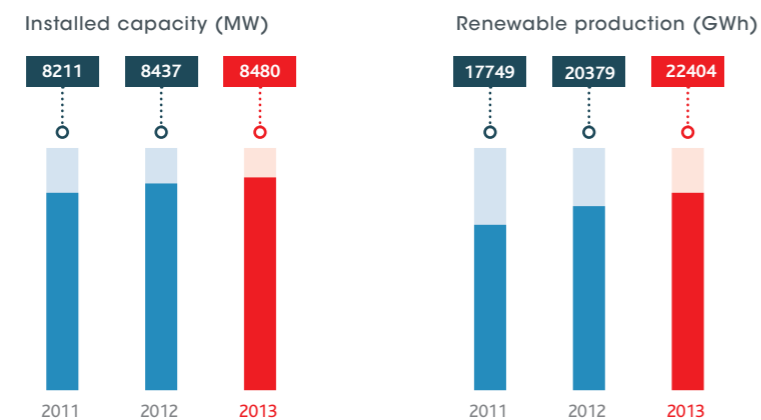
of such wood in its tender bids, with the contractor being responsible for the ultimate choice of this type of material.

The increased use of recycled aggregates rather than natural aggregates in ACCIONA Infrastructure projects in 2013 is also worth noting.

ACCIONA's response today

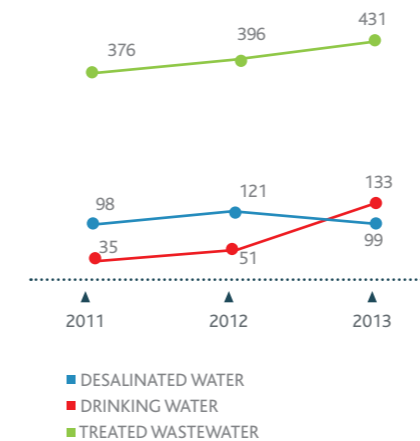
→ ACCIONA Energy

Installed renewable energy capacity and total production (GWh)



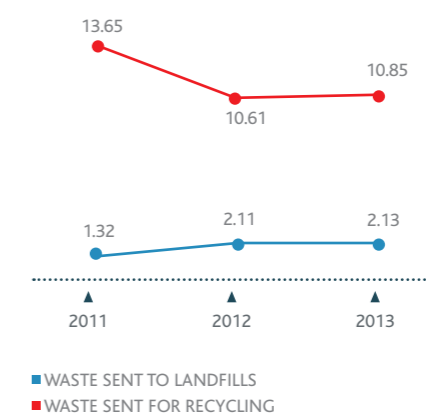
Water

Volume of water managed (hm³)



Services

Waste managed (tonnes)



New forms of funding



Whilst global infrastructure requirements are enormous, government budgets are becoming ever tighter as a result of the 2008 world financial crisis.

Public sector infrastructure development has also often been slow and inefficient. As a result, Public-Private Partnerships (PPPs) have become an important form of infrastructure development, as they can speed up the process using private sector funding and skills in delivering infrastructure efficiently.



ACCIONA's response today

Diversification of its sources of funding is one of the keys to the ACCIONA Group's financial policy. This diversification strategy includes:

- (i) prioritizing local sources of bank and non-bank funding in countries where ACCIONA undertakes investment projects. This has resulted in ACCIONA's main sources of funding in many of its strategic markets, such as Canada, Australia, Poland, Chile, Peru, Brazil and South Africa, being mostly or completely local;
- (ii) prioritizing funding from capital markets, whenever this is competitive. Projects have been funded through bond issues in Canada and Mexico over

- (iii) actively seeking the involvement of bilateral and multilateral entities in funding our projects. Over recent years, we have financed projects in coordination with multilateral entities such as the IFC (World Bank), the IDB; the EIB, CAF and the EBRD; local development banks, such as Banobras, NAFIN, Bancomext and BNDES; and bilateral entities such as the ICO, DEG, Proparco and KfW.

Innovation in a globalized world



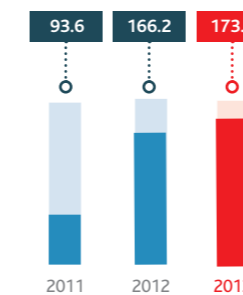
Connectivity is continuing to increase, creating an ever more globalized world, making it more difficult to keep ahead. Today, it is easy to keep up to date with the latest technological advances, making it difficult to maintain leadership for any length of time.

Companies in all sectors have to continuously increase their investment in innovation and knowledge management to ensure they stand out in this ever more interconnected and informed world.

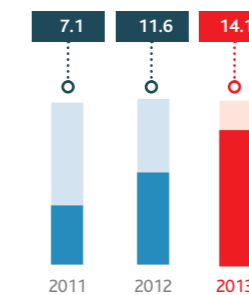


ACCIONA's response today

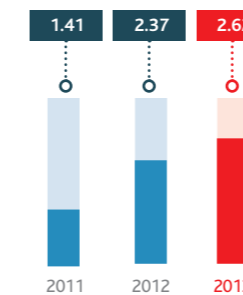
Total innovation (M€)



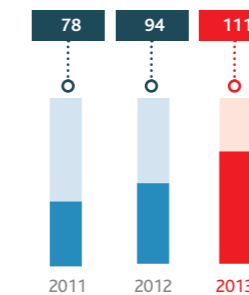
Total R&D/EBITDA (%)



Total R&D/Sales (%)



Total number of patents granted or applied for



We recognize that we are facing major challenges, but we are ready to tackle them

Management in turbulent conditions

Our main risks

Regulatory risk

The businesses in which ACCIONA is involved are all strategic for human development and progress, meaning they are always subject to regulation. Moreover, geographic diversification means we need to be prepared for differing regulations in the markets in which we operate. This is particularly critical in the case of energy, as investing in renewable sources requires a stable framework. Recent and planned regulatory changes in Spain put a brake on renewable energy strategies, increasing investor uncertainty.

Financing risk

The availability of funding may be a limiting factor on achieving growth objectives in the sectors in which ACCIONA is involved.

At a time of contracting public-sector budgets and funding through the banking system, the search for appropriate financing mechanisms, combining public and private capital, is particularly important.

Competition risk and stagnation of traditional markets

The maturity of our traditional markets could lead to shrinking opportunities in ACCIONA's strategic businesses. The economic slowdowns in these economies could lead to stagnation. This could also be the case because demand for energy, infrastructure and water is already covered in developed countries, and populations are not increasing at a rate requiring increased supply. This obliges us to seek new value-added solutions.

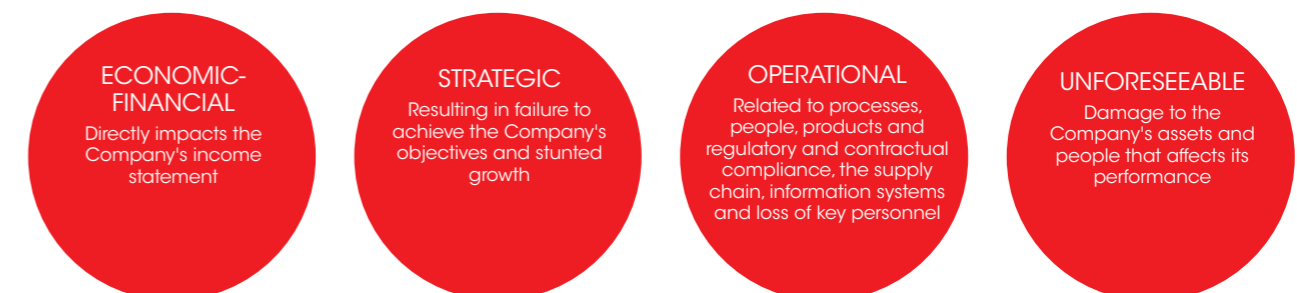
RISK MANAGEMENT IN ACCIONA

ACCIONA has put in place a comprehensive Risk Management System. Each business line identifies, assesses and mitigates the risks it faces, and these are then coordinated by a single team that sets out the acceptable level of risk tolerance, in accordance with our corporate culture, strategy and structure. All activities are coordinated so as to remain in-line with the Group's comprehensive risk policy, facilitating on-going monitoring of our risk exposure.

ACCIONA is active in various businesses and markets, all of which have their own social, political and regulatory realities, resulting in the risks we face being very diverse. For this reason, in 2013 we developed an individualized risk mitigation system for the most significant risks in each area. We have prepared independent risk maps for our main divisions and a consolidated map for the ACCIONA Group, analyzing and assessing risks at the country level for areas representing a significant level of turnover.

The Finance and Risks area is responsible for identifying, assessing and dealing with the risks faced by the divisions. The Internal Audit Department is responsible for planning and carrying out audit activity for the risks identified, and assesses the effectiveness of internal control systems. The Audit Committee supports the Board of Directors in all matters relating to risk management, regularly reviewing the systems in place and monitoring their effectiveness. The Board of Directors is ultimately responsible for approving the risk management and control policy.

Risk categorization



The Company is seeking to grow and take on ever greater challenges

A strategy adapted to new challenges

Recent significant changes in the global situation pose new challenges for ACCIONA.

The foresight, responsibility and leadership that the Company has built up over more than a century of activity mean that it is ready and has the capabilities needed to adapt and continue generating value over the long term.

As can be seen from global trends, emerging markets have significant needs for the infrastructure and services that ACCIONA offers. Over the last year, the liquidity and investment capacity of investment, infrastructure and pension funds has increased compared to previous years. Lower interest rates and risk premiums for Spain have also contributed to a positive change in investor interest in the country.

As with opportunities, major challenges — regulatory changes and the need for a new funding model— require a decisive response and a robust strategy. ACCIONA has put

in place a strategic plan that will keep the Company one step ahead of the future.

MITIGATING THE IMPACT OF THE REGULATORY REFORM IN SPAIN

ACCIONA has reflected deeply on the scenarios likely to arise as a result of regulatory changes in the energy sector, applying a criteria of business responsibility.

This has resulted in the Company implementing various measures to deal with the new market situation and to offset the loss of profit resulting from the energy reform in Spain, seeking to reestablish its profitability and credit profile. The implementation of the Plan began in 2013 and continues in 2014, with measures including:

- **Reduction of short-term investment.** The Company will only undertake the

ordinary net investment it is already committed to. Investment in 2013 was down by 55% compared to 2012, at 381 million euros.

- **Cancellation of the 2013 dividend.**

This decision is unprecedented in the Company's recent history and reflects its financial prudence.

- **Other efficiency measures.**

ACCIONA has implemented significant measures to cut costs in its Energy, Infrastructure and Trasmediterranea activities.

REDUCING DEBT AND SEEKING NEW SOURCES OF FUNDING

ACCIONA is undertaking a deleveraging and asset-rotation exercise, aiming to achieve between 500 and 1,000 million euros in 2013 and 2014. The Company sold assets worth 370 million euros in 2013, including:

- **Germany:** renewable assets worth 157 million euros (150 MW).

- **South Korea:** renewable assets worth 114 million euros (62 MW).

- **Canada:** sale of the Royal Jubilee Hospital concession (although ACCIONA Service will be responsible for its services).

- **Spain:** sale of real-estate leasing assets.

The Company reduced its total net debt by 10% in 2013 through divestments, from 7,482 million euros to 6,715 million euros.

In addition, in 2014 ACCIONA issued bonds convertible into shares with a value of 342 million euros.

This issue is part of the search for new sources of capital. ACCIONA is seeking to incorporate new financial partners into its key businesses to accelerate its growth. ACCIONA has remained faithful to its conservative profile, always seeking to maintain value through the measures that it takes, making its assets attractive to investors in today's global situation.

TRANSFORMING THE GROWTH MODEL

ACCIONA's growth model was traditionally based on its own balance sheet. The Company's new strategy involves modifying this model to facilitate the entry of new partners and increase penetration of capital markets, thereby reducing excessive dependence on the banking system, which, as a result of the global financial crisis, has changed its own financing strategy narrowing the margins for company debt.

ACCIONA is continuing to respond to the challenges it faces by constantly seeking opportunities in major emerging markets, without overlooking the possibilities in mature markets, based on efficiency, sustainability and innovation. As a result, it continuously assesses which markets offer the best growth and profitability opportunities for the future: the Company's comprehensive, integrated business model gives it significant capacity to adapt.

WITH A NEW STRUCTURE FOR GROWTH...



ACCIONA is working on an integration process enabling synergies between businesses

As part of its transformation, ACCIONA is carrying out an integration process to enable greater synergies among its businesses, increasing efficiency, benefiting growth and facilitating cost savings and better risk control. The Infrastructure, Water and Service divisions have therefore been combined into a single business line under common management.

The public sector is the main stakeholder in the infrastructure, water and services businesses, as most such projects are awarded as concessions or depend on public funding. This means that they also share the main risks, in terms of project funding and development, delays in project implementation, poor asset assignment and inaccurate cost estimates.

Therefore, this integration enables us to unify the tender process through a common framework or procedure, ensuring greater internal consistency, facilitating more efficient cost control and enabling integrated management of associated risks.

This also enables us to exploit ACCIONA's advantages in key areas, such as specialization, technology and international development, taking on a global leadership that exploits our credentials in these three areas while extending the scope of our offering and facilitating our management of the Company's best talent.

The new structure is expected to result in significant benefits in terms of revenue, cost efficiency and improved margins, through our differentiation in the market based on the following characteristics of our new business model:

- A shared and integrated international structure supporting business development.
- Global scope and consistent offer of products and services.
- New opportunities resulting from the synergies created.
- A more efficient international organizational structure.
- Focusing on establishing clear responsibilities and strict risk control.

This unification process will be challenging and will require significant reflection in each unit to guide the steps required. But the result will help us send a clear and confident message about our business development strategy, which will then be based on two robust pillars: ACCIONA Energy and ACCIONA Infrastructure, Agua and Services.

CLEAR COMMITMENT TO SUSTAINABILITY

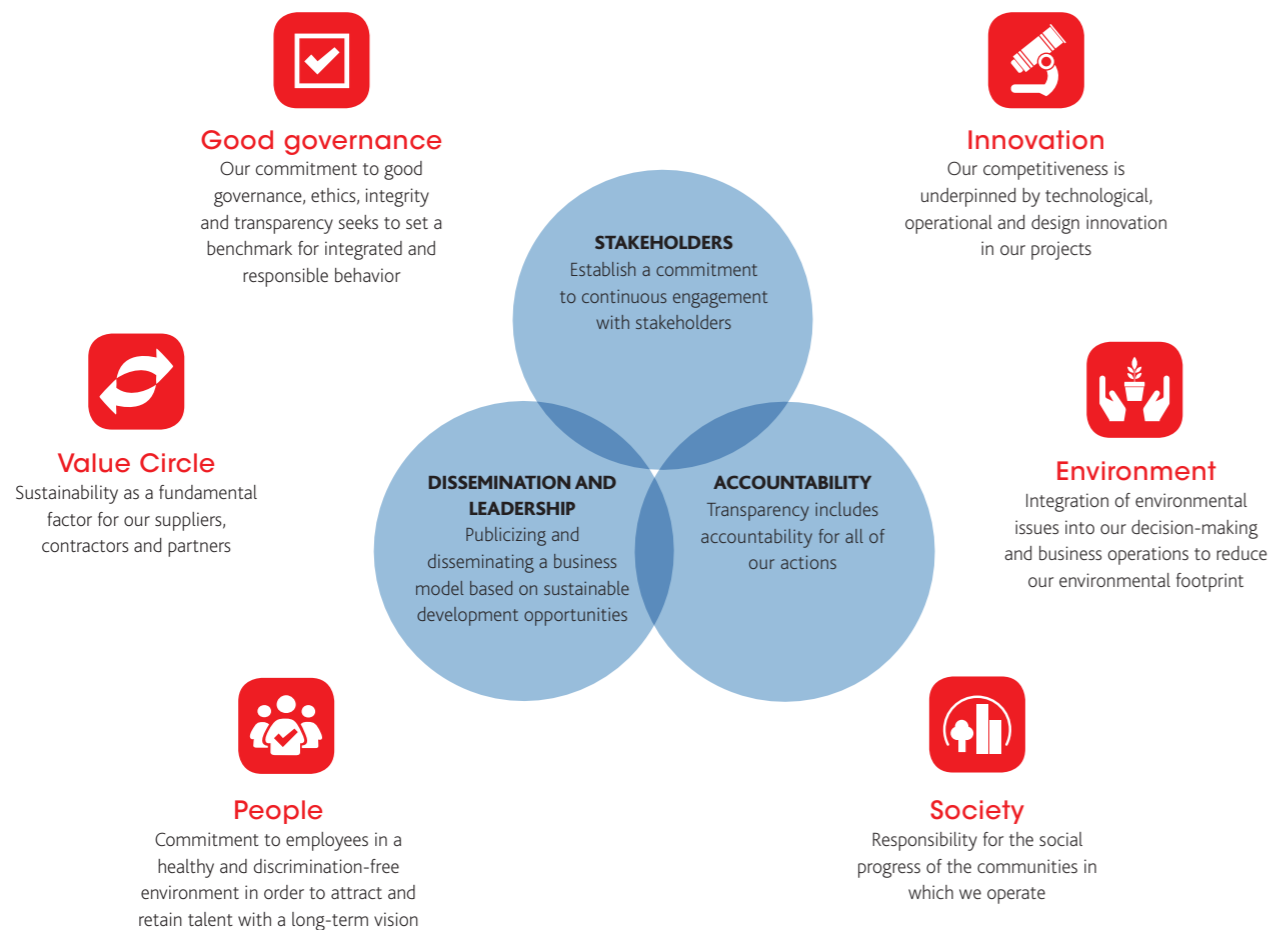
The Company is developing its sustainability strategy through its 2015 Sustainability Master Plan (SMP 2015), which combines all initiatives related to sustainability, setting objectives for innovation, the environment, society, people, our value circle, good governance, stakeholder engagement, dissemination and leadership, and accountability.

ACCIONA places great importance on incorporating sustainability into its business strategies, as sustainable development is a significant source of opportunities in the sectors where the Company is active.

The 2015 Sustainability Master Plan sets out specific objectives for various areas.

The Board of Directors' Sustainability Committee has the main responsibility of

approving, supervising and achieving the objectives set out in the SMP 2015. Through its divisional sustainability committees, ACCIONA builds this intangible element into its businesses, driving and monitoring specific initiatives within the SMP 2015 framework.



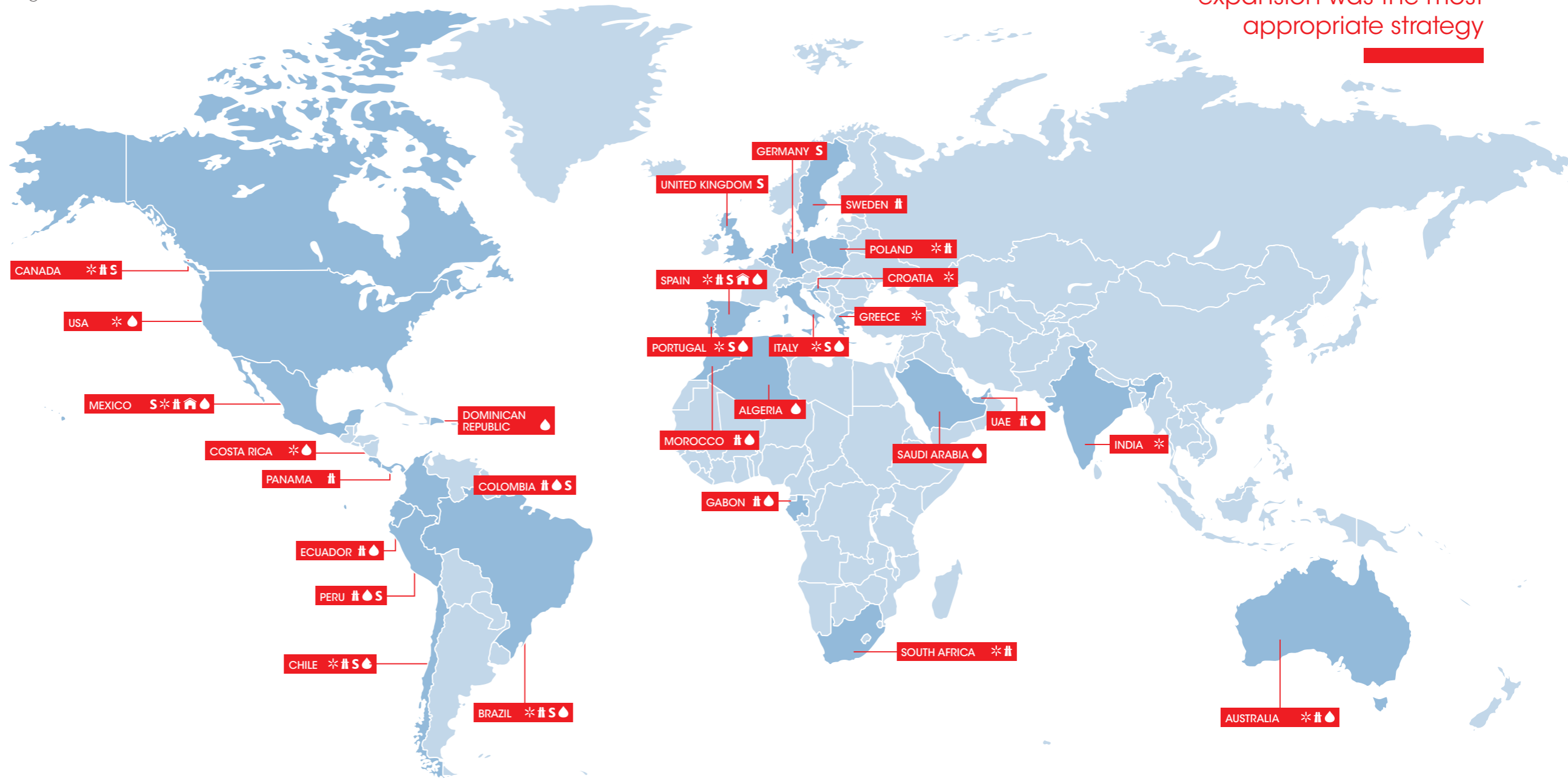
ACCIONA'S 2013 SUSTAINABILITY MILESTONES

- The Board of Directors' Sustainability Committee has approved the Policy Book, which updated the existing policies and added new policies reflecting our economic, social and environmental principles.
- ACCIONA avoids 24 times the CO₂ generated in its production activities.
- With regard to employees, ACCIONA has extended its variable remuneration program, linking pay to achieving sustainability objectives.
- Through ACCIONA Infrastructure, ACCIONA is the first company in the world to achieve EPD (*Environmental Product Declaration*) certification for a civil engineering project. This project involved a railway viaduct on the Madrid-Galicia AVE route in Spain.
- The Company has reinforced its commitment to assessing and managing the social impact of its projects, initiating implementation of the methodology in various projects of its main divisions in Brazil, Chile, Costa Rica, Morocco, Mexico and South Africa.
- ACCIONA has conducted consultations on relevant sustainability topics with the Company's internal stakeholders (through the Sustainability Committees of its businesses) and external ones (representatives of international organizations, analysts and investors, the academic world, NGOs, etc.).
- ACCIONA has further developed its ACCIONA Microenergy Foundation project to facilitate basic access to sustainable electricity in isolated rural areas of Peru and Mexico.
- ACCIONA is actively involved in various Spanish and international forums promoting sustainable development, including the Global Compact, WBCSD and EUCLG.
- In terms of its supply chain, the Company is continuing its commitment to training its suppliers and contractors, encouraging responsible procurement by identifying and including new sustainable products and services in its catalogue.
- For the second year in a row, ACCIONA submitted its Sustainability Report for review and approval to the General Shareholders' Meeting, receiving a favorable vote from 99.97% of the capital represented at the 2013 Meeting.

ACCIONA in the world, a global presence

ACCIONA adapts its offering to growth rates in the markets where it is active, seeking the best returns.

ACCIONA's activity abroad accounted for 41% of total turnover in 2013. The adverse conditions in Spain demonstrate that international expansion was the most appropriate strategy



- Energy
- Water
- Infrastructure
- Real estate
- Service

Including countries with turnover in excess of three million euros.