

APPENDIX I. FINANCIAL SUMMARY

ACCIONA, S.A. and subsidiaries

CONSOLIDATED BALANCE SHEET FOR FINANCIAL YEARS 2016 AND 2015 (thousand euros)

ASSETS	31.12.2016	31.12.2015
Property, plant and equipment	7,965,873	7,664,187
Investment property	511,594	675,215
Goodwill	79,284	79,296
Other intangible assets	1,496,958	508,484
Non-current financial assets	179,080	160,045
Investments accounted for using the equity method	1,160,821	409,114
Biological assets	--	6,839
Deferred tax assets	997,393	926,764
Non-current receivables and other non-current assets	293,401	455,002
NON-CURRENT ASSETS	12,684,404	10,884,946
Biological assets	--	--
Inventories	782,725	740,102
Trade and other receivables	1,723,658	1,612,418
Other current financial assets	211,223	412,863
Current income tax assets	95,872	68,298
Other current assets	154,402	167,756
Cash and cash equivalents	1,428,319	1,460,173
Non-current assets held for sale and discontinued operations	327,161	431,061
CURRENT ASSETS	4,723,360	4,892,671
TOTAL ASSETS	17,407,764	15,777,617

ACCIONA, S.A. and subsidiaries

CONSOLIDATED BALANCE SHEET FOR FINANCIAL YEARS 2016 AND 2015 (thousand euros)

EQUITY AND LIABILITIES	31.12.2016	31.12.2015
Share capital	57,260	57,260
Retained earnings and issue premium	3,849,495	3,544,231
Treasury shares	(14,403)	(20,238)
Translation differences	(60,876)	(87,968)
Interim dividend	--	--
Equity attributable to equity holders of the Parent	3,831,476	3,493,285
Non-controlling interests	265,870	260,860
EQUITY	4,097,346	3,754,145
Debt instruments and other marketable securities	621,201	802,078
Bank borrowings	4,981,051	5,092,945
Deferred tax liabilities	804,282	739,686
Provisions	497,472	420,245
Other non-current liabilities	1,935,335	848,247
NON-CURRENT LIABILITIES	8,839,341	7,903,201
Debt instruments and other marketable securities	493,408	373,801
Bank borrowings	675,098	763,340
Trade and other payables	2,297,429	2,024,533
Provisions	164,967	157,154
Current income tax liabilities	57,927	25,784
Other current liabilities	596,098	355,593
Liabilities held for sale and discontinued operations	186,150	420,066
CURRENT LIABILITIES	4,471,077	4,120,271
TOTAL EQUITY AND LIABILITIES	17,407,764	15,777,617

ACCIONA, S.A. and subsidiaries

CONSOLIDATED INCOME STATEMENT FOR 2016 AND 2015

(thousand euros)

	2016	2015
Revenue	5,977,419	6,543,524
Other income	554,705	247,425
Changes in inventories of finished goods and work in progress	8,395	(2,775)
Procurements	(1,595,057)	(1,830,221)
Staff costs	(1,287,557)	(1,254,250)
Other operating expenses	(2,466,378)	(2,529,621)
Depreciation and amortisation charge and change in provisions	(778,381)	(563,118)
Impairment and profit/(loss) on disposals of non-current assets	532,194	(11,436)
Other gains or losses	42,837	27,391
PROFIT/(LOSS) FROM OPERATIONS	988,177	626,919
Financial income	61,921	34,844
Finance costs	(732,653)	(424,425)
Translation differences	27,689	22,771
Profit/(loss) from changes in value of financial instruments at fair value	(7,069)	(1,580)
Profit/(loss) of companies accounted for using the equity method	69,570	60,054
PROFIT/(LOSS) BEFORE TAX	407,635	318,583
Income tax expense	(33,780)	(82,824)
YEAR'S PROFIT/(LOSS) FROM CONTINUING OPERATIONS	373,855	235,759
Profit/(Loss) after tax from discontinued operations	--	--
YEAR'S PROFIT/(LOSS)	373,855	235,759
Non-controlling interests	(21,874)	(28,435)
PROFIT/(LOSS) ATTRIBUTABLE TO THE PARENT	351,981	207,324
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)	6.17	3.65
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)	6.22	3.63
BASIC EARNINGS PER SHARE (euros)	6.17	3.65
DILUTED EARNINGS PER SHARE (euros)	6.22	3.63

ACCIONA, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2016 AND 2015

(thousand euros)

	2016	2015
A) CONSOLIDATED PROFIT FOR THE YEAR	373,855	235,759
1. Profit attributable to the Parent	351,981	207,324
2. Non-controlling interests	21,874	28,435
B) ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT	(1,146)	433
1. Revaluation/(Reversion of revaluation) of property, plant and equipment and intangible assets	--	--
2. Actuarial gains and losses and other adjustments	(1,372)	462
3. Tax effect	226	(29)
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT	173,771	11,689
Income and expense recognised directly in equity:	(61,232)	(110,811)
1. Revaluation of financial instruments:	269	(40)
a) Available-for-sale financial assets	269	(40)
b) Other income / (expenses)	--	--
2. Cash flow hedges	(130,766)	(75,193)
3. Translation differences	48,854	(72,515)
4. Other income and expenses recognised directly in equity	--	--
5. Tax effect	20,411	36,937
Transfers to the income statement:	235,003	122,500
1. Revaluation of financial instruments:	--	--
a) Available-for-sale financial assets	--	--
b) Other income / (expenses)	--	--
2. Cash flow hedges	320,010	163,333
3. Translation differences	(6,672)	--
4. Other income and expenses recognised directly in equity	--	--
5. Tax effect	(78,335)	(40,833)
TOTAL RECOGNISED INCOME / (EXPENSE) (A+B+C)	546,480	247,881
a) Attributed to the Parent	529,624	207,532
b) Attributed to non-controlling interests	16,856	40,349

ACCIONA, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2016

(thousand euros)

Equity attributable to the Parent (thousand euros)								
Shareholders' equity								
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent	Other equity instruments	Adjustments for change in value	Non-controlling interests	Total equity
Opening balance at 01.01.2016	57,260	3,702,890	(20,238)	207,324	--	(453,951)	260,860	3,754,145
Adjustments due to changes in accounting policies	--	--	--	--	--	--	--	--
Adjustments due to errors	--	--	--	--	--	--	--	--
Adjusted opening balance	57,260	3,702,890	(20,238)	207,324	--	(453,951)	260,860	3,754,145
Total recognised income/(expense)	--	--	--	351,981	--	177,643	16,856	546,480
Transactions with shareholders or owners	--	(197,355)	16	--	--	--	(12,259)	(209,598)
Capital increases/(reductions)	--	--	--	--	--	--	(12)	(12)
Conversion of liabilities into equity	--	--	--	--	--	--	--	--
Dividends paid	--	(143,104)	--	--	--	--	(46,018)	(189,122)
Treasury share transactions (net)	--	(58,029)	16	--	--	--	--	(58,013)
Increases/(Decreases) due to business combinations	--	--	--	--	--	--	32,009	32,009
Other transactions with shareholders or owners	--	3,778	--	--	--	--	1,762	5,540
Other changes in equity	--	207,411	5,819	(207,324)	--	--	413	6,319
Share-based payments	--	368	5,819	--	--	--	--	6,187
Transfers between equity items	--	207,324	--	(207,324)	--	--	--	--
Other changes	--	(281)	--	--	--	--	413	132
Closing balance at 31/12/16	57,260	3,712,946	(14,403)	351,981	--	(276,308)	265,870	4,097,346

ACCIONA, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2015

(thousand euros)

Equity attributable to the Parent (thousand euros)								
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	Total equity
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

ACCIONA, S.A. and subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2016 AND 2015

(thousand euros)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES	823,002	682,953
Profit before tax from continuing operations	407,635	318,583
Adjustments for:	684,491	747,372
Depreciation and amortisation charge and provisions	892,998	586,920
Other adjustments to profit (net)	(208,507)	160,452
Changes in working capital	162,145	(35,845)
Other cash flows from operating activities:	(431,269)	(347,157)
Interest paid	(379,063)	(418,041)
Interest received	65,431	52,524
Dividend received	21,808	55,186
Income tax recovered/(paid)	(79,387)	(43,507)
Other amounts received/(paid) relating to operating activities	(60,058)	6,681
CASH FLOWS FROM INVESTING ACTIVITIES	(625,930)	(167,251)
Payments due to investments:	(823,776)	(234,658)
Group companies, associates and business units	(33,540)	(28,539)
Property, plant and equipment, intangible assets and investment property	(790,236)	(206,119)
Proceeds from disposal:	65,289	62,475
Group companies, associates and business units	1,222	3,370
Property, plant and equipment, intangible assets and investment property	64,067	59,105
Other cash flows from investing activities:	132,557	4,932
Other amounts received/(paid) relating to investing activities	132,557	4,932
CASH FLOW FROM FINANCING ACTIVITIES	(231,192)	(358,424)
Proceeds and (payments) relating to equity instruments:	(355)	10,516
Purchases	(355)	(42,747)
Disposals	--	53,263
Proceeds and (payments) relating to financial liability instruments:	(326,292)	(171,546)
Proceeds from issues	3,855,626	614,305
Repayment and redemptions	(4,181,918)	(785,851)
Dividends and returns on other equity instruments paid	(189,122)	(126,334)
Other cash flows from financing activities	284,576	(71,060)
Other amounts received/(paid) relating to financing activities	284,576	(71,060)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,267	(23,917)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(31,854)	133,361
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,460,173	1,326,812
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,428,319	1,460,173
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	1,116,858	1,028,293
Other financial assets	311,461	431,880
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	1,428,319	1,460,173

APPENDIX II. INFORMATION ON GREEN FUNDING PROJECTS

General information

In November 2016, ACCIONA arranged a *Schuldschein* loan amounting to 150 million euros to fund renewable energy facilities. The loan is structured in two tranches (3 and 5 years) and bears market interest.

ASSOCIATED PROJECTS AND INDICATORS:

This funding was used for the San Gabriel wind farm and the El Romero Solar photovoltaic plant, both in Chile, which represent a combined investment of 562 million US dollars.

Below is additional information about those projects and their associated social and environmental indicators.

- San Gabriel wind farm: The farm will be located in the Araucanía region, where construction is expected to commence in the second half of 2017. The Commercial Operation Date (COD) is scheduled for 2019. Accordingly, the installed capacity at 31 December 2016 was 0 MW.

San Gabriel wind farm (estimated figures on the COD)	
Positive environmental impact indicators (projected figures)	
Nominal installed capacity	183 MW
Average annual renewable production based on nominal capacity to be installed	660 GWh
Emissions avoided per year, considering Chile's mix of conventional energies in 2016 (IEA 2016)	454,320 tCO ₂

- El Romero Solar photovoltaic plant: Located in the Atacama desert, the plant comprises 776,000 photovoltaic modules. Following 13 months of construction, it was connected to the grid in November 2016.

El Romero Solar photovoltaic plant	
Positive environmental impact indicators	
Peak installed capacity (actual figures at 31.12.2016)	246 MWp
Nominal installed capacity (actual figures at 31.12.2016)	196 MW
Projected average annual renewable production based on nominal capacity on the COD	493 GWh
Projected emissions avoided per year, considering Chile's mix of conventional energies in 2016 (IEA 2016)	339,363 tCO ₂
Other environmental and social management and performance indicators in 2016	
Certifications	ISO 9001:2015 ISO 14001:2015 OHSAS 18001:2007
No. of workers (during construction in the Atacama region)	311
Total no. of people who received Occupational Health and Safety and/or Environmental training	1,876