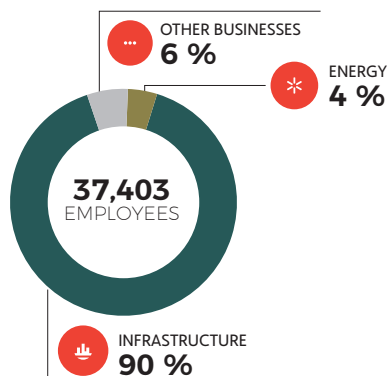
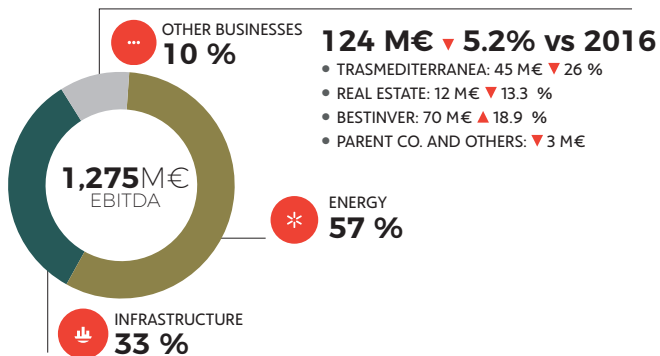
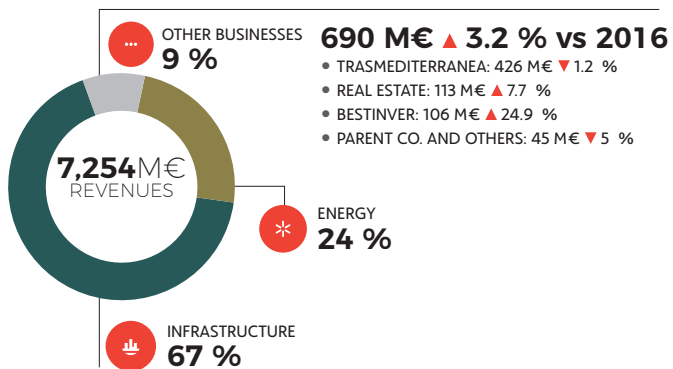


# OTHER BUSINESSES

ACCIONA's diversification into complementary businesses significantly enhances the overall bottom line either through their growth potential or the possibility of corporate transactions in pursuit of ACCIONA's interests.

Revenue growth year-on-year and the transactions performed in 2017 evidence this value creation, in line with a favourable environment in sectors in which the company operates.

## 2017



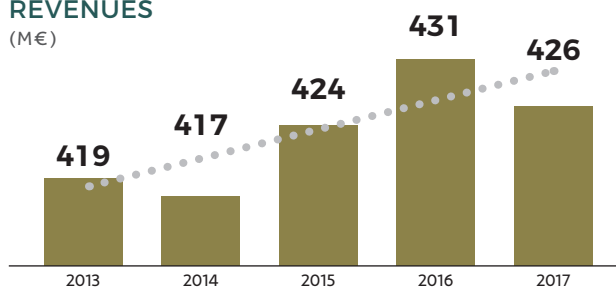
## AGREEMENT TO SELL TRASMEDITERRANEA<sup>25</sup>

In 2017, ACCIONA reached an agreement to sell its 92.7 % stake in Trasmediterranea to Naviera Armas Group, under which the enterprise value of 100 % of Trasmediterranea is recognised as between 419 M€ and 436 M€, depending on fulfilment of the earn-out conditions agreed with the buyer. ACCIONA sold its stake for 260.4 million euros and the buyer took on Trasmediterranea's debt to other ACCIONA group companies in the amount of 1,27.3 million euros.

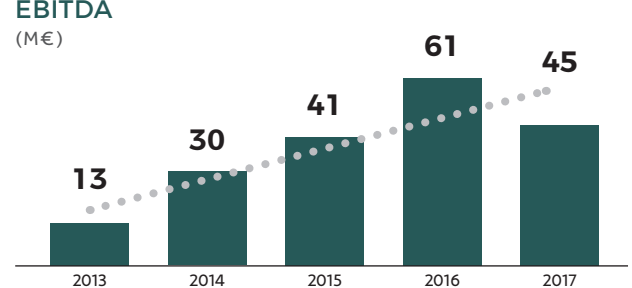
This transactions enhances the Company's strategic position based on focused growth and maximising the value of its businesses. The divestment takes place within a favourable industry context, with Trasmediterranea as Spain's leading passenger and cargo shipping company, following operational changes to enhance its efficiency.

## A MORE ATTRACTIVE AND PROFITABLE BUSINESS<sup>26</sup>

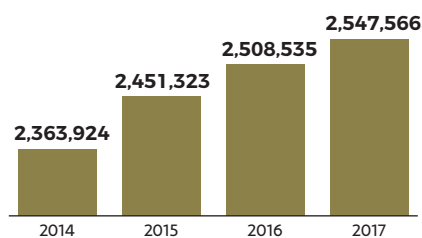
### REVENUES (M€)



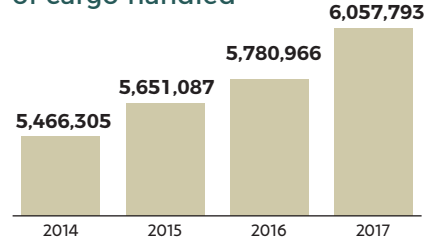
### EBITDA (M€)



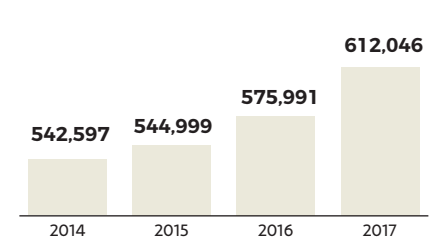
### No. passengers



### Linear metres of cargo handled



### Vehicles transported



(25) Pending approval by Spain's National Markets and Competition Commission.

(26) The decline in EBITDA in 2017 was due mainly to higher fuel prices and the increased number of routes.

# ACCIONA INMOBILIARIA

MORE THAN  
9,000 HOMES  
DEVELOPED  
IN 25 YEARS

ACCIONA Inmobiliaria is one of Spain's leading residential property developers and operators and has a significant footprint in other markets, such as Mexico (through ACCIONA Parque Reforma), Poland (ACCIONA Nieruchomości) and Portugal<sup>27</sup>.

## KEY SUCCESS FACTORS

### EXTENSIVE TECHNICAL AND COMMERCIAL EXPERIENCE

- Over 25 years' experience in real estate business.
- Highly efficient management processes.
- Asset diversification which reduces the bad debt risk inherent to this business.

### FOCUS ON SUSTAINABILITY FROM THE DESIGN

- Innovative measures to save energy, reduce CO<sub>2</sub> emissions (by choosing renewable supplies), drive rational consumption and clean construction.
- Quality architectural design, with the possibility of a common aesthetic attuned to the values of the surroundings.
- A broad range of common areas which contribute to a healthy lifestyle.

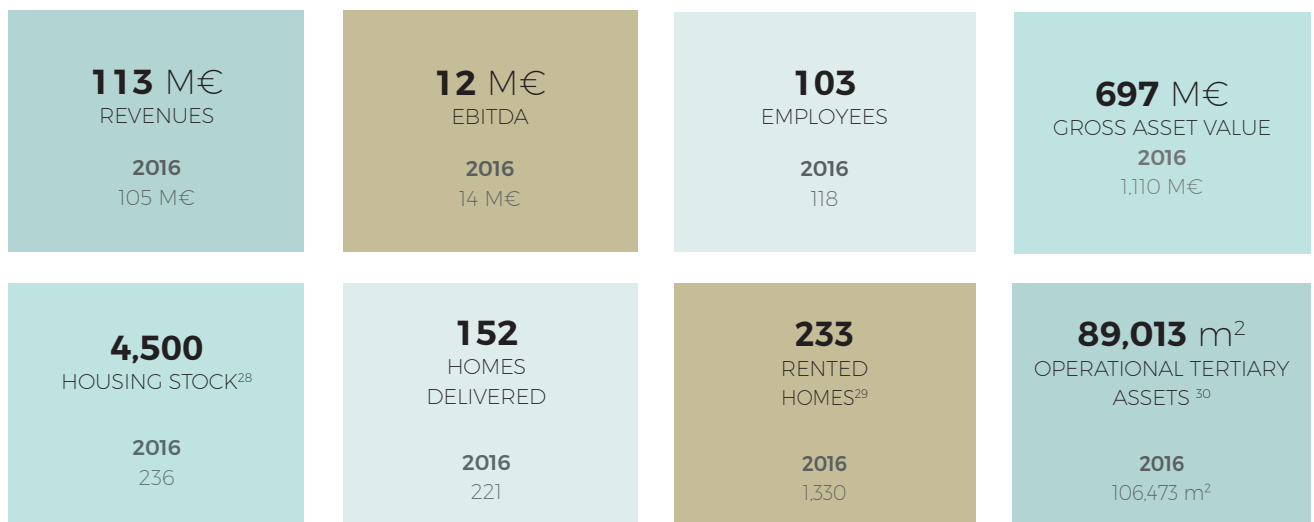


#### MORE INFORMATION

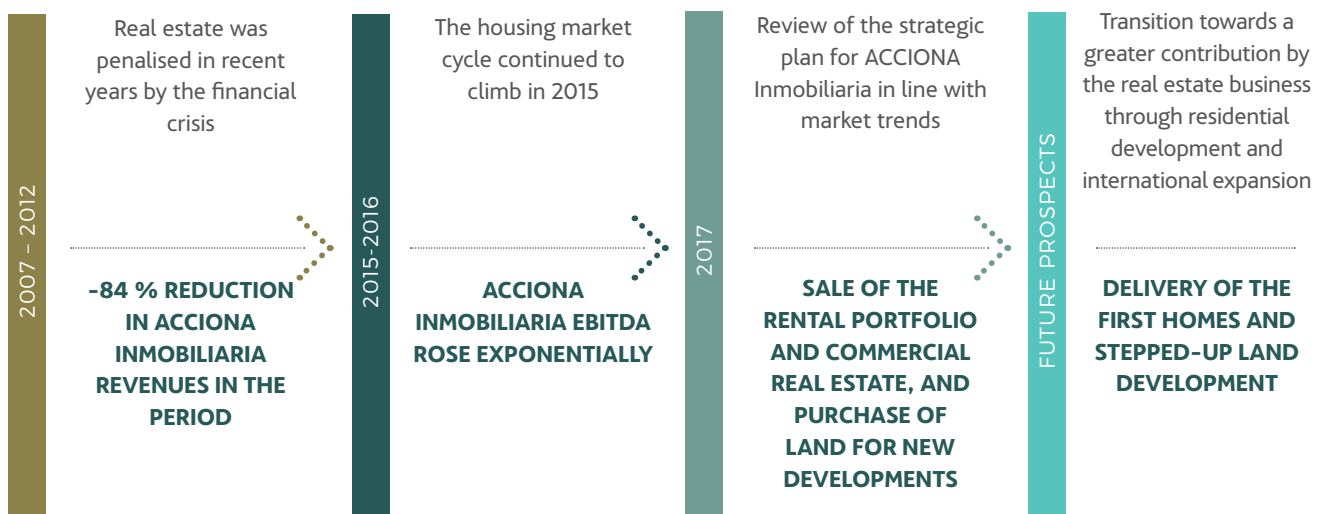
visit the website of  
ACCIONA Inmobiliaria:  
[www.accionainmobiliaria.es](http://www.accionainmobiliaria.es)

(27) For more information about ACCIONA Inmobiliaria operations in Mexico and Poland, visit the websites of ACCIONA Parque Reforma [accionaparquereforma.com/en/](http://accionaparquereforma.com/en/) and ACCIONA Nieruchomości [www.accionanieruchomosci.com/en/](http://www.accionanieruchomosci.com/en/), respectively.

## ACCIONA INMOBILIARIA IN 2017



## ECONOMIC AND BUSINESS EVOLUTION



(28) Total stock of homes to be built plus those already available for sale.

(29) Main difference due to the contribution to Testa Residencial.

(30) Difference due to divestments.

## OUR VALUE CREATION STRATEGY

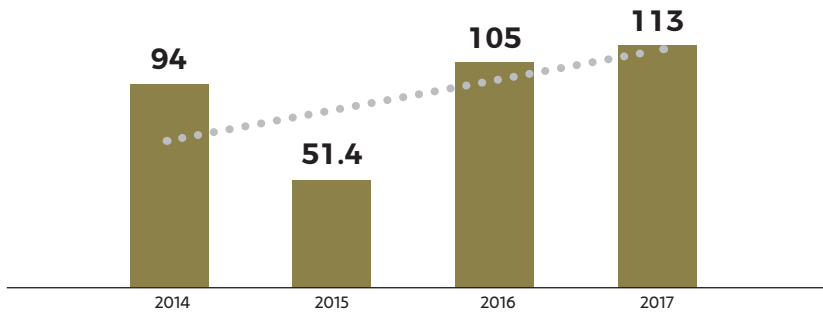
In line with the industry's steady recovery and better current market conditions, the company implemented a new strategy to focus on real estate development. Consequently, in 2017 it sold its portfolio of rental properties to Testa Residencial in exchange for 20 % of that company, and sold major commercial properties at a 31 % premium over net asset value (NAV).

STRATEGY	2017 RESULTS
<b>FOCUS ON REAL ESTATE DEVELOPMENT</b> <ul style="list-style-type: none"> <li>• Concentration on assets with higher returns than rental.</li> <li>• Purchase of land to continue expanding the portfolio.</li> <li>• Exhaustive analysis of market conditions.</li> <li>• Certification of new developments with the sustainability certificate, BREEAM.</li> </ul>	<ul style="list-style-type: none"> <li>• Selective acquisition of land for new developments in Spain and Mexico worth 82 M€, which will enable 4,500 homes to be built.</li> <li>• 1,000 homes in construction or for sale in Spain, Mexico and Poland in December 2017.</li> <li>• 7 developments in construction that meet rigorous sustainability standards (BREEAM).</li> </ul>
<b>ASSET ROTATION AND CONTRIBUTION TO THE BOTTOM LINE</b> <ul style="list-style-type: none"> <li>• Divestment of rental assets to finance new developments.</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution of the rental portfolio to Testa Residencial in exchange for a 20 % stake.</li> <li>• Sale of real estate assets.</li> </ul>
<b>GREATER INTERNATIONAL FOOTPRINT</b> <ul style="list-style-type: none"> <li>• Growth in Poland and Mexico which mitigates dependence on Spain's real estate cycles.</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of other cities in Mexico, such as Guadalajara and the Riviera Maya area.</li> <li>• Additional land purchases.</li> </ul>

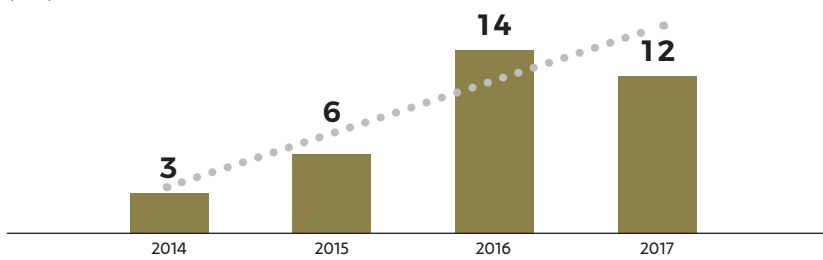
### TRANSFER OF THE RENTAL PORTFOLIO TO TESTA RESIDENCIAL

Through this transaction, ACCIONA acquired 20 % of Testa Residencial, a large real estate investment vehicle with strong potential. The company's goal is to retain this holding over the long term to take advantage of the fund's appreciation and in expectation of an IPO by Testa, which will provide greater liquidity.

**Revenues**  
(M€)

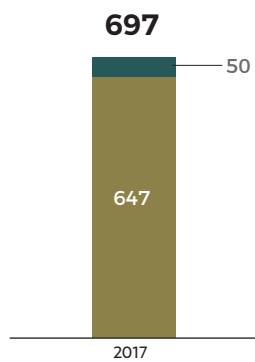


**EBITDA<sup>31</sup>**  
(M€)



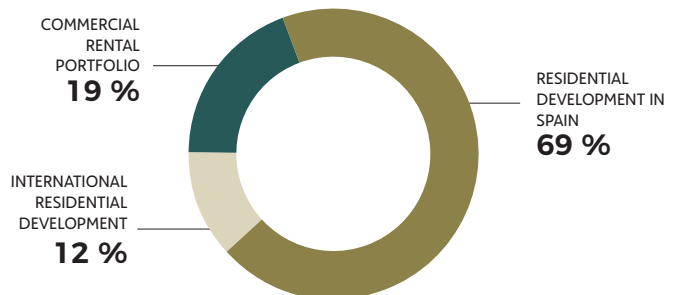
**INDEPENDENT APPRAISAL**

**Breakdown of GAV  
(Gross Asset Value) 2017<sup>32</sup>**  
(M€)



- Book value
- Gross capital gain

**Breakdown of GAV (Gross Asset Value):  
by asset type<sup>32</sup>**



(31) EBITDA declined slightly since the income from the rental portfolio was consolidated for only the first nine months of the year.

(32) GAV does not include the 20 % stake in Testa Residencial.

# BESTINVER

BESTINVER IS  
SPAIN'S LEADING  
INDEPENDENT  
ASSETS MANAGER

With 30 years' experience, BESTINVER (owned 100% by ACCIONA) offers asset management services (mutual funds, pension funds and institutional mandates) and brokerage services in pursuit of the best long-term returns, supported by a value investing philosophy and a broad, highly-qualified team.



**MORE INFORMATION**

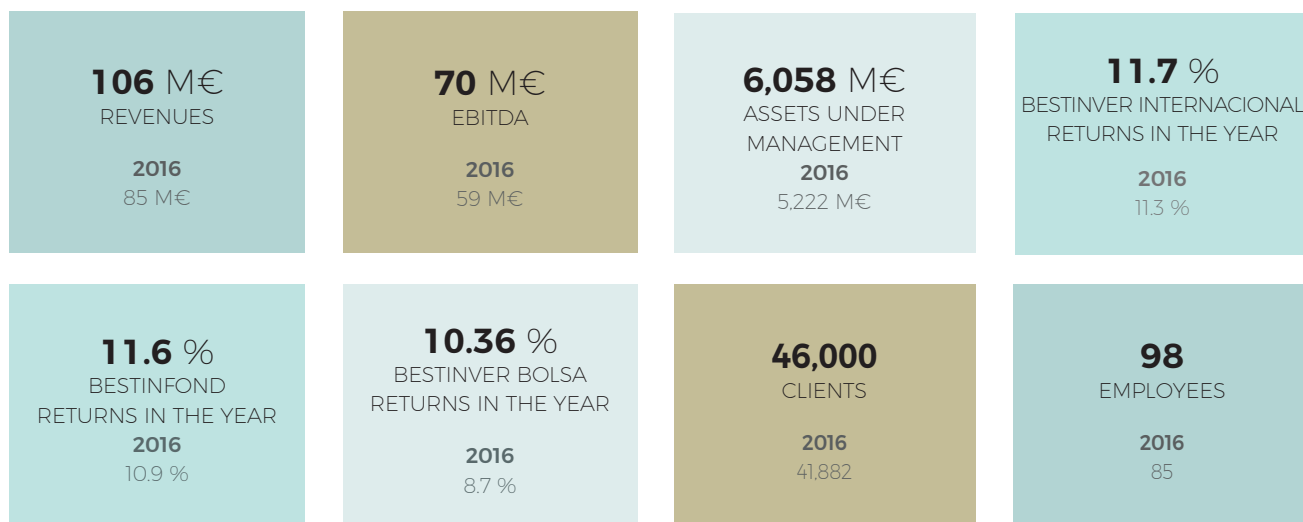
visit Bestinver's website:  
[www.bestinver.es](http://www.bestinver.es)

## KEY SUCCESS FACTORS

### STRICT INVESTMENT PICKING PROCESS AND BEST LONG-TERM RETURNS

- Team of experienced professionals with extensive knowledge of finance.
- Established brand and reputation in the market.
- Maximising the value of the investment through equity instruments.
- Exhaustive, appropriate risk management.

## BESTINVER IN 2017



## BESTINVER'S STRATEGY

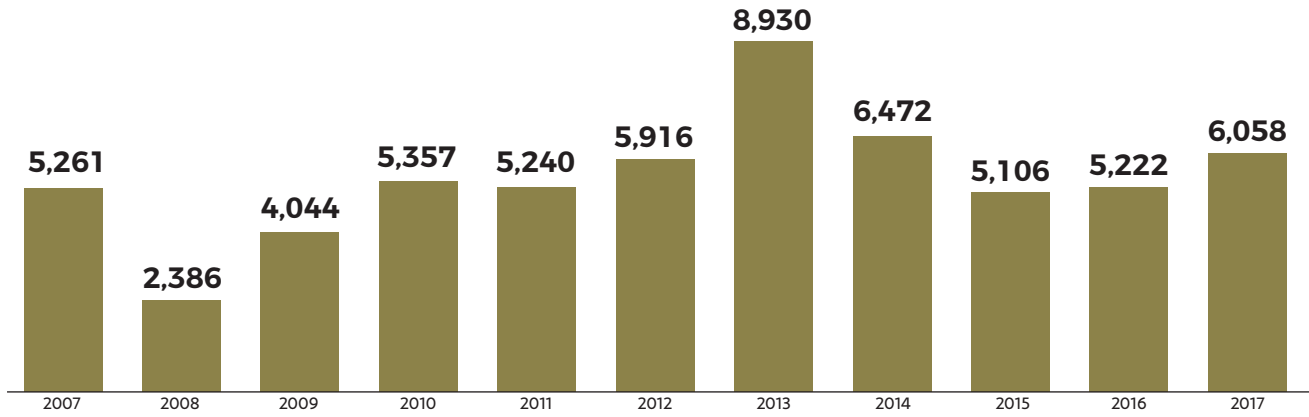
Bestinver pursues steady growth in assets under management and works to define consistent portfolios that offer attractive long-term returns.

VALUE INVESTING PHILOSOPHY	2017 RESULTS
<p><b>LONG-TERM VIEW</b></p> <ul style="list-style-type: none"> <li>Invest in transparent businesses with strong competitive advantages.</li> <li>Seize investment opportunities in undervalued companies with robust business models, solid balance sheets and strong cash flow.</li> </ul>	<ul style="list-style-type: none"> <li>Over 100 international awards in its 30-year history.</li> <li>Named best fund manager in Spain. <i>Expansion/All Funds 2017 award</i>.</li> <li>Bestinver Internacional fund has appreciated by 40.5% in the last three years.</li> <li>Over 40,000 clients and more than 6 billion euros in assets under management.</li> <li>Overall satisfaction with products is 4 out of 5.</li> <li>EBITDA up 18.9 % to 70 M€.</li> </ul>
<p><b>STRENGTHENING THE INVESTMENT TEAM</b></p> <ul style="list-style-type: none"> <li>A fixed-income team was hired to enhance Bestinver's capabilities for 2018.</li> </ul>	
<p><b>PROCESS AUTOMATION, SERVICE INDUSTRIALISATION AND DIGITALISATION</b></p> <ul style="list-style-type: none"> <li>Enhancing efficiency through automation and extension of the range of services available on the web.</li> </ul>	
<p><b>PROXIMITY TO INVESTORS</b></p> <ul style="list-style-type: none"> <li>Objective of converting savers into investors.</li> <li>Branches opened in more Spanish cities with the aim of being closer to investors.</li> </ul>	

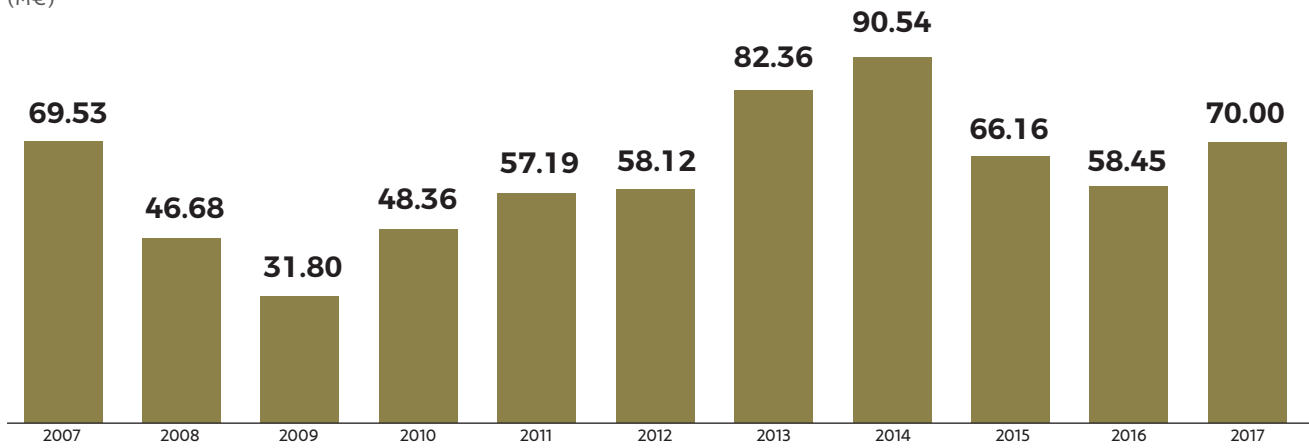


BESTINVER BUSINESS PERFORMANCE: 3<sup>RD</sup> BEST YEAR IN ASSETS UNDER MANAGEMENT AND EBITDA (2007-2017)

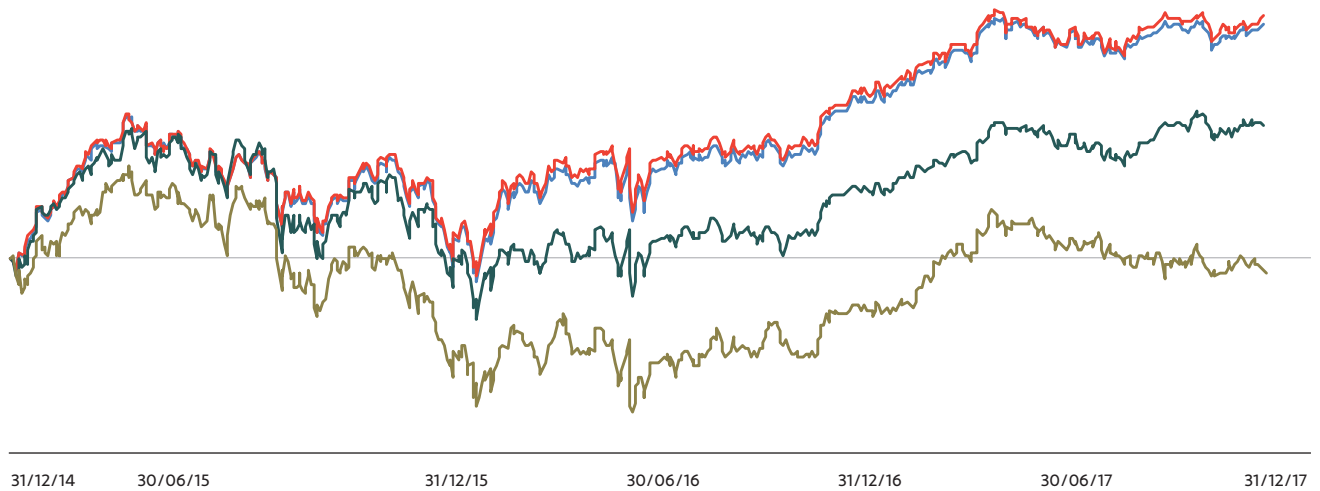
**Assets under management**  
(M€)



**EBITDA**  
(M€)



## Returns in 2015-2017



— BESTINVER INTERNACIONAL **40.5 %**  
— BESTINFOND **39.2 %**  
— MSCI EUROPE (nr) INDEX **22.4 %**  
— IBEX 35 INDEX **-2.3 %**

APPRECIATION  
OF 40.5 %  
AND 39.2 %,   
RESPECTIVELY,  
BY FUNDS  
BESTINVER  
INTERNACIONAL  
AND BESTINFOND  
IN THE LAST  
3 YEARS

# GRUPO BODEGAS PALACIO 1894

OVER 120  
YEARS'  
EXPERIENCE  
IN  
PRODUCING  
AND AGEING  
QUALITY  
WINES

Grupo Bodegas Palacio 1894 is one of Spain's leading producers of high quality wine, with a presence in 40 markets worldwide. It has over a century of tradition in producing and ageing quality wines in Spain's leading wine regions (D.O. Rioja, D.O. Rioja, D.O. Ribera del Duero, D.O. Rueda, D.O. Toro).

## KEY SUCCESS FACTORS

### RECOGNITION FROM EXPERTS AND COMMITMENT TO SUSTAINABILITY

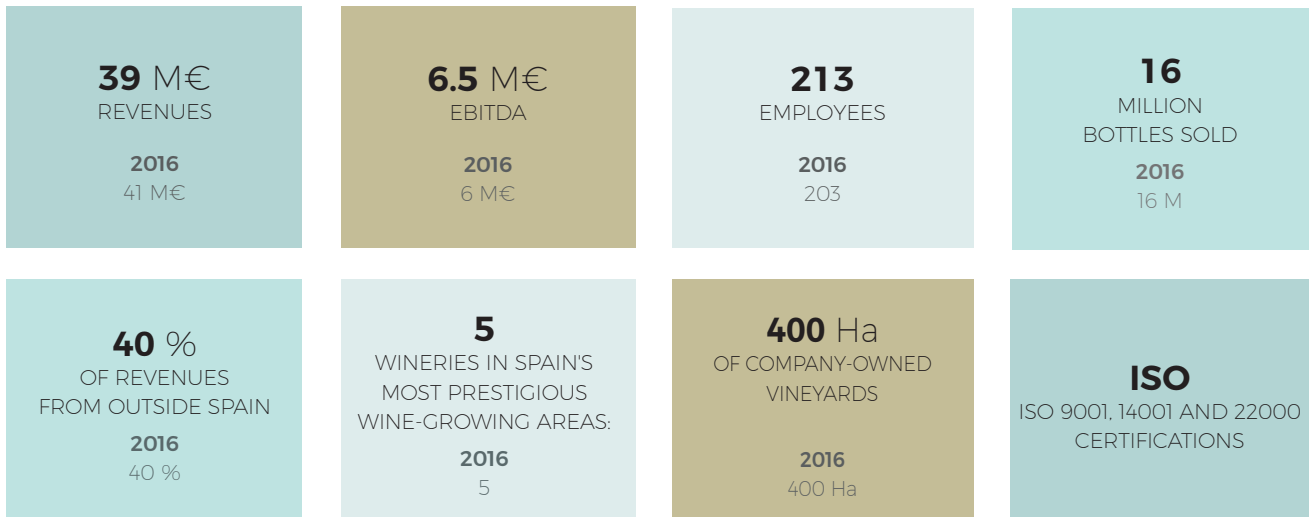
- Wineries in Spain's most prestigious wine-growing areas: production of premium wine in Spain's top wine-making regions, with a commitment to excellence.
- Focus on innovation: Grupo Bodegas Palacio 1894 adapts and is a first-mover, with wine brands that cover all segments of the market.
- Integrated vineyards and wineries: Coherent quality parameters to high standards coupled with respect for the environment, due to control of the entire process from vine to bottle.
- Brand caring.



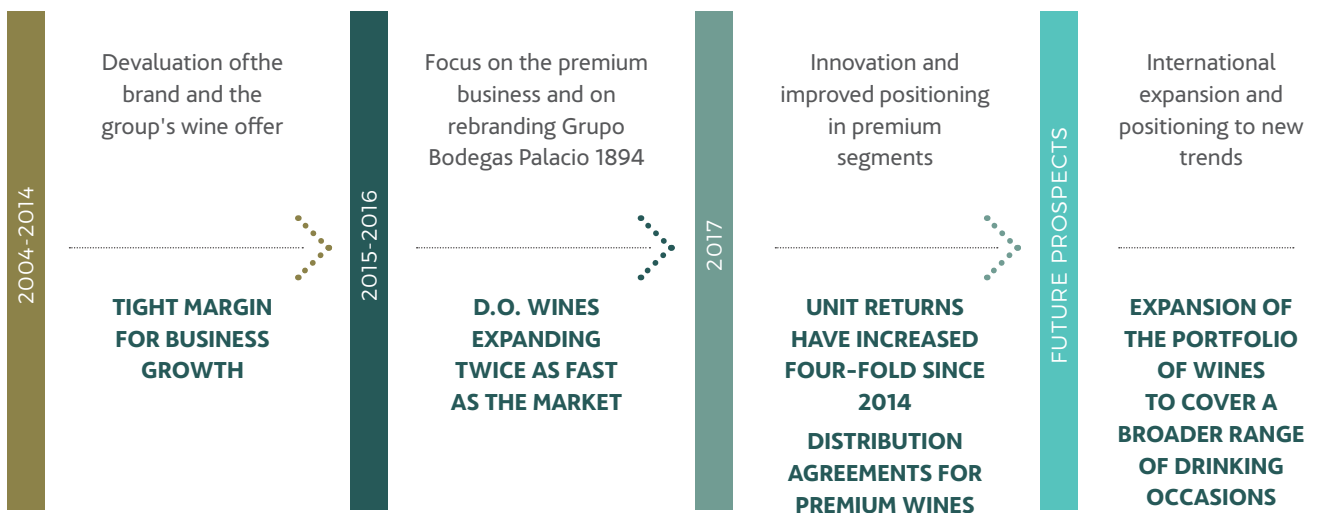
### MORE INFORMATION

visit the Grupo Bodegas Palacio 1894 website:  
[www.grupobodegaspalacio.es](http://www.grupobodegaspalacio.es)

## GRUPO BODEGAS PALACIO 1894 IN 2017



## ECONOMIC AND BUSINESS PERFORMANCE

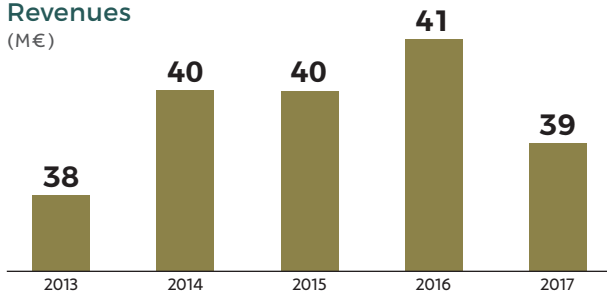


## GRUPO BODEGAS PALACIO 1894 STRATEGY

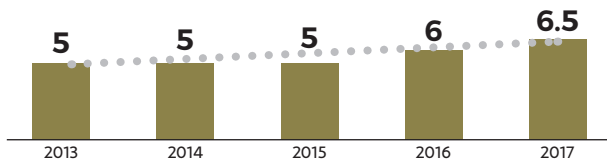
In 2017, Grupo Bodegas Palacio 1894 continued to enhance its reputation as a leading player in the quality wine segment.

STRATEGY	2017 RESULTS
<p><b>STRENGTHEN BRAND POSITIONING</b></p> <ul style="list-style-type: none"> <li>Enhance identification of the products offered to customers.</li> <li>Expand the wine portfolio to gain negotiation capabilities with distributors in Spain and other countries.</li> <li>New products with the aim of reaching specific market's niches by analysing trends and consumption by age ranges.</li> </ul>	<ul style="list-style-type: none"> <li>Promotional campaigns with the Viña Mayor brand; activation of Cosme Palacio in the foodservice channel; multichannel promotion of Glorioso – Father's Day.</li> <li>Distribution agreements for Barons de Rothschild champagne</li> <li>Launch a range of products under the La Poda brand to reach younger age consumers.</li> </ul>
<p><b>INCREASING FOCUS ON INTERNATIONAL MARKETS</b></p> <ul style="list-style-type: none"> <li>Greater presence in the US, mainly on the east coast.</li> <li>Strengthen distribution in China.</li> <li>New distributor in the UK to relaunch Grupo Bodegas Palacio 1894 there.</li> <li>Move into Mexico.</li> <li>Maintain a significant position in Germany.</li> </ul>	<ul style="list-style-type: none"> <li>Engage a brand ambassador in the US.</li> <li>Agreement between importer ZhongqiHuaye Foods Co. Ltd and customers throughout China.</li> <li>Advanced negotiations with two new importers in the UK (the largest consumers of Rioja).</li> <li>Glorioso added to the Rossmann (Germany) chain of stores (the company's largest customer).</li> </ul>
<p><b>SUSTAINABILITY IN OUR WINERIES</b></p> <ul style="list-style-type: none"> <li>New measures to reduce emissions.</li> <li>Adoption of measures to reduce water consumption.</li> <li>Contribution to society through social integration projects.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions by .36 % with respect to 2016 and offsetting of the non-reduced emissions.</li> <li>Implementation of a plan to minimise water consumption at Bodegas Viña Mayor.</li> <li>Wineries for Climate Protection: first and only certification specific to the wine industry in the area of environmental sustainability and the fight against climate change.</li> <li>Grupo Bodegas Palacio 1894 participated in the Gastronomix social programme for the third consecutive year. Its objective is to offer training opportunities in catering to 41 young people from vulnerable environments and offer them a career opportunity.</li> </ul>
<p><b>CONTINUOUS IMPROVEMENT OF QUALITY</b></p> <ul style="list-style-type: none"> <li>Integration of vineyard and winemaking.</li> <li>Vineyard control.</li> <li>Technology.</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of Viñedo Viejo in the La Rioja Alavesa region to supply Cosme Palacio 1894 (the most iconic wine in the winery).</li> <li>Installation of automated sorting tables and low volume presses in the Viña Mayor winery.</li> </ul>

**Revenues**  
(M€)



**EBITDA**  
(M€)



**Breakdown of revenues by geography in 2017**

