

ACCIONA, S.A.
and subsidiaries
(consolidated group)

**2009 Directors'
Report**

a. Corporate Governance Report

Key figures

- Sales amounted to EUR 6,512 million.
- EBITDA stood at EUR 1,043 million, up 2.5% on 2008.
- To December 2009, the Group's investments totalled EUR 4,221 million, of which EUR 1,378 million related to organic investments, while the remaining EUR 2,844 million were invested in the acquisition of 2,078 MW of wind power and hydropower capacity from Endesa, leaving the acquisition of 1 MW outstanding.

INCOME STATEMENT AGGREGATES			
(Millions of euros)	JAN-DEC 2008	JAN-DEC 2009	CHANGE (%)
SALES	7,208	6,512	-9.6%
EBITDA	1,069	1,043	-2.5%
PROFIT FROM OPERATIONS	535	448	-16.2%
NET PROFIT	464	1,263	172%

BALANCE SHEET AGGREGATES		
(Millions of euros)	31/12/08	31/12/09
EQUITY	6,319	6,064
NET DEBT	17,897	7,265
GEARING RATIO	283%	120%
	JAN-DEC '08	JAN-DEC '09
INVESTMENTS *	1,942	4,221

* The investments in 2009 include EUR 2,844 million relating to the acquisition of wind-powered and hydropower assets from Endesa. For comparison purposes, the investments in 2008 do not include those relating to Endesa.

OPERATING AGGREGATES	JAN-DEC 2008	JAN-DEC 2009	CHANGE (%)
INFRASTRUCTURE PORTFOLIO	7,341	7,021	-4.4%
ADVANCE SALES OF RESIDENTIAL UNITS	35	90	154.2%
LAND ACQUISITIONS	131	--	N/A
TOTAL INSTALLED WIND CAPACITY (MW)	4,566	6,230	36.5%
TOTAL INSTALLED CAPACITY (MW)	4,871	7,437	52.7%
PASSENGERS HANDLED	3,762,307	3,346,956	-11%
CARGO HANDLED (LINEAR METRES)	6,040,883	5,877,351	-2.7%
AVERAGE NUMBER OF EMPLOYEES *	34,562	33,112	-4.2%

* For comparison purposes, in 2008 the employees hired from Endesa are not included.

Earnings are presented in accordance with International Financial Reporting Standards (IFRS).

- **ACCIONA Infrastructure:** including construction and engineering activities and transport and hospital concessions.
- **ACCIONA Real Estate:** real estate portfolio, property development and car parks.
- **ACCIONA Energy:** this division engages in the development, construction, exploitation, maintenance and industrial operation of renewable energy facilities.
- **ACCIONA Logistics and Transport Services:** passenger and goods transportation services (land, sea and air).
- **ACCIONA Urban and Environmental Services:** water and activities relating to urban services and environmental protection.
- **Other Businesses and Financial Activities:** businesses relating to fund management and stock market brokerage, wine production and other investments.

As a result of the agreement entered into on 20 February 2009 on the transfer of the investment in Endesa, and after its subsequent implementation on 25 June 2009, the assets and liabilities associated with Endesa were liquidated and were not included in the balance sheet at December 2009. All the income and expenses associated with the investment in Endesa were reclassified to "Post-Tax Profit of Discontinued Operations" in the consolidated income statements for 2009 and 2008, in the latter case for comparison purposes.

EBITDA for 2009 dropped by 2.5% with respect to 2008, adversely affected by:

- The earnings of the real estate division, whose EBITDA fell by 49.2%, due largely to the poor performance of the residential property development business in Spain.
- The infrastructure division, whose EBITDA margins worsened, as had been predicted.

■ In addition, the change in the scope of consolidation as a result of the divestment of the funeral business and of certain transport concessions in 2008 contributed to the fall in total EBITDA in the period.

However, the Group's EBITDA margin improved to 16%.

As regards the contribution of the various divisions in 2009, once again the principal contribution to EBITDA came from ACCIONA Energy (59.4%), followed by ACCIONA

Infrastructure (19.7%), ACCIONA Real Estate (4.1%) and the Services and Other Businesses divisions (16.8%).

EBITDA	DEC '08	DEC '09
ACCIONA ENERGY	54.8%	59.4%
ACCIONA INFRASTRUCTURE	22.6%	19.7%
ACCIONA REAL ESTATE	7.9%	4.1%
ACCIONA LOGISTICS AND TRANSPORT SERVICES	3.6%	8.1%
ACCIONA URBAN AND ENVIRONMENTAL SERVICES	6.5%	5.6%
OTHER BUSINESSES	4.6%	3.1%

Investments in the year amounted to EUR 4,221 million, which include EUR 1,070 million allocated to organic growth of the ACCIONA Energy businesses and EUR 2,844 million relating to the acquisition of assets of Endesa. EUR 307 million were invested in the other business areas.

The Group's balance sheet at December 2009 shows considerable gearing with respect to December 2008, of 283% compared with 120% (net financial debt/equity). This was due mainly to the repayment of the debt

arranged for the acquisition of Endesa and to the de-consolidation of the proportional part of the debt associated with that investment.

The increase in the net financial debt (associated with the ACCIONA divisions) in December 2009 (EUR 7,265 million) with respect to December 2008 (EUR 5,004 million, excluding the acquisition of Endesa and the proportionate consolidation of its debt) was due mainly to the financing for the acquisition of the assets of Endesa and to ACCIONA's investing activities during the year.

Consolidated income statement

(Millions of euros)	JAN-DEC 2008		JAN-DEC 2009		CHANGE (%)
	AMOUNT	% SALES	AMOUNT	% SALES	
REVENUE	7,208	100.0%	6,512	100.0%	-9.6%
OTHER INCOME	1,317	18.3%	1,104	17.0%	-16.2%
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	241	3.3%	65	1.0%	-72.9%
TOTAL PRODUCTION VALUE	8,766	121.6%	7,682	118.0%	-12.4%
PROCUREMENTS	-3,133	-43.5%	-2,161	-33.2%	-31.0%
STAFF COSTS	-1,308	-18.1%	-1,247	-19.2%	-4.6%
OTHER EXPENSES	-3,255	-45.2%	-3,230	-49.6%	-0.8%
GROSS PROFIT FROM OPERATIONS	1,069	14.8%	1,043	16.0%	-2.5%
DEPRECIATION AND AMORTISATION PROVISIONS	-534	-7.4%	-595	-9.1%	11.3%
PROFIT FROM OPERATIONS	535	7.4%	448	6.9%	-16.2%
FINANCE INCOME	84	1.2%	119	1.8%	42.3%
FINANCE COSTS	-295	-4.1%	-333	-5.1%	12.9%
EXCHANGE DIFFERENCES (NET)	-23	-0.3%	4	0.1%	-116.9%
GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	--	0.0%	--	0.0%	N/A
IMPAIRMENT LOSSES RECOGNISED/REVERSED	-58	-0.8%	-73	-1.1%	27.1%
SHARE OF RESULTS OF ASSOCIATES	4	0.1%	-2	0.0%	-142.5%
GAINS ON DISPOSAL OF NON-CURRENT ASSETS	90	1.3%	36	0.6%	-59.75
OTHER GAINS OR LOSSES	-7	-0.1%	15	0.2%	-332.8%
PRE-TAX PROFIT OF CONTINUING OPERATIONS	331	4.6%	215	3.3%	-35.0%
INCOME TAX EXPENSE	-106	-1.5%	-44	-0.7%	-58.2%
PROFIT OF CONTINUING OPERATIONS	225	3.1%	171	2.6%	-24.2%
POST-TAX PROFIT OF DISCONTINUED OPERATIONS	226	3.1%	1,119	17.2%	395.2%
MINORITY INTERESTS	13	0.2%	-27	-0.4%	-299.9%
ATTRIBUTABLE NET PROFIT	464	6.4%	1,263	19.4%	172.0%

REVENUE

Consolidated revenue fell by 9.6% to EUR 6,512 million, due mainly to:

- The performance of ACCIONA Energy (-30%), which was affected largely by a drop in the industrial activity of the division and by the significant drop in the pool price in Spain with respect to 2008 (-43%).
- The performance of the logistics and transport services division (-11.3%), which was affected mainly by the reduction of the activity of Trasmediterranea as a result of the implementation of the company's restructuring plan.
- The fall in the residential property development business in Spain, which reduced the real estate division's revenue by 16.3% with respect to 2008.
- The fall in the revenue of the urban and environmental services division (-5.3%) as a result of the sale of funeral services in the third quarter of 2008.

EBITDA

EBITDA in 2009 amounted to EUR 1,043 million, down 2.5% from 2008, due largely to the poor performance of the real estate

division during the year (-49.2%), which was hit by the reduction in the margins on the residential property development business in Spain. The margins of the infrastructure division worsened as predicted, and its EBITDA fell by 13.8%.

However, the EBITDA of the energy division rose by 6.8% as a result of the contribution of the total installed capacity (2,566 MW) in 2009. The EBITDA of the logistics and transport services division grew significantly (+119.2%) as a result of the improved margins of Trasmediterranea due to its restructuring.

The Group's EBITDA as a percentage of revenue was 16% in 2009, an improvement of 12 basis points with respect to 2008.

EBIT

EBIT amounted to EUR 448 million, after an increase of EUR 60 million in the depreciation and amortisation charge and write-downs as a result of the depreciation in the second half of the year of the portfolio of wind and hydropower assets acquired from Endesa and the Group's significant investment drive, and the recognition of an

impairment loss of EUR 33 million in relation to property assets. The EBIT margin (EBIT as a percentage of revenue) was 6.9%.

PRE-TAX PROFIT OF CONTINUING OPERATIONS

The pre-tax profit of continuing operations amounted to EUR 215 million, after net finance costs of EUR 214 million, in line with those reported in 2008.

ATTRIBUTABLE NET PROFIT

After reclassifying all the income and expenses arising from the sale of Endesa to "Post-Tax Profit of Discontinued Operations", the net attributable profit amounted to EUR 1,263 million in 2009, up 172% on 2008. Excluding discontinued operations, the net attributable profit amounted to EUR 144 million, down 39.6% from the preceding year.

Earnings by business area

(Millions of euros)	JAN-DEC '08		JAN-DEC '09		CHANGE (%)
	AMOUNT	% SALES	AMOUNT	% SALES	
REVENUE	7,208	100.0%	6,512	100.0%	-9.6%
ENERGY	1,784	24.8%	1,248	19.2%	-30.0%
INFRASTRUCTURE	3,592	49.8%	3,613	55.5%	0.6%
REAL ESTATE	320	4.4%	268	4.1%	-16.3%
LOGISTICS AND TRANSPORT SERVICES	914	12.7%	811	12.4%	-11.3%
URBAN AND ENVIRONMENTAL SERVICES	772	10.7%	732	11.2%	-5.3%
OTHER BUSINESSES AND FINANCIAL ACTIVITIES	140	1.9%	110	1.7%	-21.1%
CONSOLIDATION ADJUSTMENTS	-314	-4.4%	-269	-4.1%	-14.4%
EBITDA	1,069	14.8%	1,043	16.0%	-2.5%
ENERGY	589	33.0%	629	50.4%	6.8%
INFRASTRUCTURE	243	6.8%	209	5.8%	-13.8%
REAL ESTATE	85	26.6%	43	16.2%	-49.2%
LOGISTICS AND TRANSPORT SERVICES	39	4.3%	86	10.6%	120.5%
URBAN AND ENVIRONMENTAL SERVICES	70	9.1%	60	8.1%	-15.0%
OTHER BUSINESSES AND FINANCIAL ACTIVITIES	49	35.4%	33	29.8%	-33.5%
CONSOLIDATION ADJUSTMENTS	-7	2.2%	-18	6.5%	158.2%
EBT	331	4.6%	215	3.3%	-35.0%
ENERGY	187	10.5%	97	7.8%	-48.1%
INFRASTRUCTURE	155	4.3%	128	3.5%	-17.4%
REAL ESTATE	-17	-5.3%	-14	-5.2%	-18.7%
LOGISTICS AND TRANSPORT SERVICES	-56	-6.1%	21	2.6%	-138.3%
URBAN AND ENVIRONMENTAL SERVICES	26	3.3%	24	3.3%	-6.8%
OTHER BUSINESSES AND FINANCIAL ACTIVITIES	69	49.3%	73	66.1%	5.9%
Consolidation adjustments	-10	3.1%	-15	5.5%	53.1%
Ordinary EBT	353	4.9%	314	4.8%	-11.1%
Extraordinary	-23	N/A	-99	N/A	339.2%

ACCIONA Energy

(Millions of euros)	JANUARY-DECEMBER		
	2008	2009	CHANGE (%)
REVENUE	1,784	1,248	-30.0%
GENERATION	826	983	19.0%
INDUSTRIAL AND OTHER	958	265	-72.4%
EBITDA	589	629	6.8%
GENERATION	511	624	22.1%
INDUSTRIAL AND OTHER	79	6	-92.5%
MARGIN (%)	33.0%	50.4%	
EBT	187	97	-48.1%
MARGIN (%)	10.5%	7.8%	

ACCIONA Energy's revenue fell by 30% in 2009 to EUR 1,248 million. The main reasons were as follows:

- The decrease in the average price obtained for wind power in Spain in 2009 with respect to 2008 (-22.6%).
- The lower contribution of the industrial wind and industrial solar PV businesses.

Despite the sharp drop in the average price of power in Spain, the EBITDA of ACCIONA Energy totalled EUR 629 million, up 6.8% on December 2008, due to the installation of 488 MW of capacity as a result of organic growth in 2009 and to the contribution (only in the second half of the year) of the portfolio of wind and hydropower assets of Endesa (2,078 MW).

At 31 December, ACCIONA had acquired from Endesa a total of 2,078 MW of capacity, of which EUR 1,227 MW related to wind power generation (1,133 MW in Spain and 94 MW in Portugal) and 852 MW to hydro generation (173 MW of mini-hydroelectric facilities

and 679 MW to conventional hydropower facilities).

The capacity acquired from Endesa only contributed to the consolidated income statement in the second half of 2009.

ACCIONA's investment drive and the acquisition of these assets increased the total installed capacity by 53% with respect to 2008 year-end. Output rose by 40%. The organic growth in the total installed capacity in 2009, i.e. had no capacity been acquired from Endesa, was 488 MW (+10%) and the related output grew by 22%.

The detail of installed capacity and output, by type of technology used by ACCIONA Energy, at 31 December 2009 was as follows:

	31/12/09			31/12/09	
	TOTAL	ATTRIBUTABLE		TOTAL	ATTRIBUTABLE
(INSTALLED MW)			(GWH PRODUCED)		
WIND POWER IN SPAIN	4,591	3,922	WIND POWER IN SPAIN	8,233	6,769
WIND POWER ABROAD	1,639	1,441	WIND POWER ABROAD	3,317	2,977
US	490	415	US	1,212	1,212
CANADA	136	58	CANADA	385	160
AUSTRALIA	258	225	AUSTRALIA	565	474
GERMANY	150	150	GERMANY	259	259
ITALY	71	71	ITALY	103	103
GREECE	48	48	GREECE	78	78
PORTUGAL	120	120	PORTUGAL	178	178
HUNGARY	24	11	HUNGARY	46	22
INDIA	30	30	INDIA	101	101
MEXICO	251	251	MEXICO	227	227
SOUTH KOREA	62	62	SOUTH KOREA	164	164
TOTAL WIND POWER	6,230	5,364	TOTAL WIND POWER	11,551	9,746
HYDROELECTRIC SPECIAL REGIME	232	232	HYDROELECTRIC SPECIAL REGIME	442	442
CONVENTIONAL HYDROELECTRIC	679	679	CONVENTIONAL HYDROELECTRIC	595	595
BIOMASS	33	33	BIOMASS	163	163
SOLAR PV	49	33	SOLAR PV	94	82
SOLAR THERMAL	114	114	SOLAR THERMAL	125	125
COMBINED HEAT AND POWER	100	100	COMBINED HEAT AND POWER	601	600
TOTAL OTHER TECHNOLOGIES	1,207	1,191	TOTAL OTHER TECHNOLOGIES	2,019	2,006
TOTAL ENERGY	7,437	6,554	TOTAL ENERGY	13,569	11,752

ACCIONA Infrastructure

(Millions of euros)	JANUARY-DECEMBER		
	2008	2009	CHANGE (%)
REVENUE	3,592	3,613	0.6%
CONSTRUCTION AND ENGINEERING	3,531	3,530	0.0%
CONCESSIONS	61	82	35.1%
EBITDA	243	209	-13.8%
CONSTRUCTION AND ENGINEERING	213	175	-17.8%
CONCESSIONS	29	34	15.6%
MARGIN	6.8%	5.8%	
EBT	155	128	-17.4%
MARGIN	4.3%	3.5%	

Revenue remained virtually unchanged in 2009 at EUR 3,613 million.

EBITDA fell by 13.8% with respect to 2008 to EUR 209 million, due largely to the expected reduction in margins from 6.8% to 5.8%. Profit before tax dropped by 17.4% to EUR 128 million, with a margin of 3.5%.

At 31 December 2009, the backlog amounted to EUR 7,021 million, in line with that of September 2009, representing a decrease of 4.4% from 2008.

BREAKDOWN OF CONSTRUCTION BACKLOG (Millions of euros)	31/12/08	31/12/09	% CHANGE	PERCENTAGE OF TOTAL (%)
CIVIL ENGINEERING WORK IN SPAIN	4,144	3,802	-8%	54%
CIVIL ENGINEERING WORK ABROAD	1,353	1,282	-5%	18%
TOTAL CIVIL ENGINEERING WORK	5,497	5,084	-8%	72%
RESIDENTIAL BUILDING CONSTRUCTION IN SPAIN	84	79	-5%	1%
RESIDENTIAL BUILDING CONSTRUCTION ABROAD	14	17	22%	0%
TOTAL RESIDENTIAL BUILDING CONSTRUCTION	98	96	-1%	1%
NON-RESIDENTIAL BUILDING CONSTRUCTION IN SPAIN	972	989	2%	14%
NON-RESIDENTIAL BUILDING CONSTRUCTION ABROAD	269	452	68%	6%
TOTAL NON-RESIDENTIAL BUILDING CONSTRUCTION	1,240	1,441	16%	21%
OWN DEVELOPMENT PROJECTS IN SPAIN	63	35	-45%	0%
OWN DEVELOPMENT PROJECTS ABROAD	102	35	-65%	1%
TOTAL OWN DEVELOPMENT PROJECTS	166	70	-58%	1%
OTHER *	341	329	-3%	5%
TOTAL	7,341	7,021	-4%	100%

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

ACCIONA Real Estate

(Millions of euros)	JANUARY-DECEMBER		
	2008	2009	CHANGE (%)
REVENUE	320	268	-16.3%
PROPERTY DEVELOPMENT	250	200	-20.0%
REAL ESTATE	47	45	-3.7%
CAR PARKS	23	23	-2.9%
EBITDA	85	43	-49.2%
PROPERTY DEVELOPMENT	44	2	-94.8%
REAL ESTATE PORTFOLIO	29	29	-2.0%
CAR PARKS	12	12	1.7%
MARGIN (%)	26.6%	16.2%	
EBT	-17	-14	-18.7%
MARGIN (%)	-5.3%	-5.2%	

ACCIONA Real Estate's revenue amounted to EUR 268 million and its EBITDA fell by 49.2% to EUR 43 million, as a result of the slump in the residential property development business in Spain in terms of both sales and margins. The EBITDA of the car park and real estate portfolio businesses remained at levels similar to those of the preceding year.

Advance sales of residential units amounted to EUR 90 million, a figure higher than that of 2008, and no land was acquired in 2009.

(Millions of euros)	JANUARY-DECEMBER		
	2008	2009	CHANGE (%)
ADVANCE SALES OF RESIDENTIAL UNITS	35	90	154.2
LAND PURCHASES	131	0	n.a.

ACCIONA Logistics and Transport Services

(Millions of euros)	JANUARY-DECEMBER		
	2008	2009	CHANGE (%)
REVENUE	914	811	-11.3%
HANDLING	155	144	-6.6%
TRASMEDITERRANEA	581	544	-6.4%
OTHER	178	122	-31.3%
EBITDA	39	86	119.2%
HANDLING	21	14	-31.6%
TRASMEDITERRANEA	6	65	1,040.8%
OTHER	13	7	-45.4%
MARGIN (%)	4.3%	10.6%	
EBT	-56	21	-138.3%
MARGIN (%)	-6.1%	2.6%	

In 2009 the sales of ACCIONA Logistics and Transport Services decreased by 11.3% to EUR 811 million.

The division's EBITDA grew strongly by 119.2% to EUR 86 million in 2009, as compared with the EUR 39 million reported in 2008, as a result of the performance of Trasmediterranea, whose EBITDA was ten times higher than

in the preceding year. This improvement in the shipper's earnings was made possible by the implementation of a restructuring plan. However, the economic slowdown, the resizing of the company and the optimization of routes led to a reduction in passenger and cargo volume figures. The number of passengers decreased by 11% while the cargo handled in terms of linear metres dropped by 2.7%.

In January 2009, the shareholders at the Extraordinary General Meeting of Trasmediterranea approved a capital increase of EUR 110 million.

	JAN-DEC '08	JAN-DEC '09	CHANGE (%)
Nº. OF PASSENGERS	3,762,307	3,346,956	-11.0%
CARGO HANDLED (LINEAR METRES)	6,040,883	5,877,351	-2.7%

ACCIONA Urban and Environmental Services

(Millions of euros)	JANUARY-DECEMBER		
	2008	2009	CHANGE (%)
REVENUE	772	732	-5.3%
WATER	370	438	18.5%
OTHER	403	294	-27.1%
EBITDA	70	60	-15.0%
WATER	40	35	-10.5%
OTHER	30	24	-20.8%
MARGIN (%)	9.1%	8.1%	
EBT	26	24	-6.8%
MARGIN (%)	3.3%	3.3%	

The division's sales dropped by 5.3% to EUR 732 million, and its EBITDA fell by 15% to EUR 60 million. This reduction was due mainly to the sale of the funeral services business (Mémora) in the third quarter of 2008. In 2008, Mémora contributed revenue and

EBITDA of EUR 71 million and EUR 14 million, respectively. Disregarding Mémora, the division's revenue would have increased by 4.3% and its EBITDA would have grown by 6.6%.

Other Businesses and Financial Activities

(Millions of euros)	JANUARY-DECEMBER		
	2008	2009	CHANGE (%)
REVENUE	140	110	-21.1%
EBITDA	49	33	-33.5%
MARGIN (%)	35.4%	29.8%	
EBT	69	73	5.9%
MARGIN (%)	49.3%	66.1%	

The activities included in Other Businesses and Financial Activities are: i) fund management, through Bestinver, with assets of EUR 4,044 million under management at 31 December 2009 (31 December 2008: EUR 2,386 million); ii) production and marketing of wine, and; iii) media (GPD).

Revenue was down 21.1% from 2008 and EBITDA decreased by 33.5% to stand at EUR 33 million.

Consolidated balance sheet

(Millions of euros)	31/12/08		31/12/09	
	AMOUNT	% TOTAL	AMOUNT	% TOTAL
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	21,705	56.4%	11,945	58.2%
NON-CURRENT FINANCIAL ASSETS	1,892	4.9%	331	1.6%
GOODWILL	3,962	10.3%	1,047	5.1%
OTHER NON-CURRENT ASSETS	1,148	3.0%	820	4.0%
NON-CURRENT ASSETS	28,708	74.6%	14,144	68.9%
INVENTORIES	2,217	5.8%	1,799	8.8%
TRADE AND OTHER RECEIVABLES	3,963	10.3%	2,536	12.3%
OTHER CURRENT ASSETS	498	1.3%	539	2.6%
CURRENT FINANCIAL ASSETS	210	0.5%	115	0.6%
CASH AND CASH EQUIVALENTS	2,862	7.4%	1,336	6.5%
ASSETS CLASSIFIED AS HELD FOR SALE	-	N/A	64	0.3%
CURRENT ASSETS	9,751	25.4%	6,388	31.1%
TOTAL ASSETS	38,458	100.0%	20,532	100.0%
SHARE CAPITAL	64	0.2%	64	0.3%
RESERVES	4,022	10.5%	4,654	22.7%
PROFIT ATTRIBUTABLE TO THE PARENT	464	1.2%	1,263	6.2%
TREASURY SHARES	-160	-0.4%	-155	-0.8%
INTERIM DIVIDEND	-	N/A	-68	-0.3%
ATTRIBUTABLE EQUITY	4,390	11.4%	5,758	28.0%
NON-CONTROLLING INTERESTS	1,929	5.0%	306	1.5%
EQUITY	6,319	16.4%	6,064	29.5%
BANK BORROWINGS AND OTHER FINANCIAL LIABILITIES	18,429	47.9%	7,130	34.7%
OTHER NON-CURRENT LIABILITIES	5,112	13.3%	1,921	9.4%
NON-CURRENT LIABILITIES	23,542	61.2%	9,051	44.1%
BANK BORROWINGS AND OTHER FINANCIAL LIABILITIES	2,540	6.6%	1,586	7.7%
TRADE PAYABLES	4,483	11.7%	3,082	15.0%
OTHER CURRENT LIABILITIES	1,575	4.1%	721	3.5%
LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	-	N/A	28	0.1%
CURRENT LIABILITIES	8,598	22.4%	5,418	26.4%
TOTAL EQUITY AND LIABILITIES	38,458	100.0%	20,532	100.0%

ATTRIBUTABLE EQUITY

The attributable equity of ACCIONA at 31 December 2009 amounted to EUR 5,758 million, up 31.2% on December 2008, due mainly to the profit for the year of EUR 1,263 million after the sale to Enel of the 25.01% ownership interest in Endesa.

NET FINANCIAL DEBT

The reduction in the net financial debt from EUR 17,897 million at 31 December 2008 to EUR 7,265 million at 31 December 2009 was mainly the result of the sale of the ownership interest in Endesa effective from 25 June. Therefore, the net financial debt figure at 31 December 2009 does not include either the borrowings arranged to acquire the ownership interest in Endesa or the debt of the electric utility that ACCIONA consolidated proportionately in its consolidated balance sheet at 31 December 2008.

The acquisition of 2,078 MW of renewable assets was financed with:

i) A syndicated loan of EUR 1,500 million from 14 banks arranged in June 2009.

- 2-year bullet financing.
- All-in spread of 3.22%.

ii) The reinvestment of the gains obtained on the sale of 25.01% of Endesa.

The increase in the net financial debt (associated with the ACCIONA divisions) at December 2009 (EUR 7,265 million) with respect to December 2008 (EUR 5,004 million, excluding the acquisition of Endesa and the proportionate consolidation of its debt) was due mainly to the financing for the acquisition of the assets of Endesa and to ACCIONA's organic investment activities during the year.

(Millions of euros)	31/12/08		31/12/09		CHANGE (%)
	AMOUNT	% TOTAL	AMOUNT	% TOTAL	
CASH + CURRENT FINANCIAL ASSETS	1,447	22.4	1,451	16.6	0.3
NON-RECOURSE BANK BORROWINGS	3,833	59.4	4,713	54.1	23.0
BANK BORROWINGS WITH RECOURSE	2,618	40.6	4,003	45.9	52.9
TOTAL BANK BORROWINGS OF ACCIONA	6,451	100.0	8,716	100.0	35.1
NET DEBT EXCLUDING ENDESA	5,004		7,265		45.2
NET DEBT ASSOCIATED WITH ENDESA	12,893	N/A	N/A	N/A	N/A
TOTAL NET DEBT INCLUDING ENDESA	17,897	N/A	N/A	N/A	N/A

The changes in net debt in recent quarters were as follows:

	31/12/08	31/03/09	30/06/09	30/09/09	31/12/09
NET DEBT (millions of euros)	17,897	5,347	7,353	7,424	7,265
GEARING RATIO (debt/equity)	283%	112%	122%	121%	120%

INVESTMENTS

The investments of ACCIONA's various businesses in the period totalled EUR 1,377 million in 2009, a reduction of 29.1% with respect to 2008.

Worthy of particular mention were the investments of ACCIONA Energy, which amounted to EUR 1,070 million.

In addition, ACCIONA invested EUR 2,844 million in the acquisition of 2,078 MW of wind and hydropower assets from Endesa.

The detail of the investments by division is as follows:

(Millions of euros)	INVESTMENTS	INVESTMENTS
	JAN - DEC 2008	JAN - DEC 2009
ACCIONA ENERGY	1,762	1,070
ACCIONA INFRASTRUCTURE	108	233
ACCIONA REAL ESTATE	100	32
ACCIONA LOGISTICS AND TRANSPORT SERVICES	28	-4
ACCIONA URBAN AND ENVIRONMENTAL SERVICES	-55	42
OTHER BUSINESSES	--	4
TOTAL INVESTMENTS OF THE DIVISIONS OF ACCIONA	1,942	1,377
ENDESA ASSETS	--	2,844
TOTAL INVESTMENTS	1,942	4,221

Salient Events in the Year

15 JANUARY 2009: INTERIM DIVIDEND

■ On 15 January 2009, the Board of Directors of ACCIONA, S.A. declared an interim dividend of EUR 1.07 gross per share out of the profit for 2008. The dividend payable in this connection totalled EUR 67,999 thousand. It was paid on 26 January 2009.

20 FEBRUARY 2009: AGREEMENT WITH ENEL CONCERNING ENDESA

■ On 20 February 2009, ACCIONA resolved, on the one hand, to transfer to Enel the 25.01% ownership interest it held in Endesa, S.A. and, on the other, to acquire for the ACCIONA Group certain renewable energy production assets owned by Endesa. The transaction included conditions precedent relating to the obtainment of the approval of the competition authorities and of certain legally required authorisations. Lastly, this agreement was executed on 25 June 2009.

25 FEBRUARY 2009: RESOLUTIONS OF THE BOARD OF DIRECTORS

■ On 25 February 2009, the Board of Directors of ACCIONA adopted, inter alia, the following resolutions:

- > Authorise for issue the financial statements (separate and consolidated) for 2008 of ACCIONA, S.A.

- > Propose to the shareholders at the Annual General Meeting that a dividend of EUR 1.85 per share be paid out of the profit for 2008, in addition to the interim dividend of EUR 1.07 per share declared on 15 January 2008 and paid on 26 January 2009.
- > Propose to the shareholders at the Annual General Meeting that they approve a remuneration plan for certain executives consisting of the payment of all or part of their variable remuneration for 2008 in the form of shares of the Company.

16 APRIL 2009: CALL OF THE ANNUAL GENERAL MEETING

■ On 16 April 2009, the Company notified the Spanish National Securities Market Commission (CNMV) of the call of the Annual General Meeting for 3 June 2009 at first call and for 4 June 2009 at second call and of the resolutions proposed.

12 MAY 2009: RESOLUTIONS OF THE BOARD OF DIRECTORS

■ On 12 May 2009, the Board of Directors met and adopted the following resolutions:

- > Resignation as directors of the Company of Alejandro Echevarría Busquet and

Esteban Morrás Andrés, effective from 4 June, the date of the Company's Annual General Meeting.

- > Proposal to the shareholders at the Annual General Meeting that the following persons be appointed as directors for the three-year term provided for in the bylaws: Daniel Entrecanales Domecq, as a proprietary director representing Grupo Entrecanales S.A.; Jaime Castellanos Borrego, as an independent director; and Fernando Rodés Vilá, as an independent director.

4 JUNE 2009: RESOLUTIONS ADOPTED AT THE ANNUAL GENERAL MEETING

- On 4 June 2009, the shareholders at the Annual General Meeting adopted, inter alia, the following resolutions:
- > Payment of a final dividend of EUR 1.85 gross per share on 1 July 2009.
 - > Appointment of the following persons as directors of the Company: Daniel Entrecanales Domecq, as a proprietary director representing Grupo Entrecanales S.A.; Jaime Castellanos Borrego, as an independent director; and Fernando Rodés Vilá, as an independent director.
 - > Approval of a remuneration plan for the Group's senior executives, including

the directors of ACCIONA, S.A. with executive functions, consisting of the payment of part of their variable remuneration for 2008 in the form of shares of ACCIONA, S.A. with the possibility of replacing certain of the shares assigned for stock option rights on ACCIONA, S.A. shares.

- > Authorisation of the derivative acquisition of treasury shares by ACCIONA, S.A. or by companies in its Group, rendering null and void the authorisation granted by the shareholders at the 2008 Annual General Meeting.

18 JUNE 2009: ESTABLISHMENT OF THE DATE FOR THE IMPLEMENTATION OF THE AGREEMENT OF 20 FEBRUARY 2009

- Enel S.p.A., Enel Energy Europe S.L., Endesa, S.A., Finanzas Dos, S.A. and ACCIONA established 25 June as the date for the implementation of the transfers provided for in the agreement entered into on 20 February 2009.

25 JUNE 2009: IMPLEMENTATION OF THE AGREEMENT WITH ENEL AND ENDESA

- On 25 June 2009, ACCIONA and Finanzas Dos S.A. (Finanzas Dos), a wholly-owned subsidiary of ACCIONA, transferred to Enel Energy Europe, S.r.L. (EEE) 264,793,905 shares representing 25.01% of the share

capital of Endesa, S.A. (Endesa), pursuant to the agreement entered into on 20 February. The shares were transferred for EUR 9,627,098,948, which was the result of applying to the EUR 11,107 million provided for in the agreement the adjustments also provided for therein and, in particular, the discount relating to the dividends paid by Endesa after the date of the agreement.

- The transfer automatically terminated the side agreement between Enel, EEE, Finanzas Dos and ACCIONA dated 26 March 2007.
- As provided for in the aforementioned agreement, on that date Endesa transferred to ACCIONA certain wind and hydropower generating assets in Spain and Portugal for a total price of EUR 2,634 million, once the appropriate adjustments had been made and the exclusion of certain assets had been agreed upon. This price was set as provided for in the agreement and represents, adding the net financial debt (including the intra-Group debt) associated with the assets, an enterprise value of EUR 2,653 million.
- The assets transferred represented a total installed capacity of 1,946.6 MW, of which 1,095.5 MW related to wind power and 851.1 MW to hydroelectric generating facilities, of which 172.2 MW were under the special regime. In addition, and also as part of the process regulated in the agreement, ACCIONA and Endesa

determined the assets would be transferred subsequently, as the various regulatory and technical conditions that had hitherto prevented their sale had been met. These assets represent a total installed capacity of 133.7 MW (of which 131.7 MW relate to wind power and 2 MW to hydroelectric facilities, 0.7 MW under the special regime), the total price of which is estimated at EUR 183 million which, adding the debt associated with the assets, represents an enterprise value of EUR 195 million.

1 JULY 2009: RESOLUTIONS OF THE BOARD OF DIRECTORS

- The Board of Directors of ACCIONA resolved to set up a Sustainability Committee made up of a minimum of three and a maximum of five directors whose basic functions are to identify, orientate and oversee the Group's sustainability and corporate social responsibility policy, objectives, good practices and programmes. Therefore, the Board of Directors Regulations were amended to introduce a new article, namely Article 32 bis. The Board also established that the Executive Committee would be made up of five members and that the Nomination and Remuneration Committee would have four members and it nominated new members. The members of the various Committees are as follows:

> EXECUTIVE COMMITTEE:

- José Manuel Entrecanales Domecq, Chairman
- Juan Ignacio Entrecanales Franco, Chairman
- Juan Manuel Urgoiti y López-Ocaña, director
- Carlos Espinosa de los Monteros y B. de Quirós, director
- Valentín Montoya Moya, director

> AUDIT COMMITTEE:

- Carlos Espinosa de los Monteros y B. de Quirós, Chairman
- Juan Manuel Urgoiti y López-Ocaña, director
- Lord Garel-Jones, director
- Jaime Castellanos Borrego, director
- Valentín Montoya Moya, director

> NOMINATION AND REMUNERATION COMMITTEE:

- Juan Manuel Urgoiti y López-Ocaña, Chairman
- Carlos Espinosa de los Monteros y B. de Quirós, director
- Valentín Montoya Moya, director
- Fernando Rodés Vilá, director

> SUSTAINABILITY COMMITTEE:

- Fernando Rodés Vilá, Chairman
- Consuelo Crespo Bofill, director
- Daniel Entrecanales Domecq, director
- Jaime Castellanos Borrego, director

5 NOVEMBER 2009: RESOLUTIONS OF THE BOARD OF DIRECTORS

■ The Board of Directors of ACCIONA adopted the following resolutions, effective from 1 January 2010:

- > Pursuant to the Board of Directors Regulations, the Management Committee will be made up of the following executive directors:
 - José Manuel Entrecanales Domecq, Chairman
 - Juan Ignacio Entrecanales Franco, Deputy Chairman

> and by the following executives::

- Carmen Becerril Martínez.
- Pedro Martínez Martínez.
- Luis Castilla Cámara.
- Macarena Carrión López de Garma.
- Juan Gallardo Cruces.
- Frank Gelardin.
- Pío Cabanillas Alonso.
- Juan Muro-Lara Girod.
- Jorge Vega-Penichet López.
- Joaquín Mollinedo Chocano.
- Alfonso Callejo Martínez.

> Accepted the resignation tendered for personal reasons by Esteban Morrás Andrés from his position as General Manager of ACCIONA Energy and publicly thanked him for his hard work and dedication.

> Appointed the following persons as

Chairpersons of the various divisions:

- Carmen Becerril Martínez, ACCIONA Energy.
- Pedro Martínez Martínez, ACCIONA Infrastructure.
- Luis Castilla Cámara, ACCIONA Agua.

- > Created the new Innovation and Sustainability General Management to group together the areas of Regulation, Sustainability, R&D+I and Quality, with Joaquín Mollinedo Chocano as the General Manager.
- > Appointed Alfonso Callejo Martínez as General Manager of Corporate Resources, grouping together the areas of Human Resources, Safety, General Services and Information Technologies.

17 DECEMBER 2009: INTERIM DIVIDEND

■ On 17 December 2009, the Board of Directors of ACCIONA declared an interim dividend of EUR 1.07 gross per share out of the profit for 2009. The dividend payable in this connection totalled EUR 67,998,500. It was paid on 29 December 2009.

Dividend

At the Annual General Meeting held on 4 June 2009, the shareholders of ACCIONA, S.A. approved the distribution of a final dividend of EUR 1.85 gross per share out of the profit for 2008. The dividend payable in this connection totalled EUR 117.6 million. It was paid on 1 July 2009.

This dividend, together with the interim dividend of EUR 1.07 gross per share paid by the Company in January, takes the total dividend paid out of 2008 profit to EUR 2.92 gross per share.

On 17 December 2009, the Board of Directors declared an interim dividend of EUR 1.07 gross per share out of the dividend out of the profit for 2009 approved at the next Annual General Meeting. The dividend payable in this connection totalled EUR 68 million. It was paid on 29 December 2009.

Stock market data

STOCK MARKET DATA DECEMBER 2009	
PRICE AT 31 DECEMBER 2009 (EUR/SHARE)	91.1
PRICE AT 1 JANUARY 2009 (EUR/SHARE)	89.0
LOW IN 2009 (03/11/09)	83.1
HIGH IN 2009 (09/09/09)	98.4
AVERAGE DAILY TRADING VOLUME (NO. SHARES)	248,075
AVERAGE DAILY TRADING VOLUME (EUROS)	22,395,652
NUMBER OF SHARES	63,550,000
MARKET CAPITALIZATION AT 31 DECEMBER 2009 (MILLIONS OF EUROS)	5,789

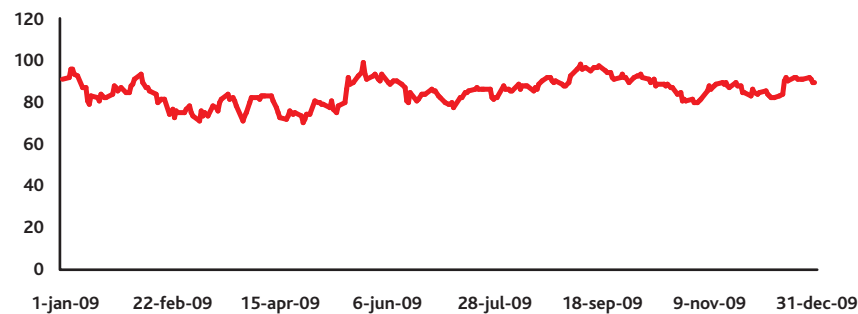
SHARE CAPITAL

At 31 December 2009, the share capital of ACCIONA amounted to EUR 63,550,000 and consisted of 63,550,000 ordinary shares of EUR 1 par value each.

At 31 December 2009, the Group held 1,487,612 treasury shares representing 2.3% of the share capital.

The Entrecanales Group is currently the Company's reference shareholder with an ownership interest of 59.63%.

ACCIONA share price (EUR/share)



Main risks associated with the ACCIONA Group's business activities

Due to its nature as a multi-industry Group and the geographical diversification with which it carries on its business activities, the ACCIONA Group is exposed to different socio-economic environments in which external factors can influence its operations and economic results.

The ACCIONA Group's risk management is based on its global management system and, within this, a set of specific action procedures whose objective it is firstly to identify, evaluate and mitigate risks and secondly to provide a system of insurance coverage to ensure that any situations in which risk arises do not jeopardise the Group's financial solvency.

The main risks relating to ACCIONA's business activities that can affect the Group's operations, economic position and results are as follows:

REGULATORY RISK

A major portion of the Group's business activities are subject to a wide range of governmental regulations. Changes in these regulations could affect the business activities and economic results.

The ACCIONA Energy subsidiaries which engage in the production of electricity are subject to wide-reaching regulations concerning tariffs and other aspects of their business activities in Spain and in each of the countries in which they operate. The introduction of new laws or regulations or changes in the laws or regulations currently in place could have an adverse effect on business activities and the results of the companies' operations. Similarly, changes in the current legislative framework relating to the tariff revision methodology, including the remuneration of the electricity produced, constitute the principal mechanism for supporting the development of certain energy sources and, therefore,

any change could have an adverse effect on business activities and the results of the companies' operations.

FINANCIAL RISK

The main functions of the Group's treasury department are: to provide service to the business; to coordinate access to domestic and international financial markets; and to monitor and manage the financial risk relating to the Group's operations.

To this end, the exposure to and the degree and magnitude of such risks are analysed. These risks include market risk (which in turn includes foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks through the use of derivative financial instruments. The use of such instruments is governed by the Group's risk management policies approved by the Board of Directors. Framed within the risk

management policies are the principles relating to foreign currency risk, interest rate risk, procurements, credit risk, the use of derivative and non-derivative financial instruments and the cash-surplus placement policies.

In the performance of its activities the Group is exposed to the impact of changes in interest rates and fluctuations in foreign currency exchange rates.

Interest rate risk is particularly important in relation to the financing of infrastructure projects under concession contracts and the construction of wind farms, in which project profitability depends on possible changes in interest rates, since it is directly linked to project cash flows.

Suitable management of these risks using hedges and derivatives can avoid any major impact on results. However, the totally effective elimination of exposure to

changes in interest rates and exchange rates cannot be guaranteed, and these changes may adversely affect the Group's financial position and results.

The financial instruments that are exposed to interest rate risk are basically financed at floating interest rates and derivative financial instruments.

In order to be able to analyse the effect that possible fluctuations in interest rates might have on the Group's accounts, a sensitivity test was performed, simulating an increase and a decrease in interest rates.

Notes 18 and 19 to the consolidated financial statements include additional disclosures on the risk management policy and on derivative financial instruments.

Also, in order to mitigate foreign currency risk, the ACCIONA Group uses currency derivatives and foreign currency hedges to

hedge significant future transactions and cash flows, in keeping with its acceptable risk limits. Occasionally, the long-term financing of assets in currencies other than the euro is arranged in the same currency as that in which the asset is denominated.

The credit and liquidity risk of derivative instruments with a positive fair value is limited by the ACCIONA Group, since cash placements are made and derivatives are arranged with highly solvent counterparties with high credit ratings and no counterparty accounts for a significant percentage of the total credit risk.

CREDIT RISK

The risk of a counterparty to an agreement failing to meet its contractual obligations, leading to an economic loss for the Group, has been addressed by the Group by adopting a policy of only trading with solvent third parties and obtaining sufficient guarantees to

mitigate the risk of financial loss in the event of non-compliance. The Group only trades with entities rated at the same or higher investment level as it and obtains information on its counterparties through independent company rating agencies, other public sources of financial information or the information it obtains from its own relationships with customers.

Notes and bills receivable and trade receivables relate to a large number of customers spread over different industries and geographical areas. Credit relationships with customers and their solvency are assessed on an ongoing basis and credit guarantee insurance is arranged when it is considered necessary. The Group assesses default risk prior to entering into contracts with public and private sector customers (basically in the infrastructure business). This assessment includes both a solvency

study and supervision of contractual requirements from a financial and legal guarantee viewpoint. During the course of the projects, the correct status of the debt is monitored constantly, and the related valuation adjustments are made using accounting criteria.

The Group does not have significant exposure to credit risk in relation to any of its customers or groups of customers with similar characteristics; similarly, credit risk concentration is not significant.

LIQUIDITY RISK

The ACCIONA Group manages liquidity risk prudently by ensuring that it has sufficient cash and marketable securities and by arranging committed credit facilities for amounts sufficient to cater for its projected requirements.

Ultimate responsibility for liquidity risk management lies with the Economic and Financial Department, which prepares the appropriate framework to control the Group's liquidity requirements at short, medium and long term. The Group manages liquidity risk by holding adequate reserves, arranging appropriate banking services, having available loans and credit facilities, monitoring projected and actual cash flows on a continuous basis and pairing them against financial asset and liability maturity profiles.

ENVIRONMENTAL RISK

Certain Group operations are subject to extensive environmental regulations, changes in which could have an adverse impact on operations and on economic results.

Environmental regulations, both at national and European Union level, are placing

increasing demands on businesses in terms of the environmental impact studies required for many projects, the obtainment of environmental authorisations, permits and licences, and the strict compliance with numerous requirements stipulated in these authorisations.

This broad spectrum of environmental regulations has a direct influence on certain of the Group's activities. This is particularly evident in the ACCIONA Infrastructure construction area, in which environmental impact assessments must be performed for infrastructure projects, and in the ACCIONA Energy area, which, besides conducting the required environmental impact assessments, has to fulfil, inter alia, specifically for combined heat and power facilities, the requirements imposed by the National Emission Allowance Allocation Plan.

MARKET FORCES

The ACCIONA Group is exposed to the risk of fluctuations in the price of procurements, particularly fuel for its maritime transport activity, and raw materials for its bio-fuel production activity, insofar as these changes cannot be transferred to customers.

Most of the fuel purchase and sale transactions take place 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.

OTHER EXTERNAL FACTORS THAT AFFECT THE BUSINESS ACTIVITIES

The Group's business activities occasionally require the obtainment of government permits, licences and authorisations, the signing of public and private contracts and, where appropriate, the execution of construction work, the construction of installations, and a series of actions required for the production activity.

Delays in the obtainment of government authorisation or adverse political or regulatory changes in the countries in which the Group operates can lead to delays in the commencement of operations or to deficiencies in the work performed and the services rendered. This can have a negative effect on the Group's financial position and results.

Quality and the environment

Commitment to excellence, quality and respect for the environment is one of the linchpins of the ACCIONA Group's management, in line with its mission to contribute to social well-being and sustainable development.

This approach is embodied in a set of principles:

- Orientation towards value creation and economic growth based on sustained profitability and benefits, avoiding costs caused by defective work, delays and, in general, any work not contributing genuine value added.
- Internal management efficiency and excellence with the application of a management system encompassing economic, technical, environmental and social factors and, in general, any factor that contributes to SUSTAINABILITY, based on the processes of each company, geared towards the continuous

improvement of the Group's products and services, giving priority to planning and initial prevention in order to avoid having to take corrective measures subsequently.

- Consideration of the environmental matters relating to the Group's business activity in all phases thereof, from the beginning to the end of the cycle, in order to minimise the impact that they may have on the environment and to encourage the rational use of resources at all times.
- Indicator-based monitoring and control of processes and activities to obtain quantifiable information that will help to implement measures to improve the Group's products, services and management processes.
- Promoting teamwork and the participation of professionals from all levels of the organisation in the planning and performance of activities, facilitating ongoing learning in order to foster awareness of responsibilities and personal commitment to the quality of the work.

- Achievement of customer satisfaction by catering for their requirements, showing our capacity to identify their needs and expectations, to convey the idea that more than suppliers we are participants in a common project, and to act professionally, ethically and transparently at all times.
- Commitment to complying with the applicable regulations and legislation.
- Cooperation with suppliers, forging relationships built on confidence, loyalty, transparency, mutual respect and reciprocal contributions, fostering their involvement in the environmental and quality areas and with occupational risk prevention in common processes.
- Knowledge sharing and the search for innovative solutions in production and management processes.

The Group's modus operandi focuses on seeking the economic viability of the alternative with the lowest environmental

impact and maximum efficiency as far as its processes are concerned.

This approach is supported by investment in innovation and by a business model that takes environmental protection to be a key growth factor for the Company.

The ACCIONA Group has specific procedures and good practices for preventing and minimising environmental impact and each year it establishes concrete targets, which in 2009 focused on the following areas:

- Responsible consumption and management of resources, focusing on increasing environmental efficiency in areas relating to energy, water and waste.
- Improved management of processes.
- Certified management systems, for both quality and the environment, with an increasing scope in terms of the percentage of revenue dedicated, with particular growth

in the international area. In 2009, 90% of production had achieved certification for its quality management system under the international ISO 9001 standard, and 86% had achieved environmental quality certification under the ISO 14001 standard.

One of the functions of the management systems implemented in each activity is to monitor and measure environmental performance in all processes, through inspection plans and programmes that meet the requirements established in the related procedures, those specified by customers and legal requirements.

Responsible consumption of resources and effective waste management are key objectives for the Group. In its operations, the ACCIONA Group consumes resources, mainly construction materials, water and energy. Therefore, the development of eco-efficient services and products is one of the Group's

vectors of development in all its activities.

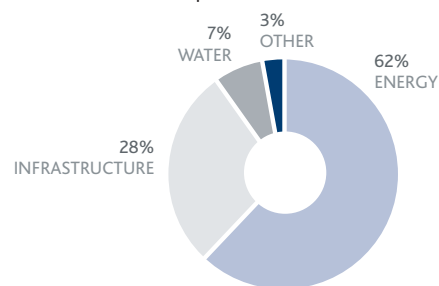
This concept is present in innovation and the conduct of the ACCIONA Group's business, contributing value to the Group as a whole. In this regard, the economic value/consumption of principal materials efficiency ratio generally evolved positively in 2009.

R&D&I

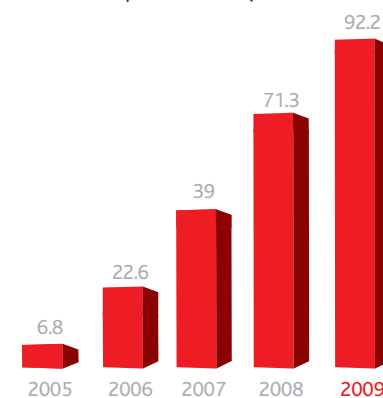
In 2009, the ACCIONA Group invested an all-time high in R&D. R&D activities were characterized by the revision of the strategic R&D plan and the arrangement of financing for it from the European Investment Bank.

The result of the promotion of these activities was the expenditure of EUR 92.2 million in 2009 in direct R&D&I projects, including most notably the investments of the Energy and Infrastructure divisions, which accounted for 90% of the expenditure on innovation. The relative importance of the expenditure of the other divisions fell due, on the one hand, to the increase in the expenditure of the two large divisions and, on the other, to the completion of certain of their projects, particularly those relating to prototypes.

Breakdown of expenditure



R&D&I expenditure (Millions of euros)



The 109 research projects are grouped together in 12 lines of research associated with the various businesses of the ACCIONA Group.

377 professionals engaged in R&D activities in 2009, 2.7% more than in 2008.

The intellectual property management model implemented in 2008 is continuing to bear fruit and the ACCIONA Group now has 18 patents granted or published and 34 in the process of being secured.

The ACCIONA Group's ongoing efforts in this field and the amount invested in 2008 enabled it to advance positions on the R&D European Industrial Scoreboard prepared by EU's DG of Research. The ACCIONA Group is the sixth ranked Spanish company in all industries that most invest in R&D&I, and climbed almost 100 places among European companies.

As regards its participation in emblematic R&D programmes, the ACCIONA Group continues to be the third ranked Spanish company in relation to its participation in the Seventh EU Framework Programme, with 48 projects, and leads the field in connection with the NMP programme forming part of the Framework Programme. The ACCIONA Group is also the Spanish company with the most CENIT (an initiative of the Spanish government to encourage investment in R&D) projects (12) and was awarded four new projects in the call for tenders held in November 2009, which were:

- Efficient and Intelligent Technologies Geared towards Health and Comfort in Indoor Environments.
- Sustainable Bio-refinery - BIOSOS.
- Research and Development in New Power Generation Technologies Based on Thin Film Solar Cells - ATON.
- OCEANLIDER – Renewable marine technologies.

Once again, in 2009, AENOR revalidated the R&D&I management system certification under the UNE 166.002:2006 standard granted in 2007 to the ACCIONA Group. The renewal of the certificate ensures that all the Group's innovation projects are executed in accordance with given parameters of excellence and quality.

Additionally, the ACCIONA Group has been participating since 2007 in the Nth Power Fund IV, a venture capital fund aimed exclusively at investment in international clean energy technology projects.

Outlook

As in the case of the other world economies, the Spanish economy is starting to show clear signs of recovery, although its emergence from the recession is proving to be somewhat slower than in the other developed countries.

Although consumers continue to feel hesitant due to the increased unemployment, which has reduced consumer spending and increased saving, the worst is now over. Consumer confidence indicators have stabilised at levels that are significantly higher than those of the first half of 2009, although they remain below the historical average. At the same time, the use of companies' production capacities has improved slightly in recent months and there are also positive signs in

relation to the fall in the number of persons making social security contributions and unemployment levels.

The improved trend is expected to continue into 2010 and positive year-on-year growth could be witnessed in the second half of the year. GDP growth is forecast to be between 0% and 0.4% in 2010 as a whole. The recovery will be largely attributable to the contribution of the foreign sector, but will also be due to the recovery in consumer spending.

Although inflation was positive in the last few months of 2009, there was negative growth in prices in the year as a whole. This was due to the fall in prices in the central months of the year as a result of the drop

in oil and raw material prices and to the decline in domestic demand.

Prices are expected to increase in 2010 as a result of a rise in the price of oil and oil derivatives, a recovery in the price of other raw materials and a slight increase in underlying inflation, which is currently very low. Furthermore, the expected rise in VAT in the second half of the year will push consumer prices upwards, although companies are not expected to pass on the full amount to the end consumer.

The outlook for the world economy for 2010 is much more optimistic than it was at the beginning of 2009. The measures adopted by the leading developed economies and the central banks made it

possible for the leading countries to boast positive quarter-on-quarter growth rates by mid-2009. Unemployment in the US appears to have bottomed out and the recovery in private-sector consumption has been stronger than expected.

However, consumer spending in the euro zone has not yet turned the corner and the recovery has been attributable to the foreign sector and the economic recovery plans implemented by governments. An upturn in consumption and investment in the euro zone is expected for the second half of 2010.

However, the severity of the crisis has left certain after-effects that might make the recovery slower and more fragile. High

unemployment, at record levels; a still delicate financial services sector; the dependence of developed countries on the developing economies and the high levels of family and public-sector debt are some of the factors that might set the alarm bells ringing if they take a turn for the worse.

The emerging economies are increasingly important with a view to securing a rapid recovery from the crisis. China will end 2009 with 8% growth and India reported quarter-on-quarter growth of almost 7% in September. In turn, Brazil continues to confound the experts by starting 2010 with solid domestic demand, all-time high confidence levels, an expanding industrial base and low inflation.

An added challenge for 2010 is the announcement that the central banks will be progressively withdrawing the economic aid measures previously adopted and at least some companies will be initiating a fiscal consolidation process aimed at reducing the high public-sector deficits generated by the crisis. The orderly and timely withdrawal of the aid measures and the credibility of the fiscal adjustments undertaken will be key to ensuring that the recovery will be a success.

Board of Directors' Report on additional disclosures to be included in the Directors' Report for the purposes of Article 116 bis of the Spanish Securities Market Act

1. Introduction

Article 116 bis of the Spanish Securities Market Act, as amended by Act 6/2007 of 12 April, requires listed companies to present an annual explanatory report on additional disclosures to be included in the directors' report to the shareholders at the Annual General Meeting.

Accordingly, and on the occasion of the formal preparation of the 2009 financial statements, the Board of Directors of ACCIONA, S.A. ("the Company") issues this report:

2. Additional content to the Directors' Report

2.1. THE STRUCTURE OF THE SHARE CAPITAL, INCLUDING THE SECURITIES THAT ARE NOT TRADED ON A REGULATED COMMUNITY MARKET, INDICATING, WHERE APPROPRIATE, THE VARIOUS CLASSES OF SHARES AND, FOR EACH CLASS OF SHARES, THE RIGHTS AND OBLIGATIONS THAT THEY CONFER AND THE PERCENTAGE OF SHARE CAPITAL THAT THEY REPRESENT.

The share capital of ACCIONA, S.A. amounts to EUR 63,550,000, divided into 63,550,000 fully subscribed and paid shares of EUR 1 par value each, belonging to a single class and series. Each share carries the right to one vote.

2.2. ANY RESTRICTION ON THE TRANSFERABILITY OF SHARES.

There are no bylaw-stipulated restrictions on the transferability of shares.

2.3.-THE SIGNIFICANT DIRECT OR INDIRECT OWNERSHIP INTERESTS IN THE SHARE CAPITAL.

At 31 December 2009, the information that the Company had on its significant shareholders was as follows:

	NUMBER OF DIRECT SHARES	NUMBER OF INDIRECT SHARES	% OF TOTAL SHARE CAPITAL
GRUPO ENTRECANALES, S.A.	36,064,557	1,831,872	59.63
THE BANK OF NEW YORK MELLON CORPORATION		1,909,311	3.004

The indirect ownership interest of Grupo Entrecanales, S.A. is held through the following companies, all of which are wholly owned by the Entrecanales Group.

	NUMBER OF DIRECT VOTING RIGHTS	% OF TOTAL VOTING RIGHTS
SERVICIOS URBANOS INTEGRALES, S.A.	653,226	1.028
TIVAFEN, S.A.	1,178,646	1.854

2.4. RESTRICTIONS ON VOTING RIGHTS.

There are no legal or bylaw-stipulated restrictions on voting rights. The General Meeting Regulations expressly allow three-way voting for a single shareholder in the case of financial intermediaries that legally appear as shareholders but act on behalf of different customers and that cast their votes to reflect their customers' instructions, or if they are legal entities which designate two or more representatives who are direct partners of that shareholder.

2.5. SHAREHOLDER AGREEMENTS.

The Company is unaware of the existence of any side agreements among its shareholders that might have been notified either to itself or the CNMV. Grupo Entrecanales, S.A. announced that there are no agreements among its shareholders that restrict or condition the transfer of shares or that include the regulation of voting rights at the General Meetings other than those that appear in the bylaws.

All the direct or indirect shareholders of Grupo Entrecanales are part of the family group descending from José Entrecanales Ibarra.

The shares of Grupo Entrecanales S.A. owned by the family groups comprising the

sons of José María Entrecanales de Azcárate and Juan Entrecanales de Azcárate and sons are grouped together by family group in a separate company.

The ownership interest of each of these two companies in Grupo Entrecanales amounts to 41.4%.

On 26 March 2007, the Company entered into a shareholder agreement with Enel Spa and Enel Energy Europe Srl in relation to the shares of Endesa S.A., which was filed at the Mercantile Registry on 30 October 2007 and was terminated on 25 June 2009.

2.6. THE RULES APPLICABLE TO THE APPOINTMENT AND REPLACEMENT OF THE MEMBERS OF THE MANAGING BODY AND TO THE AMENDMENT OF THE COMPANY'S BYLAWS.

A) Appointment and replacement of members of the managing body.

The appointment and replacement of the members of the Board of Directors are governed by the provisions of the Spanish Public Limited Liability Companies Law, the bylaws and the Board Regulations.

Directors are appointed by the shareholders at the General Meeting, except in the cases

of appointment by the Board of Directors through co-optation to fill vacancies and of appointment by shareholders in exercise of their right to proportional representation.

The shareholders at the General Meeting determine the number of members - a minimum of three (3) and a maximum of 18 (18) - of the Board of Directors, which at the General Meeting held on 19 June 2008, was set at twelve (12).

The Board of Directors must respect the provisions of the Regulations when preparing the appointment proposals that it submits to the shareholders at the General Meeting, and when deciding the co-optation proposals to be made by the Board of Directors itself.

Proposals to appoint or re-appoint directors submitted by the Board of Directors to the shareholders at the General Meeting, as well as provisional appointment through co-optation, shall be approved by the Board of Directors at the request of the Nomination and Remuneration Committee, in the case of independent directors, and following a report of the Nomination and Remuneration Committee, in the case of the other directors. As regards the selection procedure, the Regulations establish

that the Nomination and Remuneration Committee undertakes to ensure that the candidate selection procedures are not affected by any underlying bias that hinders the selection of directors for personal circumstances and that any director may request that the Nomination and Remuneration Committee take into consideration potential candidates to fill directorship vacancies should they be considered to be suitable.

The Board of Directors shall be composed of proprietary, independent and executive directors.

The Board of Directors, in exercising its powers of proposal to the shareholders at the General Meeting and of co-optation to fill vacancies, shall ensure that the composition of the Board of Directors includes a broad majority of proprietary and independent directors over the executive directors and that the number of executive directors is the minimum necessary, bearing in mind the complexity of the corporate group and the percentage of ownership of the executive directors in the share capital of the Company, and that the number of independent directors represents at least one third of all the directors.

The Board of Directors and the Nomination and Remuneration Committee shall ensure,

within the scope of their respective powers, that the appointment of the independent directors falls on persons of acknowledged solvency, competence and experience, who are prepared to devote a sufficient portion of their time to the discharge of the duties inherent in the position.

The proposals for the re-appointment of directors shall also be reported to the Board of Directors by the Nomination and Remuneration Committee. When proposing a director for re-appointment, the Nomination and Remuneration Committee will assess the quality of the work performed and the dedication to the position held during the related mandate.

Directors who are the subject of proposals for appointment, re-appointment or removal must abstain from taking part in the related deliberations or voting. The Board of Directors' votes on appointment, re-appointment or removal of directors shall be secret if so requested by any of its members, notwithstanding the entitlement of any of the directors to have the manner of his vote placed on record in the minutes.

Term of the directorship: the directors shall discharge their duties for a maximum term of five years and may be re-appointed one or more times for five-year periods. The shareholders at the Annual General Meeting

shall determine, upon appointment or re-appointment the term of the position of the director appointed. If it is not determined, the term shall be for five years. Upon termination of this period, the appointment lapses when the following General Meeting has been held or when the legal term has elapsed for the shareholders at the General Meeting to approve the previous year's financial statements.

In 2009, the Nomination and Remuneration Committee proposed to the Board the appointment of Jaime Castellanos Borrego and Fernando Rodés Vila as independent directors and reported favourably on the appointment of Daniel Entrecanales Domecq as proprietary director.

Removal. The Directors shall vacate office:

- through resignation at any time;
- when so resolved by the shareholders at the General Meeting by virtue of the powers legally conferred thereupon.
- when, the period for which they were appointed having elapsed, the first subsequent General Meeting is held or when the legally stipulated deadline on which the following General Meeting should have been held, if it was not held, has elapsed.

Also, the directors must tender their resignation to the Board of Directors and resign, if the latter deems it appropriate, in the following cases:

1. In the case of proprietary directors, when the reasons for which they were appointed no longer exist, considering that this situation exists when the entity or business group which they represent ceases to hold a significant ownership interest in the share capital of ACCIONA, or when the entity or business group in question requests their replacement as directors;
2. In the case of independent directors, if they join the executive management of ACCIONA or of any of its subsidiaries, or when for any other reason they become subject to any incompatibility with the status of independent director;
3. In the case of executive directors, when they vacate their executive positions, for which reason they were appointed directors;
4. When they are involved in any of the situations of incompatibility or prohibition provided for by law or the Regulations;
5. When they are reprimanded by the Audit Committee for having seriously failed to fulfil their duties as directors.;
6. When their remaining on the Board may affect the good standing or reputation of ACCIONA and its Group in the market or jeopardise their interests in any other way and in particular in the event of being

prosecuted or having a court order issued against them with the initiation of trial proceedings for any of the offences set out in Article 124 of the Spanish Public Limited Liability Companies Act.

Alejandro Echevarría Busquet and Esteban Morrás Andrés tendered their resignation from their positions at the Board of Directors' meeting on 12 May 2009, with effect from 4 June 2009.

B) Amendment of the Company's bylaws.

The amendment of the bylaws must comply with the provisions of Article 17.2 of the bylaws in accordance with which the General Meeting must be convened with a quorum of sixty-seven percent (67%) of the subscribed and paid capital with voting power at first call, or sixty-two percent (62%) at second call, to be able to adopt resolutions on any of the following matters:

- Amendment of the bylaws, excluding the change of registered office, capital increases, the extension of the company object, and, in the cases in which it is mandatory by law, the reduction of capital;
- Transformation, merger, spin-off, liquidation or dissolution of the Company, except in the event of dissolution required by law.

In order to change the Company's registered office, increase capital (including authorising

the Board of Directors to adopt a resolution thereon), issue non-convertible, exchangeable and/or convertible debentures or bonds, issue warrants or options (individual or tied to debentures) and preference shares and, when legally required, reduce capital and dissolve and liquidate the Company, the General Meeting must be convened at first call with a quorum of sixty-seven percent (67%) of the subscribed and fully paid capital with voting power or at second call with a quorum of fifty percent (50%) of the subscribed and fully paid capital with voting power.

2.7. THE POWERS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND, IN PARTICULAR, THOSE RELATING TO THE POSSIBILITY OF ISSUING OR REPURCHASING SHARES.

A) The Company's powers of attorney correspond to the Board of Directors acting as a collective body and on a majority-decision basis. The Board of Directors has been empowered in the broadest respect to conclude agreements in general, to carry out all manner of acts and transactions, of contractual liability or disposition, ordinary or exceptional management and of absolute title, with respect to all manner of movable and immovable properties, money, securities and commercial bills, with no exceptions other than those matters that are the authority of the General Meeting or are

not included in the company object. Also, the Company has created an Executive Committee to which it has delegated all the powers except those not delegable by law.

Notwithstanding the foregoing, the Chairman José Manuel Entrecanales Domecq and the Deputy Chairman Juan Ignacio Entrecanales Franco have been delegated all the powers except those not delegable in law.

Also, the Chief Executive Officer, Valentín Montoya Moya, has also been delegated specific powers jointly and severally with other attorneys of the Company.

B) The shareholders at the Annual General Meeting held on 4 June 2009 resolved to delegate to the Board of Directors the power to increase capital once or several times within a period of five years from that date by a maximum amount of EUR 31,775,000 and the power to issue non-convertible and/or exchangeable debentures or bonds for the amount and of the characteristics decided by the Board of Directors within the legal limits. The Board of Directors has not made use of the powers delegated.

C) As regards the powers to purchase shares, on 4 June 2009 the shareholders at the

Annual General Meeting resolved to authorise the derivative acquisition of treasury shares by the Company itself and by companies of its Group, both directly and indirectly through the acquisition of capital in companies holding shares of ACCIONA, S.A., respecting the limits and the legal requirements and the conditions set forth below, thereby rendering null and void the authorisation granted by the shareholders at the Annual General Meeting held on 19 June 2008:

- a)** Method: purchase and sale, share exchange, loan or accord and satisfaction;
- b)** Maximum number of shares to be acquired: up to 5% of the share capital;
- c)** Maximum and minimum prices: 15% above or below the closing price of the last stock market session;
- d)** Duration of the authorisation: eighteen (18) months from the date of this resolution.

Also, the Board of Directors was authorised to earmark some or all of the treasury shares already acquired and those that the Company may acquire by virtue of the aforementioned authorisation, to the ACCIONA Group's senior executive share-based payment plan,

including the directors of ACCIONA, S.A. who perform executive duties.

2.8. THE SIGNIFICANT AGREEMENTS THAT HAVE BEEN ENTERED INTO BY THE COMPANY AND WHICH COME INTO FORCE, ARE MODIFIED OR WHICH ARE TERMINATED IN THE EVENT OF A CHANGE IN CONTROL OF THE COMPANY AS A RESULT OF A TAKEOVER BID, AND THE EFFECTS THEREOF, EXCEPT WHEN THE DISCLOSURE THEREOF IS SERIOUSLY DETRIMENTAL TO THE COMPANY. THIS EXCEPTION DOES NOT APPLY WHEN THE COMPANY IS LEGALLY OBLIGED TO DISCLOSE SUCH INFORMATION.

2.8.1. On 25 June 2009, the agreement that the Company had entered into with Enel relating to the shares of ENDESA, the full wording of which was notified as a significant event on 26 March 2007, was terminated.

2.8.2. ACCIONA has arranged four credit facilities for a total amount of EUR 870 million which establish the reduction in the direct or indirect ownership interest of Grupo Entrecanales in ACCIONA to below 50.01% as a possible ground for early repayment. At 18 February 2010, EUR 142 million of these credit facilities had been drawn down. There are also certain contracts of a financial nature

that establish the requirement to obtain prior authorisation for corporate transactions such as mergers or spin-offs.

2.9. THE AGREEMENTS BETWEEN THE COMPANY AND ITS DIRECTORS AND EXECUTIVES OR EMPLOYEES THAT PROVIDE FOR BENEFITS WHEN THE LATTER RESIGN OR ARE TERMINATED WITHOUT JUST CAUSE OR IF THE EMPLOYMENT RELATIONSHIP COMES TO AN END AS A RESULT OF A TAKEOVER BID.

Generally, in the absence of an express agreement, the Company does not grant termination benefits to its directors and executives except in the situations and for the amounts established in current employment legislation. In 2009, the Company paid out compensation amounting to EUR 3 million for the termination of the employment relationship of a director.

Nine executives, in the terms and conditions set out below, have agreed upon specific conditions in the event of the termination of their employment contracts for unjustified dismissal or at the discretion of the Company.

The agreements under these contracts amount to: one for an amount equal to four years' total remuneration; two agreements for a

maximum amount equal to 2.5 years' total remuneration; one agreement for an amount equal to two years' total remuneration; three agreements for an amount equal to two years' fixed remuneration, and; two agreements for an amount equal to one year's remuneration. One of the agreements is valid for a limited period and, on expiry of this period, the benefit will be that established in the ordinary general regime of the Workers' Statute, or equivalent to 45 days' salary per year of service.

This report was prepared by the Board of Directors of ACCIONA, S.A., as required by Article 116 bis of the Securities Market Act, on 23 February 2010.

Treasury Shares

At 31 December 2009, the Parent and its subsidiaries held 1,487,612 treasury shares, representing 2.3409 % of the share capital.

The changes in 2009 and 2008 in treasury shares were as follows:

	2009		2008	
	NUMBER OF SHARES	COST	NUMBER OF SHARES	COST
BEGINNING BALANCE	1,529,881	159,978	1,469,953	153,894
ADDITIONS	9,575	768	70,864	7,233
DISPOSALS	(51,844)	(5,413)	(10,936)	(1,149)
ENDING BALANCE	1,487,612	155,333	1,529,881	159,978

Events after the balance sheet date

There were no significant events between year-end and the formal preparation of these consolidated financial statements.