



2016 Results Presentation

February 2017

Consolidated net profit:

EUR 68.5 million (+ 4.3%)

Consolidated sales:

EUR 2,035 (+ 8.2%)

Normalised EBITDA:

EUR 291.7 million (+ 6.7%)

Internationalisation:

Sales in international markets: 55% of total

Order book in international markets: 82% of total

Consolidated EBITDA:

EUR 244.3 million (+ 8.9%)

Summary

- 04 Key figures
- 12 Share price trend
- 13 Main corporate transactions in year
- 15 Key projects won in the year
- 20 Key projects completed or in progress
- 24 About Elecnor

A large, 3D version of the elecnor logo. The word "elecnor" is in blue, blocky letters, and the orange swoosh is a thick, curved ribbon above it. The background is white with diagonal lines and a blue vertical band on the left.

elecnor

Key figures

CONSOLIDATED NET PROFIT UP 4.3% TO EUR 68.5 MILLION

The Elecnor Group reported net profit of EUR 68.5 million in 2016, up 4.3% compared with EUR 65.7 million in 2015.

The main factors behind this strong performance are:

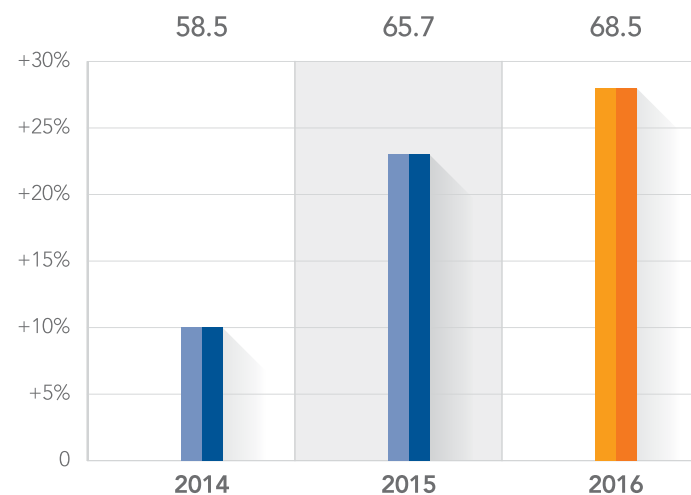
- The positive contribution of several of the Group companies operating outside Spain, especially in Chile, where projects include the execution of assembly works for the largest wind farm in the country for Latin America Power.
- The contribution of key projects in the areas of renewable energies and power transport and transformation undertaken by the Group in Latin America (Dominican Republic, Chile and Mexico), Africa (Angola and Algeria) and Australia.
- The results posted in the domestic infrastructure market, where Elecnor remains in a strong leadership position.
- The sale of the wind energy company Parques Eólicos de Villanueva to Cubico Naranja Wind Spain for EUR 34 million.
- The strong results posted by the Group's Brazilian wind farms underpinned by their strong production figures.

There were two main adverse factors: first, the Group continued to incur implementation costs in countries where it has started operating in recent years, in particular the United States and the UK. However, estimates for 2017 point to a marked improvement in earnings in these two countries. Second, the performance of some local currencies in which project financing transactions are structured compared with functional currencies has had a negative impact on the Group's income statement.

Meanwhile, the Group continued to step up the cost control policies that all Group companies have been applying consistently, and above all in the current market. This also helped cushion the negative impact of the factors described above. In this context, the Group made a significant effort to adapt the resources used in its activity to the current economic backdrop.

NET PROFIT

Figures in millions of euros



NORMALISED EBITDA UP 6.7% TO EUR 291.7 MILLION

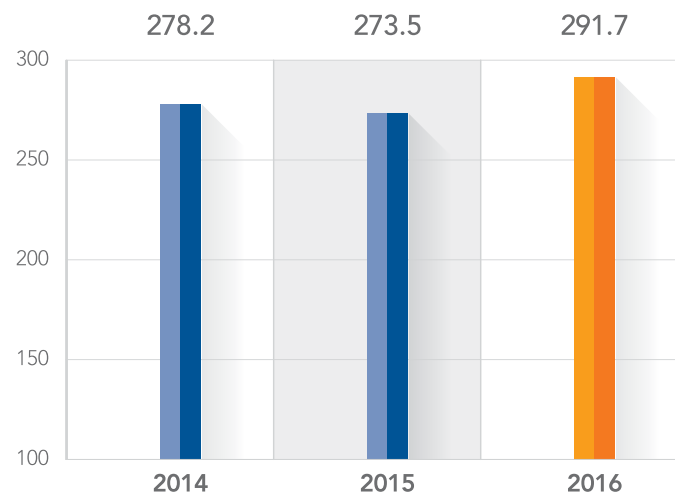
In terms of normalised EBITDA, calculated based on consolidated EBITDA and stripping out the impact of the application of IFRIC 12 relating to Service Concession Arrangements to the transmission lines operated by the Group in Brazil, Elecnor posted a figure of EUR 291.7 million, up 6.7% compared with normalised EBITDA in 2015. Based on this interpretation, only income associated with the maintenance services and operation of these transmission lines is recognised as operating income, so to reflect a more analysable figure this EBITDA has been eliminated from the accounts.

This strong performance was shaped primarily by the same factors that boosted net profit, with the exception of the abovementioned performance of some local currencies in which project financing transactions are structured compared with functional currencies.

The Elecnor Group attained consolidated EBITDA of EUR 244.3 million, an increase of 8.9% compared with 2015.

NORMALISED EBITDA (1)

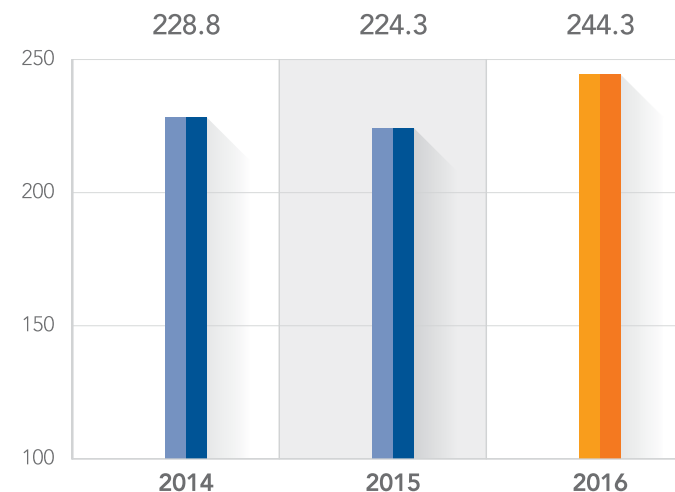
Figures in millions of euros



(1) Excluding the impact of the application of IFRIC 12 on concessions in Brazil

EBITDA

Figures in millions of euros



SALES EXCEED EUR 2,000 MILLION FOR THE FIRST TIME

In 2016, Elecnor's sales surpassed the EUR 2,000 million mark for the first time. More specifically, sales totalled EUR 2,035 million, an increase of 8.2% compared with the total of EUR 1,881 million in 2015.

The contributory factors are:

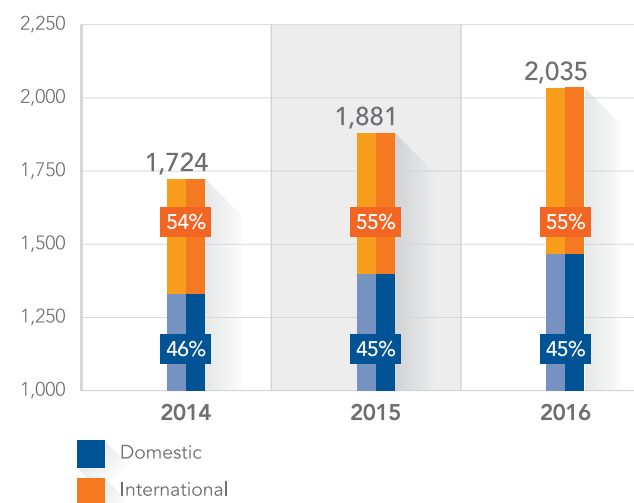
- The strong progress made on projects being executed by the Group in foreign markets, especially in Mexico, with the start of work on the combined cycle power plant that the Elecnor Group is building in this country, and in Chile, where projects include the assembly of the country's largest wind farm for Latin American Power.
- The start-up of the Alto Jahuel transmission line in Chile and its second circuit, lines that supply the country's backbone transmission system.
- The strong production figures of the Group's Brazilian wind farms.
- The robust showing of the Group's domestic infrastructure business thanks to the growing efficiency of its operations.

The international market accounted for 55% of total revenue and the domestic market the remaining 45%.

The order backlog at 31 December 2016 stood at EUR 2,339 million. International orders accounted for EUR 1,917 million (82% of the total) of this amount, while domestic orders totalled EUR 421 million, 18% of the total.

SALES BY MARKET

Figures in millions of euros

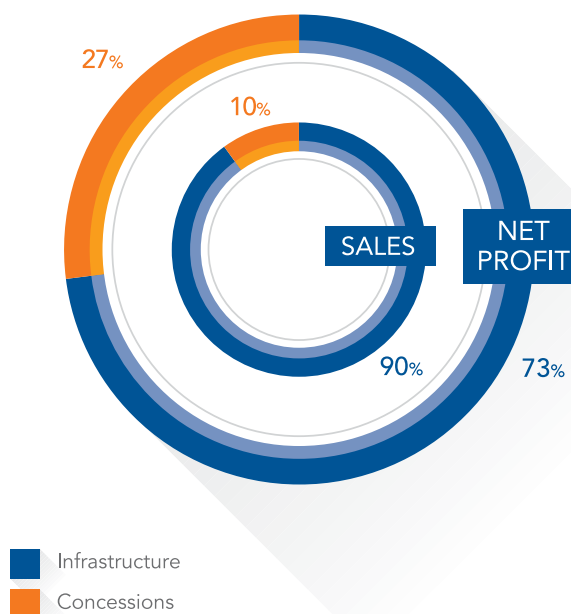


THE INFRASTRUCTURE BUSINESS CONTRIBUTES 90% OF REVENUES AND ITS NET PROFIT, WHICH ADVANCED 20% IN 2016, ACCOUNTS FOR 73% OF THE GROUP'S TOTAL NET PROFIT

With regard to the Group's two core businesses, Infrastructure and Concessions and Investment, the former posted a 20% increase in net profit to EUR 53 million, while its sales grew by 7.1% to EUR 1,892 million. This unit encompasses the execution of engineering, construction and services projects, with a particular focus on the electricity, power generation, telecommunications and systems, facilities, gas, construction, maintenance, environment and water, railway and space industries.

Meanwhile, the Concessions business (which includes the operation of services through investment in power transmission and generation assets, primarily wind and solar thermal) posted a net profit of EUR 19.8 million, down 6 % compared with 2015. The reason for this decline is the abovementioned performance of some local currencies. Meanwhile, sales climbed 5.4%, to EUR 211 million.

DISTRIBUTION BY SEGMENT

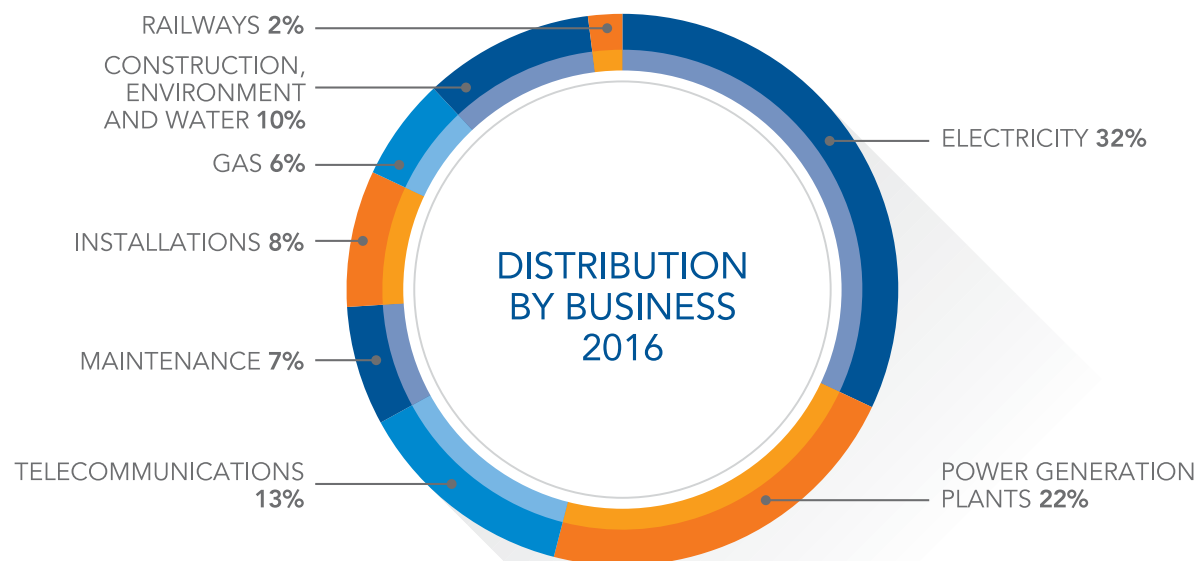


A DIVERSIFIED STRUCTURE BY ACTIVITY AND MARKET

Once again, the main activity in terms of revenues was Electricity, with a figure of EUR 652 million, just ahead of Power Generation, due to the execution of large plant projects in the international market.

The Installations and Construction, Environment and Water businesses, inter alia, also posted significant growth compared with 2015.

DISTRIBUTION BY BUSINESS



NET FINANCIAL DEBT

Figures in millions of euros

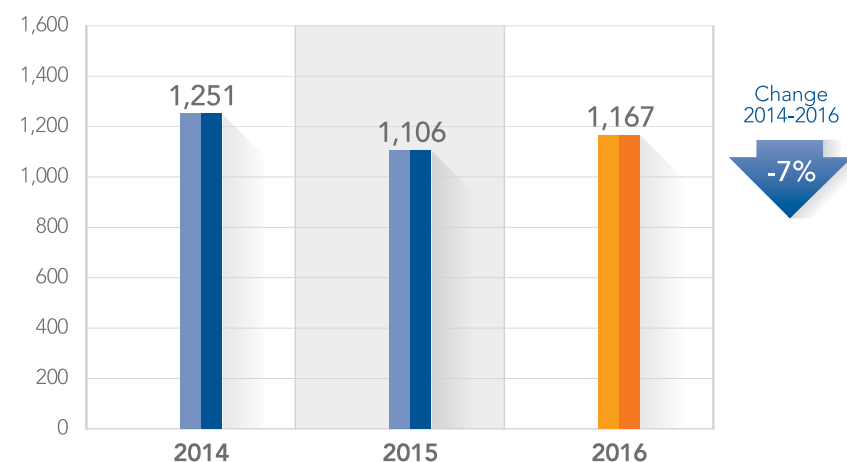
| | 2014 | 2015 | 2016 |
|----------------------------------|-------|-------|-------|
| Net financial debt | 1,251 | 1,106 | 1,167 |
| Recourse | 348 | 280 | 272 |
| Non-recourse | 903 | 826 | 894 |
| Normalised EBITDA ⁽¹⁾ | 278 | 273 | 292 |
| Normalised debt/EBITDA ratio | 4.5 | 4.0 | 4.0 |

| | 2014 | 2015 | 2016 |
|----------------------------------|------|------|------|
| Corporate debt | 348 | 280 | 272 |
| Normalised EBITDA | 278 | 273 | 292 |
| Debt/EBITDA ratio ⁽²⁾ | 2.56 | 2.20 | 2.02 |
| Debt/Shareholder equity ratio | 0.56 | 0.54 | 0.47 |

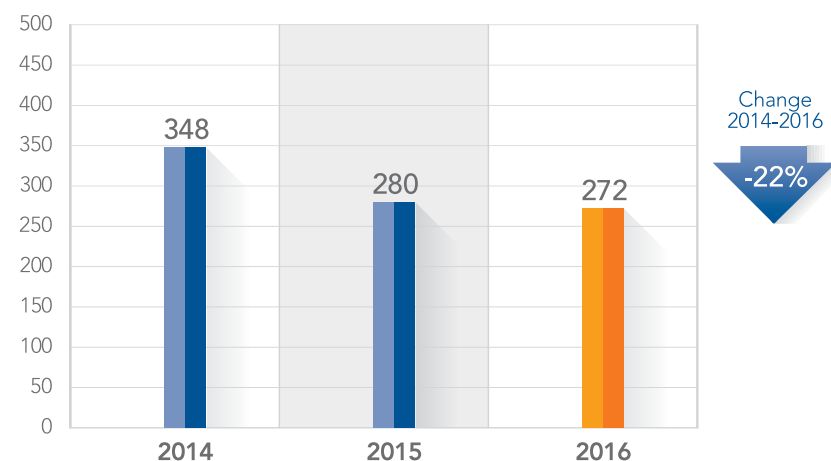
⁽¹⁾ Excluding the impact of IFRIC 12 on concessions in Brazil

⁽²⁾ Ratio= Net financial debt/ (EBITDA excluding projects + project dividends)

NET FINANCIAL DEBT



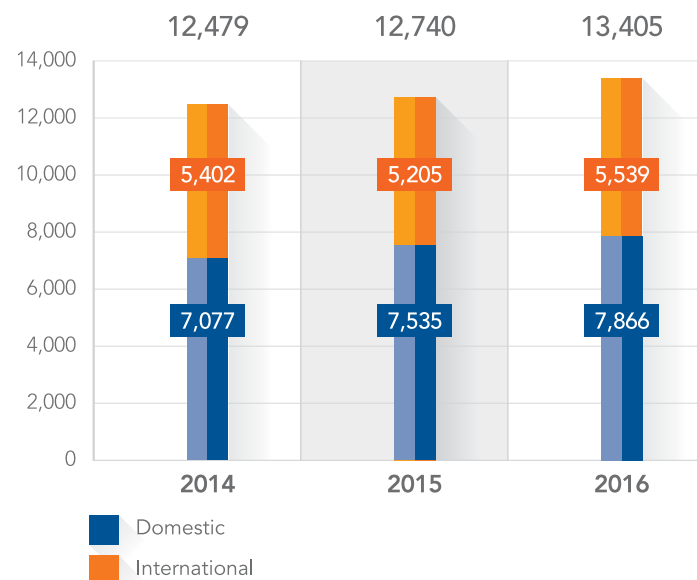
CORPORATE DEBT



WORKFORCE STOOD AT 13,400 EMPLOYEES

In 2016 the Group's workforce grew by 665 (+5.2%) to 13,405 employees. The main reason for this increase was the signing of several new telecommunications maintenance and infrastructure contracts in the latter part of the year in Spain. The number of employees outside Spain grew by 334, largely as a result of an increase in activity in Angola and the Dominican Republic.

WORKFORCE



SHARE PRICE TREND

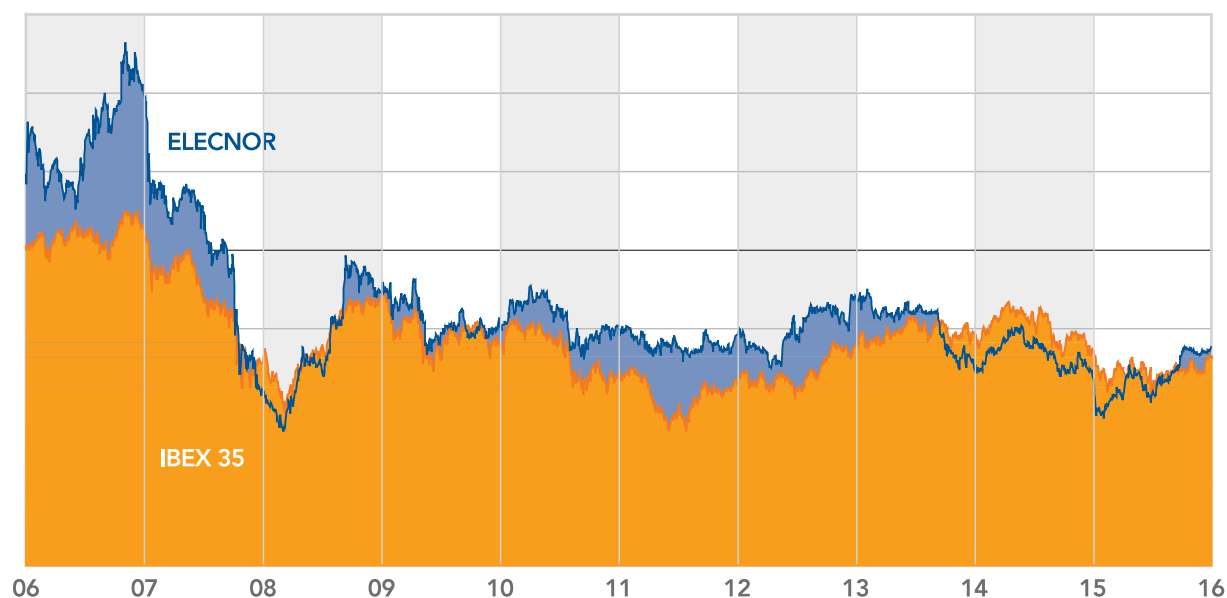
| | 2016 | 2015 |
|-----------------------------------|-------|-------|
| Closing share price (EUR) | 8,98 | 8,23 |
| Trading volume (million shares) | 4,4 | 5,7 |
| Cash trading volume (EUR million) | 34,4 | 50,2 |
| No. of shares (million) | 87,0 | 87,0 |
| Market cap (EUR million) | 781,3 | 716,0 |
| P/E ratio | 11,4 | 10,9 |
| Dividend yield | 3,2% | 2,9% |

Elecnor's shares ended the year at EUR 8.98, up 9.1% compared with the end of 2015 and outperforming the Ibex-35, which fell by 2.01%. The cash trading volume totalled EUR 34.4 million, Market cap amounted to EUR 781 million while the price/earnings ratio stood at 11.4x, 0.5 points higher than in 2015.

The dividend yield was 3.2%, compared with 2.9% in 2015.

SHARE PRICE PERFORMANCE

In 10 years





Main
corporate
transactions
in year





Sale of Parques Eólicos de Villanueva

Elecnor, via its wind power subsidiary Enerfín Sociedad de Energía, concluded the sale of the Eólicos de Villanueva company to Cubico Naranja Wind Spain for EUR 34 million, a transaction which made a positive contribution to the Group's results in 2016. This transaction is in keeping with Elecnor's strategy for securing returns on its infrastructure promotion, development and construction projects.

Improved conditions for Elecnor's EUR 600 million syndicated facility

Taking advantage of current low interest rates, Elecnor signed a novation contract last June to modify several of the conditions of the EUR 600 million syndicated loan taken out in July 2014 with 19 Spanish and international financial institutions. This resulted maturity being extended by one year and a marked improvement in the original margin conditions. Under this new agreement, which came into force immediately, maturity is extended by one year to July 2021 and the margin conditions originally agreed last year are maintained.



A new Chairman

The Board of Directors of Elecnor, S.A., at its meeting on 21 September 2016 and in accordance with its orderly succession policy, agreed, unanimously and with effect from 1 January 2017, the appointment as Non-Executive Chairman of the Board of Directors and of its Executive Committee of the former Deputy Chairman, Jaime Real de Asúa Arteche, to replace Fernando Azaola, who had voluntarily resigned as Executive Chairman from that date. The Chief Executive Officer, Rafael Martín de Bustamante, remains in office as Elecnor's most senior executive. Following his replacement as Chairman, Fernando Azaola remains a member of the Board of Directors and of its Executive Committee. Fernando Azaola also remains Chairman of the Elecnor Foundation.



Key projects
won in
the year





Solar PV plant in Chile

Elecnor secured the USD 117.2 million contract to build a solar PV plant in Chile. This facility, with installed power of 115 MWp, will be in the municipality of Til Til, to the north of Santiago, in the Metropolitan Region. The contract for the Til Til project encompasses the engineering, supply, assembly and start-up of the plant and the high-voltage evacuation infrastructure via a GIS substation connected with a high-voltage line.



A new power concession in Chile

Through its subsidiary Celeo Redes, Elecnor will develop the Nueva Diego de Almagro transmission system in Chile. The project involves the construction, operation and maintenance of the installation, with a projected investment of USD 90 million that will be funded through an equity contribution and non-current debt. The project involves the construction of a new substation (Nueva Diego de Almagro) in the province of Chañaral (Atacama region), a 40 km 220 kV double circuit line to connect the new substation with the Cumbres substation and the installation of an autotransformer bench at the Cumbres substation.

Interconnection system with the Cabo Leones I wind farm in Chile

With total generation capacity of 170 MW, Elecnor has been awarded the contract to build an interconnection system with the existing network of this wind farm located in Freirina, Huasco, in Atacama Region III (Chile). Specifically, the company will build 110 km of 220 kV double circuit line and expand the Maitencillo substation.

Two solar PV plants in Bolivia

Elecnor, in partnership with the Bolivian company Emias, has secured the EUR 65.4 million contract to build two solar PV plants in southern Bolivia. This is the largest supply and construction contract for a solar PV project awarded in Bolivia to date while the planned plants are also the country's number one clean energy project. The Uyuni plant in the Department of Potosí will have rated power of 60 MW and occupy a 200-hectare site. The Yunchará facility, in the Department of Tarija, will have rated power of 5 MW and occupy a 15-hectare site.



Punta Catalina-Julio Sauri transmission line in the Dominican Republic

Elecnor will build a turnkey 345 kV transmission line from the Punta Catalina thermal plant to the 345/138 kV Julio Sauri substation. The project scope includes the detailed design, manufacture, CIP supply, civil works, assembly and laying of conductors, testing and start up. These activities are being carried out for the Corporación Dominicana Empresas Eléctricas Estatales state power holding company in the provinces of Peravia and San Cristóbal.



Two contracts at the Bellara steel works in Algeria

The consortium including Elecnor secured the contract for the Balance of Plant (BOP) works at the steel complex developed by the Algerian Qatari Steel corporation in the Bellara industrial area in northeastern Algeria. It also won a second contract in the same steelworks through its subsidiary Hidroambiente for the development of a water treatment plant. These contracts are worth USD 150 million and USD 4 million respectively.



Laúca hydroelectric plant in Angola

Elecnor won the contract for the coordination and performance of electro-mechanical assembly work on the 2,073 MW Laúca hydroelectric power plant. This will be the country's largest production plant when it starts up. Situated in the Commune of San Pedro de Kilemba in Cambambe, Kwanza Norte province, it is a EUR 144 million project with six 334 MW turbines and one 67 MW turbine. The project is scheduled for completion in October 2018.



Water supply network in Lubango, Angola

The project involves construction of the second stage of the water supply network for the city of Lubango in Huíla province for the Angolan Ministry of Energy and Water. Elecnor will lay 140 km of pipes and connect 20,000 homes.





The 86 MW Al Rajef wind farm in Jordan

Located in the Maan region in southern Jordan, the Al Rajef wind farm is a turnkey project for Green Watts Renewable Energy, a subsidiary of Alcazar Energy, which develops renewable energy generation projects across the Middle East. Elecnor will be responsible for the entire engineering of the project, construction of the wind farm, the medium-voltage power and communications network and the complete substation, including its start-up. It is a 131 megawatt project that will be carried out in partnership with Gamesa.

A framework contract with Endesa, Gas Natural Fenosa and Iberdrola in Spain

Elecnor won the framework multiservice contract put out to tender by Endesa in 2016 including maintenance of medium- and low-voltage networks, live working, regulated operations, generators and waterproofing of centres. Initially lasting three years, this contract strengthens Elecnor's position in all the autonomous regions where the power company distributes electricity.

With GNF, Elecnor was awarded a framework electricity maintenance contract including medium- and low-voltage activities, medium- and high-voltage live working and high-voltage lines. This is a five-year contract with a three-year extension option.

These contracts are in addition to the contract held since 2014 with Iberdrola, covering medium- and low-voltage maintenance and the Star Project, for which Elecnor is the leading contractor with a presence in the main provinces.



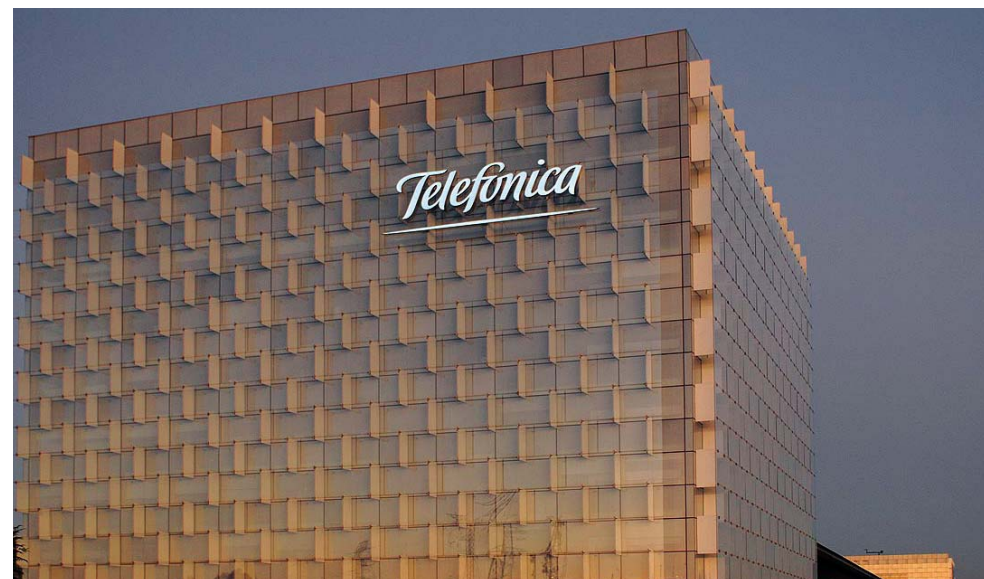
Key projects
completed or
in progress





The promotion, development, construction and start-up of a 25 MW solar PV plant in Australia.

Elecnor has completed the construction and start-up of a 25 MW solar PV plant in Barcaldine in the state of Queensland in Australia. The contract is worth AUD 69 million. The Barcaldine solar plant has been built on a 90-hectare site. The plant's 79,000 photovoltaic panels generate an estimated annual production of 56,000 MWh, sufficient to meet the consumption requirements of around 5,300 households.



Provision of the customer loop service contract for Telefónica in Spain

In telecommunications, Elecnor continues to work on this contract for Telefónica, performing civil works including excavation, demolition, construction and maintenance of the support infrastructure for Telefónica's cable network; line and cable works, including work on Telefónica's cable networks, with a particular focus on the new FTTH network being built by the operator; and customer service activities, including installation, maintenance and technical support for the various services requested by customers from Telefónica. This is a three-year contract.



Facilities for the Pikolin sleep products logistics and industrial centre in Spain

Elecnor is working on the facilities in this centre located in Zaragoza. The project includes medium and low voltage power, external lighting, weak signals (such as voice and data, PA systems and the control system for electro-mechanical and security facilities), HVAC, ventilation, fire protection, plumbing, compressed air and the natural gas pipeline network.

The Empalme II combined cycle plant in Mexico

Elecnor, in partnership with Duro Felguera, is building the Empalme II combined cycle plant in the state of Sonora for Mexico's Federal Electricity Commission (CFE). The project involves the design, engineering, construction, installation, testing and start-up of the plant, which will have an approximate capacity of 790 MW and use gas as a fuel. It will have two gas turbines, two heat recovery boilers with three pressure levels and a steam turbine. The open cooling system will employ seawater. The plant will be connected to a 400 kV substation. The project is worth a total of USD 397 million.



Kintampo II substation in Ghana

Elecnor is responsible for the design, supply, installation and start up of the Kintampo II substation (330/161 kV) for the 330 kV Kumasi-Bolgatanga project in Kintampo, Ghana. This project includes the 330 kV system, the power transformer station, the control and protection building, ancillary service systems and the 161 kV system.



Norway's high-speed rail network

Elecnor is building the rail infrastructure for the twin high-speed train (250 km/h) tunnels that will link Oslo with the city of Ski. The 20 km tunnels will be the longest in Scandinavia and comprise the central hub of interurban rail development towards the south of the Norwegian capital. Elecnor is working on this Norwegian Rail Administration project through the Acciona-Ghella consortium. Specifically, it is involved in designing the systems, drawing up the construction project and executing the rail systems, in addition to the start-up of service in all facilities.

DEIMOS Sky Survey, the most important asteroid and space debris tracking centre in Europe

DEIMOS Sky Survey (DeSS) is an advanced complex equipped with the latest technology for the observation, monitoring, cataloguing and tracking of space debris and asteroids close to Earth. Owned by Elecnor Deimos, Elecnor's technology area, the observatory also houses three optimised telescopes and all the HW and SW systems needed for their use. This new optical observation infrastructure allows space debris to be measured to create and maintain a catalogue of space objects, making this the most important asteroid and space debris tracking centre in Europe.





About Elecnor



Elecnor is a global company present in 53 countries with two core businesses

Infrastructure: execution of engineering, construction and services projects, with a particular focus on the electricity, power generation, telecommunications and systems, installations, gas, construction, maintenance, environment and water, railway and space industries.

Concessions: operation of services through investment in power transmission systems and wind and solar thermal energy.

