



Results presentation First half 2016

July 2016



Net profit:

EUR 32.6 million (+ 4,3%)

EBITDA:

EUR 102.3 million (+ 19%)

Sales:

EUR 894.3 million (+ 7,3%)
Domestic market: + 4,6%
International market: + 9,7%

Order backlog at end of period:

EUR 2,614 million (+ 4,5%)
Domestic market: + 17,7%
International market: + 1,9%

International expansion:

International market as a portion
of total sales: **53,5%**

International market as a portion
of total backlog: **82%**

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Summary



Key performance indicators



CONSOLIDATED NET PROFIT UP 4.3% TO EUR 32.5 MILLION

The Elecnor Group obtained a consolidated net profit of EUR 32.6 million in the first half of 2016, up 4.3% year-on-year. This increase was driven mainly by the Group's Infrastructure business, despite the significant weakening of the Brazilian real compared to the first half of 2015, which has impacted the results of the Group's projects in that country.

Other factors that shaped net profit at 30 June 2016, compared with the same period last year, are:

- The positive contribution by Group companies operating outside Spain, especially in Chile, due to the execution of assembly works for the largest wind farm in the country for Latin America Power.
- The contribution of key projects in the area of renewable energies and power transport and transformation developed by the Group in Latin America (Dominican Republic, Brazil, Chile and Mexico) and Africa (Angola).

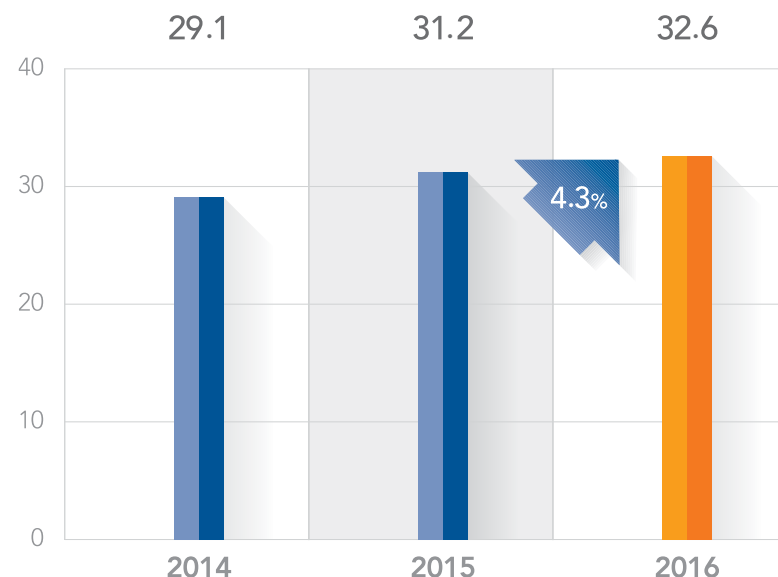
- The good performance of results in the domestic infrastructure market.

These positive factors offset the implementation costs in countries where the Group has started operating in recent years and where, once the adaptation process is complete, it expects to return strong earnings in the coming years.

In addition to the ongoing control over overhead expenses that the Company has been applying in the past few years.

Net profit (profit after tax) - 1H

Figures in millions of euros

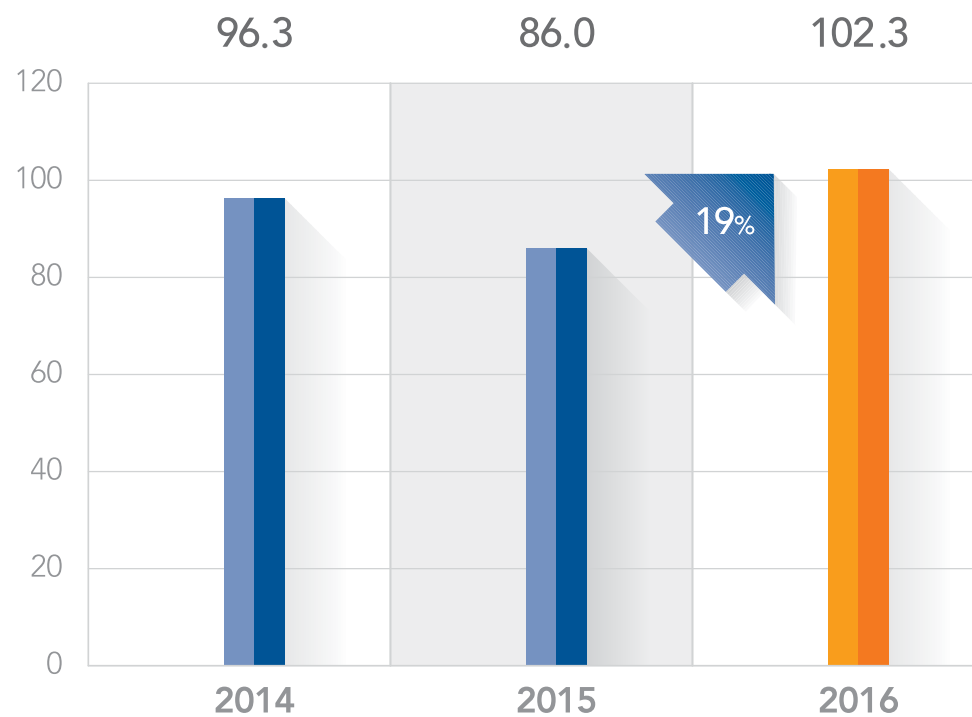


EBITDA CLIMBED 19%, to EUR 102.3 MILLION

EBITDA stood at EUR 102 million at the end of the first half, compared to EUR 86 million in the same period in 2015, representing a 19% year-on-year increase. This figure confirms the Group's capacity to generate funds and compliance with its commitments to customers, suppliers and financiers.

EBITDA -1H

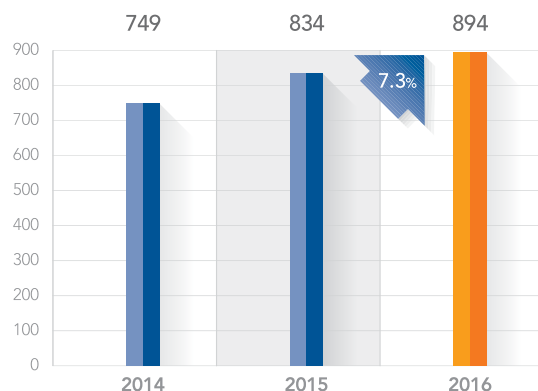
Figures in millions of euros



SALES INCREASED BY 7.3% (+9.7% IN THE INTERNATIONAL MARKET AND +4.6% IN THE DOMESTIC MARKET)

SALES - 1H

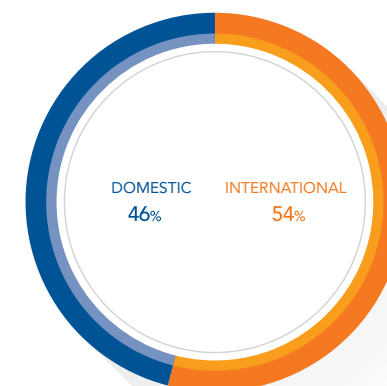
Figures in millions of euros



The Elecnor Group reported sales of EUR 894 million in the first six months of 2016, compared to EUR 834 million in the same period last year, marking an increase of 7.3%. Reasons for this increase include:

- The strong progress made in projects being executed by the Group in foreign markets, especially in Mexico, with the start of work on the combined cycle plant that the Elecnor Group is building in this country with partner Duro Felguera, and in Chile, where the aforementioned wind farm works are being executed 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 continued strong performance of the Group's traditional infrastructure business in the domestic market seen over the past few years.

SALES BY MARKET - 1H



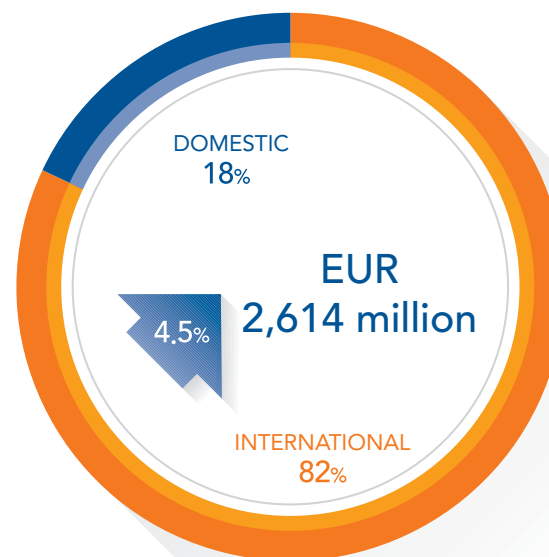
By geographical area, the international market accounted for 53.5% of total revenue and the domestic market the remaining 46.5%. These figures underscore the Elecnor Group's focus on international markets, where it grew by 9.7% in this first half, as a driver of growth for the next few years, although the domestic market also saw growth of 4.6% during the same period.

THE ORDER BACKLOG STOOD AT EUR 2,614 MILLION, UP 4.5%, WITH INTERNATIONAL ORDERS ACCOUNTING FOR 82%

At 30 June, the backlog stood at EUR 2,614 million, up 4.5% compared with the end of the previous year.

This sharp growth is largely attributable to the Group's firm focus on the international market and continues the progress made in recent years. Specifically, the international backlog amounted to EUR 2,136 million, up 1.9% compared with December 2015, which means it now represents 82% of the total backlog.

ORDER BACKLOG - 1H





Main
corporate
transactions in
the first half





Extension of the EUR 600 million syndicated finance plan

Elecnor has signed an agreement to extend the term of the EUR 600 million syndicated finance plan closed in July 2014 with a group of 19 domestic and international financial entities. The company has agreed new conditions that extend the term by one year and maintain the terms and conditions of the EUR 600 million syndicated facility arranged in July 2014 and renewed in July 2015.

2016 General Shareholders' Meeting: Elecnor raises its 2015 dividend by 5% compared to 2014

At the General Shareholders' Meeting held in May, Elecnor approved the resolution set forward by the Board of Directors to increase the dividend paid against 2015 results by 5% compared to the amount paid against 2014 earnings. Factoring in this 5% increase, over the last ten years the annual dividend growth rate stands at 9.3%, with payment always paid fully in cash.

Renewal of the commercial paper programme on MARF, of up to EUR 200 million

Elecnor continues to pursue a strategy aimed at diversifying its sources of short- and medium-term funding, beyond traditional bank funding, and has once again renewed the commercial paper programme on the Alternative Fixed Income Market (MARF) that will allow the Group to obtain funding for terms of up to 24 months and optimise working capital funding costs. The maximum amount of outstanding issues at any time is EUR 200 million. When deciding whether to renew the programme, Elecnor took into account the flexibility of the funding terms, the lower cost of funding compared to alternative sources for these terms and the lack of drawdown costs.



Key projects
won in the first
half





Two contracts were won in the Bellara steel works in Algeria for EUR 137.5 million

The consortium including Elecnor has been awarded the contract for the Balance of Plant (BOP) works at the steel works developed by the Algerian Qatari Steel corporation in the Bellara industrial area located in the north east of Algeria. Further, through its subsidiary Hidroambiente, it has won a second contract in the same steel works, for the development of a water treatment plant. These contracts amount to USD 150 million (around EUR 134 million at the current exchange rate) and USD 4 million (around EUR 3.5 million) respectively.

A new power concession in Chile for an investment of EUR 81 million

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 (over EUR 81 million), that will be funded through a capital 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 Ibereólica 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.



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 developed for the Corporación Dominicana Empresas Eléctricas Estatales in the provinces of Peravia and San Cristóbal.



Facilities for the Pikolin sleep products logistics and industrial centre

From the beginning of the year, Elecnor has been 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, megaphones and the control system for electro-mechanical and security facilities, among others), air-conditioning, ventilation, fire protection, plumbing, compressed air and the natural gas pipeline network.

Kintampo II substation in Ghana

Elecnor will be 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, developed by the Ghana Grid Company, includes the 330 kV system, the transformer centre, control and protection building, ancillary service systems and the 161 kV system.



Other key
projects
completed in
the first half or
in progress



Construction of a section of Peru's southern gas pipeline

The Ductos del Sur construction consortium has awarded Elecnor the engineering, construction and start up contract for one of the sections of Peru's southern gas pipeline (GSP for its initials in Spanish) in a deal worth EUR 205 million. The section awarded runs between kilometres 240 and 348, traversing the Andes.

The GSP project was awarded by the Peruvian government on 30 June 2014 and involves the design, financing, construction, operation and maintenance of the new pipeline. It will cover a total of 1,134 kilometres and is divided into three sections according to diameter: 32, 24 and 14 inches. The 108 kilometres awarded to Elecnor fall within the first category.



Start up of the second phase of the Morelos gas pipeline, Mexico

In April this year, Elecnor opened the second phase of the Morelos gas pipeline in Mexico. The company has built the gas pipeline that transports natural gas from the State of Tlaxcala to Morelos, in central Mexico. Enagás was also involved in the c.170 km project that entailed an investment of EUR 220 million. It was executed for Mexico's Federal Electricity Commission for which Elecnor will provide gas transport services for a 25-year period via the new gas pipeline.



Maintenance work on AVE power facilities in Spain

Elecnor, in a consortium with a further five companies, is responsible for the maintenance work at the high speed power facilities in a contract worth EUR 187.7 million. With a duration of 10 years, the purpose of the contract is to carry out comprehensive and integrated maintenance of the traction power systems for over 2,300 kilometres, specifically the overhead contact lines, the electricity substations and the associated systems (point heating and tunnel lighting).

Strengthening its operations in Australian with a 25 MW solar PV farm

Elecnor is building a 25 MW solar PV plant in Barcaldine, Queensland, Australia. The contract is worth AUD 69 million, nearly EUR 47.3 million at the current exchange rate. The Barcaldine solar plant will be built on an area of 90 hectares. The plant's 79,000 photovoltaic panels will generate an estimated annual production of 56,000 MWh, sufficient to meet the consumption requirements of around 5,300 households.





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 will be 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.

Expansion and completion of the Maan wind farm in Jordan

Elecnor was chosen by Jordan's Ministry of Energy and Mineral Resources to carry out this project, which includes the engineering, supply and construction of a 66 MW wind farm. An agreement was then reached to expand the farm by a further 14 MW, putting its current capacity at 80 MW, comprising 40 turbines with a unit capacity of 2 MW. The contract also covers operation and maintenance of the farm for two years, as well as construction of the control building and access roads. It was opened in April this year by the country's Minister of Energy.



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 with an established presence in 53 countries in 2015 and has two major mutually-enriching business areas:

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

Assets: operation of services through investment in wind energy, power transmission systems and other strategic assets.



