elecnor

Press Release

2014 General Shareholders' Meeting

In 2013, Elecnor strengthened its international presence in terms of sales, backlog and investment assets

- **Last year, sales in international markets advanced by 24% and exceeded domestic sales for the first time, accounting for 56% of the total**
- **The backlog grew by 11% to EUR 2,415 million, with international orders accounting for EUR 1,969 million (82%) of this total**
- **Investment assets under management totaled EUR 3,815 million at the end of 2013, including the backlog. International assets accounted for 63% of this total**
- **The General Shareholders' Meeting approved a total dividend of EUR 0.2338 per share out of 2013 profit**

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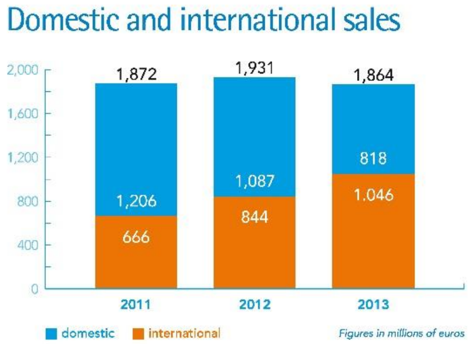
Madrid, 21 May 2014.- Elecnor stepped up the steady international expansion of its business in 2013. This is evidenced by the company's sales performance, backlog and the value of its investment assets announced today during the company's General Shareholders' Meeting.

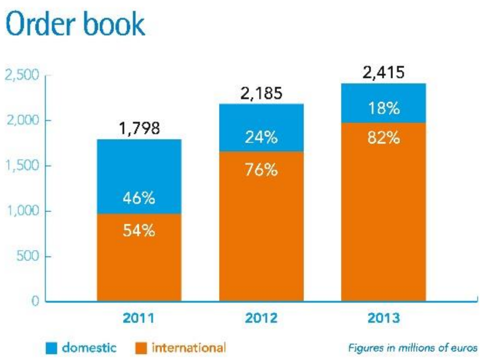
Last year the **international market** accounted for **56%** of the Group's **revenue** of **EUR 1,864 million**, up **24%**, while domestic revenue accounted for the remaining **44%**.



Revenue drivers in the year included the larger contributions by international wind farms and by subsidiaries operating outside Spain. Highlights in 2013 included the construction of a solar PV (photovoltaic) plant in the US for PG&E, the acquisition on 1 November 2013 of assets and contracts from US company Hawkeye and the construction of the Morelos gas pipeline in Mexico, which will provide service to the Federal Electricity Commission (CFE). These helped offset lower revenue from power generation projects in which the Group participates and the impact of lower (public and private) investment in sectors in which the Group has operations in Spain.

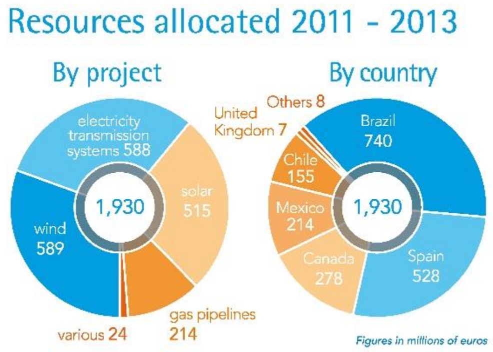
Order book

The order book at 31 December 2013 stood at **EUR 2,415 million**, compared to EUR 2,185 million at the end of 2012, an increase of EUR 230 million or **11%**). By market, the international order book increased by **18%** to EUR 1,969 million, 82% of the total. Meanwhile, the domestic order book decreased by 15% to EUR 446 million.

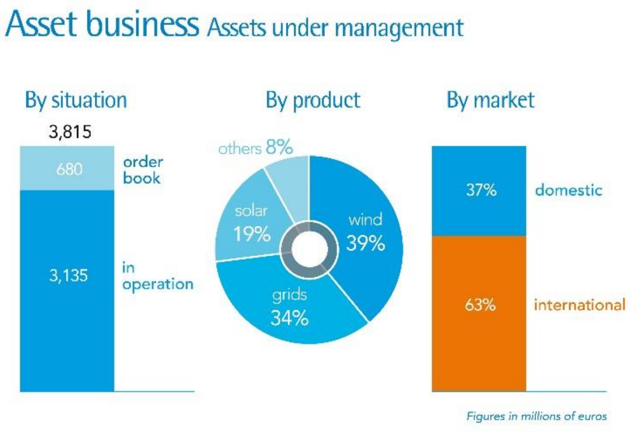


Investment assets

Elecnor's businesses are divided into two large groups: infrastructure engineering and construction projects and services, underpinned by the Group's ability to develop, build, maintain and operate all kinds of **infrastructure**; and **development of and investment in** renewable energies and energy and environmental infrastructure concessions. These activities have resulted in the company allocating **EUR 1,930 million** to investment projects over the last three years.



At the end of 2013, the value of Elecnor's **investment assets** amounted to **EUR 3,815 million**, including a backlog of EUR 661 million. International markets accounted for 63% of this total and Spain for the remaining 37%. By business, EUR 1,258 million corresponded to electricity transmission grids in Brazil and Chile, EUR 1,258 million to wind assets in Spain, Brazil and Canada, EUR 920 million to the Group's three solar thermal plants in Spain and EUR 196 million to the Morelos gas pipeline in Mexico.



Results and dividend

The General Meeting approved the Board's proposed payout on **11 June** of a final dividend out of 2013 profit of **EUR 0.1856 per share**. Including last January's interim dividend of EUR 0.0482 per share, the total payout amounts to **EUR 0.2338 per share.**

In his address to shareholders, Elecnor's chairman, **Fernando Azaola**, remarked: "*I believe it is worth mentioning our efforts to maintain the level of dividends distributed, which fell by 10% even though the fall in individual net profit exceeded this. This continues our policy for last year, when we proposed - and you approved - keeping the total dividend unchanged, despite the decrease in individual net profit. Accordingly, the 2013 payout rose by 38.9% compared with 2012*."

EBITDA amounted to **EUR 220.4 million**. This is lower than in 2012, but 5% higher than in 2011, which was the last year not affected by the energy reforms carried out by the incumbent government.

Consolidated net profit for 2013 was **EUR 53.3 million**, reflecting the impact of the new energy regulation introduced by the government in 2012 and 2013. Under the framework of this reform, the Elecnor Group carried out the pertinent impairment tests on its renewable energy investments affected by the regulations. As a result of these tests, it recognised a total impairment loss of EUR 138 million in 2012 and 2013 on the assets of the companies managing the three solar thermal plants in Spain in which Elecnor has stakes. The impairment had a significant impact on the consolidated income statement, as was also the case in 2012, when consolidated net profit amounted to EUR 87.6 million.

Moreover, the company lost revenue in 2013 as a result of the rates applicable to all power generation plants operated by the Group in Spain from 14 July 2013 compared to previous rates pursuant to Royal Decree-Law 9/2013, of 13 July, adopting urgent measures to guarantee the financial stability of the electricity system. This amount is estimated at approximately EUR 13.5 million for the second half of 2013, implying an annual impact of around EUR 27 million.

Other key factors affecting net profit were the adverse movement in the Brazilian-euro exchange rate, which hurt both revenue and income from companies operating in Brazil, and thinner margins in Elecnor's traditional business caused by lower investment by the Group's clients and the squeeze on prices caused by stiff competition in the industry.

About Elecnor

Elecnor carries out projects involving infrastructure, renewable energies and new technologies. It has 12,500 employees and operates in over 40 countries. For more information visit www.elecnor.com

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