

ACCIONA Energía

**A global operator
in renewables
unique in the sector**

**The developer's
experience in INDIA**



Four lines of business with the common link of sustainability

33,000+ employees

In 30+ countries on the **5 continents**

€6,499m turnover

And net investment of **€340m**

€1,087m EBITDA

73% generated by the **Energy Division**

In the main sustainability indexes

Dow Jones (DJSI) and FTSE4Good



Data at 31.12.2014

POSITIONING **factors**

1

Only in renewables

In the main technologies

2

Throughout the value chain

Proven reliability and customized solutions

3

A global company

In +20 countries

4

The longest experience

20 years in a sector with many new actors

KEY **figures**

Sales

€2,200m

EBITDA

€788m

Owned capacity

8,502 MW

Production

21.5 TWh

International presence

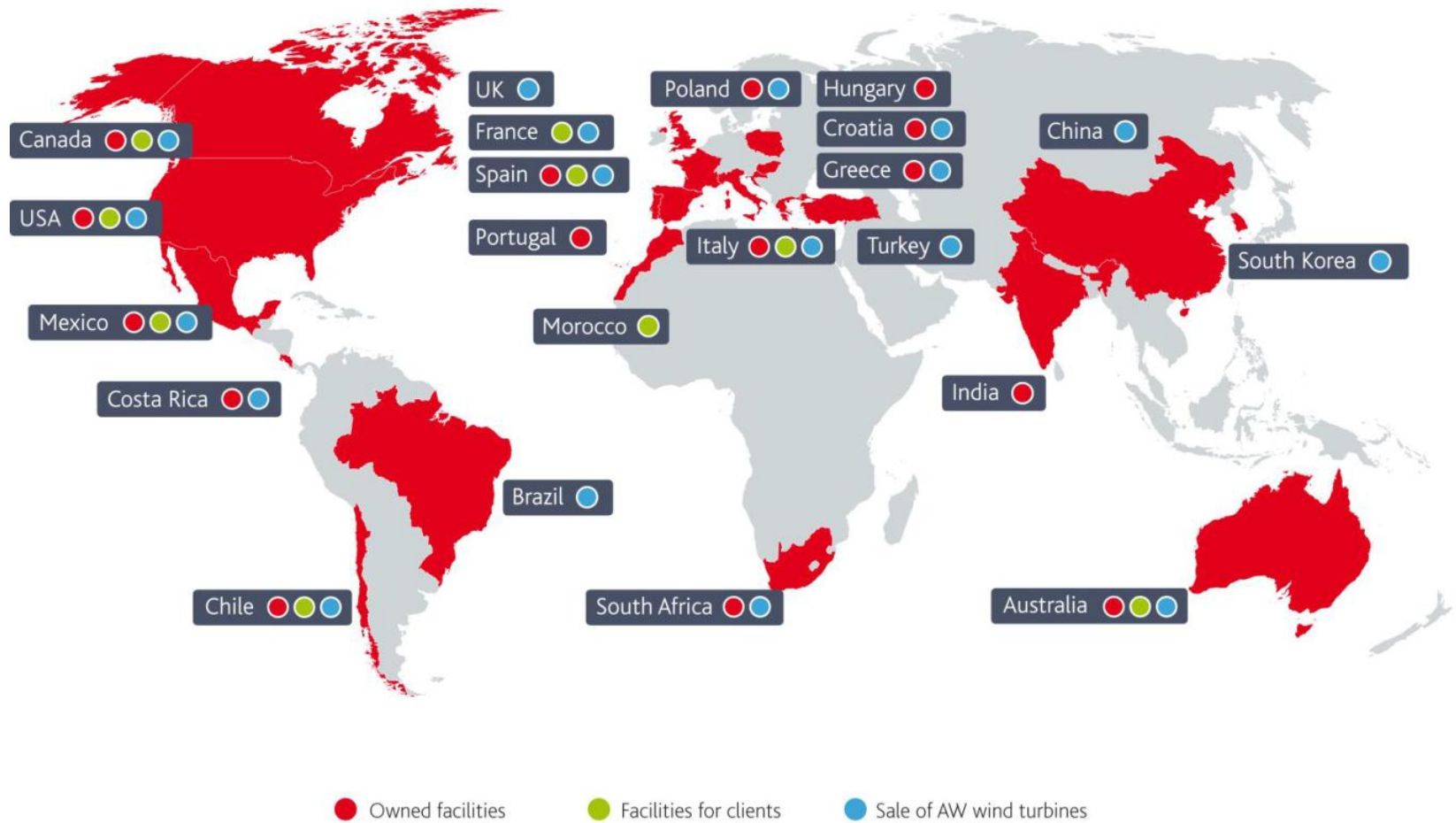
+20 countries

Workforce

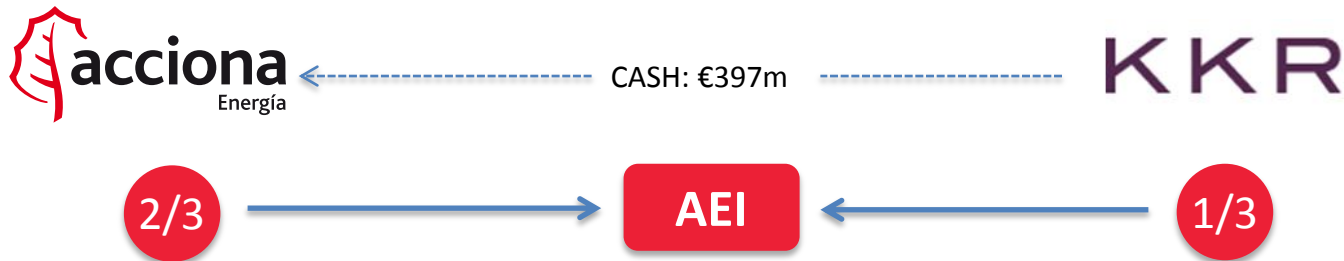
2,807

Data at 31.12.2014

Worldwide presence



Partnership with KKR: ACCIONA Energia Internacional (AEI)



- **2.3 GW net operating renewable capacity** (94% wind, 6% solar)
- 55 assets in **14 international markets**, 5 continents
- **€120m annual cash** distributable to partners
- Enterprise value: ~ **€2,600bn** (50% equity – 50% net debt)

Long-term strategic partnership between a value-driven financial investor and an experienced industrial leader **to consolidate and develop** one of the world-largest renewable portfolios and **accelerate growth of the AE's international pipeline** (~3GW being developed)

AE Presence in India: Wind



- **Local presence**

Acciona Energia India established in 2007
Local (Indian) team of 13 people in Bangalore

- **86 MW in operation (in Karnataka)**

Anabaru + Arasinagundi (2008) → 29,7MW
Tuppadahali (2011) → 56,1MW

- **Over 230 GWh of annual production**
above country average

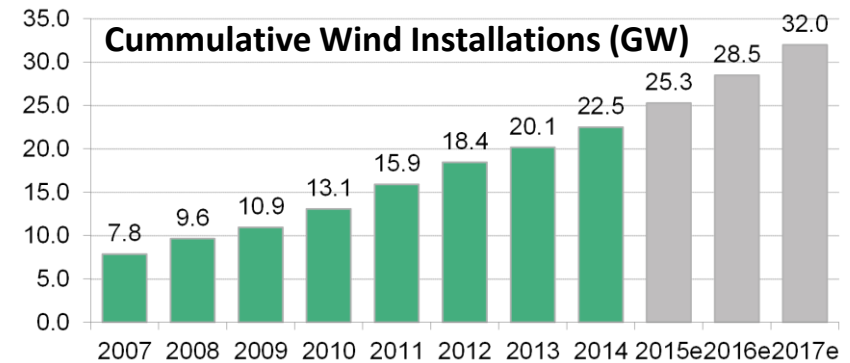
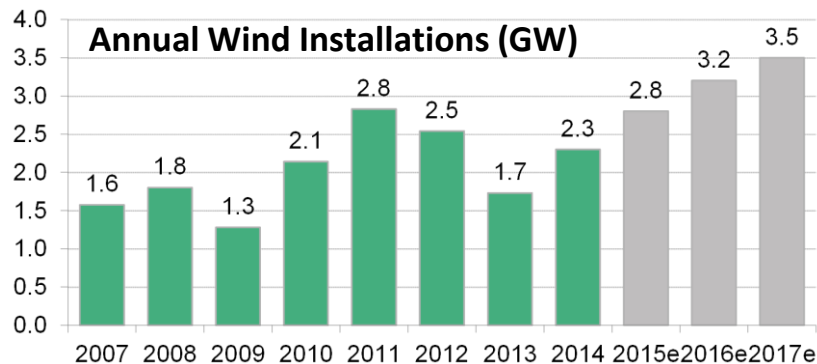
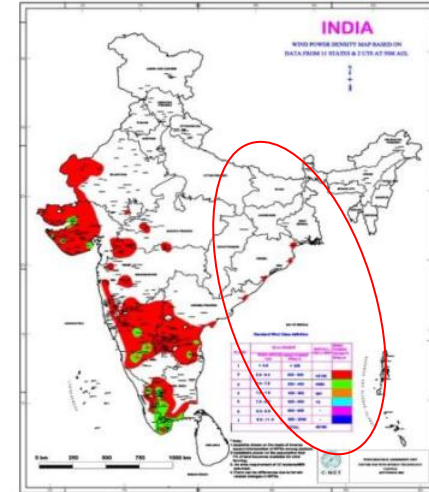
- **Greenfield Development since 2012**

Government Orders in several states
Own met mast campaigns since 2012



Market Outlook in India

- **Ambitious new targets** announced by Modi's New Government, targeting 24/7 power for all by 2019; the targets for renewable energies are:
 - Build 100GW of solar capacity by 2022 (current capacity is ≈3,3GW)
 - **Add 40GW of wind by 2019 (8GW every year)** (2,3GW added in 2014, and 2,8GW expected in 2015)
 - Increase the share of Renewables from current 6% to 15% by 2019
- These targets need comprehensive actions plans, yet to be fully developed, such as:
 - Grant scheme for 20GW of solar parks, and development of “ultra-mega” solar parks >500MW
 - **Restoration of federal incentives: GBI (in 2013), accelerated depreciation**
 - **Improving financial conditions: lower SBI rates, push to extend loan tenors, higher leverage**
- Also, a number of states are expected to revise their wind tariffs upwards during 2015:
 - Karnataka, already increased to 4,50 INR/kWh from current 4,20 INR/kWh
 - Andhra Pradesh + Telangana, expected to reach ≈5,00 INR/kWh, from current 4,70 INR/kWh
- Medium wind resources, located mainly in western/southern states



AE Development experience in India

Positive

- Permitting Process
 - But maintaining international standards
- Favorable Legislation
 - Fixed FiT at state level
 - GBI at federal level
 - Tax incentives
- Increasing energy demand
 - And specific renewable targets
- Low Capex & Opex
 - Available top providers with local manufacturing
- Private PPA increasingly attractive
 - Opens shorter tenors but higher returns

Challenges / Opportunities

- Land acquisition is challenging
 - Lack of land registries
 - Private vs. public/forest land
- Non-Recourse Financing
 - In general available from local banks
 - But high SBI base rates
 - And tenors much lower than FiT duration (10 years vs. 20 years)
- Grid Stability & Utilities track record
 - Need more investments in grid infrastructure in areas with good wind potential
 - Ensure payment terms

Conclusions

India is a highly attractive market for Renewables, with high grow demand and stable policies to encourage aggressive targets for Wind and Solar

Special attention to the selection of areas of development, overlapping wind resources with FiT & grid availability; critical to rely on local experienced teams

Following announced targets for Wind and Solar, Government needs to ensure financing conditions are improved in the short term (base interest rates, increased leverages and tenors)

