

Innovation

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ACCIONA increased its budget devoted to R&D&I by 83% in 2008, to 71.3 million euros

In 2008, ACCIONA **invested 71.3 million euros in direct R&D and Innovation projects** (83% more than in 2007), enabling the Company to advance projects that were already underway, implement new ones and develop prototypes and demos.

ACCIONA Infrastructures and ACCIONA Energy were the most active business areas in terms of R&D, accounting for more than 75% of expenditure (up 121% and 75%, respectively, on 2007). ACCIONA Agua increased its R&D and Innovation budget by 39%. The Logistics & Transport Services and Urban & Environmental Services divisions

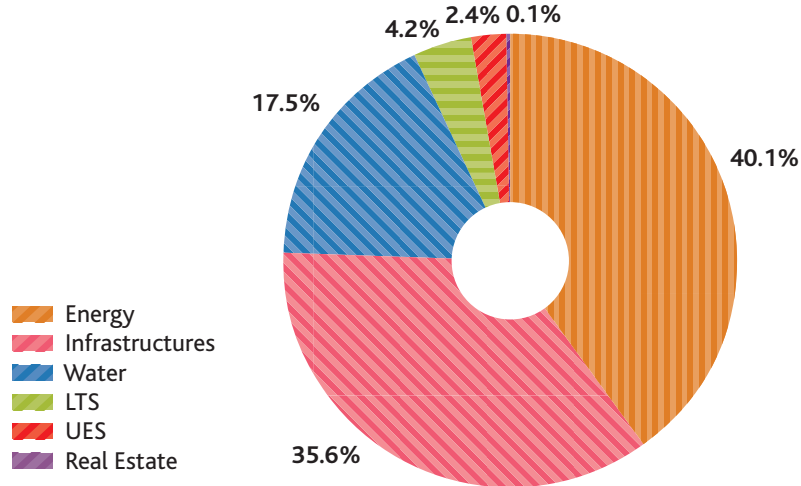
significantly increased their budgets, by 70% and 150%, respectively, with respect to 2007, the first year in which they invested in this area.

In 2008, ACCIONA **strengthened its commitment to R&D and Innovation in terms of both the number of projects (91, compared with 67 last year)** and the number of R&D professionals (367, compared with 289 last year).

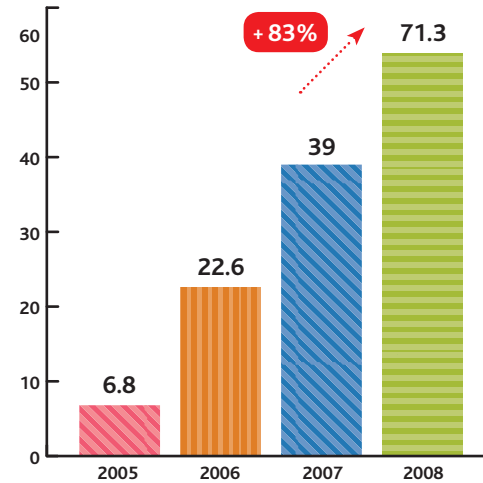
The system for managing industrial property, implemented in 2007, continues to bear fruit: currently **ACCIONA holds 17 patents and has another 31 pending.**

The Company has worked constantly to make employees fully aware of the importance of their work and contributions, and to encourage their personal involvement. Every new discovery must be analysed to decide if it can be patented – it is the only way to ensure that the company's innovation efforts will be properly rewarded.

Distribution of Investment



R&D and Innovation Expenditure (millions of euros)



Patents are important in that they give ACCIONA competitive advantage and a return on investment, and enable the company to continue investing in R&D and Innovation. Accordingly, ACCIONA can be described as a leading innovator.

ACCIONA's efforts have earned it a place among Spain's top ten companies in any sector in terms of expenditure on R&D and Innovation,

according to the EU Industrial R&D Investment Scorecard published by the EU's Directorate General for Research. ACCIONA has further enhanced its position through the CENIT programme, where it leads nine innovation projects, working side-by-side with the government and Spain's leading innovative companies.

The Company is also gaining ground globally. With a total of seventeen

research projects, ACCIONA ranks **third among Spanish companies in terms of participation in the European Union's 7th Framework Programme.**

17

PATENTS AWARDED,
31 BEING PROCESSED

ACCIONA Agua is establishing itself as the global technological benchmark for the sector

R&D, from the laboratory to the real world

ACCIONA continues to advance in the development of the R&D&I Strategic Plan implemented in 2007, as well as in the lines of action defined therein. In 2008, the company began to obtain its first tangible results from pilot projects or demos in various divisions:

1.- Construction

- Inauguration of two new Robotics and Virtual Reality laboratories in the Madrid Technology Centre. The labs are equipped with cutting-edge technology and are specialised in a wide range of fields: biomaterials and soil mechanics, physics and chemistry, ICT, energy integration and fuel cells, nanotechnology, composite materials, and robotics and virtual reality. The company already has ten similar labs. Of special note is the major focus on new applications for advanced composites and materials in civil engineering and building, with a view to their future commercialisation. The company has also

implemented full-scale models of sustainable building and bioclimatic architecture components.

- Completion of office-building at Almería Solar Platform. The materials used by ACCIONA make it one of the most environmentally Friendly buildings, allowing for energy savings of 90% in heating and cooling, and 75% in lighting, reducing CO₂ emissions by 65%.
- ACCIONA signed an agreement with the Sant Cugat del Vallès municipal government (Barcelona) and the Catalanian Institute for Advanced Architecture to develop Spain's first zero-emissions residential neighbourhood.

2.- Renewable energies

The Pamplona Technology Centre, which is specialised in renewable energies, continues developing technology in the following areas: wind, onshore and offshore, solar photovoltaic and thermoelectric, biofuel, biomass, and hydrogen production with renewables. Notewor-

thy events in 2008 include:

- ACCIONA Energy commenced construction of a pilot plant in Caparrosa (Navarre) to grow microalgae for biodiesel production.
- ACCIONA Energy received a grant from the US Department of Energy to develop two Research, Development and Demonstration thermoelectric energy projects at ACCIONA's Nevada Solar One plant.

3.- Water

ACCIONA Agua's R&D and Innovation activity is concentrated in Barcelona, where it is working to improve the efficiency of desalination technology and expand waste water reuse applications. In 2008, the Company's experts also transferred lab results to working plants. This has enhanced ACCIONA Agua's position as a trendsetting global technology company. A prime example of this is the contract for the desalination plant in Adelaide

(Australia), where state-of-the-art technology and environmental efficiency were determining factors. Furthermore, ACCIONA maintains the stake that it took in 2007 in the **Nth Power Fund IV, a venture capital fund** which focuses exclusively on global clean energy technology projects.

AENOR renewed certification - first granted in 2007 - of ACCIONA Group's R&D and Innovation management system in line with the UNE 166.002:2006 standard. This renewal ensures that all of the group's innovative activities are conducted to standards of excellence and quality.

ACCIONA and the EOI Business School signed an agreement to organise the first ACCIONA Masters degree in Industrial Innovation and Management. This initiative is part of ACCIONA's Corporate University project, which began in 2007.