



The UK: No Market is an Island - Ownership of Wind Generation Assets in a Globalised World

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Glasgow. 10th October, 2006



Ownership of Wind Generation Assets in a Globalised World.

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The energy problem: a wide variety of factors

GROWING ENERGY DEMAND

+ 60% 2002-2030

ENERGY DEPENDENCE

43% of global energy demand will be produced in the Middle East in 2030



EMERGING COUNTRIES

China, India
Global right to development

ENERGY CRISIS

LACK OF COMMERCIAL ENERGY

2,000 M people still rely on traditional biomass



OIL AND GAS PRICES

- Great volatility
- Political instability
- Structural crisis



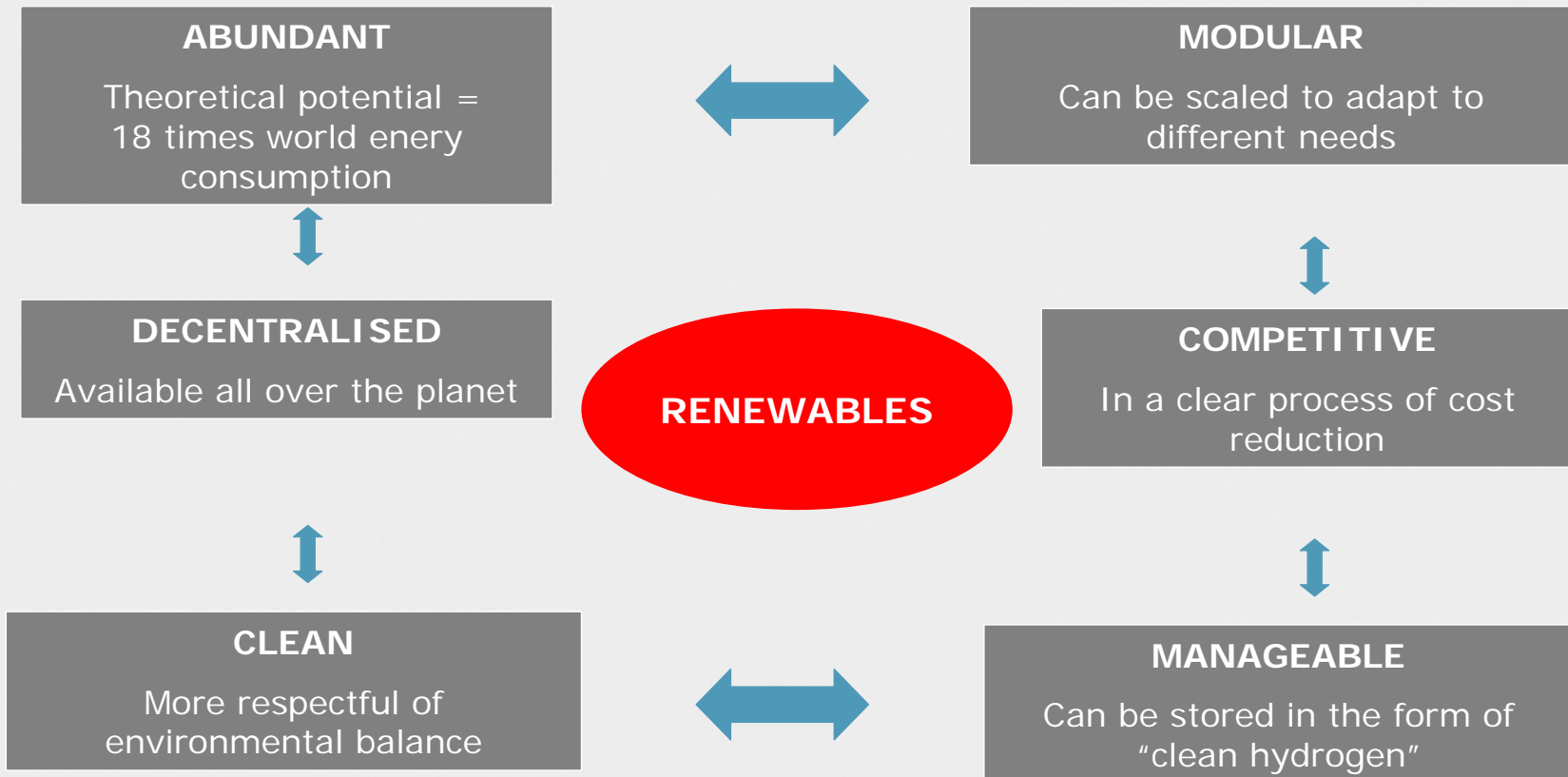
ENVIRONMENTAL CONCERNS

- Kyoto Protocol and beyond
- Sustainable management of natural resources



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The energy problem: the renewable alternative





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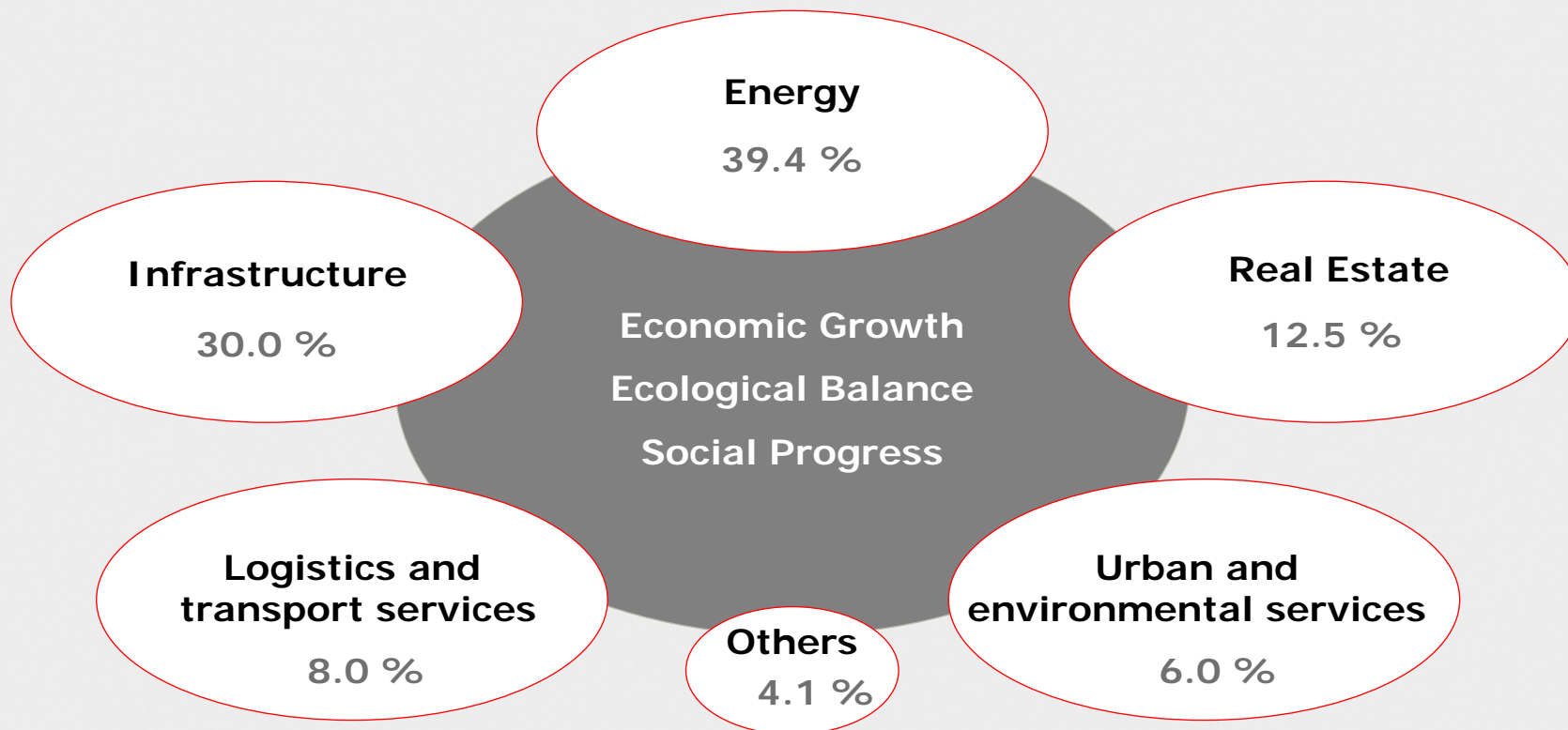
THE ACCIONA GROUP

- A **leading** corporation in the development, promotion and management of **infrastructures and services oriented towards sustainable development and social welfare**
- A team of more than **30,000 people** in over 30 countries in 5 continents
- **Solid economic position:** (figures 2005):
 - Turnover: 4,853 M€ (+19.0%)
 - EBITDA: 743 M€ (+30.0%)
 - EBIT: 512 M€ (+44.0%)
 - Net profit: 324 M€ (+40.8%)



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key corporate strategies



Contribution of the group's businesses to its EBITDA – 1H 2006



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B. Major Projects in Renewables (30.06.2006)



Wind: 3,876 MW installed -6% of the world total- (2,636 MW part., 2,008 attr.)

Biomass: 33 MW -30% of the primary biomass in Spain-

Solar: 18,8 MW PV (35% of the Spanish market) and 19 MW thermal installed

Small hydro: 59 MW -3.6% in Spain-

Biofuels: 35,000 tonnes per year biodiesel plant (1.2 Mtonnes in project)


Horizontal integration of activities

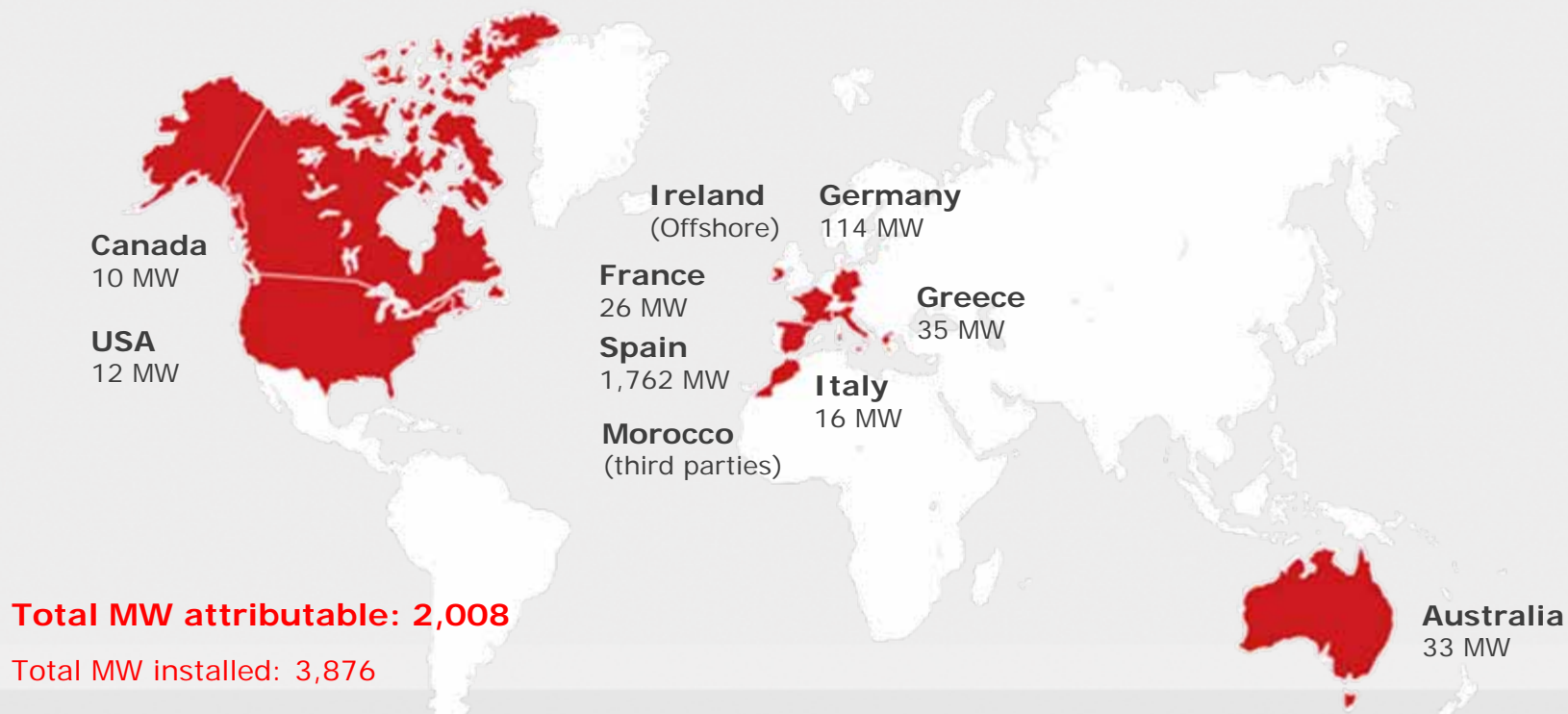
ACCIONA also has 115 MW in **cogeneration**



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Wind Power / Worldwide Implementation (Attributable data) 30.06.2006

 Countries with operational facilities



Currently developing projects in more than 20 countries in the world inc. UK



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Blue Canyon windpark (74.25 MW) in Oklahoma (USA)





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**An ACCIONA Energy Wind Park
Germany**





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Acciona Wind Park - France





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Acciona Wind Park - Spain





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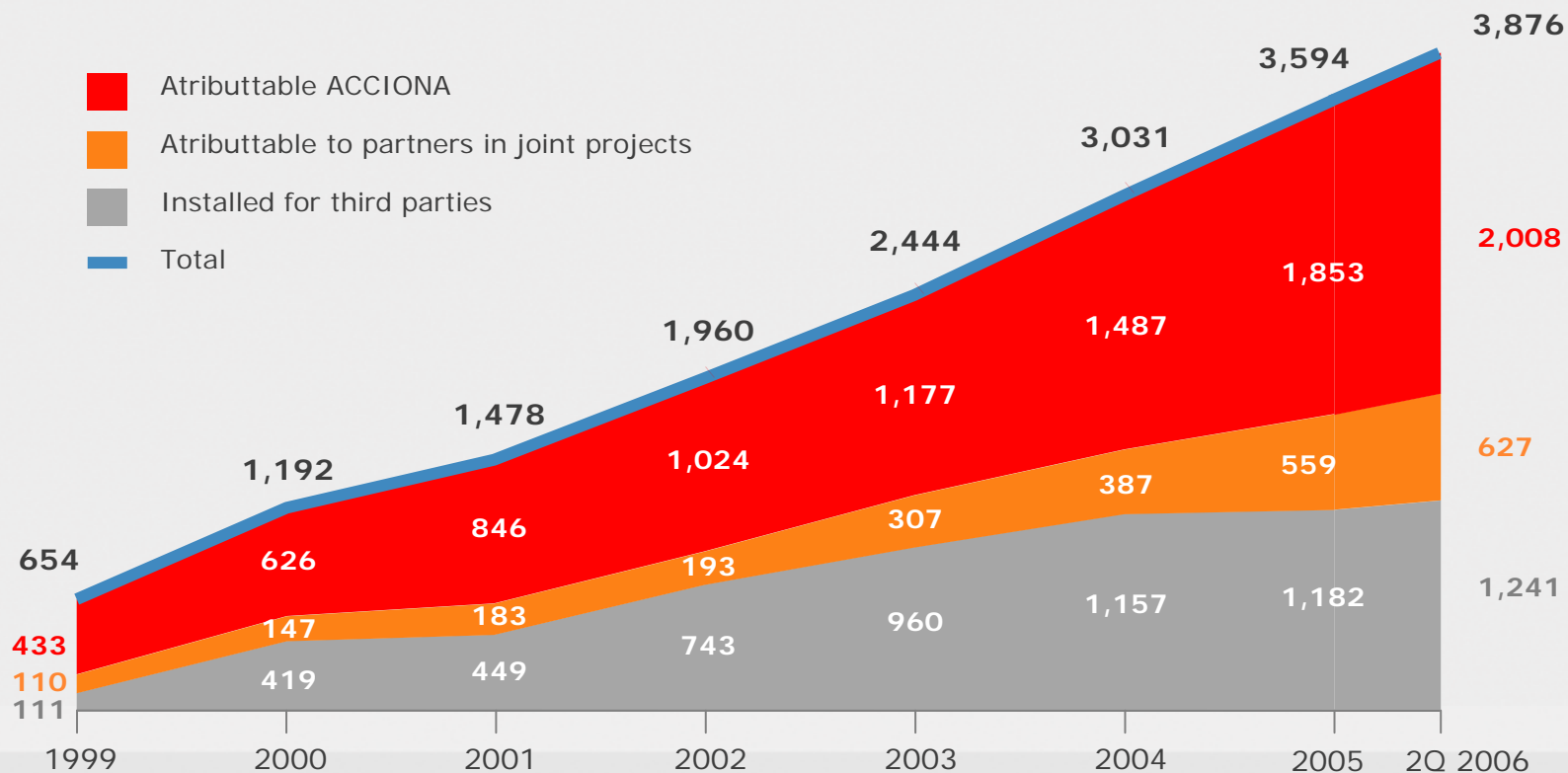
Acciona Wind Park - Spain





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Wind power / Growth (30.06.2006) (MW) (*)



(*) It incorporates annually accumulated capacity by the companies currently belonging to the ACCIONA Energía Group



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Wind power / presence in the entire value chain

Wind turbine design

In-house technology

Turbine manufacture

ACCIONA Windpower: Navarre, Valencia and China
Production capacity: 1,100 units by 2007

Development

Selection of sites, environmental impact, relations with local authorities

Financial analysis, structuring and due diligence

Financing

Construction, administrative steps and project management

Turnkey projects

Local partners

Ownership

Local and remote control 24 h x 365 days

O&M

Under development

Marketing of energy and CO2

Vertical integration



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Expanding into new territories?





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Ownership Issues

- **Regulatory Framework & Incentive Measures**
- **Political & Economic Stability**
- **Access to Electrical Network and Network Stability**
- **Opportunities for Medium to long term business growth**
- **Cultural Issues and Opportunities for local partnerships**





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Access to Markets

- New Development
- Acquisitions
- Joint Venture Partnerships

Always through local companies with local employees



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Developing in New Markets: the differences

- Local development costs
- Local environmental issues
- Availability of suitable local contractors
- Local supply chain issues
- Status of the electricity network





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Examples of solutions used

- Supply chain issues – third party and in-house turbine supply
- Global operation & maintenance structures





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Wind Turbines

In-house designed turbine

- **ACCIONA Windpower** designs and manufactures wind turbines
- It has **two plants** in Spain and **one** in China (+ 1,000 units/year)
- We will help to cover **unsatisfied demand**, an essential factor for wind energy development in the world
- Currently produces a **1.5 MW** turbine and a new **3.0 MW** model to be launched soon

Acciona Windpower plant in Navarre (N Spain)





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Operation in Remote Areas

- Training and Support for Local O&M teams
- Support from Turbine Manufacture – O&M Contracts
- Remote Monitoring





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Conclusions

- **Consider the Market – Are you there early, late or just about right?**
- **Consider your company's limitations and objectives in target market**
- **Political and Market support – Stability over the life of the project?**
- **Consider what Barriers to entry and growth and how you might overcome them?**



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