

MARKET ENVIRONMENT



ECONOMIC CLIMATE AND GENERAL PANORAMA

Share prices are being affected by a worse-than-expected macroeconomic scenario due to geopolitical tensions and lower growth perspectives in the major emerging economies and in Europe. The US is strong but the Fed is delaying until the end any tightening of its monetary policy. This is a scenario of low interest rates throughout the world, falling commodity prices and high debt levels that continue to weigh on projections. In Spain, the upturn in economic indicators is notable, but debt and a financial sector that is not yet completely repaired call into question the real strength of a path towards economic recovery that appears to have already begun.

The overall 2015 balance sheet in Spanish securities markets is positive. The most significant areas of activity: trading, channelled financing and shareholder remuneration have performed quite strongly and generally grown in a context dominated by volatility increases slightly above historic averages.

The increasing activity in the Spanish stock exchange has been fed by a positive cycle in the fundamentals owing mainly to the improving national macroeconomic outlook, the expansive monetary policy, the impulse of structural change in corporate finance and fiscal reform.

On the other hand, share prices in 2015 have seen significant drops since June, after rallying in the first half of the year. The causes of this fall in share prices, which was particularly sharp between August and mid-October and in the first half of December, seem to stem more from market risk than companies' fundamentals. Specifically, they arise from risks that appear to be associated to worse overall economic outlook at a worldwide level.



Slight decrease in world GDP growth projections

The latest IMF outlook report of 2015 includes a downward revision in the volume of world trade and GDP growth rates in nearly all economic areas of the world, especially in the emerging economies. The new projections have been revised downward after an earlier reduction in the spring. The projections for GDP growth between April and October of this year have been revised downward by nearly 4 and 2 decimal points for 2015 and 2016, respectively, for the advanced economies, and 3 and 2 points for the emerging areas, and by 2 points in the case of Brazil for each of the next two years.

We are now facing a worldwide situation of intense and growing geopolitical risks related mainly to Islamic terrorism, which is affecting every region of the world in different ways, in addition to an overall economic outlook of low inflation and accommodative monetary policies, with significant changes in the

economic power relations between countries related to the incorporation of highly dynamic emerging areas to the area reserved to the economies that are recognised internationally as "advanced".

At this stage, three different realities have converged: the "post-crisis" world for the developed economies will require more time to regain a vigorous pace of economic growth, until the high debt accumulated debt levels are digested; technology and the opening up of markets is favouring a much more geographically delocalised generation of value, and with businesses based on physical transactions losing weight; and, thirdly, high flows of very mobile capital from highly diverse sources, seeking out additional returns and for which every country is competing.

IMF MACROECONOMIC PROJECTIONS

	Actual	Projections	
	2014	2015	2016
GDP GROWTH (%)			
Global GDP	3.4	3.1	3.6
Advanced economies	1.8	2.0	2.2
United States	2.4	2.6	2.8
Japan	-0.1	0.6	1.0
United Kingdom	3.0	2.5	2.2
Eurozone	0.9	1.5	1.6
Germany	1.6	1.5	1.6
Spain	1.4	3.1	2.5
Developing Asian economies	6.8	6.5	6.4
Emerging market and developing economies	4.6	4.0	4.5
Latin America and the Caribbean	1.3	-0.3	0.8
China	7.3	6.8	6.3
India	7.3	7.3	7.5
TRADE VOLUME (ANNUAL %)	3.3	3.2	3.1



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IMF MACROECONOMIC PROJECTIONS

	Actual		Projections
	2014	2015	2016
IMPORTS			
Advanced economies	3.4	4.0	4.2
Emerging market and developing economies	3.6	1.3	4.4
EXPORTS			
Advanced economies	3.4	3.1	3.4
Emerging market and developing economies	2.9	3.9	4.8
CONSUMER PRICES (ANNUAL %)			
Advanced economies	1.4	0.3	1.2
United States	1.6	0.1	1.1
Japan	2.7	0.7	0.4
United Kingdom	1.5	0.1	1.5
Eurozone	0.4	0.2	1.0
Germany	0.8	0.2	1.2
Spain	-0.2	-0.3	0.9
Emerging market and developing economies in Asia	3.5	3.0	3.2
Emerging market and developing economies	5.1	5.6	5.1



Greenergy Renovables manager addresses attendees to the Opening Ceremony Bell of the company.



IMF MACROECONOMIC PROJECTIONS

	Actual		Projections
	2014	2015	2016
UNEMPLOYMENT RATE (% ACTIVE POPULATION)			
Advanced economies	7.3	6.7	6.4
United States	6.2	5.3	1 EEUyPG
Japan	3.6	3.5	3.5
United Kingdom	6.2	5.6	5.5
Eurozone	11.6	11.0	10.5
Germany	5.0	4.7	4.7
Spain	24.5	21.8	19.9
CURRENT ACCOUNT BALANCE (% OF GDP)			
Advanced economies	0.4	0.5	0.3
United States	-2.2	-2.6	-2.9
Japan	0.5	3.0	3.0
United Kingdom	-5.9	-4.7	-4.3
Eurozone	2.0	3.2	3.0
Germany	7.4	8.5	8.0
Spain	0.8	0.9	1.1
Emerging market and developing economies in Asia	1.4	2.0	1.8

	Actual		Projections
	2014	2015	2016
PUBLIC DEFICIT AS A % OF THE GDP			
Advanced economies	-3.4	-3.1	-2.6
United States	-4.1	-3.8	-3.6
Japan	-7.3	-5.9	-4.5
United Kingdom	-5.7	-4.2	-2.8
Eurozone	-2.4	-2.0	-1.7
Germany	0.3	0.5	0.3
Spain	-5.8	-4.4	-3.2
GROSS PUBLIC DEBT AS A % OF THE GDP			
United States	104.2	105.6	105.1
Japan	243.2	245.1	245.5
United Kingdom	90.6	92.0	93.1
Eurozone	94.2	93.7	92.8
Germany	77.0	74.6	70.7
Spain	92.1	98.1	101.1



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Falling commodity prices

The CRB Index is a futures price index comprising 28 commodities. As shown in the attached chart, the index has fallen sharply since the second quarter of 2014. In 2015, further declines occur with the deceleration of the Chinese economy. Nevertheless, the fall in commodities prices is influenced by several factors: fracking underway in a number of countries, causing a supply war and lower demand pressure on commodities from developing countries and Western countries.

PERFORMANCE CHINA VS CRB INDEX



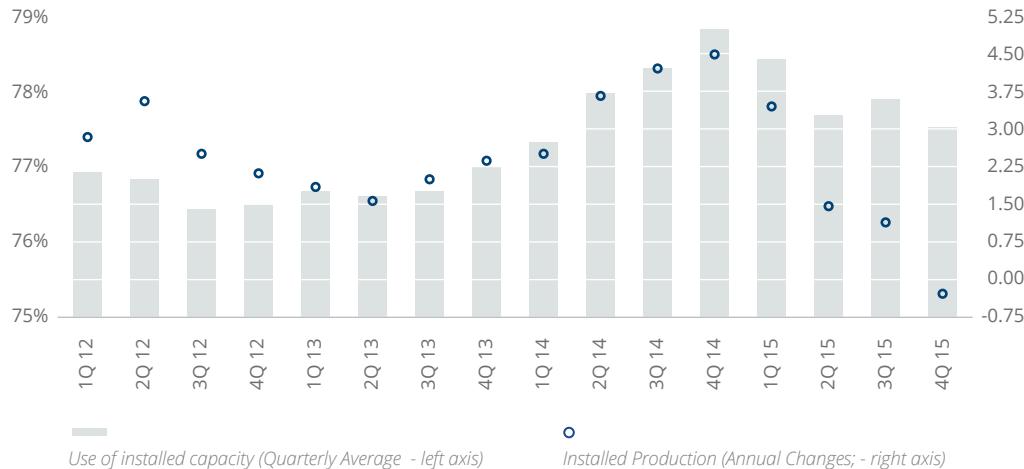


Markets' complexity and competition is increasing

Globalisation increasingly favours delocalisation of flows and issuances in the financial and capital markets in which stock exchanges operate, in a process of competition governed by rules that are diffuse and complex than those in force until only a few years ago. In this road, high returns resulting from increasing activity in each place of business is becoming ever more difficult in environments where politics and regulation often establish nearly insurmountable differences for markets that are smaller or that have less influence. Further, the process is being joined by new emerging actors that are attracting special attention, as is the case with Asia.

At the same time, the bursting of the financial bubble towards the end of the last decade has led to a gradual, yet significant reduction in the weight and size of the financial sector in the economy of substantial developed areas, as is the case of Spain, the UK and, less so, in the eurozone as a whole, which still needs more time to return to a path of steady and stable growth. On the other hand, it is also the case that the process of formation and integration of the European Union, combined with the need of the economic area to broaden its capital markets and channels of financing for enterprises, opens for member countries' security markets some interesting niches of nascent activity with perspectives that remain to be consolidated.

PRODUCTION AND CAPACITY



Slowdown of expansive cycle in US

Use of productive capacity has fallen below historic average and, although industrial production continues to increase, it is doing so at a slower pace. While consumer confidence has decreased in the year, the unemployment rate has shown a consolidated upward trend for the past four years.

LABOUR MARKET





Caution prevailed during second half of the year

All these are significant factors affecting different economic agents' analysis of the present economic scenario and cause sudden changes of direction in investment flow trends that may have appeared to have consolidated. Hence, in 2015 - mainly after the summer - doubts about the strength of China's economic growth after many years of unstoppable growth, the increasing weakness of the emerging markets and the falling prices of commodities (led by oil) have counselled caution to many large international investors, who seem to have sought out temporary safe havens for their investment, to the detriment of expectations of larger returns.

This cooling of international economic expectations, especially in the Latin American emerging economies, where the businesses of large Spanish listed groups are highly exposed, has been strengthened by the two recent postponements of hikes in key interest rates by the Fed due to the appearance of symptoms of weakness in the US economy.

United States and Europe: different rhythms and cyclical junctures

The GDP growth forecast of the US economy is 2.6% in 2015 and 2.8% in 2016, with major tensions on the horizon apart from the elections. The start of a change of direction in its monetary policy is expected prior to the end of the year, and the lack of inflationary pressure, combined with company earnings that are worse than expected are two of the variables that are delaying the decision.

Things are different in Europe. It is still burdened by significant structural impediments arising from a "European state" that is still under construction. Eurozone growth will be about 1.5% in 2016 and is expected to about 1.6% in 2016. For a good deal of the year, the economic situation of Greece has placed the European Union's perspectives for continuity in doubt. Greece's eventual acceptance of the bailout conditions imposed by the majority of the EU partners and the ECB's decisive action in broadening the scope of action of its expansive monetary policy have been key in lending the zone a certain degree of stability in recent months. Nevertheless, the problems arising from the intense migratory flows from the north of Africa and the doubts about the UK's continued membership of the EU are the two

latest examples of the deep problems with which European economies have to coexist.

Although moderate, the risk of deflation in the eurozone is still alive even though interest rates are at historic lows. The still undigested debt levels and the spending cutbacks necessary to curb public deficits in major economies of the region are setting the slow pace of economic growth, with a central core of growth - Germany - which is performing strongly, with the support of its high investment capacity and an external sector that remains quite vigorous.

The best news for Europe may be in the medium



GIGAS staff listen to its President speech at the Bolsa de Madrid Trading Floor.



THE FINANCIAL WEALTH OF SPANISH HOUSEHOLDS INCREASES

Households have reduced their indebtedness by nearly 160 billion euros (15 GDP points) in the past 5 years. For their part, shares and mutual funds are regaining their key role, as against real estate investment.

The financial behaviour of Spanish households is strengthening the economic recovery. The growing diversification of their saving towards instruments like shares, mutual funds, or pension plans is allowing them to capitalise on growing values in recent years to drive up the value of their financial assets. In addition, Spanish households have been immersed for more than five years in an intense process of debt reduction.

The financial assets of Spanish households at the end of the 2Q15 stood at 2.06 trillion euros, which is 2.6% more than in the previous years, according the data of the Financial Accounts of the Spanish economy published by the Banco de España. This is a recovery and consolidation of levels prior to the outbreak of the financial crisis, which significantly affected the financial position of households.

For its part, the total indebtedness of Spanish households is continuing its upward trend and had reached 803.676 billion euros in 2Q15. The decrease in the past 12 months amounts to 3.3%, and 17.5% since the end of 2008. Spanish households have deleveraged by some 160 billion euros in recent years, more than 15 GDP points.

As a result of the increase in the value of financial assets and the reduction of indebtedness, the net financial wealth of households, i.e., the difference between their financial assets and their liabilities, amounted to 1.26 trillion euros at the end of 2Q 2015, a historic high and 32% above the level at year end 2007.

The reduction in property investment by Spanish households has allowed their savings to end up in alternative destinations, and three of these have stood out from the rest: debt reduction, investment in shares and investment in funds. The three have helped improve households' financial position.

According to data from the Banco de España, the value of the portfolio of listed shares at the end of 2Q15 stood at 170.226 billion, which is 83% more than at year end 2011, at the worst time for Spain in the sovereign debt crisis. This increase is a result of both the stock exchange gains and in new share purchases by Spanish households. According to year-end data for 2014, Spanish households own 26.1% of the value of Spanish listed companies, behind only the 43% share held by foreign investors.

For its part, the value of holdings in mutual funds amounted to 253.424 billion euros, 109.5% more than at year-end 2011

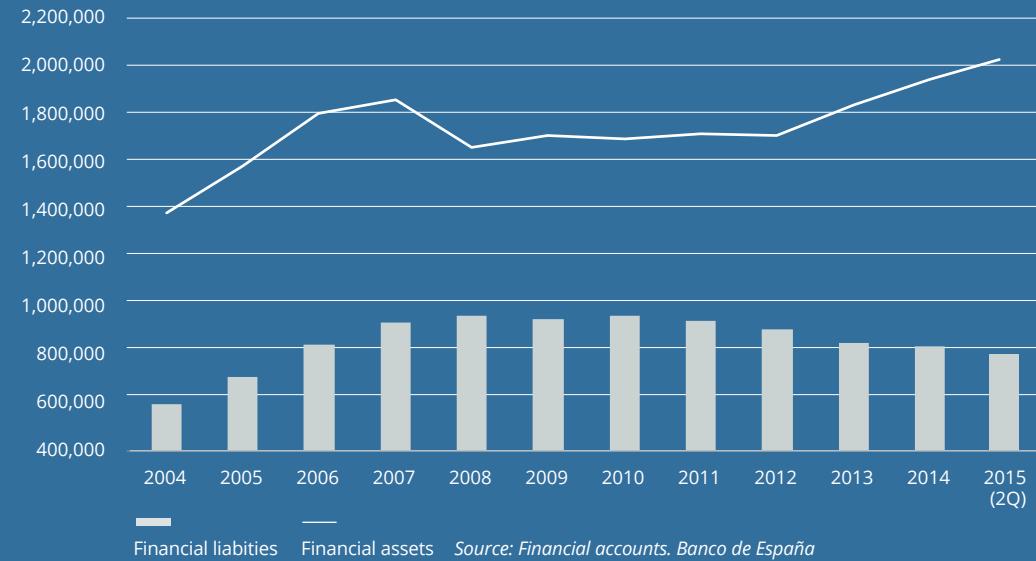
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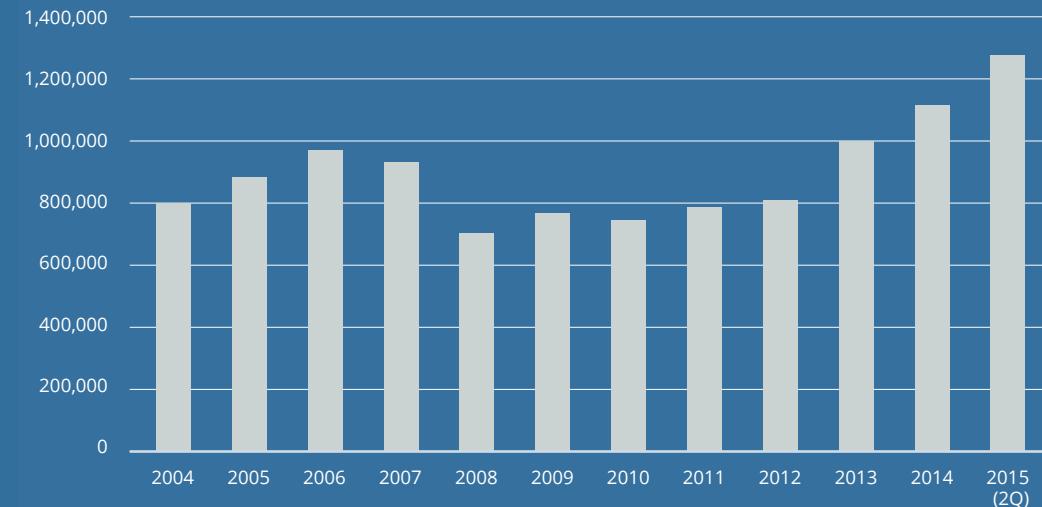
Saeta Yield new listing: Jorge Yzaguirre presents commemorative sculpture



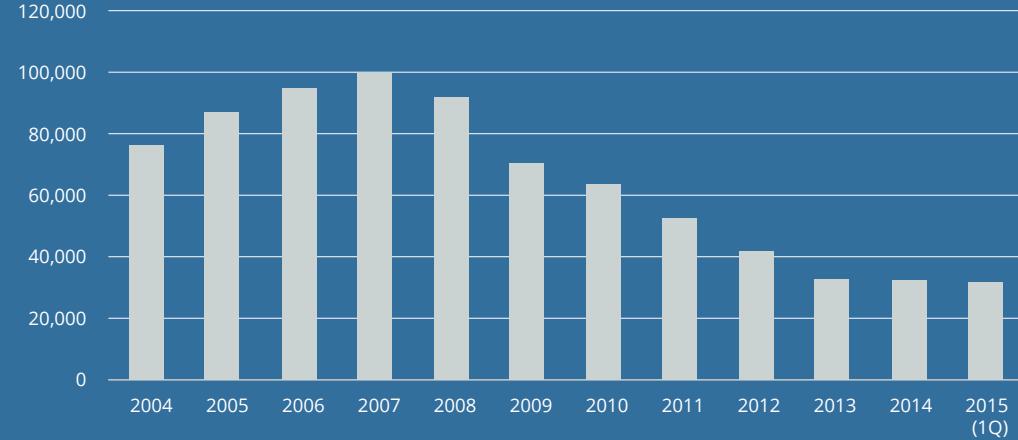
TOTAL VALUE OF FINANCIAL ASSETS AND LIABILITIES OF SPANISH HOUSEHOLDS MILLIONS OF EUROS



NET FINANCIAL WEALTH OF SPANISH HOUSEHOLDS (FINANCIAL ASSETS - FINANCIAL LIABILITIES) MILLIONS OF EUROS.



PROPERTY INVESTMENT (GCF) OF SPANISH HOUSEHOLDS 1985 - 1H. 2015*. (MILLIONS OF EUROS)



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Spain: unquestionable improvement of economic fundamentals with many reforms pending

In 2015, all the aforementioned factors constituted market risk and have heavily weighed on the valuations of Spanish listed companies that, in contrast and internally, coexist with three positive facts: the indubitable upturn in the Spanish economy, the across-the-board increase in the income and profits of listed companies in the first half of the year and favourable financial conditions fostered by the expansive monetary policy sustained and reinforced in 2015 by the ECB.

The GDP growth forecast for Spain is about 3.3% for this year and 2.7% for next year, a rate that doubles the estimated rate for the eurozone. The negative inflation and the increase in employment (although with high rates of temporary contracts) has eased the pressure on household income, which is being oriented more unrestrictedly towards consumption. In turn, with the improvement in the situation of the banks, albeit slow and difficult, the path to normalcy in lending to private individuals is gradually being restored.

Also, the greater relief of Spanish households is also backed by an increase in their net financial wealth, as they are following fairly consistent patterns of debt reduction. Further, a good deal of the savings is allocated to equity assets with somewhat more risk that have, however, broadly gained in value in recent years.

With investment growing at roughly 6% and an external sector that remains potent, albeit with less relative weight in GDP growth, Spanish GDP has shown positive upward growth for seven consecutive quarters. Setting aside the "matter" of employment, its creation and contribution to the discussion on the viability of the pensions, which are and must remain the main objective of any proposed measures for steering the economy, public debt and deficit are the factor which introduce the biggest risks in the Spanish macroeconomic outlook.

Any change in the orientation of monetary policy in Europe may amount to a serious setback for Spanish public accounts unless the country manages to find stronger drivers of activity in the private sector of the economy. This will also determine the success of the fiscal policies to be adopted, which have mainly aimed so far at containment or, in some cases, reduction thereof in order to favour consumption as a driver.

The fact remains that in 2015, the favourable environment of super-low interest rates, with the 10Y Spanish bond oscillating between its historic low on 12 March (1.18%), an yearly high of 2.40% in mid-June and about 1.50% at present, has stimulated the interest of international capital in equities. In Spain, this trend has also been boosted, especially in the first quarter of the year, by the recovery of GDP increases buoyed by significant rebounds in consumption and investment, internally, and a quite potent external sector through exports.

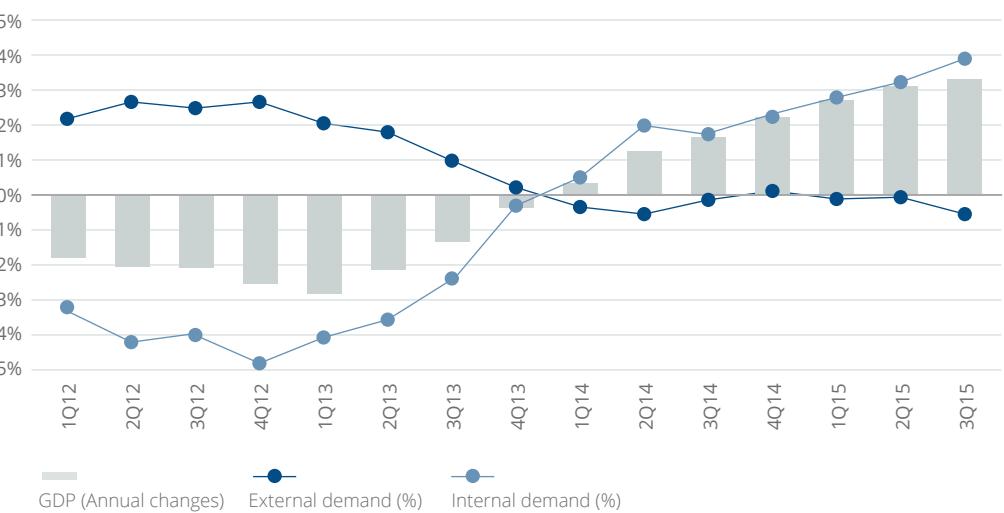
The combination of this process of competitiveness gains of the Spanish economy, increasing gross wealth, ongoing reduction of the indebtedness of private economic agents and the endurance of historically low interest rates and inflation levels, has led to a major curbing of the country's risk premium,

which, after reaching 632 basis points in mid-2012, in March 2015 attained a yearly low of about 88bp after reaching 164bp in July, and currently at about 100bp.

Upturn in Spanish GDP and contribution of components thereof

Growth of Spanish Gross Domestic Product on upward trend for 10 consecutive quarters (the last seven positive and above previous figure). In this new scenario, domestic demand has taken the baton from external demand which, nevertheless, is still showing significant momentum.

SPANISH GDP





MACROECONOMIC SCENARIO FOR SPAIN 2015-2016. ANNUAL VARIATION (%) UNLESS INDICATED..

	2015				2016			
	IMF (October 2015)	European Commission (November 2015)	2016 General State Budget	Spanish analyst consensus (November 2015) ⁽¹⁾	IMF (October 2015)	European Commission (November 2015)	2016 General State Budget	Spanish analyst consensus (November 2015) ⁽¹⁾
Macroeconomic scenario								
GDP	3.1	3.1	3.3	3.2	2.5	2.7	3.0	2.7
Household consumption	4.1	3.4	3.4	3.3	2.8	2.7	3.0	2.8
Public consumption	0.5	0.8	0.1	1.3	-0.2	0.2	0.3	0.7
Fixed gross capital formation	5.9	6.3	6.2	6.1	3.8	5.4	5.4	5.4
Capital goods		9.6		9.0		8.2		7.0
Construction			5.5	5.2			5.5	4.9
National supply	3.7	3.5	3.4	3.4	2.4	2.8	3.0	2.9
Exports	5.1	4.9	5.5	5.3	5.1	5.3	6.0	5.3
Imports	7.4	6.1	6.0	6.4	4.8	5.8	6.4	6.2
Foreign balance (GDP contrib. ⁽¹⁾)			0.0				0.1	
Other indicators								
Employment	3.0	2.8	3.0	3.3	2.0	2.5	3.0	2.5
Unemployment rate (% of active population)	21.8	22.3	22.0	22.2	19.9	20.5	19.7	20.4
Unitary Employment Cost		0.7	0.5	0.6		0.6	1.4	0.9
CPI (annual average)	-0.3	-0.5		-0.4	0.9	0.7		1.0
Current account balance of payments balance (% GDP)	0.9	1.4	1.2	1.2	1.1	1.3	1.2	1.1
Public Administrations balance (% GDP)	-4.4	-4.7	-4.2	-4.6	-3.2	-3.6	-2.8	-3.3
Gross public debt (% GDP)	98.1		98.7		101.1		98.2	

(1) Source: FUNCAS forecasts panel



Trajano Iberia joins MAB market. Image of traditional bell, (REIT)



MONETARY POLICY SEEKS TO STIMULATE GROWTH

Expansive orientation in the decisions of central banks, low interest rates and more volatility and uncertainty in bond markets.

Monetary authorities in the main areas of the world continued to maintain in 2015 a mostly expansive bias in their monetary policies, although with significant nuances in the case of the US Federal Reserve, which expressed several times its intention to gradually raise benchmark interest rates in the United States following the end of its aggressive public debt purchase programmes in October 2014 after five years.

For its part, the European Central Bank, while maintaining its intervention rate at 0.05%, has sharpened the expansive tone of its monetary policy in response to the weakness of economic growth and the risk of deflation in the area. On 22 January 2015, it announced a programme of quantitative easing (QE) of purchases of sovereign assets in secondary markets and with limited exposure of the ECB (20%) to losses. On 1 March, purchases commenced of public debt of between two and 30 years and of other assets of European and national institutions amounting to 60 billion euros a month for at least 19 months, which will amount to a total injection of 1.14 trillion (950 billion in public debt), which represents about 10% of the eurozone GDP. The measure was a qualitative leap for the ECB, and it will bring about a significant expansion of the monetary balance sheet of the euro area.

In its meeting in the last month of the year, it announced a six-month extension of the purchase programme, until March 2017, and the inclusion in the same of bonds issued by regions and city councils, and that it was reducing even more the negative rates on bank deposits in the ECB, to -0.30% from the previous -0.20%.

TREND OF INTEREST RATES IN EUROPE AND THE UNITED STATES

INDICATOR		2012	2013	2014	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15
INTEREST RATES SHORT-TERM - 1Y	USA	0.14%	0.12%	0.22%	0.10%	0.22%	0.23%	0.27%	0.32%	0.18%
	EUROZONE	0.01%	0.14%	-0.08%	-0.05%	-0.08%	-0.23%	-0.20%	-0.24%	-0.60%
INTEREST RATES LONG TERM - 10Y	USA	1.76%	3.01%	2.17%	2.51%	2.17%	1.93%	2.33%	2.06%	2.28%
	EUROZONE	1.31%	1.94%	0.54%	0.95%	0.54%	0.19%	0.77%	0.59%	0.63%
	SPAIN	5.31%	4.15%	1.61%	2.17%	1.61%	1.23%	2.31%	1.90%	1.78%
RISK PREMIUM	SPAIN	377.7	169.6	103.6	118.3	103.6	101.5	150.4	128.4	112.4
OFFICIAL RATES	USA	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50 %
	UNITED KINGDOM	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	EUROZONE	0.75%	0.25%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%



NEGATIVE INTEREST RATES IN EUROPE...

As a result of the ECB's intervention in the markets, the exceptionality of the euro area is such that negative interest rates of public debt have become routine. More than half of the total outstanding balance of public debt of Germany and the Netherlands is listed with negative interest rates and, in the case of France and Austria, it is more than 45%. In Spain, nearly 20% of the balance of public debt is listed at negative rates and, in the euro area, 10 of the 19 countries have charged for issuing 2Y public debt: that is, they issue at this term at negative interest rates.

Nevertheless, although the ECB's aggressive policy has allowed for the maintenance of favourable financing conditions in the euro area, the extremely low, often negative interest rates, tension in the eurozone arising from the negotiations with Greece, the uncertainty about US interest rates, the falling commodity prices and the economic slowdown of emerging markets have kept bond markets extremely sensitive, with episodes of great volatility and instability throughout 2015.

HEADLINE INTEREST RATES OF ECB AND THE FED



...AND VOLATILITY IN BOND MARKETS THROUGHOUT THE WORLD

The performance of German and US 10Y bonds, which are the rate benchmark for the two leading world economic areas, have maintained during the year an average spread in interest rates of 1.6% (160 basis points) in favour of the US bond, which reflects the different economic expectations and the orientation of monetary policy. Volatility has significantly increased on the previous year, above all with respect to the 10Y German bond, which reached yields of 0.08% in April and had climbed to 0.98% barely two months later. It began the year at 0.53%, and at the end of December it was at 0.63%. The US bond began the year at 2.17% and stood at a similar level at the end of the year, at 2.27%.

Obviously, volatility in world public debt markets has spilled over to all segments of corporate fixed income, which have seen falls in bond prices and, consequently, sharp increases in yields that, unlike that of public debt, have barely been regained in the closing months of the year. For example, for AAA-rated issues on the Moody's index, the increase in yields has exceeded 1% (100 basis points). For European high yield fixed income, and according to the Iboxx Index, the prices of BBB-rated euro area bonds have fallen by nearly 10% in the first half of the year, suddenly breaking the sustained upward trend of the previous year.

In Spain, the public debt market has echoed international trends, with an occasional negative domestic note attributable to uncertainty of a political nature. The 10Y bond interest rate began the year at 1.61%, fell to historically low levels (1.14%), rose again to 2.38% and at year-end it stood at 1.76%. The risk premium of Spanish bonds - that is, the spread against German 10Y benchmark bonds - began the year at 1.06% (106 basis points) and rose to a yearly average of 1.25%. The negative note in 2015 was the widening of the spread against Italian 10Y bonds to 0.20% (20 basis points) when, in the previous year, the yields of Spanish bonds were lower than that of Italian bonds for virtually the entire year.



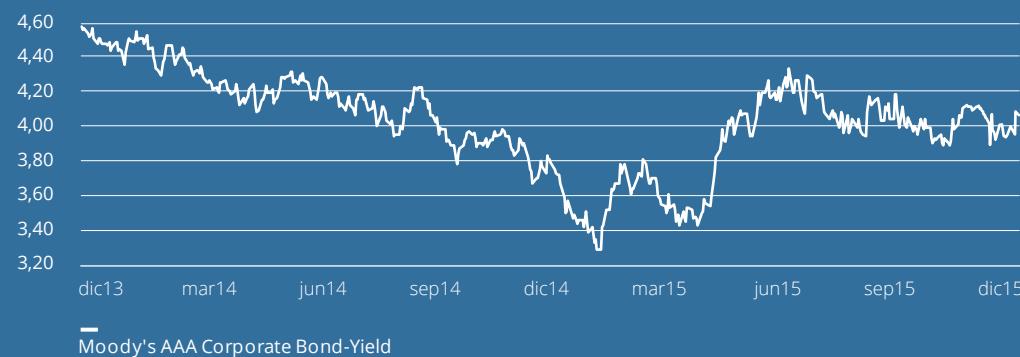
INTEREST RATES OF 10-YEAR BONDS IN THE US AND GERMANY DAILY DATA



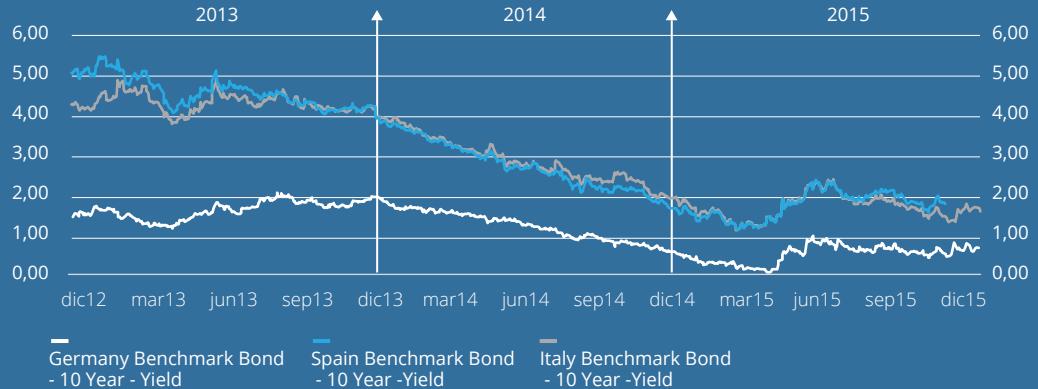
PRICE INDEX OF BBB-RATED EUROPEAN BONDS



INTEREST RATE INDEX OF AAA-RATED CORPORATE BONDS



INTEREST RATES OF 10-YEAR BONDS IN GERMANY, ITALY AND SPAIN DAILY DATA





ACTIVITY IN COMPANIES

Without calibrating the impact of the sharp slowdown in the activity of the Latin American economies, the revenue of Spanish listed companies in 2015 (to June) grew moderately. External trade continues to gain weight. Net aggregate profit is performing strongly, on the back of the improved earnings of Spanish banks. The non-financial sector of Spanish companies sharply reduced their five-year indebtedness levels and show balance sheets with more diversified debt and equity structures.

The outcome of 2015 for the Spanish securities markets is positive. The key areas of market activity, i.e capitalisation, trading, channelled financing and shareholder remuneration, reached very robust and generally increasing levels in 2015, against a backdrop of stock prices affected by rising volatility, which was slightly above its historical averages.

The increase in activity in the Spanish stock market has been fuelled by an underlying positive cycle, underpinned mainly by an improved macroeconomic domestic scenario, expansive monetary policy, the promotion of a structural change in the way businesses are funded and the tax reform.

By contrast, share prices in 2015 have reported significant declines since June, having posted strong growth during the first half of the year. The causes of this decline - especially pronounced between August and mid-October and in the first half of December - appear to be more related to market risk than to the companies' fundamentals, i.e. specifically risks that seem to be associated with a weakening macroeconomic scenario at world-level.



Net profit of Spanish listed companies increased by 41.38% in the first half of the year

In 2015, with data to 30 June, Spanish listed companies in the continuous market showed a slight upward trend in activity, strongly supported by the external sector in spite of the economic slowdown in Latin America. However, this timid revenue growth combined with a quite elevated increase in the aggregate net profit that was mainly due to the sharp increase in the cash surpluses of large banks that are well represented in the Spanish stock exchange and some extraordinary events that took place in two large companies in the non-financial sector.

A comparison of the earnings of Spanish listed companies in the first half of 2015 to the same period of 2014 reveals that operating income increased by 1.81% and net earnings increased by 41.38%. The former figure went from 272.312 billion euros to 277.252 billion and the latter, net earnings, from 17.079 billion to 24.147 billion, of which 38% (9.146 billion) were earned by listed banks whose increase in aggregate profit was approximately 62% in the first half of the year.

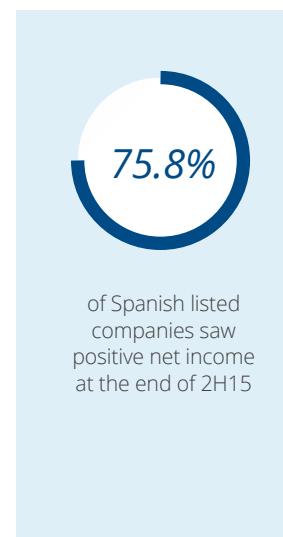
The fact remains that the general trend of Spanish listed companies was positive⁽¹⁾ in the first half of this year with respect to performance in income

and profits. In percentage terms, approximately 65.94% of companies (83 of 124) increased their operating revenue from the first half of 2014, and 71.77% (89 of 124) improved their results from the previous year. It is important to note that one fourth of companies - that is, 30 of 124 or 24.19% of the total, attained net profit above 41.38%, the average growth of Spanish companies for the first half of 2015.

Some 75.80% of companies 94 of 124) attained net positive earnings in the first half of 2015 and 24.19% (30 of 124) took losses.

This data, analysed individually and not in aggregate, would unquestionably appear to be related to an upturn in the national economy and continuing growth of exports and external business of a good deal of Spanish listed companies. The upturn in the national economy is due to the impulse of internal demand, which is maintaining a good pace, and the progress in the manufacturing and services sector, which has ultimately resulted in an increase in domestic demand. Further proof of this recovery and the increase in consumption is the increase in imports.

But external trade is really the most decisive factor in these results of listed companies, in a climate where the largest companies have the majority of their activity outside Spain, as they are increasingly dependent on the international economy. We would recall that, at the end of 2014, nearly 65% of the revenues of Spanish listed companies came from abroad, a historic high. In the first half of the year, Spanish exports set a new record, exceeding 125 billion euros. Hence, the depreciation of the euro has supported the increase in external demand, and has also been reflected in a substantial improvement in company earnings.



⁽¹⁾ It should be noted that if we strip out the three cases of extraordinary falls in profits, and of non-recurring losses, as is the case of Pescanova, Prisa and in the case of Ibex Medium, Inmobiliaria Colonial, growth in net profits of listed companies would amount to 43%.



LISTED COMPANIES: YEAR-ON-YEAR NET INCOME

YOY GROWTH (%) OF DOMESTIC LISTED COMPANIES IN THE MAIN SPANISH STOCK EXCHANGE



REVENUE AND INCOME OF COMPANIES LISTED IN THE MAIN SPANISH STOCK EXCHANGE.

YEAR-TO-DATE FIGURES OF FIRST SIX MONTHS OF EACH YEAR. MILLIONS OF EUROS AND %.

	Revenue ⁽¹⁾			Net profit		
	1H14	1H15	Change	1H14	1H15	Change
Oil and Energy	63,783.51	63,002.66	-1.22%	5,200.25	4,998.80	-3.87%
Industry and Construction	80,577.14	78,808.19	-2.20%	912.78	895.19	-1.93%
Basic Materials						
Consumer Goods	14,820.55	16,972.82	14.52%	3,139.64	1,716.49	-45.33%
Consumer Services	26,206.89	28,359.98	8.22%	-1,347.63	2,589.56	*
Financial and Real Estate Services	61,304.81	62,489.59	1.93%	6,823.20	10,305.91	51.04%
Technology and Telecommunications	25,618.86	27,618.66	7.81%	2,351.18	3,641.46	54.88%
TOTAL	272,311.76	277,251.90	1.81%	17,079.42	24,147.41	41.38%

(1) The revenue of banking institutions relates to interest income.

Note: in the aggregation for the companies CVNE, Adolfo Domínguez and Edreams, 1Q data used due to different fiscal year than rest.



Presentation of Study "Internationalization of Listed Companies"



IBEX 35 companies: strong profit increase, especially in banks

The revenues of the large companies in the IBEX 35 slightly increased in the first half of 2015 on the first half of 2014 (+1.29%), up from 246.597 billion euros to 249.766 billion. EBITDA also increased (+6.16%) and consolidated a real improvement in balance sheets after two consecutive years without increases. The net profit of large companies increased by 39.48% from the first half of the previous year, amounting to 22.245 billion euros, as against 15.948 billion in the first half of 2014. The figures are consistent with the strong performance of the economy described above and reveal more homogenous performance among these companies than in the case of medium and small caps.

As at 30 June 2015, a total of 13 companies on the selective index (37.14%) has achieved average growth in half-yearly net profit of more than 39.48%. In 29 (82.86%), results had improved on the same period of the previous year. Of the latter, profits doubled in five companies and exceeded 1 billion euros in five companies. Only three IBEX 35 companies had losses in the half year.

Among IBEX 35 companies, the half-yearly performance of the accounts of financial companies was better than in the non-financial sector of the economy. For the former, essentially banks, growth in the first half of 2015 was 2.03% for revenue and 55.68% for

net profit. As a whole, non-financial companies saw an increase of 1.05% in their operating income in the half year, while their net profit increased by a striking 29.72%. Hence, 85.19% of the listed non-financial companies of the index managed to improve their revenue on the previous year and, at the same time, 77.78% increased their income.



The indebtedness of Spanish non-financial companies decreased by 26 GDP points: nearly 270 billion euros in less than five years

The adjustments undertaken by Spanish non-financial companies to adapt to the conditions arising from the financial crisis now are now showing results and trends that, on the whole, can be considered highly positive.

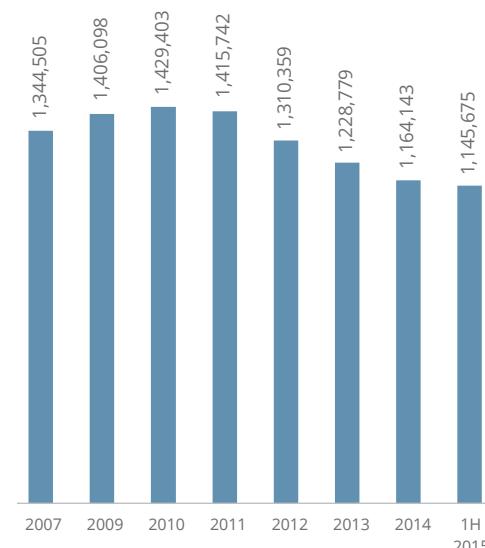
The attached chart showing savings and investment by Spanish non-financial companies during the crisis reveals the sharp cutbacks in investment between 2009 and 2011, accompanied by a recovery in company saving, which was necessary more than ever in the times of financial difficulty between 2008 and 2010.

The fact that company saving has been higher than investment since 2009 made the position of non-financial companies more comfortable and laid the basis for a smooth upward climb in business investment from 2012.

Financial surpluses (the difference between business saving and investment) of Spanish non-financial companies has been used to correct another imbalance that built up during the years prior to the outbreak of the financial crisis: high debt levels. From its peak levels of 2010, indebtedness at the end of the first quarter of 2015 had decreased by nearly 270 billion euros or 26 GDP points, and amounted to 1.15 trillion euros, or 106% of GDP.

Correction of companies' high level of indebtedness has special significance as it is identified, along with expectations of future economic conditions, as one of the obstacles to the recovery of business investment and, therefore, the recovery of employment, which is undoubtedly the most pressing problem facing the Spanish economy.

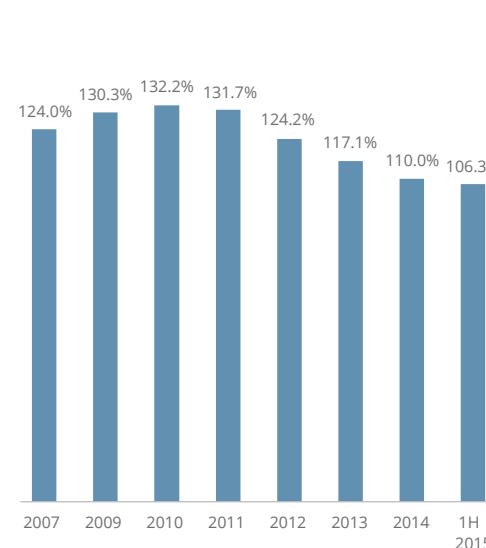
INDEBTEDNESS OF SPANISH NON-FINANCIAL COMPANIES* (MILLIONS OF EUROS)



Source: Financial Accounts of Spanish Economy.
Banco de España

*Includes debt issues and loans in the liabilities of non-financial companies.

INDEBTEDNESS OF SPANISH NON-FINANCIAL COMPANIES* (%GDP)



Source: Financial Accounts of Spanish Economy.
Banco de España

*Includes debt issues and loans in the liabilities of non-financial companies.



Non-financial listed companies better than the aggregate: more capital and less debt, mainly bank debt.

Of the aggregate of Spanish non-financial companies, listed companies are few in number but are particularly important because of their size.

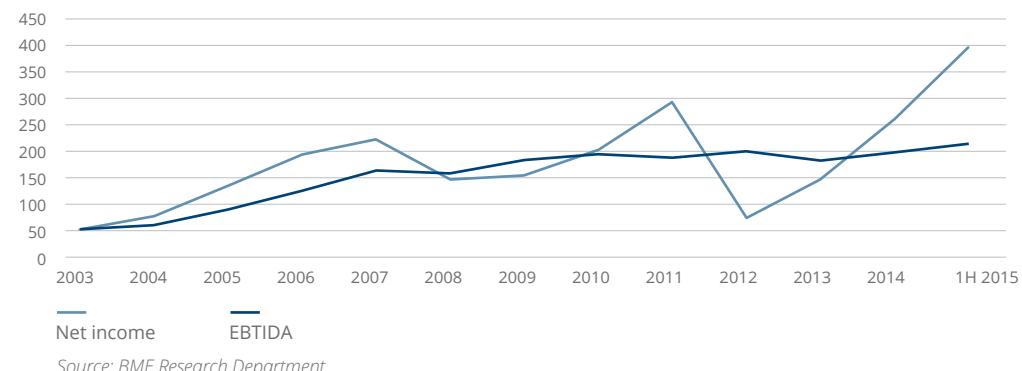
The crisis has not only impacted their income, making them more volatile - as shown in the attached chart - but also their financing, causing a sharp reduction in their indebtedness between 2010 and 2013, and changes in the structure of their liabilities, bringing greater resilience and diversification.

According to the data obtained from an analysis of the structure of the liabilities of 25 non-financial companies trading on the IBEX 35 between 2010 and 2014, equity, the capital of companies, rose by 9.5% in the period, while total borrowed funds with a cost fell by 6.6%. It is in borrowed funds where the results are most significant. Long-term bank financing fell by 32.3% in the three years highlighted and total bank financing fell by 33.1%. On the other hand, long-term market financing via fixed-income instruments increased by 6.5% and short-term market financing via fixed-income instruments shot up by 27.7%.

If we broaden the analysis to the 19 non-financial companies on the IBEX MEDIUM CAP index, which comprises companies that are smaller than those in the IBEX 35, the results also show that total bank borrowing fell by 15.3%, where the reduction was steeper in the short-term component, which fell by 34.5%. Starting with the low figures of 2010, financing via long-term fixed-income instruments increased by 614%.

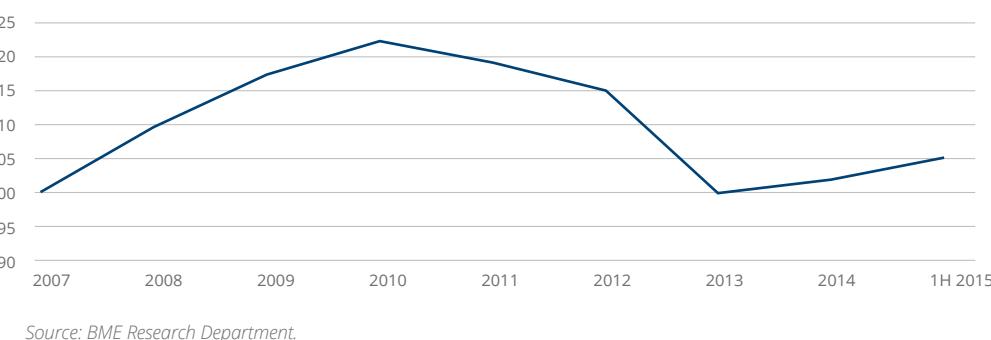
Spanish non-financial listed companies that are also on the main indices of the stock exchange are acting as an advance guard of two very positive changes in reducing corporate financial vulnerability: more capital and less debt and, at the same time, changes in the debt, with a lower volume of bank borrowings and higher volume of both short-term and long-term fixed income instruments. Presence on the stock exchange is powerfully supporting these trends.

INCOME AND EBITDA OF COMPANIES LISTED IN THE SPANISH STOCK EXCHANGE* (2003- 1H15). BASE LEVEL 100 = 2003



Source: BME Research Department

TOTAL BORROWINGS OF IBEX 35 COMPANIES (2007 - 1H 2015) BASE LEVEL 100 = 2007



Source: BME Research Department.



CHANGES FOR ISSUERS WITH THE REFORM OF CLEARING AND SETTLEMENT

The process of reforming securities markets in Spain arising from new European regulations is proving to be complex. All leading agents in the markets are being affected. Issuers, along with investors, as essential parts of the process, will also have to take account of significant changes that affect them.

In recent years, a number of initiatives have been taken in Europe to integrate financial services and standardise post-trading functions in securities markets. This deep European regulatory change has taken the form of projects such as T2S (Target 2 Securities), EMIR (European Market Infrastructure Regulation), MiFID (Markets in Financial Instruments Directive) and CSDR (Central Securities Depository Regulation).

The aim is to support greater competition in securities registration, custody, clearing and settlement systems in order to increase the efficiency of the European market. Implementation of these initiatives in the Spanish market is bringing about a major technical, functional and structural transforma-

tion; changes that affect both market management companies and all participants: issuers, intermediaries, investors, depositaries, etc.

The expected implementation timeline of the reform will have two phases. From 3 February 2016, the first changes will apply to equities. The modification of the settlement term of trades from three to two business days following the trade will apply from 25 February. In February 2017, all securities registered in Iberclear will be included in the new system for settlement and connection with the T2S platform.

For issuers, companies that list their securities in the Spanish market, the most important thing for them to know is that the changes will result in the disa-

ppearance of delivery assurance, which will lead to modifications in the key dates for corporate actions and reduce the settlement term from three to two business days following the trade date.

This is a summary of the main changes affecting companies issuing listed securities, for which BME has prepared an explanatory brochure that can be downloaded from the website, along with information and contact details to receive assistance.



CHANGES IN THE PROCESSING OF INFORMATION ON CORPORATE ACTIONS

As at present, the issuer must appoint an agent, namely, the financial institution or investment services company that is an Iberclear participant to manage each corporate event, except for splits and assimilations, where it will not be necessary. In addition to making payments related to the corporate action, the agent must provide to the issuer the usual services for such actions: publications related to the action, control of cash movements and tallying of the same, processing of applications for return of withholding excesses, and settlement of amounts once authorised by the issuer, etc.

Corporate actions must be reported to Iberclear. The majority must be reported solely through the agent. Nevertheless, the issuer must report corporate actions that involve payments of cash as dividends, premiums or settlements of other payments. In such cases, the issuer and the agent must report the details of the corporate action to Iberclear. The latter will validate the information submitted by the agent and create single reference for each action. For these purposes, Iberclear offers a new online application called BME-PC, which helps issuers and

agents comply with the new rules governing the reporting of corporate actions. Nevertheless, corporate actions may also be reported by the sending of messaging via the international standard ISO 15022.

Through the agent, issuers must make the debits and payments arising from corporate actions through Iberclear. The TARGET2 payment system will be used until migration to the TARGET2 Securities (T2S) system, following which the dedicated cash accounts of participants in the latter platform will be used.

If notification of the corporate action contains a narrative field, this must be in Spanish and should also be translated into English, at least.

For meeting calls and notification of the agenda of General Shareholders' Meetings, the issuer need only provide communication in Spanish and in English.

CHANGES IN THE KEY DATES OF CORPORATE ACTIONS

In the new system, management of corporate actions shall comply with international standards in order to standardise in Europe their processing

with regard to flows of communication. One of the most important changes brought about by this standardisation relates to the method of establishing ex-dates and record dates, which determine who is entitled to participate in a corporate action.

RECOMMENDATIONS IN COMMUNICATION TIMING

Adequate disclosure to the market of corporate actions is essential for correct formation of the price of company shares and the valuation of other financial products, such as options and futures.

It is advisable to publish and disseminate corporate actions and modifications thereto two months in advance.

INFORMATION ON SHAREHOLDERS

Article 497 of the consolidated text of the Companies Act recognises the issuer's right to know the identity of shareholders, irrespective of whether the law requires its shares to be registered. This allows companies with bearer securities to have a Shareholders' Register containing daily details of such shareholders and their movements. The reform includes new ownership files that replace those used to date.



SHAREHOLDER REMUNERATION

The Spanish stock exchange is still the leader in the dividend yield rate among the main developed markets of the world. The total amount paid in dividends was 24.5 billion euros, with a lower weight of scrips. Taxation on savings income is reduced and the dividend exemption is eliminated. Remuneration via return of own funds and redemption of treasury shares have increased. Remuneration in all its forms amounted to 26.085 billion euros.

During a large part of 2015, Spanish equities were targeted by many investors, especially foreign ones. One of the factors that has favoured with orientation was once again the maintenance of high shareholder remuneration by many listed companies.

The “dividends factor” is a positive argument that combines with the aforementioned strong business and earnings performance of Spanish listed companies (+43% in the first half of the year), with highly diversified activity portfolios geographically (65% of revenues come from abroad) and a ongoing improvement in companies’ financial structure, with gradual reductions in absolute debt levels and, fundamentally, in relative debt levels. The reduction in the ratio of net financial debt to equity - which is currently 0.97 times for companies on the IBEX 35 - is continuing the downward trend that began in 2007.

The Spanish stock exchange continues to be offer one of the highest dividend yields of the developed markets and stands, according to the monthly aggregate data offered by the MSCI (October 2015) at 4.7% a year, compared to the roughly 1.50% the 10Y bond currently offers.

Stability in dividend policy is an important factor to be considered by investors in planning the distribution of their portfolios. Sustained dividends act as a minimum profitability level that amplifies the potential yields via market prices or acts as a buffer against losses, as is the case at present. On 9 December, the IBEX 35 had lost 4.80% in YTD, while the IBEX 35 with Dividends fell by only 1.30%. The latter indicator has doubled in value since mid-2012, and reached historic highs in March and April of this year, figures that illustrate the power of dividend reinvestment in the stock exchange.



For another year, total shareholder remuneration in the Spanish stock exchange in dividends, return of the nominal and share premiums surpassed 23 billion euros, a level from which it has not fallen in the past 10 years, even in the harshest years of the crisis.

The main news this year is that the tax rate applicable to dividends is a point and a half lower than a year ago (down from 21% to 19.5%). This reduction applicable to the entire year was implemented, however, in two tranches. The rate began the year at 20% (one point less than in 2014) and, in July, it was cut by a further half point. This means that dividends paid between January and July 2015 were subject to 20% withholding and those paid thereafter to 19.5%.

To 30 November, aggregate data of remuneration deriving from the ownership of shares traded in the main segment of the Spanish stock exchange are as follows: dividends distributed in the form of cash payments and shares (scrips) were equivalent to 24.52552 billion euros; redemption of share premiums, 890.46 million; and, in the form of return of shareholder contributions, 669.75 million. In total, 26.08573 billion euros.

SHAREHOLDER REMUNERATION IN SPANISH STOCK EXCHANGE. DIVIDENDS AND OTHER PAYMENTS BY LISTED COMPANIES.GROSS AMOUNTS (MILLIONS OF EUROS).

	Dividends	Return of share premiums	Nominal reduction with return of monetary contributions	Total
2005	14,435.72	4,463.76	223.99	19,123.47
2006	21,809.71	513.02	761.24	23,083.97
2007	23,338.92	220.40		23,465.54
2008	28,065.00	346.56		28,411.56
2009	33,115.21	763.09	3.83	33,892.23
2010	24,288.33	295.26	9.32	24,592.91
2011	28,212.84	5,432.79	13.51	33,659.14
2012	26,768.81	384.46	-	27,153.27
2013	23,262.57	132.62	19.23	23,414.42
2014 (*)	43,260.55	145.83	2.51	43,408.89
2015	26,287.46	890.76	669.75	27,847.97

(*) Not including extraordinary dividend of Endesa in 2014 in restructuring process within Enel, the total amount of dividends paid by companies listed in the Spanish stock exchange would be 27.654 billion euros.

Note: Since 2009, dividends have included total paid under formula of scrip dividend.



**PAYMENT OF DIVIDENDS IN SHARES (SCRIP DIVIDEND)
UP TO 30 NOVEMBER IN SPANISH STOCK EXCHANGE AND EFFECT ON CAPITALISATION**

Payment Date	Entity	No. of shares that have chosen	Valuation of Payment per Share (euros)	Total Amount (euros)	Extension from/to	No. of shares Issued
12/01/2015	B. Popular	1,770,503,722	0.018	31,869,067,00	12/01/2015-26/01/2015	7,502,183
14/01/2015	B. Santander	11,553,475,726	0.146	1,686,807,456,00	14/01/2015-28/01/2015	262,578,993
29/01/2015	ACS	187,339,546	0.450	84,302,795,70	29/01/2015-12/02/2015	2,616,408
03/03/2015	Caixabank	5,333,161,529	0.040	213,326,461,16	03/03/2015-17/03/2015	53,331,614
30/03/2015	Banco Bilbao Vizcaya	6,186,677,600	0.130	804,268,087,96	30/03/2014-14/04/2014	80,314,074
14/04/2015	B. Santander	11,778,158,302	0.151	1,778,501,903,60	14/04/2015-28/04/2015	256,046,919
16/04/2015	B. Popular	1,741,842,419	0.018	31,353,163,54	16/04/2015-30/04/2015	6,622,974
06/05/2015	Ferrovial	350,206,858	0.300	105,062,057,40	06/05/2015-21/05/2015	5,306,164
02/06/2015	B. Sabadell	4,567,934,324	0.039	178,149,438,64	02/06/2015-17/06/2015	76,543,124
17/06/2015	Acerinox	155,108,862	0.449	69,643,879,04	17/06/2015-01/07/2015	5,005,253
18/06/2015	Repsol	872,672,684	0.484	422,373,579,06	18/06/2015-03/07/2015	25,666,842
02/07/2015	ACS	171,349,065	0.703	120,458,392,70	02/07/2015-16/07/2015	4,179,245
03/07/2015	Iberdrola	5,379,463,031	0.114	613,258,785,53	03/07/2015-16/07/2015	96,870,000
08/09/2015	Caixabank	5,291,766,415	0.040	211,670,656,60	08/09/2015-22/09/2015	55,702,803
11/09/2015	B. Popular	1,748,232,663	0.020	34,964,653,26	11/09/2015-25/09/2015	9,658,743
05/10/2015	BBVA	5,652,673,894	0.080	452,213,911,52	5/10/2015-19/10/2015	61,442,106
19/10/2015	Santander	12,139,556,737	0.050	606,977,836,85	20/10/2015-3/11/2015	117,859,774
03/11/2015	Ferrovial	359,082,400	0.398	142,914,795,20	3/11/2015-17/11/2015	5,506,000
18/11/2015	Telefónica (*)	4,020,015,130	0.345	1,386,905,219,85	18/11/2015-2/12/2015	106,179,444
19/12/2015	Repsol	921,289,577	0.466	429,320,942,88	19/12/2015-7/01/2016	41,422,248
21/12/2015	Faes	232,668,281	0.075	17,450,121,08	21/12/2015-4/01/2016	7,050,553
TOTAL		5,045,036,287		9,377,310,042,71		1,292,877,656

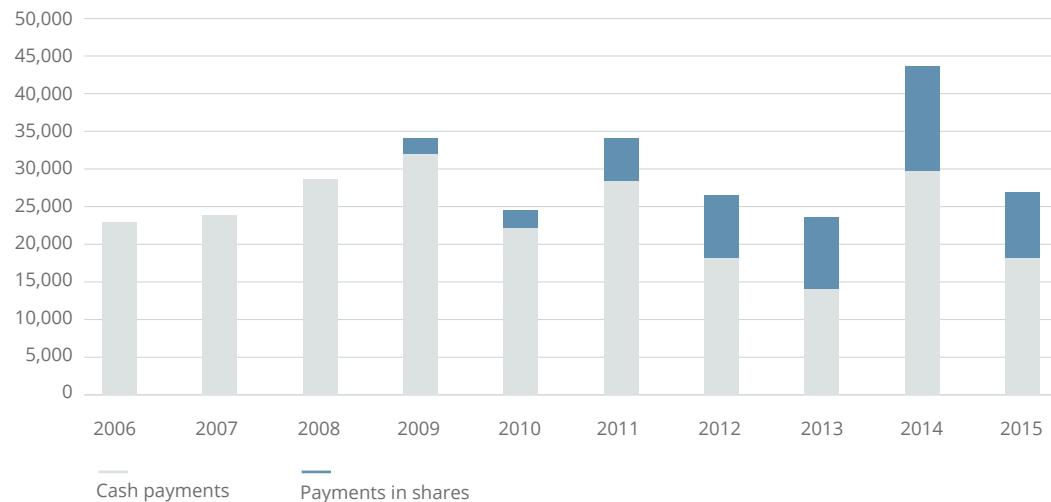
(*) Estimated allocation for Telefónica dependent on prior acceptance of shares as form of remuneration by shareholders.



AENA Opening Ceremony Bell. Image of the Palacio de la Bolsa de Madrid entrance.



SHAREHOLDER REMUNERATION IN THE SPANISH STOCK EXCHANGE (2006-2015) PAYMENTS IN CASH AND PAYMENTS IN SHARES



CHANGES IN TAXATION OF SAVING IN 2015

Withholding tax, tax rates, and the end of the dividend exemption were all modified twice in the year

The tax reform that entered into force on 1 January 2015 directly affected saving income in general, and dividends and shareholder remuneration, in particular. At first, it was designed for a gradual implementation in two phases (2015 and 2016). However, in the middle of the year, the government decided, for economic reasons, to bring forward by six months the second phase of tax cuts to July 2015. This bringing forward of tax cuts was implemented by Royal Decree-Law 9/2015, on urgent measures to reduce the tax burden of income tax payers.

The most important changes in taxation include the elimination of the exemption of the first 1,500 euros collected as a dividend that had been applied in previous years.

Another change relates to the modification of the withholding on saving income. The withholding was reduced from 21% to 20% from January to July and,

from the entry into force of Royal Decree 9/2015 (i.e., from 12 July 2015), it was set at its current rate of 19.5%.

Hence, the new transitional tax rate for saving income in 2015 was set at a midway point between those approved in January for 2015 (20%, 22% and 24%), and those envisaged for 2016 (19%, 21% and 23%), at 19.5% for the first 6,000 euros, at 21.5% for up to 50,000 euros, and 23.5% for amounts above 50,000 euros.

The tax reform also includes a change in the pre-emptive subscription rights that affects remuneration in the form of scrip dividends. In 2015 and 2016, sale of rights on the market is taxed as a capital gain and, from 2017, its tax treatment will be made equal to that of dividends.



Dividends remain high

Hence, virtually all remuneration was in the form of dividends. In total, as noted, 26.28 billion euros in 2015. Of this amount, a third was paid in shares in the form of 21 payments by different companies with the formula of scrip dividends. The amount of this remuneration form reaches 9.37 billion euros.

In 2015, there is a slight decrease in the weight of the total amounts paid in scrips, mainly because large multinationals in the financial sector like Santander and Caixabank have decided not to make all their payments in this form, in contrast to 2014.

A comparison of the total dividends paid by listed companies in 2015 to those paid in 2014 is highly negative, although this is superficial. The decrease from the total amount of 2014 (43.409 billion euros) amounts to 35%. However, if we discount from the previous year the large extraordinary dividend distributed by Endesa (nearly 15 billion euros) as part of its corporate restructuring with the parent Enel,

the decrease falls to 0.53%, while total shareholder remuneration increases 0.166% year-on-year.

The decrease seen this year, apart from the aforementioned "Endesa 2014 effect", was also influenced by Iberdrola's decision to bring forward its dividend from January to December 2014, the reduction of nearly 30% by Santander, and the extraordinary dividend paid by Repsol in 2014.

In total, 109 companies listed in the Spanish stock exchange had distributed a dividend in 2015: 80 companies in the main market, two MAB Growth Companies, 3 REITs and 24 SICAVs. Noteworthy in this regard is the fact that even small companies like Altia and Medcom Tech on the MAB EE now include shareholder remuneration in their management strategies as a way of recognising the commitment of their current shareholders, and as an argument to attract more investors to their company capital and favour their stock liquidity.

Return of equity funds

In 2015, there was a significant increase in shareholder remuneration via return of the nominal and share premium: to the end of December, it amounted to about 1.560 billion euros, as against the 148 million of 2014 (11 times more).

Notable was the global remuneration amount via share premiums or unrestricted reserves, with a total of 17 companies that chose to remunerate their shareholders in this way. Only one company (Testa) remunerated its shareholders via a reduction of the nominal amount of their shares with remuneration thereof for a total of about 670 million euros.



Antonio Zoido, BME President and the Budget Secretary of Estate, Marta Fernández Currás at IEAF 50th. Anniversary Ceremony.



REDEMPTION OF SHARES TREBLES

It is a very common form of remuneration in the US and UK markets

Redemption of treasury shares is one of the methods companies can use to remunerate their shareholders. It is often linked to a prior program of buybacks of treasury shares in the market.

The nominal share capital redeemed in 2015, to 30 November, amounted to 217 million euros, which is double the amount of the previous year. In terms of market value, redeemed shares have trebled, to 3.418 billion euros.

Fourteen companies have carried out share redemptions, double the number in the previous year. Companies carrying out share redemptions include Iberdrola and Telefónica, for a market value of 875 million and 1.019 billion euros, respectively. Mediaset, Ferrovial and Amadeus also redeemed shares amounting to more than 200 million euros.

Purchasing treasury shares and subsequently redeeming them is a very common practice in US and UK markets, particularly among US companies, that is spreading to the rest of the world.

CAPITAL REDUCTION VIA SHARE REDEMPTION IN 2015 FIGURES IN EUROS

Date	Company	ISIN code	Previous nominal capital	Current nominal capital	Reason	Redeemed cap.	Capitalisation of redeemed shares (*)
05/01/2015	C.V.N.E.	ES0184140210	3,420,000.00	3,415,128.00	Redemption of 20,300 shares (treasury shares)	4,872.00	335,965.00
12/01/2015	Ferrovial S.A.	ES0118900010	149,491,343.40	146,477,834.80	Redemption of 15,067,543 shares (treasury shares)	3,013,508.60	250,799,253.24
09/02/2015	Vidrala S.A.	ES0183746314	25,674,767.82	25,290,227.82	Redemption of 377,000 shares (treasury shares)	384,540.00	16,588,000.00
25/02/2015	ACS Activ.Const. y serv. S.A. SERVICIOS	ES0167050915	158,640,501.00	157,332,297.00	Redemption of 2,616,408 shares (treasury shares)	1,308,204.00	88,617,738.96
04/05/2015	Mediaset (TL5)	ES0152503035	203,430,713.00	183,087,642.00	Redemption of 40,686,142 shares (treasury shares)	20,343,071.00	485,995,966.19
07/05/2015	Iberdrola S.A.	ES0144580Y14	4,791,362,250.00	4,680,000,000.00	Redemption of 148,483,000 shares (treasury shares)	111,362,250.00	874,564,870.00
23/07/2015	Unión Europea Inversiones S.A.	ES0181480114	25,914,598.00	25,145,645.00	Redemption of 768,953 shares (treasury shares)	768,953.00	2,998,916.70
29/07/2015	Telefonica S.A.	ES0178430E18	4,938,417,514.00	4,864,341,251.00	Redemption of 74,076,263 shares (treasury shares)	74,076,263.00	1,019,289,378.88
07/08/2015	ACS Activ.Const. y serv. S.A. SERVICIOS	ES0167050915	159,421,919.50	157,332,297.00	Redemption of 4,179,245 shares (treasury shares)	2,089,622.50	133,464,189.08
07/08/2015	Amadeus It Holding S.A.	ES0109067019	4,475,819.50	4,388,225.06	Redemption of 8,759,444 shares (treasury shares)	87,594.44	342,319,071.52
07/08/2015	Bodegas Riojanas S.A.	ES0115002018	4,039,200.00	3,988,710.00	Redemption of 67,320 shares (treasury shares)	50,490.00	280,724.40
23/09/2015	Baron de Ley S.A.	ES0114297015	2,727,133.20	2,580,000.00	Redemption of 245,222 shares (treasury shares)	147,133.20	22,915,995.90
07/10/2015	DIA- Distribuidora Int. De Aliment. S.A.	ES0126775032	65,107,055.80	62,245,651.30	Redemption of 28,614,045 shares (treasury shares)	2,861,404.50	170,997,532.92
24/11/2015	Lingotes Especiales	ES0158480311	10,971,428.00	10,000,000.00	Redemption of 971,428 shares (treasury shares)	971,428.00	8,830,280.52
30/12/2015	Ferrovial S.A.	ES011890010	748,799,005.60	146,442,214.00	Redemption of 11,783,954 shares (treasury shares)	2,356,790.80	246,755,966.76
Total			11,291,893,248.82	10,472,067,122.981		219,826,125.04	3,664,753,880.06

(*) At market closing price on redemption date.



DIVIDEND YIELDS REMAIN HIGH

49 listed companies above the 10Y bond at year-end

The Spanish stock exchange is the leader for another year in the dividend yield rate among the main developed market stock exchanges of the world. At 30 November, yields amounted to 5.2%, which is nearly 1.2 tenths of one percent above its monthly average of the last 28 years.

The consistently high dividend yields have nearly become a signature feature of the Spanish securities market and a factor that foreign investors, as the main owners of shares listed in the Spanish market, appear to value highly.

At year-end 2015, 14 of the 84 companies in the three main indices of the IBEX family (35, Medium and Small) offered yearly dividend yields above 5%, with four exceeding 8% and another one 7%.

The interest rate of the 10Y Spanish bond ended November at 1.78%. At that time, the dividend yields of 25 companies in the IBEX 35 were above that level and, in 18 of them, it was between 2% and 5%. Also, 12 of the 20 members of the IBEX Medium Cap offered dividend yields above 10Y Spanish bond, as did another 12 of the 30 in the IBEX Small Cap.

SPAIN, LEADER IN DIVIDEND YIELDS



Source: Morgan Stanley Cap. Int (december 2015)

DIVIDEND YIELDS OF IBEX MEDIUM CAP STOCKS

CALCULATIONS BY BME RESEARCH DEPARTMENT AT 30 NOVEMBER 2015

	2015 Gross dividends	Price 2015 31-12	Dividend Yield 2015
BOLSAS Y MERCADOS	1.890	31.0600	6.085%
LOGISTA	0.800	19.4400	4.115%
EBRO FOODS	0.660	18.1550	3.635%
ZARDOYA OTIS	0.330	10.7800	3.061%
FAES	0.080	2.7600	2.899%
PROSEGUR	0.107	4.2500	2.523%
CORPORACION ALBA	1.000	39.8500	2.509%
VISCOFAN	1.180	55.6400	2.121%
AUXILIAR FERROCARRILES	5.250	255.5000	2.055%
ATRESMEDIA	0.200	9.8400	2.033%
CATALANA OCCIDENTE	0.640	32.0200	1.999%
APPLUS	0.155	8.3500	1.860%
LABORATORIOS ALMIRALL	0.202	18.6300	1.086%
MELIA HOTELS	0.030	12.1800	0.246%
CELLNEX	0.040	17.2400	0.232%
LIBERBANK	0.003	1.7460	0.195%
EUSKALTEL	0.000	11.5800	0.000%
INMOBILIARIA COLONIAL	0.000	0.6420	0.000%
NH HOTELES	0.000	5.0400	0.000%
PHARMA MAR	0.000	2.5100	0.000%



DIVIDEND YIELDS OF IBEX SMALL CAP STOCKS

CALCULATIONS BY BME RESEARCH DEPARTMENT AT 30 NOVEMBER 2015

	2015 Gross dividends	Price 2015 31-12	Dividend Yield 2015
REPSOL YPF	0.956	10.1200	9.447%
SANTANDER	0.397	4.5580	8.710%
TELEFONICA	0.736	10.2350	7.191%
OBRASCON HUARTE LAIN	0.351	5.2700	6.666%
MAPFRE	0.140	2.3120	6.055%
BBVA	0.370	6.7390	5.490%
CAIXABANK	0.170	3.2140	5.289%
ENAGAS	1.300	26.0000	5.000%
GAS NATURAL	0.908	18.8150	4.826%
ACERINOX	0.449	9.4170	4.768%
ABERTIS	0.660	14.4100	4.580%
IBERDROLA	0.276	6.4216	4.298%
ACS	1.108	26.5411	4.175%
ENDESA	0.760	18.5250	4.103%
TECNICAS REUNIDAS	1.396	34.8500	4.004%
RED ELECTRICA	3.000	77.1100	3.891%
ARCELOR MITTAL	0.150	3.8960	3.860%
FERROVIAL	0.700	20.8550	3.357%
GRIFOLS	0.645	21.3150	3.026%
SACYR-VALLEHERMOSO	0.050	1.8140	2.756%
BANKINTER	0.176	6.5440	2.689%
DIST. INT. ALIM. -DIA-	0.144	5.4440	2.645%
ACCIONA	2.011	79.0800	2.543%
BANCO POPULAR	0.076	3.0234	2.514%
BANC SABADELL	0.039	1.6350	2.385%
AMADEUS	0.700	40.6850	1.721%
INDITEX	0.520	31.6900	1.641%
BANKIA	0.018	1.0740	1.629%
MEDIASET ESPAÑA	0.130	10.0300	1.296%
IAG	0.100	8.2750	1.208%
MERLIN	0.078	11.5450	0.671%
GAMESA	0.083	15.8200	0.521%
AENA	0.000	105.4000	0.000%
FCC	0.000	7.0000	0.000%
INDRA	0.000	8.6690	0.000%

DIVIDEND YIELDS OF IBEX SMALL CAP STOCKS

CALCULATIONS BY BME RESEARCH DEPARTMENT AT 30 NOVEMBER 2015

	2015 Gross dividends	Price 2015 31-12	Dividend yield 2015
DURO FELGUERA	0.176	1.3200	13.333%
N MAS 1 DINAMIA	0.681	7.8000	8.724%
PRIM	0.531	9.0100	5.896%
LINGOTES ESPECIALES	0.438	8.4000	5.208%
ENCE	0.179	3.4950	5.122%
TUBACEX	0.073	1.7500	4.171%
SAETA YIELD	0.257	8.6000	2.985%
EUROPAC	0.142	5.2000	2.731%
ADVEO GROUP INTER.	0.140	6.3900	2.191%
TUBOS REUNIDOS	0.012	0.5850	1.966%
MIQUEL Y COSTAS	0.676	34.9900	1.932%
FLUIDRA	0.060	3.1300	1.904%
CIE AUTOMOTIVE	0.200	15.4500	1.294%
LABORATORIOS ROVI	0.169	14.4400	1.170%
LAR ESPAÑA	0.033	9.1760	0.360%
AXIARE	0.040	13.2000	0.303%
AMPER	0.000	0.1290	0.000%
BARÓN DE LEY	0.000	111.0000	0.000%
DEOLEO	0.000	0.2300	0.000%
EDREAMS	0.000	1.9010	0.000%
ERCROS	0.000	0.6160	0.000%
GRUPO EZENTIS	0.000	0.5010	0.000%
HISPANIA	0.000	13.1000	0.000%
NATURHOUSE	0.000	3.8500	0.000%
PORTLAND	0.000	5.2200	0.000%
PRISA	0.000	5.2200	0.000%
QUABIT	0.000	0.0500	0.000%
REALIA	0.000	0.7600	0.000%
TALGO	0.000	5.6950	0.000%
VOCENTO	0.000	1.4800	0.000%