



# Shareholders Meeting

Transaction Rationale

August 2012

- This presentation contains forward-looking statements and information relating to Abengoa that are based on the beliefs of its management as well as assumptions made and information currently available to Abengoa.
- Such statements reflect the current views of Abengoa with respect to future events and are subject to risks, uncertainties and assumptions.
- Many factors could cause the actual results, performance or achievements of Abengoa to be materially different from any future results, performance or achievements that may be express or implied by such forward-looking statements, including, among others: changes in general economic, political, governmental and business conditions globally and in the countries in which Abengoa does business; changes in interest rates; changes in inflation rates; changes in prices; decreases in government expenditure budgets and reductions in government subsidies; changes to national and international laws and policies that support renewable energy sources; inability to improve competitiveness of our renewable energy services and products; decline in public acceptance of renewable energy sources; legal challenges to regulations, subsidies and incentives that support renewable energy sources and industrial waste recycling; extensive governmental regulation in a number of different jurisdictions, including stringent environmental regulation; our substantial capital expenditure and research and development requirements; management of exposure to credit, interest rate, exchange rate and commodity price risks; the termination or revocation of our operations conducted pursuant to concessions; reliance on third-party contractors and suppliers; acquisitions or investments in joint ventures with third parties; unexpected adjustments and cancellations of our backlog of unfilled orders; inability to obtain new sites and expand existing ones; failure to maintain safe work environments; effects of catastrophes, natural disasters, adverse weather conditions, unexpected geological or other physical conditions, or criminal or terrorist acts at one or more of our plants; insufficient insurance coverage and increases in insurance cost; loss of senior management and key personnel; unauthorized use of our intellectual property and claims of infringement by us of others intellectual property; our substantial indebtedness; our ability to generate cash to service our indebtedness changes in business strategy and various other factors.
- Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.
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### Shares Split

- 1 A share into **1 A share and 4 B shares**
- 1 B share into **5 B shares**

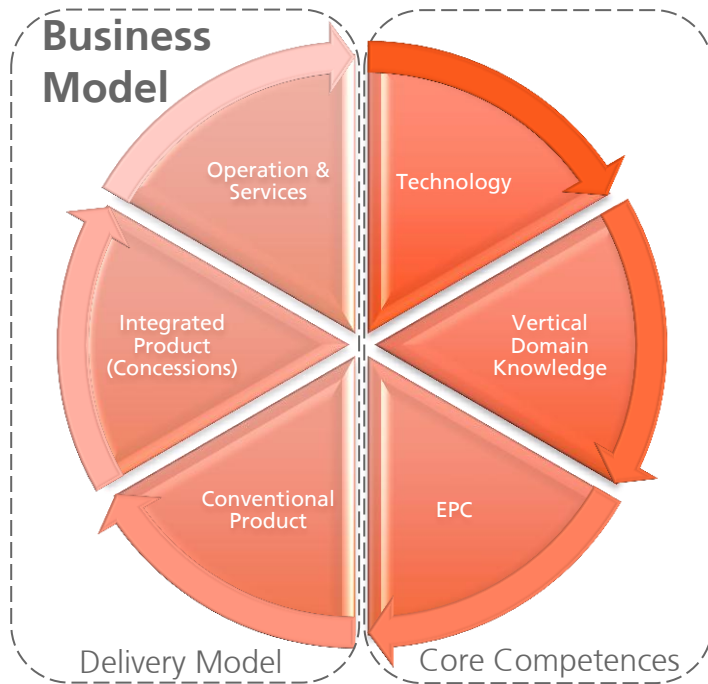
### Shares Conversion

- **Voluntary conversion periods** of A shares into B shares for 5 years

### B Shares Listing

- Initiate **B share listing process** at the Spanish and NY Stock Exchanges

**A well grounded business model with a sharp business strategy to continue developing a growth story**



### Domain Knowledge

**Energy**

- Renewable
  - ✓ Solar
  - ✓ Wind
  - ✓ Biofuels
  - ✓ Hydrogen
  - ✓ Sea Power
- Conventional
  - ✓ Cogeneration
  - ✓ Combined Cycles
  - ✓ T&D

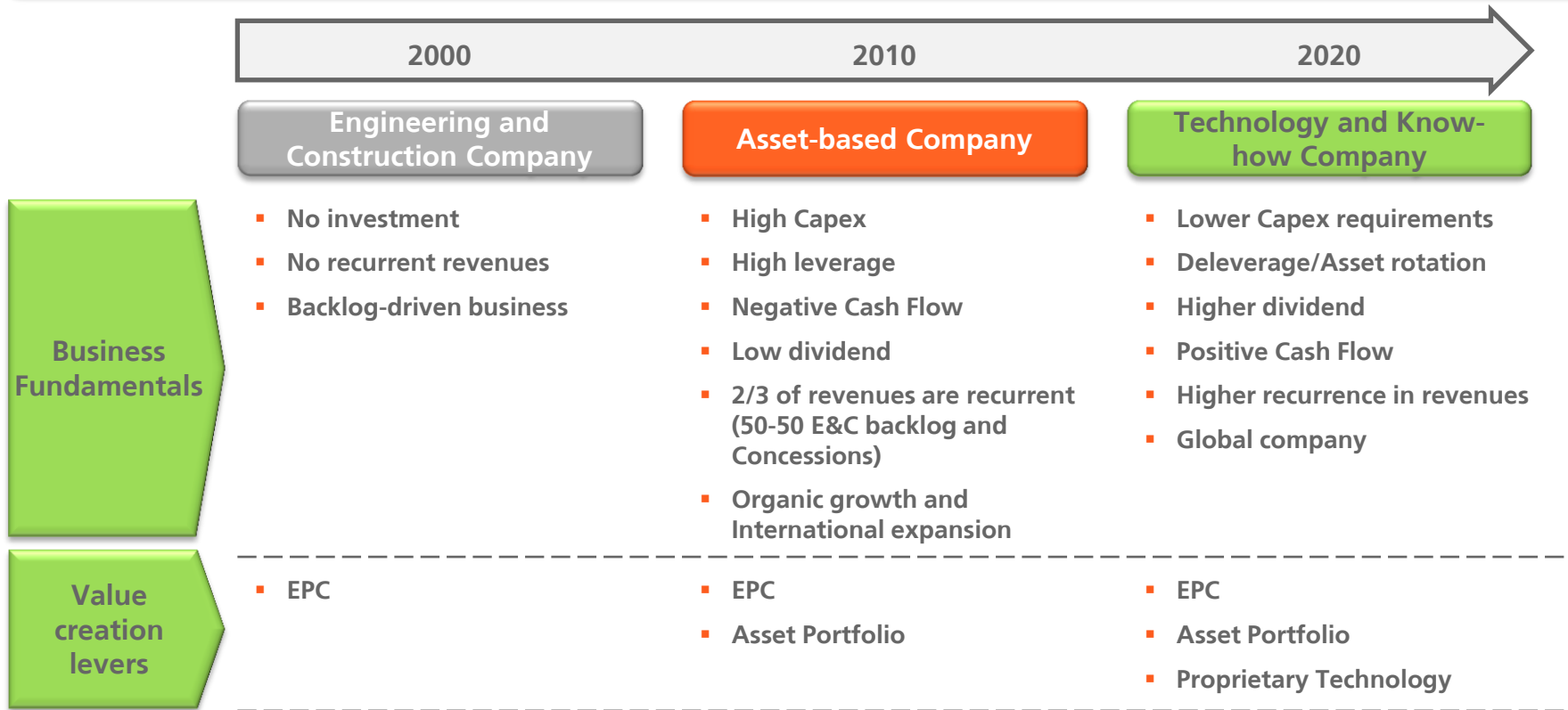
**Environment**

- Recycling
  - ✓ Metals
  - ✓ Industrial Waste
- Water
  - ✓ Desalination
  - ✓ Reusage

### Business Strategy

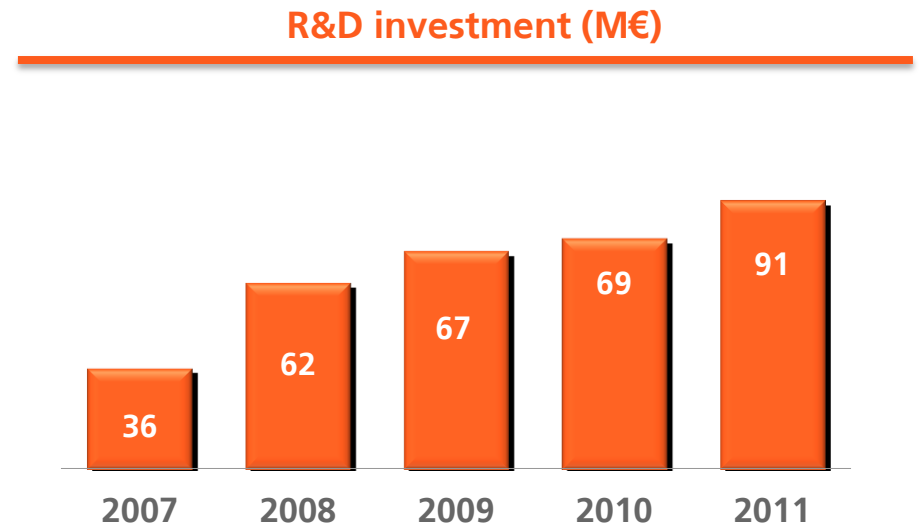
1. Proprietary **technology**, **EPC capabilities** and **business domain knowledge** are the key levers for growth
2. Extend our **international footprint** to capture growth opportunities in new markets
3. Growth focused on **integrated product (concessions)** will require less capital while providing stability in revenues and high profitability
4. Rotate assets for **value creation** and reinvestment in the business
5. Add value and **differentiate** through Operation & Services
6. **Reduce volatility** on Biofuels business through concessions and technology

### Business evolution from an engineering based company to a technology driven company



**Strong leadership achieved in CSP, water desalination, biofuels and recycling as a consequence of many years developing innovative technology**

- ✓ **R&D investment in 2011** amounted to **90.6 M€**
- ✓ Total of **190 patents** granted and pending
- ✓ **682 people** fully devoted to innovation

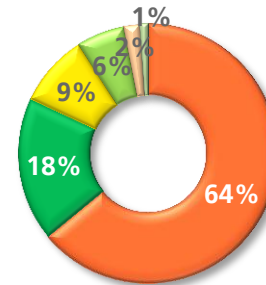


**Technology as an engine for growth requires continuous 3 to 5 years investment plans plus a strong shareholder's commitment**

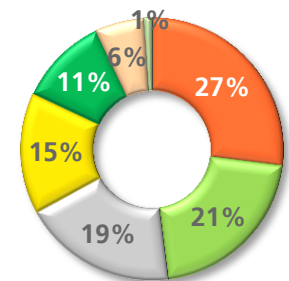
Our global footprint provides phenomenal opportunities for growth, while making the business resilient due to its geographical diversification

- ✓ 74,500 M€ of identified opportunities worldwide in the current pipeline
- ✓ Focused in **strong markets**: North America, EU and LatAm
- ✓ Gaining traction in **promising markets**: MENA, Asia, Australia

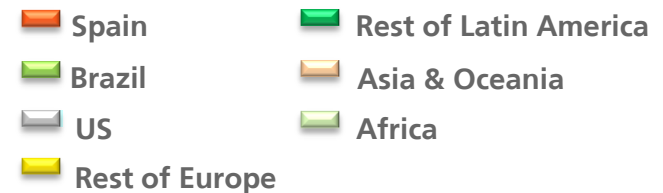
Revenues FY 2001



Revenues FY 2011



### Geographies



Developing a new geography organically requires five to ten years of continuous efforts



**Integrated Product has proven to be a profitable business with high returns to foster growth**

- ✓ **EPC margin** covers the equity required
- ✓ Shareholder's **Total IRR\* > 15%**
  - ✓ Total IRR between 18% and 120% achieved in 11 asset rotations since end 2010
- ✓ **O&S** becomes an additional source of revenue and profit
- ✓ **Asset rotation** at maturity shall yield additional return

|                   | Concessions plan (M€) |                            |                              |
|-------------------|-----------------------|----------------------------|------------------------------|
|                   | By 2012               | Committed Capex until 2015 | Uncommitted Capex until 2015 |
| Abengoa Equity    | 2,129                 | 594                        | 601                          |
| Non-recourse debt | 4,687                 | 1,601                      | 1,296                        |
| Partners          | 390                   | 145                        | 176                          |

**The cycle of an integrated product usually takes 8 years: 3 of contract signing and permitting, 3 for EPC and 2 for operation before the asset becomes a candidate for rotation**

To successfully implement our strategy, we have identified two major requirements

1

Financial flexibility and access to debt and equity capital markets

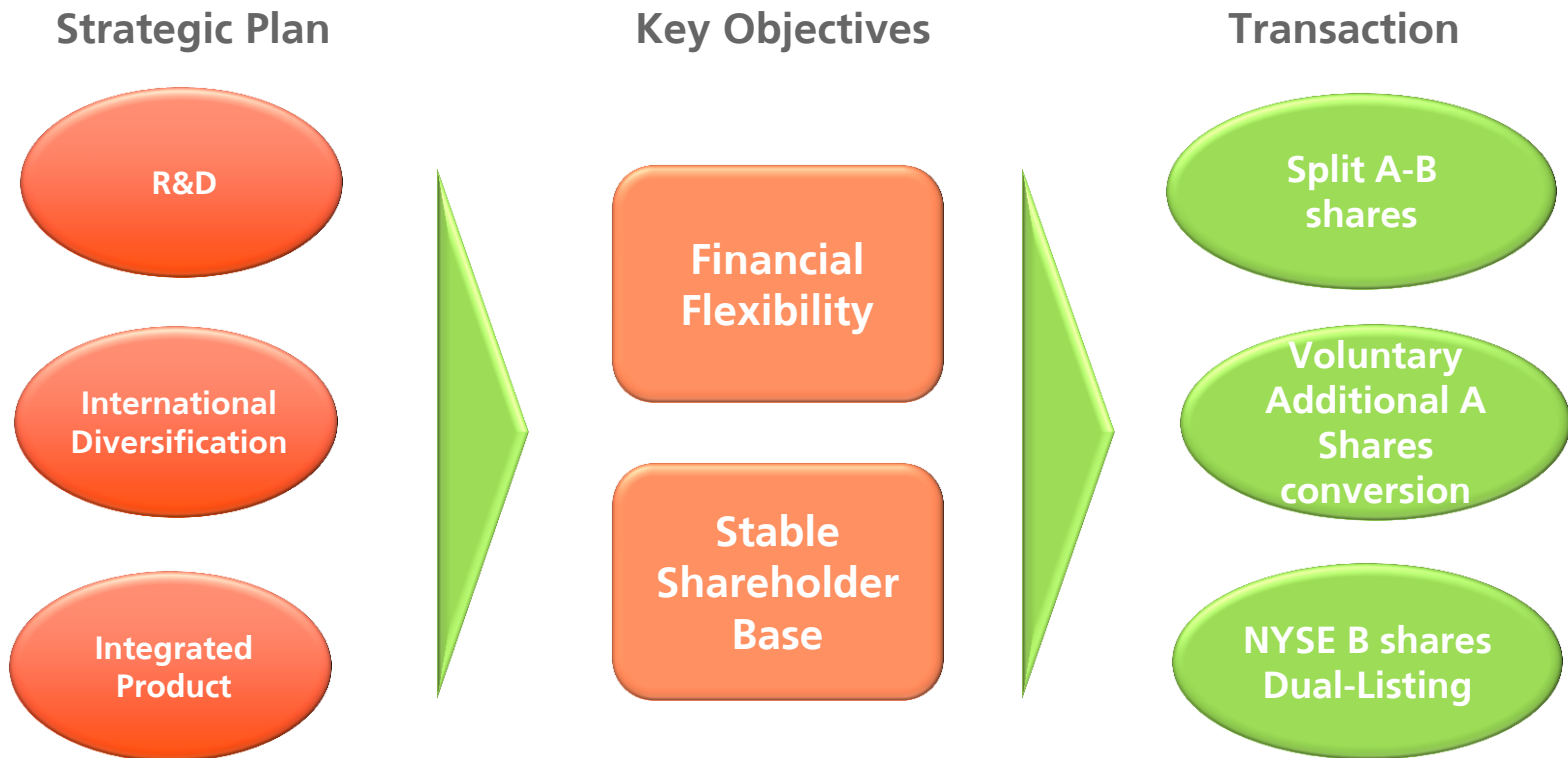
- Introduce flexibility in the balance sheet
- Match business origination and funding
- Access to larger and more stable capital market
- Diversify to a more competitive and global range of financing sources

2

Stable shareholding base with focus on long term returns

- The long term strategy (technological foundation, international expansion and concession-type business model) requires:
  1. Long term shareholder's commitment
  2. Strong management team fully aligned

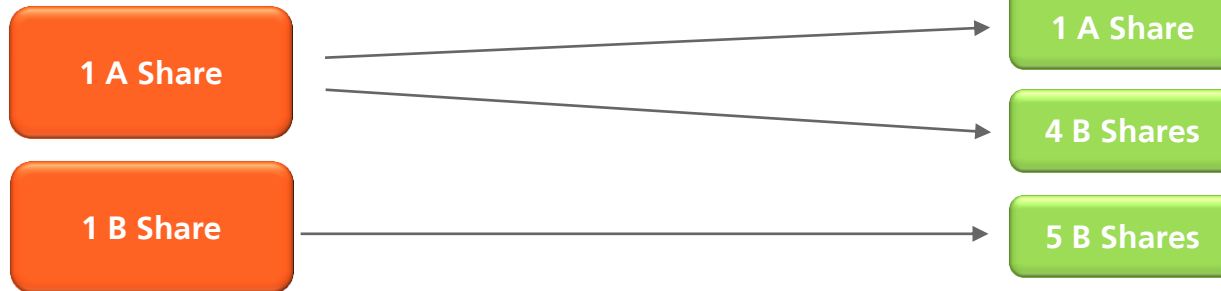
The Split of A shares into B shares in addition to a possible listing in the US will support the long term strategic plan which requires financial flexibility with access to the US capital markets and shall keep the support of a strong shareholder base to overcome global financial uncertainty ahead



Following the shares split 83.8% of the total shares will be comprised of B shares

### Type of shares

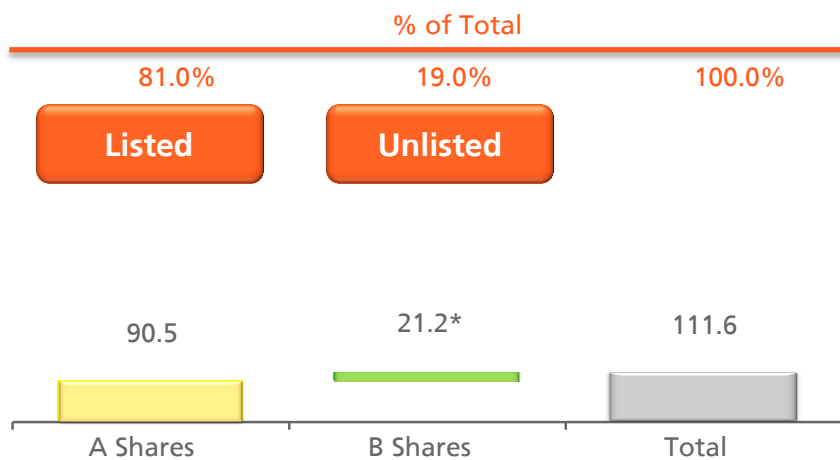
- Voting rights:
- A share: 100
  - B share: 1



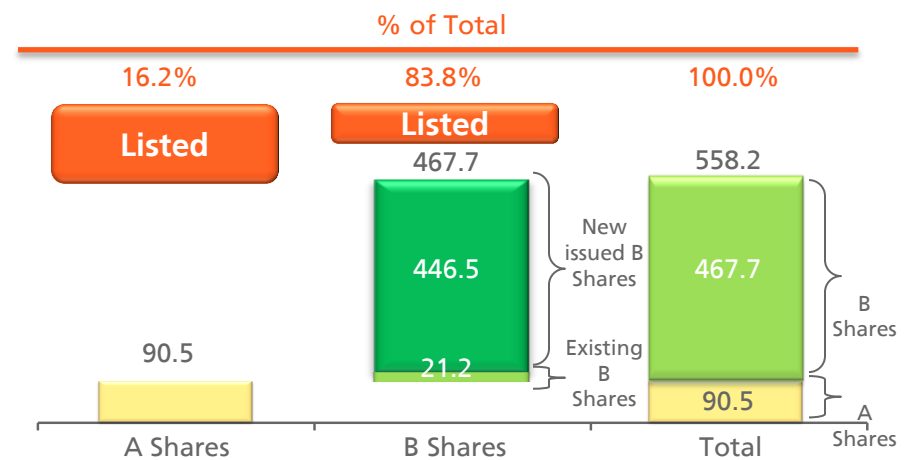
### Stock Split

- ✓ Share issuance of 4 new B shares for each existing A and B share

### Current number of shares (M Shares)



### Post-Split number of shares (M Shares)



\*includes 4 m shares derived from First Reserve warrants potential conversion

5x increase in total # of shares

**Class B shares have the same economic rights as class A shares as validated by First Reserve through their investment in November 2011**

|                              | Class A Share | Class B Share   |
|------------------------------|---------------|---|
| Nominal Value per Share      | €1.00         | €0.01   |
| Voting Rights per Share      | 100           | 1   |
| Same Dividends?              | ✓             | ✓   |
| Same Liquidation Preference? | ✓             | ✓   |
| Takeover Protection?         | ✓             | ✓   |
| Dual-listing Precedents?     | ✓             |  |

(1) Announced.

In a following round shareholders have the option to call for conversion to fully turn A shares into B shares within specific window periods

### Voluntary Exchange

- ✓ Shareholders seeking liquidity may exchange at their discretion remaining A shares for B shares (1:1 ratio) during a 5 year period.

Monthly Windows

|              | Application Period | Board Approval | Estimated Listing Date* |
|--------------|--------------------|----------------|-------------------------|
| 1st Exchange | 30 Sep – 15 Oct    | before 31 Oct  | 9Nov                    |
| 2nd Exchange | 16 Oct – 15 Nov    | before 30 Nov  | 9Dic                    |
| 3rd Exchange | 16 Nov – 15 Dic    | before 31 Dic  | 9Jan                    |
| 4th Exchange | 16 Dic – 15 Jan    | before 31 Jan  | 9Feb                    |

Quarterly Windows

|                                |                     |                      |                          |
|--------------------------------|---------------------|----------------------|--------------------------|
| 5th Exchange                   | 16 Jan – 15 Apr     | before 30 Apr        | 9 May                    |
| Following Trimestral Exchanges | 16 – 15 (3rd month) | before the month end | 9 of the following month |
| Last Exchange (2017)           | 16 Oct – 31 Dic     | before 15 Jan        | 9 Feb                    |

\* Company not responsible for any delay during regulatory processing

**The transaction shall generate additional benefits that make it even more appealing in terms of increased liquidity while protecting minorities shareholders**

### ✓ **Increase liquidity**

- ✓ Listing of B shares
- ✓ Additional liquidity in B shares upon voluntary conversion of As to Bs
- ✓ Inclusion of FRC class B shares as listed shares
- ✓ Future listing of B shares in the US (upon approval by SEC and NYSE)

### ✓ **Preserve economic rights for all shareholders**

- ✓ 100% of economic rights remain unchanged
- ✓ Maintain similar voting rights post-split

### ✓ **Maximum protection for minority shareholders**

- ✓ 180 days lock up for Inversion Corporativa and Abengoa to sell any shares
- ✓ 180 days lock up for Abengoa for any capital increase
- ✓ Transaction requires majority vote of minority holders
- ✓ Further clauses added to protect minority rights (as described on pages 16 and 17)

**The minorities have full power to approve the transaction, setting a unique precedent in this kind of transactions**

### Approval process supported by best corporate governance practices

- ✓ Abengoa's Board of Directors **appointed a special committee formed by independent board members to analyze the transaction**
- ✓ **Negotiation of terms between special committee and rest of the Board**
  - ✓ **Limitation on Inversión Corporativa (voting power restricted to current 56%, lock-up for 6 months and restriction on ratio 1 A-to-4 B voting and economic rights)**
  - ✓ **Protection of minority shareholders (basing most of the rights on the number of shares instead of on the number of votes)**
- ✓ **Special committee of independents board members has recommended the transaction (advised by External Financial Advisor)**
- ✓ **Favorable vote of Abengoa's Board of Directors**
- ✓ **Committed favorable vote of Inversión Corporativa and First Reserve (63% of total shares)**

**The transaction needs to be approved by the majority of the minority shareholders\***



**Abengoa will amend its bylaws to provide minority shareholders of B shares the new rights**

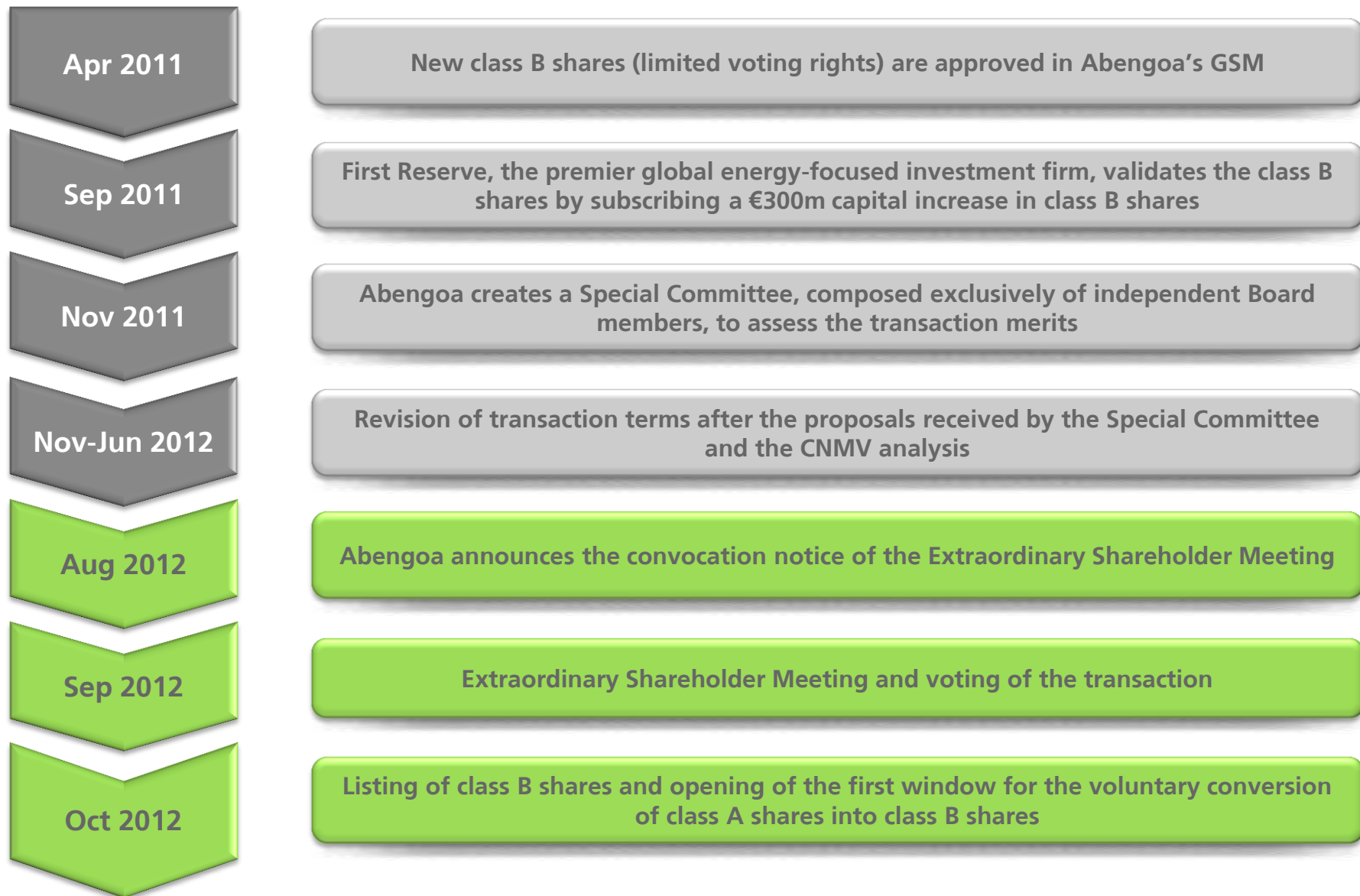
| Minority Rights   | Current                         | Post-Split                                  |
|---|---------------------------------|---|
| Right to call an EGM and include topics for discussion in the Agenda        | 5% of the voting power          | 5% of the total number of A and/or B shares |
| Right to contest decisions taken by the AGM / EGM or the Board of Directors | 5% of the voting power          | 5% of the total number of A and/or B shares |
| Attendance to the AGM / EGM   | 375 A shares or 37,500 B shares | 375 A or B shares                           |
| Right to exercise liability actions against members of the Board            | 5% of the voting power          | 5% of the total number of A and/or B shares |
| Right to request a notary in the AGM / EGM                                  | 1% of the voting power          | 1% of the total number of A and/or B shares |

**The following amendments to Abengoa by-laws will ensure most of the minority rights are based on the number of shares and not on the voting power**

**An approval that paves the way for an ambitious long term growth plan**

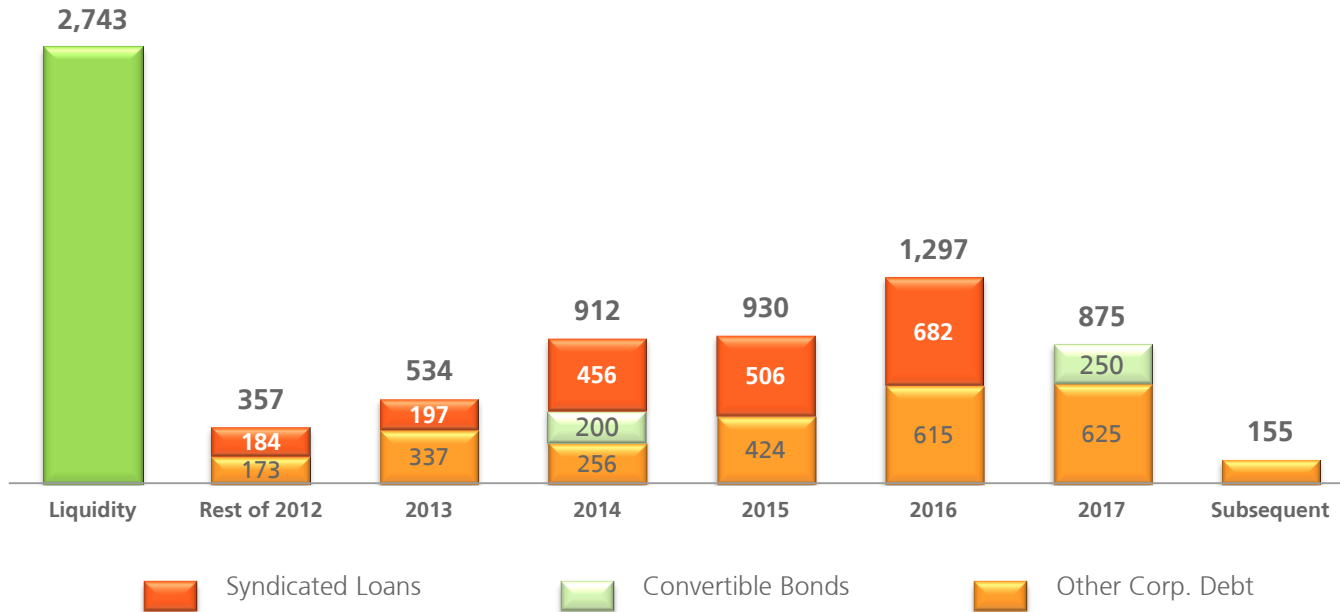


## Appendix



No significant maturities in the next 24 months

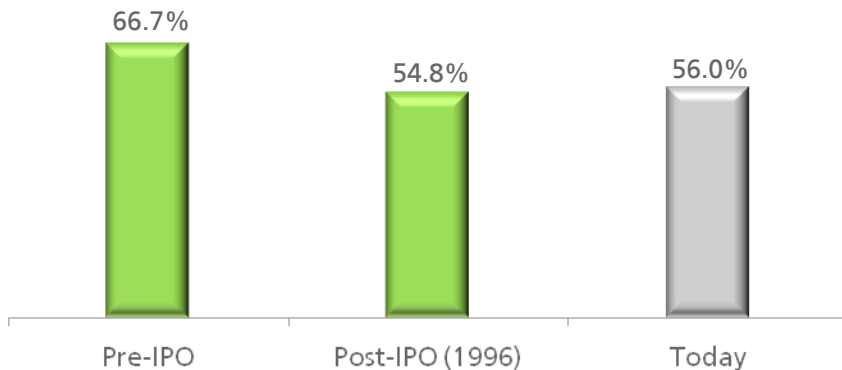
### Corporate Debt Maturity Profile (M€)



Note: Maturities exclude revolving facilities

**Inversión Corporativa's controlling stake since Abengoa's inception, together with an efficient and strong management team has allowed Abengoa to historically achieve constant and attractive returns for its shareholders**

**Stable Core Shareholder Base. Inversión Corporativa has never disposed of Abengoa's shares**



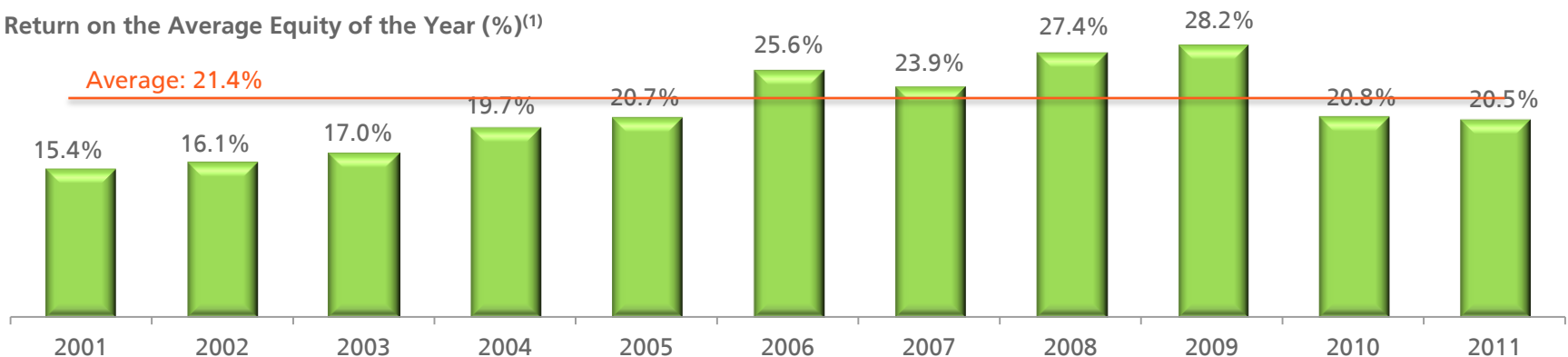
Since Abengoa's IPO in 1996, the stake of Inversión Corporativa in the Company has not changed

Shareholding stability, together with an efficient and influenced management team has led to high profitability and returns for its shareholders

Inversión Corporativa fully supports the long-term vision and strategic plan of Abengoa

## Attractive Historical Returns

Return on the Average Equity of the Year (%)<sup>(1)</sup>



Source: Company filings.

(1) Calculated as net income attributable to the parent company or the year "n" divided by the average of the equity for year "n" and the year "n-1" (excluding minorities).

**Strong protection for minorities makes the transaction significantly more appealing than other recent stock splits**

Google™

Split - Apr 2012

GRIFOLS

Stock Dividend – Dec 2011

ABENGOA

Split - 2012

|             | Google™  | GRIFOLS | ABENGOA          |     |
|-------------|--|---------|------------------|-----|
| Optionality | Favourable Vote of Special Majority at the EMG     | x       | x                | ✓✓✓ |
|             | Controlling Shareholder Sale Restriction           | ✓       | x                | ✓   |
|             | Lock-up for the Controlling Shareholder            | x       | x                | ✓   |
|             | Conversion Mechanism (Voluntary)                   | x       | x                | ✓   |
|             | Preserves Minority Rights                          | x       | x                | ✓✓  |
| Liquidity   | Fundamental Value Split                            | ✓       | ✓                | ✓✓  |
|             | Relative Market Liquidity (New Share vs. Existing) | ✓       | x                | ✓✓  |
| Value       | Same Dividend?                                     | ✓       | x <sup>(1)</sup> | ✓   |
|             | Same Liquidation Preferential?                     | ✓       | x <sup>(2)</sup> | ✓   |
|             | Takeover Protection?                               | ✓       | ✓                | ✓   |
|             | Tax Free?  | ✓       | ✓                | ✓   |

Source: Company reports.

(1) Same dividend for a minimum annual dividend of €0.10 / share.

(2) Preferential over A Shares

Requested by the Independent Members of the Board of Directors of Abengoa.

Within international markets, there are several structures which enable new investors to acquire economic rights while strategic investors maintain control

| Country   | Companies  |
|---|--|
|  <p>Sweden    Finland<br/>Spain    Denmark</p> |    |
|  <p>US</p>                                     |    |
|  <p>Germany</p>                               |   |
|  <p>Brazil</p>                               |  |



# ABENGOA

Innovative Technology Solutions for  
Sustainability



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# Thank you!