

08.5

Shareholders



Fluid, transparent communication with our investors and shareholders is key to building a relationship based on trust

Abengoa is committed to a business strategy for generating **long-term value**. In today's highly complex environment, and against a backdrop of crisis in some of the territories and markets where Abengoa operates, diversifying financing sources is essential to achieving a flexible capital structure that will keep allowing the company to press forward with its R&D+i plan and continue to generate long-term value through innovative technological solutions for sustainability development.

Abengoa's relationship with its shareholders is based on pursuing and developing **dynamic, innovative and extensive approaches** that enable the organization to anticipate events; and on transparency, the cornerstone of the company's communications, and essential in building a **trust-based** shareholder relationship.



## Shareholding structure

Abengoa is a listed company, with share capital totaling 90,143,938.83 €<sup>1</sup>, represented by 538,062,690 fully subscribed and paid-up shares belonging to two different classes<sup>2</sup>:

- 85,619,507 shares belonging to Class A, each with a par value of 1 € and each conferring one hundred votes as common company stock.
- 452,443,183 shares belonging to Class B, each with a par value of 0.01 € and each conferring one vote as shares with privileged economic rights attached, as established under Article 8 of the [company bylaws](#).

Note 1: The last Abengoa share capital modification date took place on December 26, 2012.

Note 2: Class A and Class B shares are admitted for official trading on the Madrid and Barcelona Stock Exchanges and on the Spanish Stock Exchange Interconnection System (Continuous Market). Class A shares have been admitted for trading since November 29, 1996, while Class B shares have been admitted for trading since October 25, 2012.

For the eighth consecutive year, in 2012 the gross dividend paid out by the company to its shareholders rose, this time totaling 0.35 € per share.

For purposes of historical reference, since Abengoa began trading shares on the stock market on November 29, 1996, the company's stock has appreciated by 425 %. Over this same period of time the selective Ibex 35 index has appreciated by 84 %.

## Continued growth through technology

We have a business model based on strategic growth and technology

**Numerous opportunities for driving company growth** have been identified through the corporate strategic plan, and these opportunities will enable the organization to continue to generate value for all of its shareholders. However, building upon these opportunities requires the greatest possible degree of financial flexibility, with the right capital structure in place and a presence in major world capital markets in order for Abengoa to seize and harness the potential of its strategic plan.

Abengoa has developed a **business model that is based on a growth-centered strategy**. Under this model, technology constitutes the first step to creating value along the range of business lines and represents the primary tool for achieving ongoing enhancement of engineering capabilities and continued development and leadership in the markets in which the company operates.

As a product of this model, the company is able to offer a wide-ranging catalog of products and services to the energy and environment sectors, and has developed the capacity to execute turnkey projects under a concession-type regime and provide operation and maintenance services, adding value and diversifying the business model.

Abengoa is also stepping up efforts to **expand its international presence** in order to keep growing in new markets, where the company may continue to implement an integrated business model and identify new opportunities.

In 2000, Abengoa initiated a transformation process characterized by diversification through investment in concession-type assets in order to obtain higher cash-flow recurrence, driving growth and geographical expansion. The ultimate aim of this process is to make Abengoa a much more global company with more recurrent revenues, fewer investment requirements and a mature portfolio of assets that will generate major rotation opportunities.

## Financial flexibility and long-term commitment

Continuing with the successful implementation of company strategy, two key objectives were fulfilled in 2012.

In an extremely complex environment, **financial flexibility** in accessing the equities and fixed income markets is essential. This can be achieved through balance sheet optimization, balancing the company's structure with its source of financing, developing the investor base in order to gain access to capital markets with greater depth and stability, and, ultimately, diversifying the company's financing structure towards a more global and competitive source.

Furthermore, taking into account the life cycle of the Abengoa business model, its potential and the support required by the company's R&D programs, it is essential to have a **stable shareholder** that is **engaged in company strategy** and supports long-term decisions.

In order to accomplish both objectives, on September 30, 2012 the **Board of Directors** agreed to present shareholders with a proposal to modify the **shareholding structure** through a **share breakdown** as follows: each Class A share for one Class A share and four Class B shares; and one Class B share, from among those existing at the time, for five Class B shares.

Once the breakdown was performed, the company initiated a share conversion process to take place over the next five years, whereby every shareholder voluntarily decides whether he or she wishes to turn his or her Class A share into a Class B share and thereby benefit from a more liquid instrument or otherwise maintain their voting right and hold on to their Class A share.

As the final step in this process, the company plans to seek listing of the Class B shares in both the Spanish and U.S. markets during the first quarter of 2013.

This operation, which has come to signify a turning point for Abengoa, is certainly relevant from the perspective of corporate governance as the company has now introduced all the clauses needed to ensure full **protection of minority shareholders**, with the final decision whether to convert the shares ultimately resting with them.

Moreover, the company's increased financial flexibility will enable it to implement the strategic plan in the current macroeconomic environment, thus securing attractive returns for shareholders.

Today, following the breakdown performed, **84 % of Abengoa's shares are now made up of Class B** shares, whose future listing in the United States, once all of the licenses have been obtained, will increase exposure of the company's business in the largest capital market in the world, making Abengoa shares much more accessible to new investors.



### Socially responsible investors

Markets are beginning to recognize the value of companies that embrace long-term commitments, back sustainable development, and take environmental, social and corporate governance criteria into consideration in conducting their business.

In 2012, **for the fifth straight year**, Abengoa renewed its status as a component of the **Financial Times and Stock Exchange (FTSE) 4Good** sustainability index, the benchmark for investors worldwide interested in identifying organizations that strive to uphold social, economic and environmental sustainability standards in their business management.

In 2012, the company obtained an **overall rating of 4 on a scale of 5 in absolute terms and a score of 100 out of 100 with respect to its sector of activity**.

This FTSE assessment is conducted by analyzing the information disclosed by companies and by means of an extensive battery of sustainability factors and indicators.

In addition, for the fifth consecutive year, the company participated in the **Carbon Disclosure Project (CDP)**, a coalition of 655 institutional investors holding assets valued at 78 B\$ that analyzes more than 3,550 companies. Through the project, Abengoa published its Greenhouse Gas (GHG) Inventory, achieving **a score of 96 out of 100** on the sustainability policy disclosure index, the **Carbon Disclosure Leadership Index**, and **an A (on a descending scale from A to E) in company performance on the Carbon Performance Leadership Index**.

Abengoa's involvement in these types of initiatives places the company among the global leaders in developing environmental management policies, addressing climate change and upholding human rights, labor-related social responsibility, good governance, and anti-corruption.



## Communication channels for shareholders and investors

Essential to building a relationship based on trust with shareholders and investors is maintaining ongoing, transparent and fluid communication, enabling these stakeholders to become participants in the company's strategic goals. For this reason, Abengoa has designed and implemented a **program for communicating with both domestic and international financial markets** in order to report the company's key financial figures, significant strategic actions and financial results.

Accordingly, Abengoa is wholly available to its stakeholders with a view to incorporating proposals that will enable the company to enhance the service it provides. In the meantime, the organization continues to **serve investors**, adapting to new legislative changes, exploiting new communication channels, and adding the latest technological developments to its services. This is intended to help the company to keep growing in value and to **ensure maximum market visibility and transparency**.



In 2012, Abengoa participated in a total of **37 national and international roadshows**, affording it the opportunity to address **more than 125 institutional investors in person**. The company also visited the most important financial marketplaces in **Europe** and the **United States**.