

Letter from the chairman

Last year, 2013, was better than expected, offering glimpses of growth possibilities that will help to put the financial crisis behind us. However, climate change continues to lie at the heart of the problems facing mankind. The UN's Intergovernmental Panel on Climate Change is warning that the planet's average temperature is increasing while glaciers melt, sea levels rise and CO₂ emissions grow, all of which are attributed to humankind with 95 % certainty. The Stern Report states that there is still no trend in emissions reductions, meaning that global warming will continue and that, by 2100, hundreds of millions of people would have abandoned their homes.

According to the World Energy Outlook for 2013, the decision facing the world requires greater emphasis on energy efficiency. Our sector will play a fundamental role in whether climate change targets are achieved or not.

The current trend is taking us towards a 3.5 °C long-term rise in the planet's temperature. To avoid this we have to accelerate the rate of renewable energy growth, currently around 2.5 % per annum.

Our company has viable solutions to these challenges. Knowledge creation and a commitment to technology form the basis of our competitive advantage in the energy and environment sectors, enabling Abengoa to become a scientific and technological leader in our business areas and a privileged place for training professionals in R&D and innovation.

Abengoa's global presence enables us to make the most of our opportunities for growth. This year revenues have grown by 17 % to € 7,356 M compared to 2012, and this growth is also reflected in our results, with an 44 % increase in ebitda to € 1,365 M.

At the financial level, this year we have successfully completed our listing on the Nasdaq stock exchange in the USA through a capital increase of € 517.5 M, we have raised € 1,280 M from five bond issues and made divestments totaling € 804 M, all of which have enabled us to cover the company's financing requirements for 2014, reduce our dependency on the banking market following the partial repayment of the syndicated loan, and to extend the maturity profile of our debt.

At Abengoa we know that the future depends on the creativity of the present, which in turn relies on the training and performance of the people that are part of the company. We are well aware of this fact and place special emphasis on our employees' professional development and training. In 2013 we carried out more than 1.8 M hours of training, many in collaboration with some of the world's most prestigious universities.

It is also important to highlight the constant preoccupation in our corporate culture for the safety of our teams and operations around the world, which is managed through a strict system of quality and occupational health and safety at every level of the organization.

In line with our commitment to transparency and diligence, we have subjected our internal control system to an independent valuation process, in accordance with PCAOB auditing principles. The Annual Report therefore includes five independently verified reports on the following areas: financial statements, SOX (Sarbanes Oxley) internal control system, Corporate Social Responsibility Report, Corporate Governance Report and the design and application of the company's risk management system in accordance with the specifications of the ISO 31000 standard.

Letter from the chairman

In a future defined by innovation and the challenges associated with sustainable development, Abengoa is committed to responsible management to reduce the negative impacts of its activities, contribute to developing the communities where we are present and building trusted partnerships with stakeholders. As a result of this commitment, in 2008 Abengoa designed a strategic corporate social responsibility plan and in 2013 we invested more than € 9.1 M in social actions through the Focus-Abengoa Foundation.

During 2013 we have intensified our partnerships with suppliers to reduce their impact and improve operations across the whole value chain.

Once again we have used the Corporate Social Responsibility Report, prepared in accordance with the principles of the Global Reporting Initiative (GRI) and the AA1000 sustainability assurance standard, to report on our social, environmental and financial performance during 2013, as well as the objectives, challenges and areas for improvements for the coming years.

We offer and use the Corporate Social Responsibility e-mail address (rsc@abengoa.com), our website (www.abengoa.com), our Twitter and LinkedIn profiles and our corporate blog (blog.abengoa.com) for this purpose.

Felipe Benjumea Llorente