03 Abengoa today

Where the company is going

Until present, the organization's key activities were conventional and renewable energy generation, large transmission systems, and water transport and generation. Therefore, in this **forthcoming new phase, all efforts will be focused on these same activities**, committing to sectors and products with a large growth potential in which Abengoa is internationally renowned.

The restructuring process that the company is undergoing to resolve the difficulties presented in the last year will result in a new business model that aims to concentrate future growth on two of its main strengths: excellent technical expertise and international positioning.

At present, the company is facing great challenges which, primarily, deal with reducing the level of debt. Inevitably, this means that significant changes must take place in the organization: firstly, it was necessary to **design a smaller organization**, adapted to the new reality which, if it is to continue its activity in the same sectors and businesses as up until the present, it must do so on a smaller scale, in line with the availability of resources. This shall be accompanied by an **increase in operational efficiency** of the business, redefining internal processes to improve our competitiveness and profitability. Secondly, **the priority of the new structure will be turnkey (EPC) projects**. Given that cash flow generation is fundamental in this new phase, this type of project will therefore be the main focus of the company.

This does not mean that concession-based projects will be dropped altogether, rather they will be dealt with in a different way. In fact, **concessions will continue to be a major growth vector**, albeit with a relatively lower weighting than EPC projects and with smaller contributions from the company, which will include partners who allow the company to significantly reduce its stake in the capital. Lastly, a significant effort is being made to rotate non-strategic assets and businesses as an essential part of the deleveraging process, in order to continue generating cash flow through the selective sale of assets that do not compromise the company's future.

Consequently, the new model being proposed, which includes management tools and systems that will **prevent financial risks and limit the capacity to finance with corporate guarantees**, aims to restore credibility with clients, suppliers, partners and financial institutions, by admitting past mistakes and proposing a business model that is less intensive in terms of cash needs.

The new structure considers liquidity injections, as well as the necessary debt restructuring regarding which the company is currently in negotiations.

Furthermore, one thing that has always characterized the company is its commitment to **technology and innovation** as a **competitive advantage**[1]. In fact, over the years, Abengoa has made a significant effort in this sense, enabling it to have and develop world-leading products, which is something that will remain as one of the distinguishing features of the company.

Note 1 Futher information on chapter "Intellectual capital".

Main figures *G4-9*

During the period 2014-2015, Abengoa revenues declined by 19.5 %, Ebitda was € 515 M and net profit decreased to € 1,213 M.

	2015	% Var. (14-15)	2014
Profit and loss account (€M)			
Sales	5,755	(19.5)	7,151
Ebitda [1]	515	(63.4)	1,408
Net profit	(1,213)	(1,068.5)	125
Balance sheet (€M)			
Total assets	16,627	(34.1)	25,247
Equity	453	(82.9)	2,646
Net Corporate Debt	4,480	90.4	2,353
Significant ratios			
Operating margin (Ebitda / Sales)	9.0	–	19.7
ROE [2]	(296.5)	–	4.6
Share data (€)			
Profit per share	(1.29)	(984.5)	0.15
Dividend per share	–	n.a.	0.113
Last quoted price (B share)	0.19	(89.6)	1.83
Last quoted price (ADS B shares) ($)	1.28	–	10.88
Capitalization (A+B shares) (€M)	202	(87.1)	1.563
Average daily trading volume (€M)	35.3	(24.0)	46.4

(1) Earnings before interest, taxes, depreciation and amortization.
(2) Earnings after tax / Equity.

Areas of activity and geographic regions

	2015		2014	
Areas of activity (%)	Sales	Ebitda	Sales	Ebitda
Engineering and construction	57.8	37.5	63.1	57.2
Concession-type infrastructures	7.1	54.7	7.0	23.5
Industrial production	35.1	7.8	29.9	19.3
Consolidated total	100	100	100	100

Sales per geographic region (%)	2015	2014
North America	26.4	31.5
Latin America (excl. Brazil)	22.5	18.3
Brazil	14.7	12.2
Spain	14.0	12.4
Europe (excl. Spain)	11.2	12.5
Africa	8.0	8.5
Asia and Oceania	3.2	4.6
Consolidated total	100	100

Capacity to adapt to change

Abengoa has a sound set of capacities that will serve to ensure viability of the new organization[2]:

- **Operating in growing sectors** with positive outlook and attractive market dynamics.
- **Leader in market niches** with high specialization needs and high barriers to entry.
- **Strong competitive position** thanks to its technological leadership.
- **Excellent execution track-record** for both turnkey and concession type projects.
- Diversified **business portfolio** and "glocal" presence[3].

Operating in growing sectors with positive outlook and attractive market dynamics

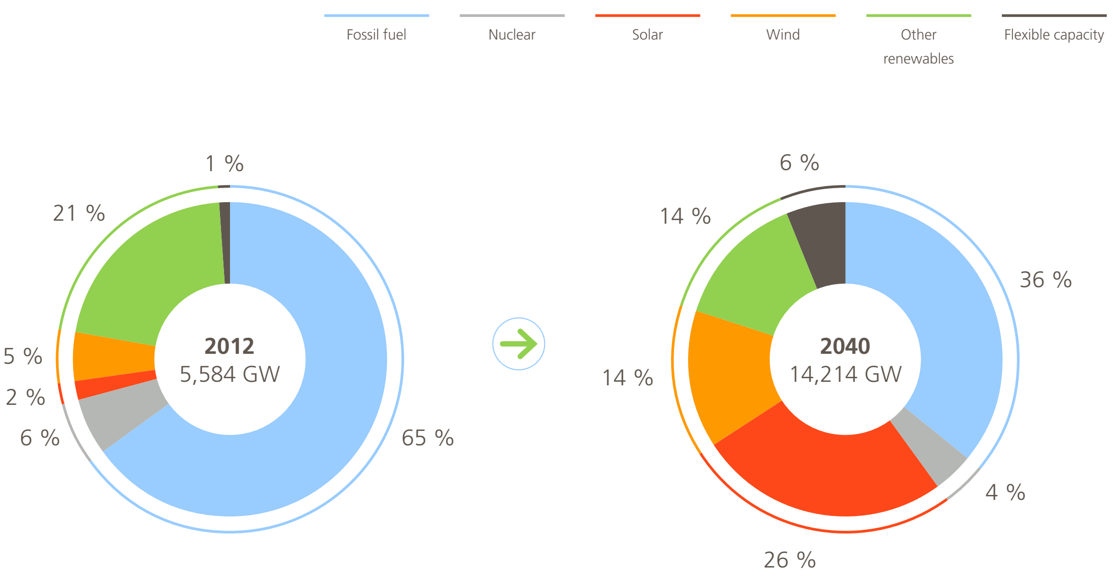
Significant growth forecast regarding the power generation and water production capacity worldwide

It is anticipated that the global energy demand will rise considerably, driven primarily by developing countries such as India or China, and that renewable energy sources will play a more prominent role.

With the aim of meeting this growing demand for energy, it will be necessary to make significant investments in the electricity sector, both in new installed capacity and in expanding and improving electricity transmission and distribution networks.

Installed power capacity worldwide in 2012 and 2040 (GW)[4]

Along these lines, it is estimated that the installed capacity of electrical power plants will practically triple to 14 GW by 2040. Not only will the total installed capacity increase, but the contribution of each one of the technologies will also change. In 2012, electricity generation was dominated by fossil fuels (65 % of the total installed); this proportion is expected to be reduced to 36 %. This gap is expected to be filled by solar and wind energy, which would make up 40 % of the installed capacity, increasing the renewable energy source total to approximately 54 %.



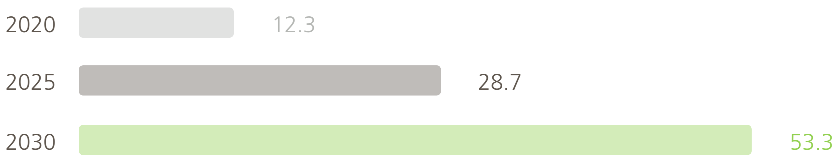
Note 2 Further information available in the public presentation of the business plan and debt restructuring.

Note 3 Global and local presence at the same time.

Note 4 Bloomberg- New Energy finance2015, World Energy Outlook 2014. IEA, Average estimates of IEA, BNEF and IRENA.

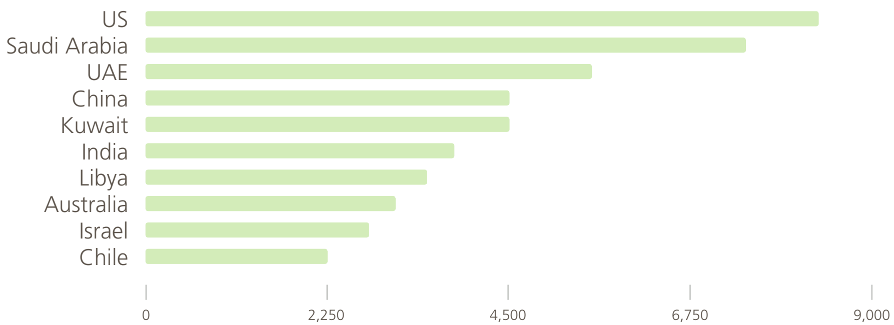
Global CSP installed capactiy (GW)[5]

As a sub-sector within solar energy, it is anticipated that the overall installed capacity of solar thermal energy will quadruple to reach 53 GW by 2030.



2011-2018 Investments in water[6]: the ten desalination markets ($M)

The global water market was estimated at $ 502 billion in 2014 and is expected to increase annually by approximately 3.9 % until 2018. Within the water market, it is anticipated that the installed capacity in desalination plants will increase to $ 15.2 billion by 2018. Countries leading this growth include US or Saudi Arabia, which are estimated to invest more than $ 15 billion in desalination projects by 2018.



Leader in market niches with high specialization needs and high barriers to entry

Abengoa has managed to secure a leading position in the sectors in which it carries out its activity. In many cases, this is due to market niches that are sufficiently attractive in size but also have entry barriers that strengthen the company's position by restricting the entry of competitors.

Energy

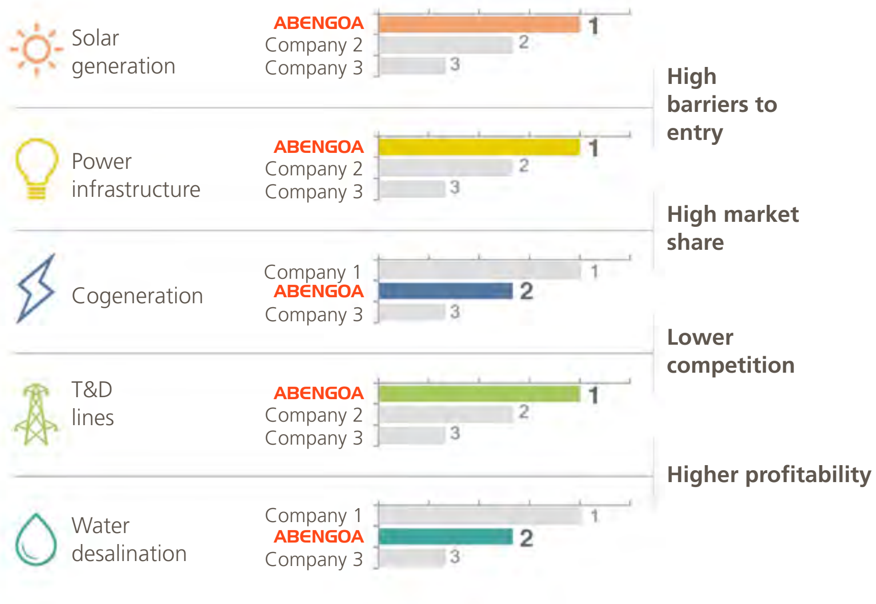
- Renewable power generation
- Conventional power generation
- Power transmission & distribution
- WTE

Water

- Water treatment & desalination
- Wastewater treatment & reuse
- Industrial process water & wastewater

Note 5 Average estimates of IEA, BNEF and IRENA.

Note 6 Average estimates of IEA, BNEF and IRENA.

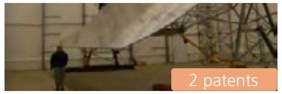


Strong competitive position thanks to its technological leadership

In recent years, Abengoa has been able to introduce new products into the market thanks to the capacity for technological innovation developed in our eight research centers.

In the solar sector, Abengoa has developed several "generations" of technologies and their main components (tower plants, heliostats and storage systems).

3rd generation trough



Introduced in Xina Project

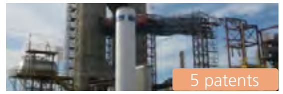
(100 MW, 5.5 h molten salt storage)

Superheated Tower

Introduced in Khi Project

(50 MW, New cooling technology, New heliostats, 2.5 h storage)

Molten Salt Tower



Introduced in Atacama Project

(110 MW, 17 h storage)

In terms of water desalination, efforts have been focused on developing new membranes for the desalination process through reverse osmosis as well as water treatment. We have also developed processes to boost efficiency in the use of water in industrial processes.

Advanced MF-UF membrane systems

Introduced in Qingdao (China) and Accra (Ghana) Projects

- Seawater desalination
- Pretreatment of 240.000 m^3/d and 150.000 m^3/d of seawater respectively
- Proprietary membrane technology

Membrane bioreactors

Product to market for municipal and industrial applications

- AW Processes&Systems
- NPX License agreement
- Proprietary UF reinforced hollow fibers
- Proprietary aireation process

Zero Liquid Discharge

Introduced in Norte III Power Plant

- AW Processes&Systems
- Application to industrial sectors (Power, Oil & Gas)
- Proprietary advanced concentration processes (physico-Chemical)

Excellent execution track-record for both turnkey and concession type projects

Over 75 years, Abengoa has gained experience in the construction of complex projects in a wide range of sectors.

Solar
2,000 MW completed and 740 MW under construction in Concentrated Solar Power (CSP)

Water
+ 1.5 M of m^3 / day desalination capacity and 270,000 m^3 / day under construction

T&D lines
+ 26,000 km of transmission lines worldwide

Conventional power
+ 10 GW of installed power and 1.8 GW in conventional generation plants under construction

In the period 2009-2015, projects were carried out to a value of € 28,000 M[7], which demonstrates proven reliability in terms of project execution. Over 90 % of the projects were completed with deviations with a margin under €1 M.

Diversified business portfolio and "glocal" presence[8]

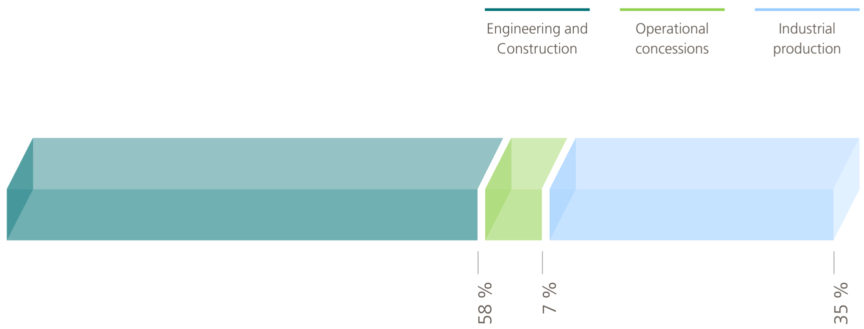
Abengoa's business is widely diversified in terms of activity and geography, which facilitates natural coverage in the event that business stagnates in certain areas or locations.

Note 7 Based on Abengoa's management accounts for the twelve months up to September 30, 2015. Review of circa 1,100 projects, equivalent to 75 % of consolidated execution of the period.

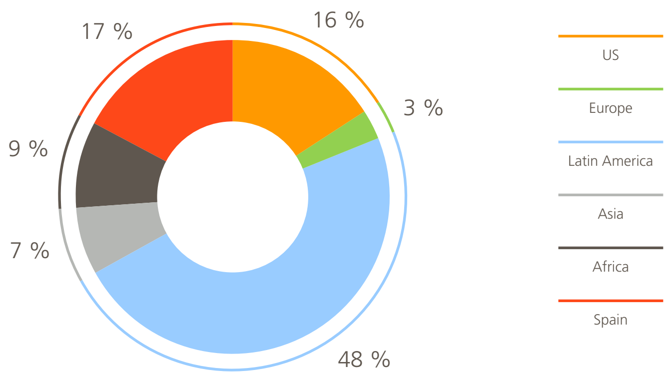
Note 8 Global and local presence at the same time.

The driving factors of engineering and construction are not connected to those of industrial production and, in turn, the concessions business provides a minimal level of recurring revenues.

Diversification by business



Diversification by region

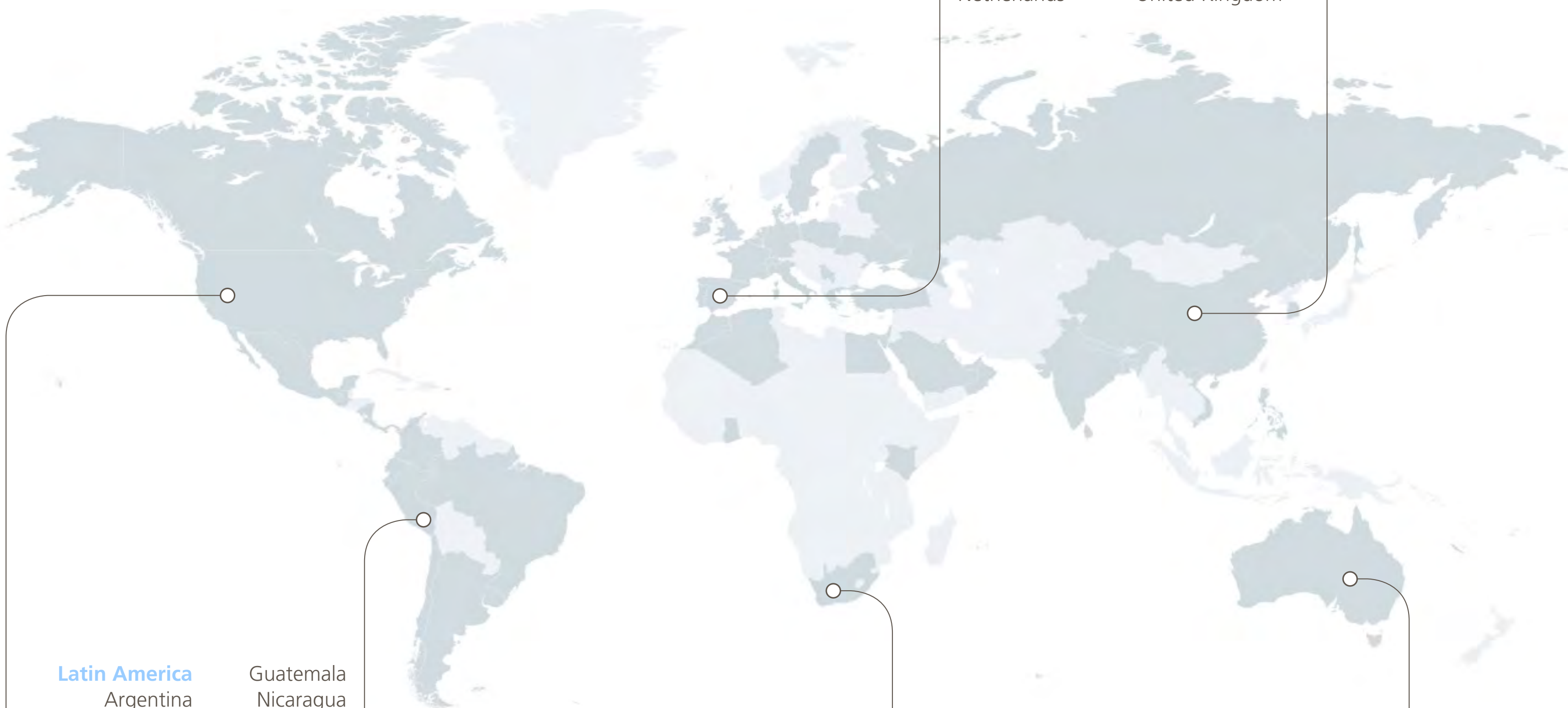


Abengoa worldwide *G4-5, G4-6, G4-8*

With headquarters in Seville (Spain), Abengoa operates in 55 countries through over 687 companies, subsidiaries, investee companies, facilities and offices.

Europe
Belgium
Denmark
France
Germany
Greece
Ireland
Italy
Netherlands
Poland
Portugal
Serbia
Spain
Sweden
Switzerland
Turkey
Ukraine
United Kingdom

Asia
Bangladesh
China
India
Israel
Kuwait
Nepal
Oman
Philippines
Russia
Saudi Arabia
Singapore
South Korea
Sri Lanka
United Arab Emirates
Vietnam



North America
Canada
Mexico
US

Latin America
Argentina
Brazil
Chile
Colombia
Costa Rica
Ecuador
Guatemala
Nicaragua
Panama
Peru
Puerto Rico
Uruguay

Africa
Algeria
Angola
Egypt
Ghana
Kenya
Morocco
South Africa

Oceania
Australia